

COUNTY COUNCIL OF BEAUFORT COUNTY

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WM. WESTON J. NEWTON
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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, September 26, 2011

4:00 p.m.

Council Chambers

Administration Building

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

1. CAUCUS - 4:00 P.M.
Discussion is not limited to agenda items.
Executive Conference Room, Administration Building
2. REGULAR MEETING - 5:00 P.M.
Executive Conference Room, Administration Building
3. CALL TO ORDER
4. PLEDGE OF ALLEGIANCE
5. INVOCATION
6. REVIEW OF MINUTES – September 12, 2011 ([backup](#))
7. PROCLAMATION
A. Archeology Month, Mrs. Grace Cordial, Historical Resources Coordinator
8. PUBLIC COMMENT
9. COUNTY ADMINISTRATOR'S REPORT ([backup](#))
Mr. Gary Kubic, County Administrator
 - A. The County Channel / Broadcast Update ([backup](#))
 - B. Two-Week Progress Report ([backup](#))
 - C. Presentation of Economic Development Task Force Report ([backup](#))
Mr. Gary Horn, Chairman, Economic Development Task Force
 - D. Request for 4% Special Assessment Ratio / Sharon Saunders Trust property

Over



10. DEPUTY COUNTY ADMINISTRATOR'S REPORT

Mr. Bryan Hill, Deputy, County Administrator

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

B. Update / FY 2011 - 2012 Budget ([backup](#))

C. Construction Project Updates

Mr. Robert Klink, County Engineer

One Cent Sales Tax Referendum Projects:

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

S.C. Highway 802 Roadway Construction Project

Bluffton Parkway Phase 5A Roadway

D. Capital Improvement Projects

Mr. David Coleman, CIP Manager

Disabilities and Special Needs Adult Day Care Center

St. Helena Island Library at Penn Library

Lady's Island Park, Phases I and II

Burton Wells Regional Park, Phase I

E. Update / Beaufort County (Lady's Island) and Hilton Head Island Airports

Mr. Paul Andres, Airports Director

11. CONSENT AGENDA – ITEMS A THROUGH E

A. AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$50,000,000 AGGREGATE PRINCIPAL AMOUNT OF HOSPITAL REFUNDING AND IMPROVEMENT REVENUE BONDS (BEAUFORT MEMORIAL HOSPITAL) SERIES 2011; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AND LOAN AGREEMENT, A REFUNDING ESCROW DEPOSIT AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND OTHER MATTERS INCIDENTAL THERETO ([backup](#))

1. Consideration of second reading approval to occur September 26, 2011

2. Public hearing – Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort

3. First reading approval occurred September 12, 2011 / Vote 11:0

4. Finance Committee discussion and recommendation to approve occurred September 12, 2011 / Vote 7:0

B. AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A SUPPLEMENTAL APPROPRIATION FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF \$72,159.83 FOR THE PURPOSE OF FUNDING CENSUS-BASED BEAUFORT COUNTY MAGISTRATE SALARY INCREASES FOR THE PERIOD OF JULY 1, 2011 TO JUNE 30, 2012 ([backup](#))

1. Consideration of second reading approval to occur September 26, 2011
 2. Public hearing – Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
 3. First reading approval occurred September 12, 2011 / Vote 10:1
 4. Finance Committee discussion and recommendation to approve occurred September 12, 2011 / Vote 7:0
- C. BEAUFORT COUNTY ZONING MAP AMENDMENT FOR R300 015 000 0101 0000 (KNOWN AS ST. HELENA STATION PLANNED UNIT DEVELOPMENT (PUD), 13.24 ACRES OFF SEA ISLAND PARKWAY/HIGHWAY 21); FROM PUD TO RURAL (R) ZONING DISTRICT ([backup](#))
1. Consideration of second reading approval to occur September 26, 2011
 2. Public hearing – Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
 3. First reading approval occurred September 12, 2011 / Vote 11:0
 4. Natural Resources Committee discussion and recommendation to approve occurred September 6, 2011 / Vote 5:0
- D. TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE VII, SEC. 106-1845(6) BUFFER DISTURBANCE (ADDS RIVER BUFFER DISTURBANCE STANDARDS) ([backup](#))
1. Consideration of second reading approval to occur September 26, 2011
 2. Public hearing – Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
 3. First reading approval occurred September 12, 2011 / Vote 11:0
 4. Natural Resources Committee discussion and recommendation to approve occurred September 6, 2011 / Vote 5:0
- E. 2012 ACCOMMODATIONS TAX BOARD RECOMMENDATIONS ([backup](#))
1. Consideration of approval to occur September 26, 2011
 2. Finance Committee discussion and approval occurred September 12, 2011 / Vote 7:0
12. AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A TRANSFER FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF \$260,880.00 IN MATCHING GRANT FUNDS FOR THE BEAUFORT COUNTY RAILS TO TRAILS PROGRAM ([backup](#))
1. Consideration of second reading approval to occur September 26, 2011
 2. Finance Committee recommended an amendment to transfer funds from Tourism Infrastructure Section of Local 3% Accommodations Tax Ordinance (2009/15), which has a balance of \$1,155,714 as of June 30, 2011 (unaudited).
 3. Public hearing – Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort

4. First reading approval occurred September 12, 2011 / Vote 10:1
 5. Finance Committee discussion and recommendation to approve occurred September 12, 2011 / Vote 7:0
13. AN ORDINANCE TO AMEND ORDINANCE NO. 2011-25 SO AS TO ALLOW FOR THE RENUMBERING OF THE ELEVEN SEPARATE BEAUFORT COUNTY COUNCIL DISTRICTS AND BEAUFORT COUNTY BOARD OF EDUCATION DISTRICTS
1. Consideration of first reading, by title only, approval to occur September 26, 2011
14. PUBLIC HEARINGS – A THROUGH D – 6:00 P.M.
- A. AN ORDINANCE TO AMEND PART I, CHAPTER 46, ARTICLE III OF THE BEAUFORT COUNTY CODE OF ORDINANCES RELATING TO THE BEAUFORT COUNTY DISABILITIES AND SPECIAL NEEDS BOARD ([backup](#))
1. Consideration of third and final reading to occur September 26, 2011
 2. Second reading approval occurred September 12, 2011 / Vote 11:0
 3. First reading approval occurred August 22, 2011 / Vote 11:0
 4. Community Services Committee discussion and recommendation to approve occurred August 15, 2011 / Vote 8:0
- B. AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$18,250,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO
1. Consideration of third and final reading to occur September 26, 2011 ([backup](#))
 2. Second reading approval occurred September 12, 2011 / Vote 11:0
 3. First reading approval occurred August 22, 2011 / Vote 11:0
 4. Finance and Governmental Committees discussion and recommendation to approve occurred August 15, 2011 / Vote 9:0
- C. AN ORDINANCE TO REGULATE OUTDOOR BURNING WITHIN THE UNINCORPORATED AREAS OF BEAUFORT COUNTY; TO PROVIDE FOR THE ENFORCEMENT THEREOF, AND MATTERS RELATED THERETO ([backup](#))
2. Consideration of third and final reading to occur September 26, 2011
 2. Second reading approval occurred September 12, 2011 / Vote 11:0
 3. First reading approval occurred August 22, 2011 / Vote 10:0
 4. Governmental Committee discussion and recommendation to approve occurred August 16, 2011 / Vote 4:0

D. A ORDINANCE TO CALL FOR A REFERENDUM TO ALLOW THE QUALIFIED ELECTORS OF BEAUFORT COUNTY, SOUTH CAROLINA TO VOTE TO RETAIN THE COUNCIL/ADMINISTRATION FORM OF GOVERNMENT OR CHANGE TO THE COUNCIL/MANAGER FORM OF GOVERNMENT. ([backup](#))

1. Consideration of second reading approval to occur September 26, 2011
2. Public hearing (2 of 2) – Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
3. First reading approval occurred September 12, 2011 / Vote 11:0
4. Natural Resources Committee discussion and recommendation to approve occurred September 6, 2011 / Vote 5:0

15. COMMITTEE REPORTS ([backup](#))

16. PUBLIC COMMENT

17. EXECUTIVE SESSION - Receipt of legal advice relating to pending and potential claims covered by the attorney-client privilege

18. ADJOURNMENT

Official Proceedings
County Council of Beaufort County
September 12, 2011

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

CAUCUS

A caucus of the County Council of Beaufort County was held at 4:00 p.m. on Monday, September 12, 2011 in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, South Carolina.

ATTENDANCE

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

DISCUSSION ITEMS

Redistricting

Ms. Von Harten heard that the way the School District redistricting is going to happen it may reduce minority representation on the Board of Education. They were concerned about that. She still intends to support redistricting as Council decided previously.

Mr. Newton replied Mr. Josh Gruber, staff attorney, will make a presentation today regarding what the law requires and the facts regarding the population increase. Some folks, who expressed opinions concerning the redistricting maps as presented, actually sat down with the GIS staff and tried to redraw the maps and came to the conclusion that Council has. Council has been working on this issue since November 2010. Some folks saw it for the first time in the newspaper within the last few weeks despite the previous publications and invitations for input.

Rails to Trails / Magistrates' Salaries

Mr. Rodman reported Finance Committee discussed two items to increase the approved budgeted expenditures. They may, in fact, be covered by other changes as we go forward. One item is a \$260,888 matching grant for the Rails / Trails Program. The other is \$72,159.83 to cover the magistrate's salaries increases that are mandated by law based on the census. Both of these made sense and require three readings. In conversation with the County Administrator, we agreed that probably in October, before third and final readings, we would get an update on where the budget stands in general. Hopefully, we can contain these without dipping into the reserve fund.

Mr. Dawson talked about the \$260,888 matching grant for the Rails / Tails Program and \$72,159.83 to cover the magistrate's salaries increases which total \$333,647.83. Since these funds source is the reserve fund, what is the balance?

Mr. Kubic replied the reserve balance as of today is approximately \$18,700,000.

2012 Accommodations Tax Board Recommendations

Mr. Newton commented the Finance Committee is recommending approval of the \$252,000 Accommodations Board's recommendations.

Mr. Rodman talked about the Wounded Warrior Weekend Program, *a.k.a.* Independence Fund. Everybody clearly supports that. Finance Committee did not override the Accommodations Board recommendation to add funds. The general sentiment was that we allocate the \$252,000 that was in the bank at the end of FY 2011. We would expect to receive another \$600,000 coming in. Even after the distributions to the county and chambers of commerce by ordinance, we are probably going to have approximately \$350,000 left. We certainly do not want to run that balance to zero. Mr. Rodman foresees Council allocating some additional monies. That would be the time to consider their request since it is primarily for the following year. Council funded \$10,000 to the Program to accommodate their schedule they seem to be okay financially this particular year. Mr. Rodman did not want it misinterpreted in any form that Council is not in support of that Program

Ms. Von Harten stated South Carolina Department of Parks, Recreation & Tourism has released the *Tourism, Product Development Concept for the Lowcountry Region, Strategy and Plan*. The report maps out what Council should be doing to improve tourism in this region. She is not getting the sense that the Accommodations Board recommendations are reflective of the goals outlined in this Plan. It would behoove Council to educate itself about this Plan and make sure that everything that is on the funding list is in line with the recommendations in the Plan. She would like to postpone consideration of the Accommodations Board recommendations for two weeks.

Economic Development Consultants and Task Force

Mr. Baer commented there are two consulting study teams underway, at least one and possibly both using public funds. County Council needs to know what they are doing and be aware of the outputs we paid. That is also true of the Economic Development Task Force.

\$377,000 Water Line for Beaufort Commerce Park

Mr. Baer remarked several years ago (around 2006 – 2007), the County paid \$377,000 for a water line in the Beaufort Commerce Park as part of some sort of agreement for a developer to build or occupy a building there. The County did its part but the other side reneged on the deal. The deal was written off mainly in 2010, and \$377,000 was paid by the General Fund. Earlier this year he raised several questions about this deal (included in notes he sent to staff), mainly from the standpoint of how it came into being, and how we might get a refund of our outlay.

Such a refund, even if only partial, would come in handy in our tight budget. Mr. Kubic agreed to research the topic.

Transfer Policy Examples

Mr. Baer stated during deliberations for the FY12 budget, he raised a question to better understand the level of County Council approval and/or notice required for the administrator and staff to transfer funds between accounts. Mr. Gruber took on the task of researching an answer, and came up with a good legal opinion on the issue. He requested clarifying information on how those legal words would actually be interpreted and applied in a few specific examples (that he specified) from our own budget. Mr. Gruber has agreed to complete the work on this.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. on Monday, September 12, 2011 in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, South Carolina.

ATTENDANCE

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman Gerald Dawson gave the invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD AUGUST 22, 2011

It was moved by Mr. McBride, seconded by Mr. Caporale, that Council approve the minutes of the regular meeting held August 22, 2011. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC COMMENT

The Chairman recognized Ms. Joni Dimond, a Hilton Head Island resident, who spoke to the Rails / Trails Program. When the railroad was built many years ago, the people who lived along the railroad were told that when the railroad stopped running, the land would revert to them. This was a total of 500 acres. Beaufort County helped itself to the rails. The scrap rails were worth \$3 million. Who is getting that money? Why did that happen? It belongs to the people who live

along that railway. They are looking for matching funds in the amount of \$264,000 from the general fund. If they are saying that the \$1 million is coming from the scrap metal rails, it is not. Where is the \$1 million coming from? She wrote the Federal Transportation Department asking that they not give Beaufort County the \$25 million TIGER Grant. She let them know of the intention of making trails in the back of poor people's homes. It is just another trail for Governor Sanford and tourists to put bicycles and buses in these people's backyards. How many of you would like to have a 15-foot wide road put in your backyard? It is wrong. It is dead wrong. Council should not be thinking of putting money towards this. The \$3 million should revert to the people who live along the railroad.

Mr. Lloyd Smith, a resident of Hilton Head Plantation, addressed Council regarding the spending of money without good financial analysis and financial plans. Airplane hangars are one example of this where more than \$2 million was spent. He has seen a financial analysis that says it is going to breakeven in a few years, but it leaves out a lot of expenditures. He does not believe Council should be spending money for private individuals to hangar an airplane, and at the same time furloughing its employees. We do not have money for the schools. We do not have money to keep our employees employed and we furlough them to save money. But, we seem to have money to stick an airplane inside of a hangar. We need to look at this airport and not keep spending this kind of money. The federal government does not have the money, because we keep taking it. It ties up our state money, as well as our county money. In terms of an economic benefit, it would be much better to take our volume, combine it with Savannah, and try to get in JetBlue or Southwest Airlines. That would provide a better avenue for people to fly. His opposition is spending money for private individuals when it is taxpayers' money. He asked for improvement in terms of financial analysis on these projects.

Mr. Thomas Barnwell, a Hilton Head Island resident, asked for Council's help in several areas. He is excited and pleased that Council has a dialogue with Penn Center regarding the agriculture program and helping farmers. It appears that we are going in the right direction. He expressed concern about the Daufuskie Island situation. All the districts are up for discussion in terms of redistricting. When Daufuskie Island was mentioned, he was reminded of his testimony before the U.S. Senate Committee of Nutrition and Human Needs in February 1969. He mentioned not only Daufuskie Island and transportation, but water needs and other needs that this Council has continually addressed. Please try to do whatever possible to allow those persons, who have very keen concerns and close ties to the native communities and the minority communities, to remain on Council, as well as other governmental entities in the County. We need to make sure, as much as practicable, that we have some persons who are well grounded in this community.

Mr. Steve Robinson, a resident of Lands End, stated the Public Works Department recently placed boulders on Warf Road, blocking golf cart access and gathering spots for neighbors to watch sunsets over the Beaufort River. They have eliminated access to numerous elderly and disabled in the neighborhood. Some folks have already filed complaints with the Department of Justice, Office of Americans with Disabilities, and more are likely to file pending tonight's meeting. He was going to show a plat of the neighborhood, dated 1951, showing Warf Road as an access. He was going to read Section 90-62 of the ordinance, damage done to the buffer zone, newspaper articles from 2005 where Division Director Buz Boehm, Attorney Kelly Golden, and PALS Director John Miller said that the County did not own Warf Road. He tried for three

weeks to get someone from the County to listen to his thoughts and facts, but his efforts were useless. Someone caused the access to be blocked without warning or public discussion. The road was unjustly blocked. Other accesses in the area have not been blocked. People at The Sands back their cars up to the water's edge. People on Harbor Island ride golf carts on the sand. The Lands End community is being unfairly penalized for doing something that is not illegal. Citizens of Lands End request immediate removal of the boulders until such time that the State Legislature passes a law making it illegal to ride a golf cart on a river bank. A law that all South Carolinians will have to abide by, not just one neighborhood singled out on a whim.

Ms. Cheryl Smith, a resident of Lands End, voiced her concern about the access to the water being blocked by boulders. She has a golf cart, but usually parked it where there is access. This past weekend there were 25 golf carts. She was unable to go down and turn around. There were a lot of visitors Labor Day weekend. She likes to park her golf cart where she can keep an eye on her belongings. If these boulders are going to remain, what happens to property values? She was considering building a cottage on her property, but this might make the decision for her. We are all disappointed. This main access is the essence of Lands End. She does not feel golf carts are doing any damage. She asked that the boulders be removed.

Ms. Annette Mears, a resident of Land End, concurred with Mr. Robinson's remarks. The people, who do not have access, are being singled out. Walking her dog near Woodlands Camp, there were some folks on four-wheelers. She spoke with Mr. Buck Buchanan with the County Public Works Department, who informed her if she saw any four-wheelers to call the police, which she did not do nor felt it necessary. In the pictures provided by the complainant, one of the vehicles had eight wheels and came to the beach via water. Will that be stopped as well? Folks on waterfront property can still access the water with their vehicles. She feels those people, who are not riverfront, have been singled out.

Ms. Karen Coaxum, a resident of Lands End, stated she goes to the beach daily to take her dog to the water and watch the sunset. She does have a golf cart. Now, when she goes there, she can no longer turn around because of the boulders. It will be hard for her to leave her belongings on the golf cart and walk to the water.

Mr. Robert Calf, a resident of Lands End, spoke in support of the barrier that has been put up on Lands End. He wanted to dispel two rumors: (i) that he had the boulders put up; and (ii) that he had it put up because he did not get the dock permit. Both allegations are incorrect. He led the fight against the dock, but, had he known the vehicle traffic was going to be as bad as it is now, he would have supported a three-foot dock. The vehicle traffic has gotten ridiculous. It originally began with a few golf carts. Then it became 12-year olds driving golf carts. Then it became golf cart races at 8:00 p.m. and 10:00 p.m. Then it turned into all terrain vehicles, including a mini tank. They have even had an individual drive his Ford F-150 down the beach on neighbor's property up and down the beach. He called himself a golf cart, too. The erosion is getting worse. It is eroding. If it continues like it is, it will look the same as the south end of Lands End Road.

Mr. Kenneth Doe, a Beaufort native and Pastor of the Bethesda Christian Fellowship of St. Helena Island, stated the community has presented the opportunity to lend a helping hand to the farmers. This farmers' co-op processing facility holds the promise of these farmers moving to

another level by providing fresh local produce to local and regional entities. This is a win-win situation for our farmers and those who will secure their produce. He asked that Council provide the requested funding that will assist this group in realizing its goal.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

Mr. Gary Kubic, County Administrator, announced The County Channel continues its partnership with USC-Beaufort. This is the inaugural season for Sand Shark Women's Soccer. The County Channel is providing live coverage of a number of team home games, as well as internet coverage, so families can view their players all over the world. The team is coached by Ed Heberling. The team's first game was against USC-Salkahatchi. USC won this game 2-0. We have provided complimentary videos for our athletes as mementos of their first game and their first victory for USC-Beaufort.

Three-Week Progress Report

Mr. Kubic presented his Three-Week Progress Report, which summarized his activities from August 22, 2011 through September 9, 2011.

Beaufort County Treasurer Doug Henderson / Update on Amnesty Program / Depository Agreement Selection Process

Beaufort County Treasurer Doug Henderson stated he is making a lot of strides in the Office. They are more efficient, more productive, and have cut expenses in several areas – overtime, supplies, and legal fees. The biggest surprise he had, after taking office, was: (i) the volume of items / issues that have to be addressed daily, which are time consuming, and (ii) the legal issues that must be dealt with daily. The Office is making progress and will, in time, be able to have a better handle on things.

Mr. Henderson gave an update on the Depository Agreement Selection Process. Standard procedures were followed to advertise the request for proposal. Bids were received from four full service banks: Bank of America, Wells Fargo, BB&T, and TD Bank. The review committee consisted of: Doug Henderson, Treasurer; Dave Thomas, Purchasing Director; Ed Hughes, Assessor; Jeri Roseneau, Clerk of Court; Alan Eisenman, Finance Department; Maria Walls, CFO Deputy Treasurer; and Joanne Romine, MIS Programmer/Analyst. Exhibit 1 that was provided serves as a score sheet done on each of the institutions. The financial institutions are shown in order of highest score to lowest. Each financial institution was rated separately using a consistent grading system. As shown by the scores, the committee overwhelmingly selected BB&T as the County's financial institution. They were chosen for several reasons. They offer the following services: (i) receipt of current tax payments at bank branch locations, (ii) lock box service, (iii) in-bank credit card merchant department, and (iv) courier services for deposits from each Treasurer's office location. Their pricing is outlined as follows: (i) a compensating balance will offset service charges, (ii) the earnings credit rate will be .65% against total balances, (iii) all excess balances will earn .25%, with a floor of .15%, and (iv) a \$2,500 credit per year towards

supply costs. They were also chosen due to the ease of transition. The County had a relationship with BB&T for many years and both parties are familiar with each other. In addition, BB&T will be offering training and support to County staff to ensure the transition is as smooth as possible. Lastly, they were chosen due to local contacts. The relationship manager is in Beaufort and the County has immediate access should any problems arise. They were the only bank that had a local representative on staff that could be called if needed. The new structure will accomplish some of the following goals: (i) Eliminate the risk and exposure associated with our employees making bank deposits. (ii) Lock box will expedite the payment process because payments will be mailed to and processed by BB&T instead of the Treasurer's office staff. This will increase our staff's availability to assist taxpayers and perform other duties that will increase efficiencies. (iii) Acceptance of payments in BB&T's branch locations will provide added convenience to the taxpayers as well as shorten the lines at our offices during tax season. (iv) BB&T's in-house credit card merchant services will offer us a flat rate pricing. We are still negotiating the final agreement but this should result in the ability to reduce convenience fees for taxpayers paying by credit card.

Treasurer's office Chief Financial Officer Maria Walls gave an update on the Amnesty Program. The amnesty was announced August 11. The Treasurer's fee is determined and charged by the Treasurer's office on all tax accounts once they have become delinquent. The funds are not a part of the County's general revenue and can only be utilized for the purposes of collecting on delinquent accounts. The intention of the Amnesty Program was to encourage delinquent taxpayers to pay and therefore: (i) increase cash flows to the County; (ii) reduce collection costs by having a reduced number of properties going to tax sale; and (iii) reduce advertising costs by reducing the number of properties advertised for tax sale. The amnesty period was held August 14 through September 6. Due to the backup in the processing of payments, this time period varies from the one originally announced. If the payment was made in person, the fee was waived at that time, prior to making payment. The Treasurer's office was unable to waive the fee prior to payment being made for taxpayers, who paid online. Fees paid online during the amnesty period amount to \$21,400 and will be refunded to the taxpayers.

Exhibit 2 demonstrated by property class the tax dollars collected and the fees waived during the amnesty period. Approximately 87% of the tax dollars collected was for real property.

Exhibit 3 showed by tax year, the dollars collected and the fees waived during the amnesty period. \$132,326.72 was collected from prior tax years. Approximately 96% of the tax dollars collected was for the 2010 tax year.

Exhibit 4 presented by property class, showed the tax dollars collected and the fees waived during this same time period in 2010. Approximately 92.5% of the tax dollars collected was for real property.

Exhibit 5 demonstrated by tax year involved, showed the tax dollars collected and the fees waived during the same time period in 2010. There are no prior years' fees collected because the prior years' fees were not rolled over from Legacy to Manatron during the transition. This happened because fees are in a separate fund and that fund was not rolled over. \$29,361.18 was

collected from prior tax years. Approximately 98.9% of the tax dollars collected was for the 2009 tax year.

Overall, we collected approximately \$750,000 more delinquent tax payments during the amnesty period than the same period in 2010. Approximately \$103,000 more delinquent tax payments from prior tax years were collected during the amnesty period than the same period in 2010. The County usually experiences an influx of payments during the month of August as a result of payments to avoid tax sale. For the purpose of these calculations, other property classes are considered to be all property classes except for real property. We included mobile homes in this category because a very small proportion of delinquent mobile homes are sent to tax sale. In 2009 other property class payments made up approximately 7.5% of the total delinquent tax funds collected but during the amnesty period other property class payments were 13.0% of the total delinquent funds collected. This is an increase of 5.5%. Conversely, the proportion of real property payments to the total delinquent tax funds decreased 5.5% from the 2010. This was despite delinquent payments as a whole increasing \$750,000 or approximately 29%.

Exhibit 6 showed that 724 more delinquent accounts were collected during the amnesty period than the same period in 2010. Of those 724 accounts, approximately 28% were for property classes that are not sold at tax sale, such as rentals and watercraft. Mobile homes may be sold at tax sale. There were 1,936 real property and mobile homes accounts collected during the amnesty. These two property classes alone exceed the total of all delinquent accounts collected during the same period in 2010.

Based on the information provided, the Treasurer's office considers the Amnesty Program a success. The County's cash flows were significantly increased overall from the prior year and funds were collected for property classes, which traditionally remain delinquent for extended periods of time. Collection costs were reduced as a result of 523 less real properties going to tax sale.

Some additional expense reductions include the consolidation of the tax sale into one day, instead of two, which will cut back on overtime and other expenses related with running the tax sale. The expense of the auctioneer will be reduced by a minimum of \$3,600. Also, advertising costs were reduced as a result of six less pages of advertising space than the previous year being needed despite the newspaper increasing the font size from the previous year.

Mr. Baer commented we are only collecting about 52.9% of the taxes on airplanes and wanted to know if anything was being done about that.

Mr. Henderson stated they have not gotten to a place where they can go after the airplanes yet, but it is a goal.

Heritage Classic Foundation / Mr. Simon Fraser and Mr. Steve Wilmot / Status Report

Mr. Simon Fraser and Mr. Steve Wilmot with the Heritage Classic Foundation (Foundation) thanked Council for the support shown to the Foundation last year in their time of need. It enabled the Foundation to guarantee the tournament, which was a great success. From that

tournament, the Foundation secured a new Title Sponsor with RBC and a new presenting sponsor with the Boeing Corporation, both have signed agreements. Mr. Fraser presented Council a check in the amount of \$250,000 as the first loan payment to the County.

The Chairman thanked Mr. Fraser and Mr. Wilmot for everything they have done. At the point in time when Beaufort County participated with other local governments in ensuring the bridge funding to keep the tournament here, there were lots of community highlights about the significance of the tournament. You all, tirelessly, put in an unbelievable number of hours, not only during the tournament, but to ensure the tournament's continuation and success. He thanked them, on behalf of the taxpayers, for the return on investment. Ultimately, being able to keep that tournament in Beaufort County is an investment in our future.

Impacts of State Legislation to Create Presidential Preference Primaries for South Carolina

Mr. Scott Marshall, Executive Director, Board of Elections and Registration, stated on behalf of the Chairman of the Board of Elections, Mr. Ryan Clifford, and the other members he is happy to come before Council. He gave Council a PowerPoint presentation regarding the presidential preference primaries and their impact to Beaufort County. The Board held a special meeting on August 31, 2011 to discuss concerns of what was known so far regarding the pending presidential preference primaries. The result of that meeting was a unanimous vote to send a position letter to the South Carolina Election Commission (SEC). The letter, dated September 6, 2011, states that the Beaufort County Board of Elections (Board) (i) rejects the conclusion that the SEC has the authority to require counties to conduct presidential preference primaries and (ii) that we object to the use of public funds to finance the presidential preference primaries, especially Beaufort County taxpayer dollars.

He explained how the Board arrived at this position. In order to understand some of the basic concerns he provided Council an overview of several Provisos that are part of the State of South Carolina's General Appropriations Budget for 2012. Proviso 79.6 authorizes the SEC to use carryover funds from previous primaries to conduct the 2012 Presidential Preference Primaries. It was initially vetoed by the governor, with subsequent override by the General Assembly. Proviso 79.12 authorizes the SEC to carry forward ballot security funds to finance the 2012 Presidential Preference Primaries. Like Proviso 79.6, 79.12 was initially vetoed before being overridden by the General Assembly. Mr. Marshall's understanding, as of yesterday, was that in total the amount of all funds the SEC has to carry over to apply to the Presidential Preference Primaries is \$680,000. Proviso 79.14 was the vehicle that would have allowed the SEC to contract with political parties for the purpose of providing fiscal resources to conduct the Presidential Preference Primaries. Proviso 79.14 was stricken by the General Assembly before the budget bill reached the governor. This proviso did not become law.

Mr. Marci Andino, Executive Director of the SCE, sought guidance from the South Carolina Attorney General concerning the SEC's authority to enter into contract, given that Proviso 79.14 did not become law. Prior to 2008, the SEC and counties' Board did not conduct Presidential Preference Primaries. In the South Carolina Code of Laws, 7-11-20(B)(2), a special provision was written into the law for the November 2008 election cycle which stated the SEC "must

conduct” the Presidential Preference Primary. A copy of this section of law is in your handouts. The Attorney General’s opinion noted that the literal text of the South Carolina *Code of Laws* clearly indicated the law was meant for the November 2008 election cycle only. However, the Attorney General concluded that, since the title of the act was not so limited, the legislature intended 7-11-20(B)(2) to be a continuing authority bestowed on the SEC.

After the Attorney General’s opinion was rendered, the spokesperson for the SEC, Mr. Chris Whitmire, was quoted in *The State* newspaper as saying the Attorney General opinion not only gave the SEC the authority to conduct the Presidential Preference Primaries, but that it also gave them a mandate to run them. This was followed two days later on June 29 with a post on the SEC’s intranet, Election Net, which informed county election officials in the state that the SEC is working the details of a contractual agreement with the parties. As of today, county election directors have still not been informed regarding the details of the contractual arrangements being made between the SEC and the parties. Mr. Marshall is also unaware of any requests for input from the counties. At this point in time there are things that we know and things that we do not know. Unfortunately, what we do know is as troubling as what we still do not know. We still do not know the exact dates of the Presidential Preference Primaries, or if there will indeed be two primaries.

The Republican Party indicated their preference primary will be either on February 18 or February 25. Both of these dates fall on a Saturday. The Democratic Party will hold their preference primary on February 28, if they have one. We still do not know the answer to that question yet, either. As he alluded to earlier, especially troubling are the unknowns associated with the financial arrangements being made between the parties and the SEC. Until we know the details, we cannot fully assess the economic impact to the county. He presented Council with two actual county examples. He showed a breakdown of the costs of the January 2008 Presidential Preference Primaries. The Republican primary was held January 19, 2008 and The Democratic Party primary was held January 26, 2008.

He presented the actual expenses and reimbursements for both primaries combined. The amount absorbed by Beaufort County taxpayers was \$154,138. In January 2008, our voter registration was 79,056. As of yesterday, our voter registration is 102,340 voters. He showed the actual expenses and reimbursement figures from the November 2010 General Election. The figures above in November 2010, nearly 37% of expenses related to the November Election were not reimbursed by the state. He stated he expects that percentage to increase if we conduct the Presidential Preference Primaries. The SEC maintains that the Presidential Preference Primaries will cost \$1.3 million state-wide. They also maintain that any arrangement with the parties will adequately augment the \$680,000 in carry-forward funds in order to get to that \$1.3 million figure. They are not saying the \$1.3 million figure quoted will cover the expenses of the SEC, which includes their reimbursements to counties; however, the SEC does not conduct elections. Counties do. There are many expenses that do not get reimbursed. The sum of \$1.3 million will not come close to covering the accumulative outlay of 46 counties to conduct the Presidential Preference Primaries. What do we know? These are countywide events on par with general elections. If both parties have preference primaries, then either scenario for turnaround time is unacceptable. A three-day turnaround is impossible. One of the parties will be using paper. The feasibility of a ten-day turnaround is highly questionable and in order to work at all will incur

significant overtime costs, which will not be reimbursed. Deservedly so, the elections community is already under increased scrutiny for thorough and proper auditing of election files. Rushing to wrap up one election and prep for another is not the way we improve our credibility with voters.

The Attorney General's opinion rests upon its interpretation of legislative intent. Recall that the wording of 7-11-20(B)(2) was specific to the November 2008 election cycle. However, the Attorney General determined that the title of the act meant the contents of 7-11-20(B)(2) applied for all time. He stated he would argue that the best indication of legislative intent was the fact that 7-11-20(B)(2) and other factors pertaining to the state's financing of the Presidential Preference Primaries was fully debated in the 2011 General Assembly on both the Senate and House floors. Lawmakers were fully cognizant of the time-specificity of this section of law and chose to leave it as is. Further, Proviso 79.14 was the vehicle to provide a means for the SEC to contract with the parties. Lawmakers made a conscious and collective decision to omit this proviso from the budget. He read that as the legislature's intent not to give the SEC this contract authority. It is important to remember that the Attorney General's opinion is an interpretation of the law and does not carry the force of law itself. There is a lot to question in the opinion. The Board is not ready to tell the taxpayers of Beaufort County that they have this bill to pay, when the requirement for it is less than clear, and is not even codified in law. This is a time when we are already furloughing public employees, closing schools, reducing library hours, and such.

Meanwhile, your County Council continues to work hard to keep taxes level while maintaining quality of life for our residents. Do not confuse the words "mandate" and "authorize" with one another, and do not think of them as synonymous. They have different meanings. Bottom line is this: The Executive Director of the SEC does not have even the authority—much less mandate—to commit the resources of Beaufort County taxpayers to conduct a Presidential Preference Primary. Even your governor recognizes that the preference primaries are not elections and should not be resourced from the bank accounts of your voters. In his capacity as a South Carolina Association of Registration and Election Officials Legislative Committee member, he has spoken with a staff attorney with the South Carolina Association of Counties (SCAC) regarding the concerns shared. His understanding is that the SCAC Steering Committee intends to address this issue in their September 13 meeting in Columbia. He is also in contact with many other directors who share the same concerns and are having the same kinds of conversations with their respective board members. So far the following bodies have adopted these positions. The South Carolina Association of Registration and Elections Officials Position is that the SEC has not statutory authority to commit county resources for the purpose of conducting the 2012 presidential preference primary.

If counties conduct the primaries, then they must be fully funded with monies other than public funds. They must be conducted on the same date as well. The York County Board of Elections and the Dorchester County Board of Elections have positions that mirror that of Beaufort County's. The position of the Hampton County Board of Elections is that both primaries should be on the same date and that the parties should fully fund the events. We expect other county boards to formally address this issue as well. This is a watershed issue with Home Rule implications. The Attorney General's opinion is not law, and is terribly flawed. Its interpretation by the SEC only exacerbates the problem. He stated he does not anticipate that we can run a

Presidential Preference Primary on the reimbursements that will be received from the SEC. The Board objects to use of public funds to augment it. If we conduct the Presidential Preference Primaries, then we are forced to run a deficit. He expects Council will make up the difference using constituents' tax dollars. Maybe not today, but at some point in the near future the Board will need to know if Council is willing to subsidize the Presidential Preference Primaries in 2012. The Board's position is that they urge Council to engage in dialogue with other counties and with the SCAC.

Mr. Rodman commented that it seems to make that opinion without Council having the opportunity to decide whether or not we want to spend that money on a democratic process may be getting a little out of what Council should be considering.

Mr. Marshall pointed out that the Board of Elections and Registration is a state appointed board. It is not answerable to the County. They are fully capable and within their rights to come up with their own position. They recognize that they have a relationship that needs to be symbiotic with Council; but, in terms of the decision they made, it was in the best interest of Beaufort County taxpayers.

The Chairman wanted to know if the Board is telling the state that we are not holding these primaries.

Mr. Marshall stated the Board has not told anyone that. They are stating their position. That question may hinge on whether or not Council decides to fund it or not.

Beaufort-Jasper Water and Sewer Authority / Mr. Dean Moss / Mr. Ken Griffin

Mr. Dean Moss, General Manager of Beaufort-Jasper Water and Sewer Authority, announced that Mr. Ken Griffin will serve as his replacement after he retires at the end of the year. He recognized Mrs. Donna Altman and Mr. Skeet Von Harten, who are two of the three County appointees to the Beaufort-Jasper Water and Sewer Authority. The third member, General Patrick O'Neal was out of town. Mr. Griffin is a talented, capable individual. He is a professional engineer in South Carolina, and has advanced degrees in numerous fields. He has a good deal of experience in county government. He worked for Hillsburg County, Florida as a Utility Director and ran a similar board to that of Beaufort/Jasper in Mississippi. He is eminently qualified. He and the Board are confident Mr. Griffin will keep Beaufort-Jasper Water and Sewer Authority operating on the same successful track it has for numerous years.

Mr. Griffin stated he looks forward to working with Council for many years to come and is fortunate to follow a great man. He assured Council he will do what is needed to keep a great agency doing a great job providing an excellent service to our customers.

Chairman Newton, on behalf of Beaufort County Council, thanked Mr. Dean Moss for everything he has done.

Beaufort Memorial Hospital Refunding and Improvement Revenue Bonds

Mr. Jeff White, Chief Financial Officer, Beaufort Memorial Hospital, stated the Hospital is proposing \$48,147,040 of a new bond issue that would include two components. (i) The capital projects of the Hospital to include the expansion of the emergency room, land acquisition, support services building, and property improvements. (ii) Refunding of the existing bond that was originally issued in 1997. Two bond sources were evaluated. One is the public bond offering. The other is a direct bank purchase bond.

Request for Proposals were sent out to banks and determined that TD Bank (Carolina First) was the bank of choice for this bond issue. The reason for going to a private bank bond, as opposed to a public bond issue, is because the interest rate currently for a 30 year, fixed rate public sale is 5.8%. We have a 2.87% interest rate on the project funds, and less than 2% for the refinancing. This would incur savings of approximately \$1.1 million a year by going in this direction. Some of the positive points of the bank bond issue – (i) it does not require a debt service reserve fund. (ii) fees are about half of that of a public bond offering would be. (iii) capitalized interest would be much less because with the bank bond the Hospital could draw down as needed, over a two year period, as opposed to the total bond issue and interest paid all at one time. (iii) savings is significant. (iv) interest rates are low.

The only difference with this bank bond is it has a “put” or a “call.” At the end of the period where the put is negotiated what happens is the Hospital would let the bank know it wants to refinance or carry the bond through the remainder of its life. If they want us to stay with them, it is possible. If not we would go to another bank and try to negotiate the remainder of the bonds on this type of finance. Thirdly, the Hospital could then go back out to the public bond market. There are a number of opportunities at the end of the put period. Right now it will probably be 10 years because of the interest rates being so low.

Ms. Kathleen McKinney, bond counsel with Haynsworth, Sinkler, and Boyd, stated this is a two-step process. (i) The County has to petition the State Budget and Control Board to look at this project and approve it. That takes a resolution. (ii) The ordinance is what Council adopts to authorize the issuance of the bonds.

Approval / Town of Bluffton Intergovernmental Agreement on Stormwater Utility Operation

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Council approve an Intergovernmental Agreement with the Town of Bluffton for Stormwater Utility Operation. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Approval / One-Year Extension City of Beaufort Intergovernmental Agreement on Stormwater Utility Operation

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Council approve a one-year extension for an Intergovernmental Agreement with the City of Beaufort for Stormwater Utility Operation. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Approval / One-Year Extension Town of Port Royal Intergovernmental Agreement on Stormwater Utility Operation

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Council approve a one-year extension for an intergovernmental agreement with the Town of Port Royal for Stormwater Utility Operation. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE TO AMEND PART I, CHAPTER 46, ARTICLE III OF THE BEAUFORT COUNTY CODE OF ORDINANCES RELATING TO THE BEAUFORT COUNTY DISABILITIES AND SPECIAL NEEDS BOARD

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 Community Services Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on second reading an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 26, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$18,250,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 joint meeting of Finance and Governmental Committees.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on second reading an ordinance authorizing the issuance and sale of general obligation refunding bonds, Series 2011a, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding \$18,250,000; fixing the form and details of the bonds; authorizing the county administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 26, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building.

AN ORDINANCE TO REGULATE OUTDOOR BURNING WITHIN THE UNINCORPORATED AREAS OF BEAUFORT COUNTY; TO PROVIDE FOR THE ENFORCEMENT THEREOF, AND MATTERS RELATED THERETO

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on second reading an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 26, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building.

ROCK PURCHASE FOR COUNTY DIRT ROAD IMPROVEMENTS

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council award a contract to J.R. Wilson Construction Company in the amount of \$75,924.53 for the purchase of CR14 crushed granite stone for improvements to Rice Road (Port Royal Island), Stoney Hill Loop (Bluffton), Waters Avenue (Bluffton), and Echo Tango Road (Okatie). The funding source is \$10 motorized vehicle (TAG) funds to Account 3322T-54901. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY BEAUFORT COUNTY, SOUTH CAROLINA, OF ITS HOSPITAL REFUNDING AND IMPROVEMENT REVENUE BONDS (BEAUFORT MEMORIAL HOSPITAL) SERIES 2011, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$50,000,000; PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council adopt a resolution making application to the State Budget and Control Board of South Carolina for approval of the issuance by Beaufort County, South Carolina, of its Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011, in an aggregate principal amount of not exceeding \$50,000,000; pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$50,000,000 AGGREGATE PRINCIPAL AMOUNT OF HOSPITAL REFUNDING AND IMPROVEMENT REVENUE BONDS (BEAUFORT MEMORIAL HOSPITAL) SERIES 2011; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AND LOAN AGREEMENT, A REFUNDING ESCROW DEPOSIT AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND OTHER MATTERS INCIDENTAL THERETO

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading an ordinance authorizing the issuance of not exceeding \$50,000,000 aggregate principal amount of Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011; authorizing the execution and delivery of a bond purchase and loan agreement, a refunding escrow deposit agreement in connection therewith; authorizing proper officers to do all things necessary or advisable; and other matters incidental thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

BEAUFORT COUNTY ZONING MAP AMENDMENT FOR R300 015 000 0101 0000 [KNOWN AS ST. HELENA STATION PLANNED UNIT DEVELOPMENT (PUD), 13.24 ACRES OFF SEA ISLAND PARKWAY/HIGHWAY 21]; FROM PUD TO RURAL (R) ZONING DISTRICT

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading Beaufort County Zoning Map amendment for R300 015 000 0101 0000 [known as St. Helena Station Planned Unit Development (PUD), 13.24 acres off Sea Island Parkway/Highway 21]; from PUD to Rural (R) Zoning District. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE VII, SEC. 106-1845(6) BUFFER DISTURBANCE (ADDS RIVER BUFFER DISTURBANCE STANDARDS)

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading Council approve on first reading a text amendment to the Beaufort County Zoning and

Development Standards Ordinance (ZDSO), Article VII, Sec. 106-1845(6) Buffer Disturbance (adds river buffer disturbance standards). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

CONSIDERATION OF A BALLOT REFERENDUM TO CHANGE THE FORM OF BEAUFORT COUNTY GOVERNMENT FROM COUNCIL / ADMINISTRATOR TO COUNCIL / MANAGER

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading a ballot referendum to change the form of Beaufort County Government from Council / Administrator to Council / Manager. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

FISCAL YEAR-2011 FAA GRANT OFFERS IN THE AMOUNT OF \$2,842,129 / AIRPORT IMPROVEMENT PROGRAM AT THE HILTON HEAD ISLAND AIRPORT

Mr. Baer commented that this agenda item covers a package of six FAA Grant Offers totaling \$2,842,129 proceeding as a package to County Council. Little background information is provided for our vote. In Table I, Mr. Baer will dis-aggregate and overview each separate project: Some of these projects are benign. Others will cause great public concern, yet do not contain the most elementary of necessary background information, such as maps showing impacted areas.

We have seen recently with tree projects at both of our airports, that barging ahead brute force, while failing to address key issues and details in advance, adds confusion, stress, costs and delay. To minimize this delay, it is essential that information to the public be provided and procedures spelled out before these projects come to Council for a vote. In order to expedite approval, the following steps should be accomplished.

Step A - Separate the six projects so that those that can be approved tonight may be.

Step B - For each project indicate clearly that the funding source for the Applicant Share is the Airport Enterprise Fund. The total local component to be charged to the Airport Enterprise Fund totals \$66,783.53.

Step C - Approve Project 3 and Project 6 tonight.

Step D - For Projects 1 and 4, provide maps or diagrams of impacted areas (including relation to local communities and buildings). Provide information on trimming vs. cutting rules. Provide information on applicable Town rules and procedures that would impact the work. Provide information on any public hearings required.

Step E - For Project 2 and 4, provide information on mitigation methodology, technologies, rules and plans. Provide maps or diagrams of mitigation areas (including relation to local communities and buildings). What type noise mitigation will be provided? To what level?

Step F - For Project 5, provide information on the rules governing the content and methodology of both the EA and BCA. Are they separate documents? How and when are Public Hearings involved in the preparation of these documents? How do County and Hilton Head Town Councils ensure that answers to key questions are included in the Statement of Work (SOW), and adequately answered in the documents, as opposed to just using an FAA cookbook procedure?

Most important, Project 5 is the largest of the 6 projects at \$856,411.53 in specified combined cost. This cost is remarkably precise, yet no competitive bidding was undertaken. This is an easily separable project, since the Master Plan (one of many inputs) is fresh and has been extremely precisely documented. It would make good sense that this project be put out to competitive bid to ensure that taxpayers (Federal, State, and County) get the most bang for their buck.

Table I - Summary of Projects, Payments, and Comments on FAA Grant Offers (per documents to Public Facilities Committee August 16, 2011).

1. Off Airport Tree Obstruction Removal - Runway 21 Approach

Federal Part: \$661,390

Applicant (County): \$17,405

State: \$17,405

- No Maps or Diagrams of Impacted Areas (including relation to local communities and buildings) Provided
- No Information on Trimming vs. Cutting Rules Provided
- No Information on Applicable Town Rules Provided
- No Information on Public Hearings provided

2. Off Airport Tree Removal Mitigation - Runway 21 Approach

Federal Part: \$386,650

Applicant (County): \$10,175

State: \$10,175

- Mitigation Methodology, Technologies, Rules and Plans Unknown
- No Maps or Diagrams of Mitigation Areas (including relation to local communities and buildings) Provided
- Will noise mitigation be provided? To what level?

3. Repair Apron Joint Material

Federal Part: \$30,115

Applicant (County): \$793

State: \$793

- No Comments

4. Easement Acquisition for Off Airport Tree Obstruction Removal - Runway 21 Approach

Federal Part: \$646,000

Applicant (County): \$17,000

State: \$17,000

- No Maps or Diagrams of Impacted Areas (including relation to local communities and buildings) provided
- No Information on Trimming vs. Cutting Rules Provided
- No Information on Applicable Town Rules Provided
- No Information on Public Hearings provided
- Mitigation Methodology, Technologies, Rules and Plans Unknown
- No Maps or Diagrams of Mitigation Areas (including relation to local communities and buildings) Provided
- Will noise mitigation be provided? To what level?

4. Master Plan Reimbursement, Environmental Assessment and Benefit Cost Analysis for Five-Year Capital Improvement Projects.

Federal Part: \$813,591

Applicant (County): \$21,410.53

State: \$21,410

- SOW and Rules for EA/BCA Unknown. How and when are Public Hearings involved?
- Ensuring that work to answer County and Town Council questions is covered in SOW, and executed in results is extremely important, as opposed to just using FAA cookbook.
- Sole Source Contractor hinders ability to construct cost effective contract

5. FAR Part 150 Noise Compatibility Study

Federal Part: \$304,384

Applicant (County): \$8,010

State: \$8,010

- This is a retroactive payment for work already completed. Local match has already been made. No further comments.

It was moved by Mr. Baer, seconded by Mr. Flewelling, that Council bifurcate consideration of the various FAA grant offers. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson and Mr. Flewelling. NAYS - Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion failed.

It was moved by Mr. Glaze, as Public Facilities Committee Chairman (no second required), that Council accept the FY11 FAA Grant Offers in the amount of approximately \$2,842,129 for the Hilton Head Island Airport. The three grant projects follow: (i) Runway 21 Off-Airport Tree Obstruction Removal and Mitigation as well as Air Carrier Apron Joint Material Replacement, grant amount \$1,724,154, the funding source is state matching funds (2.5%) will be requested and the local match (2.5%) will be \$45,373; (ii) Master Plan Reimbursement and to conduct the Environmental Assessment and Benefit Cost Analysis for implementation of Phase I of the Master Plan, the grant amount is \$813,591, funding source is state matching funds (2.5%) will be requested and the local match (2.5%) will be \$21,410 for the EA/BCA portion; and (iii) Part

150 Noise Compatibility Study Reimbursement, grant amount \$304,384. This grant is for reimbursement of previous expenditures. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Baer. The motion passed.

AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A TRANSFER FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF \$260,880.00 IN MATCHING GRANT FUNDS FOR THE BEAUFORT COUNTY RAILS TO TRAILS PROGRAM

Mr. Baer commented that he likes trails and has used them elsewhere. But, we just closed libraries and furloughed employees to save money to avoid depleting our reserves. We do not see any better financials on the horizon, and have forecasted the need for another \$4 million per year in cuts. But now, a few months later we are voting to take an unbudgeted \$261,000 from our reserve for this project. Plus, an unknown upkeep and maintenance cost.

What kind of signal does that send: That we do not know how to budget? That we are insincere in wanting to keep taxes low? That we are undisciplined in our wants? That we say one thing, and do another? That trails are more important than libraries?

Why cannot this come from accommodations tax or hospitality tax funds? How much are the City of Beaufort and Town Port Royal and their Council's contributing? Why does this not come out of Rural and Critical Lands? We just paid their debt service of \$351,000 out of our County reserves. And more is coming: \$351,000 to pay in Rural and Critical debt service, \$100,000 for more Economic Development consultants, \$30,000 tonight for a food coop, \$72,000 tonight for magistrate's raise, and \$50,000 around the corner to demolish some buildings for a fishing pier. All this totals to \$864,000 - more than we took out of our libraries. It is equivalent to about 0.5 mil on your tax bill. While this is a good project, Mr. Baer cannot vote for it if the funds are to come from our reserves. The funds need to come from the other sources as mentioned above.

It was moved by Mr. McBride, seconded by Mr. Stewart, that Council approve on first reading an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a transfer from the county's general reserve fund in the amount of \$260,880 in matching grant funds for the Beaufort County Rails / Trails Program. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Baer. The motion passed.

AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A SUPPLEMENTAL APPROPRIATION FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF \$72,159.83 FOR THE PURPOSE OF FUNDING CENSUS-BASED BEAUFORT COUNTY MAGISTRATE SALARY INCREASES FOR THE PERIOD OF JULY 1, 2011 TO JUNE 30, 2012

It was moved by Mr. McBride, seconded by Mr. Stewart, that Council approve on first reading an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a supplemental appropriation from the county's general reserve fund in the amount of \$72,159.83 for the purpose of funding census-Based Beaufort County Magistrate salary increases for the period of July 1, 2011 to June 30, 2012. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Baer. The motion passed.

CONSIDERATION OF AN APPLICATION FOR APPROVAL OF AN EXTENSION TO THE FIVE-YEAR PARTIAL MANUFACTURING EXEMPTION GRANTED TO MISTER LABEL, INCORPORATED, OF 34 BLUFFTON ROAD, BLUFFTON, SC 29910, AS PROVIDED FOR BY SOUTH CAROLINA CODE OF LAWS SECTION 12-37-220(C)

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve an application for approval of an extension to the five-year partial manufacturing exemption granted to Mister Label, Incorporated, of 34 Bluffton Road, Bluffton, SC 29910, as provided for by South Carolina Code of Laws Section 12-37-220(c). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC HEARINGS

CONSIDERATION OF AN ORDINANCE REDISTRICTING THE COUNTY COUNCIL OF BEAUFORT COUNTY

Mr. Newton told Council, the first public hearing is the consideration of an ordinance redistricting Beaufort County Council and with that he asked Mr. Joshua Gruber, County Attorney, to give the Council a description of the process and legal requirements the Council went through.

Mr. Gruber, staff attorney, explained he and Mr. Dan Morgan, GIS Director, put together a presentation to review where the County started, what it has gone through and where it is in terms of the redistricting process. Mr. Gruber said they would highlight: 1. the resolution adopted by Council as a governing body that outlined the process's factors for examination and parameters. 2. What Section 5 of the Voting Rights Act requires, as far as the scrutiny the U.S. Department of Justice would give to any plan that is submitted by Beaufort County for purposes of redistricting.

Mr. Morgan explained the redistricting criteria Beaufort County Council established. (i) Adhere to the court-ordered Constitutional requirement of one person, one vote (i.e. mathematically equal districts) (ii) Adhere to the 1965 Voting Rights Act as amended (iii) Ensure that parts of districts are contiguous (iv) Respect communities of interest (v) Attempt to maintain constituent consistency (vi) Avoid splitting voting precincts (vii) Solicit public input (viii) Work with data provided by Public Law 94-171. Mr. Morgan then explained how the Redistricting Committee and Council met the above criteria. To address (i), Mr. Morgan highlighted the statistics in Plan

4 for the total people living in the area and the deviation percentage. The goal for the mean was 14,748 people per district and the deviation percentage in Plan 4 was 2.47%.

The 1965 Voting Rights Act criteria were addressed by Mr. Gruber. Mr. Gruber said redistricting falls under Section 5, 1965 Voting Rights Act, which the Civil Rights Act is applied to. The Department of Justice, when reviewing plans submitted, looks first for two things. One, does the plan have a direct discriminatory purpose? Two, does it have a retrogressive effect? When discussing a direct discriminatory purpose, which means “did this body undertake a direct action to intentionally be discriminatory and publicly make statements to that effect?” Mr. Gruber stated as someone who has sat in each one of the redistricting meetings and public hearings he can attest that he has not heard anything that would make his ears ring or raise alarms. He added that video transcripts of all the meetings will be submitted to the Department of Justice. The direct discriminatory purpose is not present in the current plan before Council. Second, Mr. Gruber addressed whether the plan has a retrogressive effect. Does the proposed plan, under Section 5, have a net effect that would reduce minority voters’ effective exercise of electoral franchise? When compared to the benchmark plan, which refers to the last legally enacted plan by this Council. In looking at the plan adopted in 2000 as a benchmark to the proposed plan, does it effectively deny the exercise of electoral franchise? Does the plan diminish the ability of a certain precinct to elect a person of their choice from that precinct?

The criteria compared by the Department of Justice when determining if those are indeed present is that they will look to a few things. (1) Have the minority voting strength been reduced by the proposed redistricting in light of the applicable Census data? (2) Are minority concentrations fragmented amongst many different districts, which is in effect a dilution of the minority majority voting districts? (3) Are minorities over concentrated in one or more districts? (4) Whether alternative plans exist, and whether those plans were considered. (5) Whether the proposed plan departs from the objective criteria established by the submitting jurisdiction. (6) Whether the plan ignores other relevant factors such as compactness, contiguity or displays a configuration that inexplicably disregards available natural or artificial boundaries. The plan before the Beaufort County Council for third reading is a retrogressive plan. Mr. Gruber stated there is no doubt about it. However, the Department of Justice is aware that there may be times when it is necessary to submit a retrogressive plan in order to remain constitutionally compliant with the requirement of one person, one vote. As stated by the Department of Justice, “the one person, one vote issue arises most commonly when substantial demographic changes have occurred in some but not all parts of the jurisdiction.” That indeed occurred here in Beaufort County. Preventing regression under Section 5 does not allow a jurisdiction to violate the requirement of one person, one vote. It must be taken into consideration and be paramount as far as jurisdictions having an equal weight with voter population and deviations. Lastly, there may be circumstances when the jurisdiction because of shifts in population or other significant changes since the last redistricting (e.g. residential segregation, demographic distribution of the population within the jurisdiction and the physical geography of the jurisdiction) make retrogression unavoidable. In those circumstances, the submitting jurisdiction seeking preclearance of such a plan bears the burden of demonstrating that a less retrogressive plan cannot reasonably be drawn. Mr. Gruber said he believes through the County’s processes the above criteria have been adequately and thoroughly been examined. He said for example that Mr. Flewelling worked doggedly outside of meetings trying to find a plan that would keep three

minority districts and stay within the allotted deviation. There was not a plan he drew that could accomplish those two facts. That is what Mr. Bowers said when he initially came to show a benchmark plan based on the software used; it is unavoidable given the demographic changes and location of those changes that retrogression will not be avoidable.

Mr. Gruber said the last criterion the Department of Justice will examine is whether the proposed plan relied upon the Census data as certified in Public Law 94-171, which is the 2010 Census information. Yes, that was part of the Council's requirements. It has been highly deferential in creating this plan.

Mr. Morgan addressed some of the other redistricting criteria. He first addressed the contiguousness of the districts. The software utilized, which is also recommended by the Office of Research and Statistics. Mr. Morgan explained they checked the plans using the software's contiguity check function. Next, he explained how communities of interest were considered. In the public hearings and those who attended Redistricting Committee meetings, the Redistricting Committee received suggestions from individuals. For example, people from the Mitchelville area came to speak. There was specific attention paid to this area to ensure the Census blocks stayed together; it was successful. Constituent consistency requirement was affected by two factors. (1) Population south of the Broad River (2) Population north of the Broad River. Population growth in Beaufort County was primarily in the area south of the Broad River. That population growth in those areas was predominantly Caucasian, which moved our majority minority districts. Regarding the criterion of avoiding splitting voting precincts, speaking with Elections and Voter Registration Director Mr. Scott Marshall it was difficult to look at the new Census data and seeing the dramatic growth these precincts will be addressed as the County moves forward once the proposed redistricting plan has been approved. Mr. Morgan then reviewed all the Redistricting Committee meetings, Public Hearings and County Council meetings to illustrate there was ample time and opportunity for public input. Lastly, the criterion of working with the data provided by Public Law 94-171 was addressed because the Redistricting Committee took the data provided from the Census and plugged it into the software used during redistricting.

Mr. Newton summarized that the plan before the County Council is the plan labeled, Plan 4, which has received prior approval by the County Council on two readings and unanimous approval by the members of the Redistricting Committee. The seven members appointed to the Redistricting Committee are: Mr. McBride, Mr. Dawson, Mr. Glaze, Mr. Rodman, Mr. Stewart and Mr. Flewelling. Many other Council members participated in the process.

Mr. Newton opened the public hearing at 6:45 p.m. for the purpose of receiving information from the public on an ordinance redistricting the County Council of Beaufort County. After calling once for public comment, the Chairman recognized Mr. Fred Washington, School Board Chairman, said he wanted to introduce School Board member Mr. Bill Evans. The Board of Education initially established a redistricting committee but it did not meet, he said. Since, Mr. Evans took charge and convened that committee; he has a public statement endorsed by the full board that he will share.

Mr. Evans said the County Council is giving third reading to a redistricting plan for Council's 11 single-member districts. His comments follow. Under special legislation, unique to the Beaufort County Board of Education, members of the Board of Education are elected from the same 11 single-member districts as established by Beaufort County Council. Obviously, this gives the Board of Education and all citizens an interest in the impact on the Beaufort County School District, which serves more than 20,000 children in this county. Those are citizens who cannot vote, but who have the strongest interest imaginable in how well the Board of Education does its job. He acknowledged that the Council, to its credit, invited input from the Board of Education. It is a fact that an appointed committee of the Board of Education to address redistricting did not convene prior to the Council's second reading of its proposed plan. However, members of the Board of Education have attended Beaufort County Council meetings where the Council's redistricting plan was considered and discussed. Of course, this process received some publicity and all Board of Education members are aware of public reports concerning the process. The Board of Education also acknowledges the Council's sought the assistance of Mr. Bobby Bowers with the Office of Research and Statistics, a highly respected state demographer. The Board of Education has been deeply involved in the school's serious financial and budget issues, the difficult project of closing schools and the preparation for opening the school year, Mr. Evans stated. The Board of Education acknowledges that it has not given redistricting of Board of Education election districts the time, attention or study that a matter of this significance or import justifies.

We, the Board of Education, believe the criteria for redistricting recommended by Mr. Bowers to Beaufort County Council deserve to be applied to any redistricting plan for the Board of Education, he added. The Board of Education does not criticize the Beaufort County Council's redistricting plan for its adherence to these criteria from the perspective of the County's governance. It may simply be the case that no plan can best serve both local County interests and the School District's, which are tuned not to only local matters but encompass implementing state and federal education policy. The population of school-aged Beaufort County citizens is much more diverse in every way than the voting age population. The Board of Education serves the former population as its foremost duty, and believes an appropriate government model ought to be considerate of the wide variety of challenges and benefits presented by the rich variety of students as they prepare for their lives as interesting, engaged and productive adults. The Board of Education believes in appropriate consideration to communities of interest, relative to schools, would yield a plan more focused on the schools' attendance clusters, populations of students with common concerns, centers of local revenue sources such as commercial interests, and the ability of parents and citizens to maintain relationships with Board members through stability of incumbency. Mr. Evans said a period of instability in governance coupled with a poor alignment of school interests to Board elections would undermine the School District. This would be an additional challenge not necessary or welcome in these financially difficult times. Given this situation, the Board of Education announces publicly tonight its intention in the months ahead to carefully study the best possible system of School District governance, the appropriate form in which government opinion should be debated and considered. The technological advances of the last several decades, since the special legislation by which the Board of Education seats were tied to the County seats, make it relatively simple to study and examine alternative plans that could be proposed. They will also consider the best interests of the District, its students, school tax

payers and, indeed, the Board of Education's working relationship with the County Council. The Board of Education will continue to keep the public informed of this matter.

After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 6:58 p.m.

Mr. Newton explained to those present at the meeting that the Council is considering the third and final reading of the redistricting plan, as Mr. Gruber outlined the process and adhered to by the Redistricting Committee. There is a Redistricting Committee recommendation to approve; no second is required. He asked for questions or comments from Council members.

Mr. Rodman said based on Mr. Evans comment it was not clear to him whether the Board of Education disagrees with what the County Council did and would contest downstream, or whether the Board of Education thinks the redistricting plan should move forward. Is this one of the things where the County will see a legal action in two or three months from the Board of Education?

Mr. Washington responded by saying that the Board of Education thinks that it will adhere to the 11 districts, but thinks that those 11 districts should be drawn differently. As pointed out when discussing communities of interests and incumbency for the Board of Education members, those two matters should be considered. What the Board of Education proposes to do is, rather than complain about something but not have suggestions, the Board of Education wants to prove it has something else it can put on the table that makes sense. Mr. Washington said as far as the redistricting plan, Mr. Evans was clear in his statement he read. When it comes to County Council and the makeup of the 11 drawn districts, yes, it adheres to all the factors outlined by Mr. Bowers. When considering the composition and mission of the Board of Education those same criteria do not apply as they do with County Council. "Mr. Rodman, we intend to do some homework and if we cannot do the homework then we cannot present the alternative," he said.

Mr. Rodman asked if the Board of Education does not rule out taking a position opposed to what the Council is considering.

Mr. Washington answered that for County Council what is proposed makes sense, to which Mr. Rodman said that was not what he asked. Mr. Washington replied that was his response.

Mr. Rodman stated he asked a direct question: whether or not the Board of Education was willing to rule out taking an adverse position to what the County Council is sending forward to the U.S. Department of Justice.

Mr. Washington stated he would not challenge what the County Council has done for County Council.

Mr. Rodman then said he interpreted Mr. Washington's comment. Mr. Washington said the School Board would look at their options.

Mr. Newton asked for additional comments by Council members. He noted there has obviously been some factual inaccuracies in the newspaper reported in the last few weeks. That is why one of the significant items today is to have the lawyers go through the process, as noted in Mr. Evans' comments that Mr. Bowers actually brought down the first plan the Council examined in early April with regard to what was described as natural retrogression. Mr. Newton noted it can be seen in the composition of the Redistricting Committee, the efforts that have been undertaken, the comments received, reactions the Redistricting Committee had to comments received that the adherence to the court-ordered constitutional requirement of one person, one vote is equally as important to the 1965 Voting Rights Act as amended. The County did everything it could, in its power, mathematically to avoid retrogression in Beaufort County and to protect the minority districts on County Council. Mr. Newton stated in his judgment it is as evident in this process as anything else this Redistricting Committee has done. To suggest the contrary, perhaps, indicates a lack of a full appreciation of the multiple public hearings, the multiple Redistricting Committee meetings held and the multiple opportunities advanced to solicit input and to receive input throughout the process. One of the slides in the earlier PowerPoint indicated the growth in southern Beaufort County and the increase by a higher percentage of the white population in Beaufort County left Beaufort County with what is known as natural retrogression. This has concerned a number of us. Mr. Newton cited Mr. Barnwell, who spoke very eloquently to that earlier. He said he believes the County has done all it can mathematically and technologically to try to protect those communities of interest. Much has been suggested about the attempt to maintain constituent consistency. That quite simply is protecting incumbents with a fancier name placed on it. It is interesting to note this criterion is midway down to the bottom half of the list of what redistricting criteria were, with the two guiding principles were adherence to the law, the constitution and the Voting Rights Act. Mr. Newton said while he cannot say he is pleased two of his colleagues and friends have to run against each other. He said he knows the County has done everything it could to try to avoid that possibility and yet recognize the legal requirements put on the citizens of Beaufort County. In addition, Mr. Newton said he shares a concern, as Mr. Rodman began to state, with the cost of having to justify the redistricting plan in Washington because of the natural retrogression and because of the challenge that now appears to be expected by the School Board. That means a cost to be borne by all the citizens of Beaufort County in very significant numbers. Mr. Newton said he appreciates the School Board's thoughts and comments but said he hopes when they study this process they study much of the same data as Council and come to the conclusion that adherence to the law is much more important than protecting incumbents, especially when talking about the millions of dollars incurred by Beaufort County in trying to justify protecting incumbents.

Mr. Washington asked to comment, but Mr. Newton told him he had his opportunity to comment.

Mr. Newton voiced his support of the plan and looked for more comments from Council.

Mr. Flewelling said he wholeheartedly endorses this redistricting plan. He personally met with staff to manipulate the data and the maps to get the best percentages for more than 12 hours. He spent more than 50 hours attending meetings, talking with constituents, studying the maps offline and studying the demographics of Beaufort County in a furtherance of an effort to get the best plan. The best plan is one that meets the law and the stated goals of the County Council, as well

as the moral intent of the law to further one person, one vote. It furthers what we have learned through history through the impetus of the Civil Rights Act of 1964. He said he believes one could potentially say this redistricting is motivated by racism if it is also agreed that the Civil Rights Act is motivated by racism. In this particular case, it is to protect races. It is to protect the minority majority districts in Beaufort County. The Redistricting Committee went to an awful lot of trouble to do that and get the best possible minority representation in as many districts as possible. He concluded by repeating that he wholeheartedly endorses the redistricting plan.

Mr. Glaze referred to his comments earlier in regard to not necessarily the redistricting process but to the renumbering of the districts. He said on the Redistricting Committee they worked very hard trying to make sure that everything was in place. Serving on the Redistricting Committee when we were trying to put different things together from one scenario to the next it was almost impossible to do while addressing the redistricting criteria. He said he is still concerned about a matter he brought up earlier about the numbering of districts, although he acknowledged that is not a part of redistricting. He said he hopes that after the redistricting process is complete, the Council will return to the numbering process and examine it again. Mr. Glaze said he realized everything done and that the Redistricting Committee worked diligently in redistricting. He said the Committee came from Plan 1 to Plan 2, then on to Plan 3, “working, working and working.” Everything seemed almost impossible. As far as Council is concerned, Mr. Glaze said he believes this is the best proposal. He said he hopes when it comes to the number of districts, the Council looks at the issue carefully and does what is necessary for the Council to give everyone a fair shake. If this means everyone gets a different number. Mr. Glaze said he earlier stated he would not vote for this plan because of the numbering process, but he wanted the Council to see how adamant he is about renumbering the districts. Mr. Glaze expressed his support for the redistricting plan with the expectation the Department of Justice will do what it has to do, but said he hopes the Council will look at the numbering of districts after redistricting is complete.

Mr. Washington stated he wants to be clear. There is no attempt to disagree with the criteria established and that the County, for the County seats, adhered to those. No one is trying to indicate the Council did not adhere to the law for County Council. The Board of Education’s position is basically that Board of Education districts should have other factors considered; it is not just about incumbency. Mr. Washington said he is not elected as a minority, not elected from a minority district, but he is elected from a majority district as are several of the members. There are other interests that should be considered, some of which were outlined in Mr. Evans’ statement. Mr. Washington handed out copies of those requirements to Council. He added the Board of Education is not saying or indicating that it is a racial issue; for him it is not, he said. Demographics shows, he said he reads numbers too, the numbers add up and Beaufort County cannot have more protected districts when it comes to minority majority. That is not the issue. It is about the Board of Education’s responsibility in educating children and the responsibility as the primary education elected officials. That is what the Board of Education is looking for. The Council’s charge is different than the Board of Education’s charge. The constituencies differ as well. The missions are therefore different. The Board of Education is looking for districts that carve out the difference in the constituency and missions. There is no way, and Mr. Washington noted he said in public and private meetings with the Board of Education, that the Council cannot look at creating or having protected districts and have more than two in Beaufort County. There are other things to consider. “I want to be very clear about that,” he said. If the Board of

Education cannot do its work it should “shut up.” Mr. Washington said he would not put something out that does not have facts or information supporting it. As such the Board of Education needs the time to do that work it did not do on redistricting before. That is what the Board of Education is doing. He reiterated he wants to be clear that the Council did a good job with what it has to deal with as it related to the County Council. “We don’t want to inflame things. Now, let’s not have unnecessary...let’s not have that,” Mr. Washington said. He added his personal position is this when it comes to race and color, there is one race: human. The color that counts is green – economics and environment. If more to improve those subjects, then they are moving in a direction of improving a bad system. He said lived too long and wants to enjoy his time as a human being.

Ms. Von Harten pondered if Mr. Washington is requesting the postponement of the redistricting vote tonight and if so what would it do to the redistricting proposal getting to the Department of Justice. Also she asked what would happen if it goes before the Department of Justice and there is dissent from the School Board. It just seems like this puts the County Council in a difficult position.

Mr. Newton said he does not interpret the Board of Education’s comments as asking the County Council to delay its process as it relates to County Council. He interpreted that it means the Board of Education may seek the authority to draw their own districts in some other fashion. Mr. Washington agreed. Mr. Newton explained he thinks this will yield a discovery that the criteria are not criteria just for County Council but the criteria for every elected district in the United States. The criteria are not specific to Beaufort County in any way. Mr. Newton expressed appreciation for Mr. Washington’s comments about race and said he is a man of his word, as well as candid. Unfortunately, the issue of race has been twisted in the redistricting process in the last few weeks as appearing in the newspaper so as to appear that those who oppose this plan used race as a means to oppose it when the facts demonstrate otherwise, he said.

Mr. Rodman said he senses the Council is on a path where if the Board of Education does anything along the lines discussed, there would be a tremendous impact in cost and schedule in the work put together. He said he thinks the record will show that essentially at every meeting he indicated at every meeting they should make sure the Board of Education has the information and are present. He said he think the Board of Education misjudged on not taking a look or giving any input in this long redistricting process. He asked should the County take another two or four weeks, let the Board of Education examine, then take a final vote. He said this path right now is going to be a disaster.

Mr. Newton deferred to the attorneys, but said he does not agree as the Board of Education could do something or nothing. He added the County committed to a process ensuring timely review by the Department of Justice and thinks sufficient statements have been made tonight reflecting the racial suggestions in newspapers as to the creation of districts and the effects on other bodies have been clarified. The record will reflect the School Districts was asked to be involved in the redistricting process and advised, but for whatever reason did not decide to do so. The School District now comes with a different set of criteria. Under the existing law, the lines drawn for County Council apply to the School District, per state law.

Mr. Gruber emphasized Mr. Newton's point by explaining what would be required. A plan would have to be created that showed a less retrogressive effect while still conforming to the nine criteria set out. He said Mr. Flewelling could attest to the vast amount of time spent studying the maps and that one would be hard-pressed given an unlimited amount of hours that in this situation. The County took Mr. Bowers' plan as a beginning, made it better and took any of the fat in the situation. The proposed redistricting plan is probably the best plan to be created under the circumstances, given the information.

Ms. Von Harten asked for comment from Mr. Howell. Mr. Howell concurred with what Mr. Gruber said and pointed out the Council chose this timeline specifically to give sufficient time for submission to the Department of Justice, as well as to answer any questions should the Department of Justice have any.

Mr. Sommerville asked if the Department of Justice has questions whether those can be answered administratively or whether it required Council action. Mr. Howell answered that it could be either way.

Mr. Gruber said the County will receive one of a couple of responses from the Department of Justice. They interpose no objections with the plan submitted, which is basically an approval without saying it is an approval. The Department of Justice could interpose objections. Or, additionally they could interpose objections and produce a plan suggested for consideration by Council. The County's plan has been thoroughly reviewed by the Council members, there are a number of hours put in by people, with the County a less retrogressive plan has not been created as of yet.

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Council approve on third and final reading an ordinance redistricting the County Council of Beaufort County. The vote was: YEAS – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Mr. Rodman said he was very offended by the fact we got into a racial discussion. He said he wrote School Board member Mr. Morello an email asking him to come up with a better plan and that he should apologize to Council; failing both those Mr. Morello should resign. Mr. Morello has not done either of those and Mr. Rodman publicly called for Mr. Morello's resignation from the Board of Education.

Mr. Newton said this will not be turned into a circus. There is a public comment session later in the evening open to Board of Education members who would like to address County Council publicly. He then moved on to other Council business.

BEAUFORT COUNTY ZONING MAP AMENDMENT (MASTER PLAN AMENDMENT) FOR R300 009 000 0050 (KNOWN AS OAK ISLAND), PART OF THE DATAW ISLAND PLANNED UNIT DEVELOPMENT (PUD), 31.7 ACRES ADJACENT TO DATAW ISLAND; TO ALLOW 21 DUPLEX UNITS (42 TOTAL DWELLING UNITS) RATHER THAN THE 35 SINGLE FAMILY DWELLING UNITS ORIGINALLY APPROVED

The Chairman opened the public hearing at 7:15 p.m. for the purpose of receiving information from the public on a Beaufort County Zoning Map Amendment (Master Plan Amendment) for R300-009-000-0050 [known as Oak Island, part of the Dataw Island Planned Unit Development (PUD), 31.7 acres adjacent to Dataw Island] to allow 21 duplex units (42 total dwelling units) rather than the 35 single-family dwelling units originally approved. After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 7:18 p.m.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on third and final reading the Beaufort County Zoning Map Amendment (Master Plan Amendment) for R300-009-000-0050 [known as Oak Island, part of the Dataw Island Planned Unit Development (PUD), 31.7 acres adjacent to Dataw Island] to allow 21 duplex units (42 total dwelling units) rather than the 35 single-family dwelling units originally approved. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE TO ADOPT THE BEAUFORT COUNTY HAZARD MITIGATION PLAN

The Chairman opened the public hearing at 7:18 p.m. for the purpose of receiving information from the public on the Beaufort County Hazard Mitigation Plan. After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 7:19 p.m.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on third reading the Beaufort County Hazard Mitigation Plan. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING FUNDS IN THE AMOUNT OF \$30,000 TO PENN CENTER FOR DEVELOPMENT OF A LOWCOUNTRY FARMERS / SCHOOL DISTRICT ECONOMIC PARTNERSHIP

The Chairman opened the public hearing at 7:19 p.m. for the purpose of receiving information from the public an ordinance authorizing funds in the amount of \$30,000 to Penn Center for Development of a Lowcountry Farmers / School District Economic Partnership. After calling once for public comment, the Chairman recognized Mr. Joseph McDomick, President of the Gullah Farmers' Cooperative, who has agreed to provide local fresh produce for children in Beaufort County. He encouraged Council to support the project. After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 7:21 p.m.

Main motion.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on third reading an ordinance to authorize funds in the amount of \$30,000 to Penn Center for the Development of a Lowcountry Farmers/School District.

Motion to amend by addition.

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Council funding is contingent upon a showing that the remaining balance of these up fit monies can come up with but it not something that should not come back to council. Council ought to set policy that it embraces this project and is willing to commit \$30,000 to protect this segment of our economy in Beaufort County, and ask administration to then be charged with the responsibility of reviewing the plan, from the perspective of whether the funding components necessary to complete the up fit can be garnered sufficient to where this \$30,000 is actually going some good rather than being a partial attempt to try to create this facility for our local farmers. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Mr. Baer stated Council has a fiduciary duty to taxpayers to ensure that their tax money is spent wisely - even if it is only \$30,000 as in this case. We subject many of our projects to this kind of scrutiny, including the Estuarium, Beaufort Commerce Park, Heritage Tournament, etc. We should do it with all. This project has been before us three times: May, August and tonight. Basically, this is a good project that he would like to approve. But each time it has appeared before Council he has asked similar questions and not received very good answers. He summarized the data Council should those as listed in four basic questions that he sent out to everyone three weeks before this meeting. Since then, he sent repeated emails to ensure that the sponsors look at the questions and provide reasonable answers. At a previous meeting in August he even offered to help the sponsors with their business plan. Over the weekend, he went through all the material provided, carefully, including the new changing numbers in our Council package received September 9, 2011, and the new information in Mr. York Glover's and Mr. Paul Sommerville's emails, both of September 8, 2011. He has summarized all of this, organized by the four questions that were previously asked, below as submitted:

While he thinks this has the potential to be a great project, the data keeps changing and new facts keep coming out. He said he would like to see all the items in bold on the attached definitively addressed before he feels that this is ready for a vote. He understands the time urgency (that is why he sent out the questions three weeks ago), but it seems to me that we have had this project since May without much action until the last minute. There are substantial unanswered questions such as where is the money coming from? Does the business plan make sense? Dependencies on funds for which a source has not yet been identified, and problems with a short term lease. The table below summarizes the status as of when we walked into this meeting. The major issues remaining follow:

Does the County Finance Department believe that the Business Plan provided is viable? (Question from May 2011 meeting.) A new pro-forma financial report business was attached to the County Council meeting package for September 12, 2011. It shows: 190,000 lbs/year in first year sales; 365,000 lbs/yr in year 2 (selling at \$1.60/lb). Much lower total expenses (\$0.75/lb) than provided in spreadsheet in August (\$0.89 - \$1.11/lb). Will school or someone buy this amount? Are numbers reasonable? There is still no independent verification of viability, including Phase 1 constraints in item 4 below. Need to ensure that our

\$30,000 is used to catalyze a viable startup, and that there is no need for, or expectation of ongoing funding.

From which County account will the \$30,000 be provided? What will not be done as a result? (Question from May 2011 meeting.) No answer yet.

Please indicate what the \$30,000 will be used for, as opposed to the \$30,000 mentioned in the Business Plan? (Question from August 2011 meeting.) September 8, 2011 email from York Glover indicates that \$30,000 in August Business Plan is for 3 months of startup operations, not building modification. Its source is another USDA grant or private funds. How dependent is the viability on getting that \$30,000? Will our \$30,000 be contingent on that \$30,000? The \$30,000 request before CC is for building modifications of old Dairy Barn at Penn Center. Mr. Sommerville's email of September 8, 2011 indicates that the lease on the Penn Center Dairy Barn building is for only two years, with possible options to extend. He also indicates uncertainty of actual building upgrade costs. A longer lease and greater certainty on building upgrade costs are essential elements in judging viability.

Given the fact that the USDA \$100,000 Grant is far below the \$245,000 originally requested, please indicate what will not be done, and confirm that the project is still viable without additional County fund infusions. (Question from August 2011 meeting.) September 8, 2011 email from Mr. York Glover indicates that they have a Phase 1 plan to limit crops to just Collards for now, and do work-arounds to stay within \$100,000. Is this reasonable? Was this considered in the numbers in item 1? Need to ensure that our \$30,000 is used to catalyze a viable startup, and that there is no need for, or expectation of ongoing funding.

It seems to me that we are voting on this as a "feel-good" project, in which we want to ignore warning signals. The fact that we have been at this since May, without answers to simple questions, is in itself a warning signal. No matter how good it might feel, he cannot vote to spend \$30,000 of our scarce taxpayer funds this way.

Vote on the amended motion, which is now the main motion, and includes the motion to amend by addition.

Council approve on third reading an ordinance to authorize funds in the amount of \$30,000 to Penn Center for the Development of a Lowcountry Farmers/School District. Further, that Council funding is contingent upon a showing that the remaining balance of these up fit monies can come up with but it not something that should not came back to council. Council ought to set policy that it embraces this project and is willing to commit \$30,000 to protect this segment of our economy in Beaufort County, and ask administration to then be charged with the responsibility of reviewing the plan, from the perspective of whether the funding components necessary to complete the up fit can be garnered sufficient to where this \$30,000 is actually going some good rather than being a partial attempt to try to create this facility for our local

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

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

COMMITTEE REPORTS

Community Services Committee

Children’s Foster Care Review Board

Curtis McDaniel

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. McDaniel garnered the six votes required to serve as a member of the Children’s Foster Care Review Board.

Governmental Committee

Burton Fire District

Mr. Stewart, as Governmental Committee Chairman, nominated Mr. John Harris to serve as a member of the Burton Fire District Commission.

Lowcountry Regional Transportation Authority

Mr. Stewart, as Governmental Committee Chairman, nominated Mr. Alexander Wattay to serve as a member of the Lowcountry Regional Transportation Authority.

Mr. Rodman announced that he had been in conversation with Mr. Alexander Wattay who has asked that his name be removed from consideration.

Natural Resources Committee

Southern Corridor Review Board

Mr. Sommerville, as Natural Resources Committee Chairman, nominated Mr. James Atkins, architect Beaufort County, to serve as a member of the Southern Corridor Review Board.

Mr. Sommerville, as Natural Resources Committee Chairman, nominated Mr. Daniel Ogden, resident Beaufort County, to serve as a member of the Southern Corridor Review Board.

Public Facilities Committee

Solid Waste and Recycling Board

Mr. Glaze, as Public Facilities Committee Chairman, nominated Mr. Ben Wheatley, representing Solid Waste District 7, to serve as a member of the Solid Waste and Recycling Board.

PUBLIC COMMENT

The Chairman recognized Mr. Steven Morello, who represents District 1 on the Board of Education, stated a few weeks back he wrote stern, professional email to Council expressing a legitimate concern over minority representation and the complete upheaval of the School Board. In this email he merely pointed out facts. He did not introduce race into the issue. That issue was already there. We had ever African-American School Board member would be forced into a new election. He would have been negligent had he not brought up that obvious fact. The response he received from Mr. Rodman was that since he did not participate earlier he was owed no explanation and that he, “stop winning.” He was told that if he did not have a better plan that is what he should do. He did not have another plan in mind. Drawing lines were never a part of his job description, but that does not preclude him, as a public official, posing questions when he sees a problem. For a member of County Council to immediately call for his resignation, merely because he posed a legitimate concern, his Board and his constituency, in his mind, is completely ridiculous. Some explanation have been given and posed for some of the issues he brought. But, that does not make him wrong for asking the questions. Citizens or officials posing such questions are what prevent racial issues, not cause them. Please consider this.

CALL FOR EXECUTIVE SESSION

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

EXECUTIVE SESSION

ADJOURNMENT

Council adjourned at 8:19 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____

Wm. Weston J. Newton, Chairman

ATTEST

Suzanne M. Rainey, Clerk to Council
Ratified:

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

GARY KUBIC
COUNTY ADMINISTRATOR

CHERYL HARRIS
EXECUTIVE ASSISTANT

ADMINISTRATION BUILDING
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2026
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BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL
STAFF ATTORNEY

COUNTY ADMINISTRATOR'S REPORT

**Monday, September 26, 2011
5:00 p.m.
County Council Chambers**

ACTION / INFORMATION ITEMS:

- The County Channel / Broadcast Update (Enclosure)
- Two-week Progress Report (Enclosure)
- Presentation of Economic Development Task Force Report (Enclosure)
Mr. Gary Horn, Chairman, Economic Development Task Force
- Request for 4% Special Assessment Ratio / Sharon Saunders Trust Property



On the Air:

Beaufort's Tricentennial Parade



{VIDEO PLAYS, low audio} The County Channel crew was out in full force to cover the Beaufort Tricentennial Parade. The parade, which celebrated Beaufort's 300th birthday, featured Actor Gary Sinese, and commentary by Municipal Court Judge Ned Tupper and county spokeswoman Suzanne Larson. The parade will re-air on The County Channel and on the web.



The
County
Channel

In Production:

PALS Football



{VIDEO PLAYS, low audio} The County Channel is also gearing up for a new season of PALS Football. Coverage kicks off on Tuesday, September 27 at 6:00pm. The County Channel will be taping the 8 AND 9-year-old game, the Bulldogs Versus the Raiders from Burton Wells Recreation Facility.



Memorandum

DATE: September 23, 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 September 12, 2011 through September 23, 2011:

September 12, 2011

- Finance Committee meeting
- Council Caucus
- County Council meeting

September 13, 2011

- Meeting with Ed Hughes, Assessor, Mayor Drew Laughlin, Town of Hilton Head Island Town Council, and Milton Boswell, Deputy Assessor Re: Reassessment: 2013 Overview
- Meeting with Ladson Howell, Staff Attorney, Suzanne Gregory, Director of Employee Services and Bryan Hill, Deputy County Administrator

September 14, 2011

- SCDOT Title VI Compliance Review for Beaufort County

September 15, 2011

- County / Town of Bluffton bimonthly meeting

September 16, 2011

- Meeting with Herb Gray

COUNTY COUNCIL OF BEAUFORT COUNTY
September 23, 2011
Page 2

September 19, 2011

- **Meeting with Gary Horn, Chairman of the Economic Development Task Force**
- **Finance Committee meeting**

September 20, 2011

- **Disabilities and Special Needs Board Retreat**

September 21, 2011

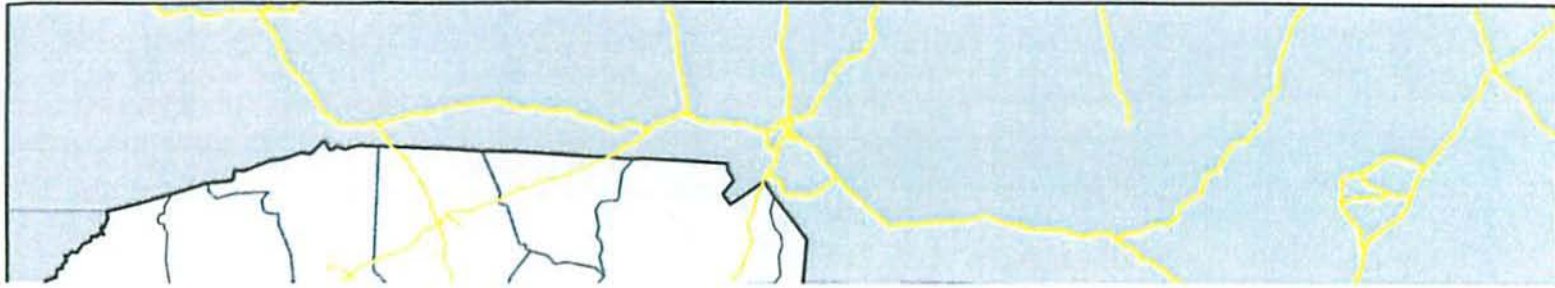
- **Agenda review with Chairman, Vice Chairman and Executive Staff**
- **Meeting with Teri Norris Re: Lemon Island Pie**
- **County Assessor bimonthly meeting**

September 22, 2011 (County Administrator Hilton Head Office Hours)

- **No scheduled meetings**

September 23, 2011

- **Meeting with Van Willis, Port Royal Town Manager re: Port Royal TIF**



Organizational Assessment of Beaufort County Economic Development

September 16, 2011

Presented to:
Beaufort County Economic Assessment Task Force



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Executive Summary

The objective of this analysis is to assess the economic development approach in Beaufort County, South Carolina and to recommend appropriate structure and processes. AngelouEconomics examined the County's past and current approach as well as successful economic development organizational structures regionally and nationally, and developed a set of recommendations on ways to capitalize upon existing strengths and address deficiencies in order to improve economic development programs and results. Three regional economic development alliances within South Carolina and one out-of-state organization, the Colorado Springs Regional Economic Development Corporation were selected for benchmarking of key characteristics. The largest South Carolina organization, Upstate Alliance, was identified by several individuals interviewed as an outstanding model to examine. The smallest, the Economic Alliance(Aiken and Edgefield counties) was largely selected because of its similar size to the Low Country Alliance, its economic linkages across the border with Georgia (Augusta) and several innovative programs. The North Eastern Strategic Alliance was identified as having a very proactive and effective external marketing program as well as also being a tourism and retirement mecca (Myrtle Beach). The heavy role that tourism and the military play in the Colorado Springs economy were of interest from a comparability standpoint.

With the assistance of the County's Economic Assessment Task Force, twenty-two interviews were conducted with key stakeholders from within Beaufort and Jasper Counties, including volunteer and professional leadership of the Low Country Alliance. Interviews were conducted with the CEO's of benchmark organizations as well. Key facets such as organizational structure, services, staffing, funding and performance measures were reviewed. Additionally, several best practices are included in this report which identify effective economic development approaches including industry specific initiatives, regional collaboration, and international marketing.

Key goals of the study include:

- To assess the region's strengths, weaknesses, opportunities, and threats in regards to organizational structure, programs, and regional connectivity
- To examine the structure, regional scope, performance metrics, board size, staffing levels, and funding size of successful economic development organizations
- To present recommendations for an effective organizational structure, programs and regional connectivity

Executive Summary

Key findings of the study include:

- Although some areas were identified where improvements can be made, it is important to recognize that the Low Country Economic Development Alliance and Network made significant progress in putting in place many of the foundational elements critical to economic development success. These include the development of a two county organization with public and private representation as well as creation of a marketing framework including a website, data base of demographic/economic information, real estate data base with GIS search capability, marketing collateral materials, etc.
- The economic development alliance with Jasper County has been and will continue to be mutually beneficial and should be further strengthened.
- Both counties have complementary competitive assets(i.e. real estate options and workforce). A multi-County alliance is also a necessary condition to qualify as a regional marketing alliance for State of South Carolina cooperative marketing funds.
- The County and Region should continue to utilize a public-private sector economic development approach; however, the level of business participation needs to be substantially increased. Public - private partnerships are generally the most effective economic development approach as they can fully engage regional strengths.
- There is a need to improve accountability including the development of better performance measures, and the annual calculation of return on investment.
- Performance measures need to be developed on an annual basis and closely monitored. These metrics should include economic development results as well as measurement of progress in addressing any deficiencies in regional competitiveness, i.e. workforce development, real estate options, incentives, etc.
- The size of the Board of Directors needs to be substantially expanded over the size of the current board, and should be broad-based consisting of representatives from both counties.
- The majority of board members should be private sector representatives. Both counties should have the ability to appoint some directors – both business representatives and public officials. Each member city should also have at least one representative.
- Expand the organization's structure to foster broader engagement, particularly of the private sector, through industry specific task forces.
- Each community Chamber should be represented on the board.
- Establish a five to nine member Executive Committee to help handle more in-depth matters. Ensure that the Executive Committee has ample private sector representation.

Executive Summary

- Collaboratively establish written guidelines to help ensure equitable and effective processes including those used for the handling of prospective new industries.
- Primary roles played by counties engaged in the most effective economic development alliances consist of the following: financial support to leverage business contributions, active involvement of both county officials and their appointed business representatives on the regional group's Executive Committee and Board of Directors, periodic review of economic development results and strategic direction while enabling day-to-day operational autonomy of the economic development organization.
- There is broad interest in improving business attraction results and increased emphasis needs to be placed on external marketing to attract additional economic base employers to the region. Additional sales missions, trade shows, and hosting events need to be undertaken with the strong social media campaign continued.
- Marketing and business development need to be closely aligned with the target economic clusters to be identified through the recently initiated strategy.
- A strong business retention and expansion program needs to be put in place with findings monitored with the use of Synchronist or another retention and expansion software package.
- Retention and expansion program findings including ratings of governmental services need to be regularly communicated to the counties and cities.
- Scarcity of industrial real estate options remains a glaring weakness in Beaufort County, and thus programs need to be undertaken to encourage and support private sector development of market-ready sites and buildings.
- Conduct an in-depth assessment of County permitting and development review with tangible recommendations for improvements.
- Explore opportunities to co-market with Savannah.
- Efforts should be placed towards full regional teamwork in competing for good employers and the reduction of intra-County disagreement, which hurts Beaufort County's ability to assist new and expanding businesses.
- Implement joint task forces and other collaborative approaches in order to address regional issues and to strengthen intra-regional trust.
- Communication of results and approaches should be elevated through a website, periodic newsletters, etc. so that the public is more aware of the importance of economic development as well as what efforts are underway.

Executive Summary

- An annual economic development summit should be held to address issues and opportunities with broad participation encouraged.
- Attraction or expansion of a business in either Beaufort or Jasper County benefits both counties. Revenue sharing of net tax revenues generated from new projects should be investigated and pursued.

SWOT Analysis

This section of the report identifies the region's strengths, weaknesses, opportunities, and threats in three key areas.

Organizational Structure

Programs and Competitiveness

Regional Connectivity

SWOT Analysis

Includes interview findings



Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> □ The Alliance has put in place many of the foundational requirements necessary for a regional approach □ Group of people committed to Low Country economic development □ Multi-county alliance established with Jasper County in 2008 □ Regional public-private sector approach has been in operation with business, government, higher education and non-profit collaboration □ Strategic Marketing Plan developed in 2007 □ Economic Development element of County's Comprehensive Plan written □ Marketing framework is in place – website, social media, earned media, collateral materials 	<ul style="list-style-type: none"> □ Need for more accountability including better performance measures with ROI determination □ Weak business development and marketing program relative to other regional alliances □ Insufficient progress has been made in attracting new employers □ Small board of directors □ Limited involvement of area businesses □ Relatively few large potential funders □ Written job descriptions □ Prospect handling guidelines and operating protocols 	<ul style="list-style-type: none"> □ Increase private sector involvement in economic development □ Engage area “subject matter” experts in industry development groups □ Aggressively market the region to prospective employers □ Better engage the financial institutions □ Commitments from funding bodies to help ensure sustainable effort □ The new economic development strategy being formulated will update target industries and provide a game plan □ Continue to strengthen economic development linkages with higher educational institutions 	<ul style="list-style-type: none"> □ Dissolution of Network may impact credibility of future efforts □ Risk of liability if new organization is too similar to former Network □ Perception that too many strings are attached to County funding □ Distrust between cities and County

SWOT Analysis

Includes interview findings



Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> ▫ E/D Website developed ▫ Land and buildings inventory with GIS search tool for land and building options ▫ PR and social media campaign ▫ Conducted regional competitiveness studies - incentives policies, airport, etc. ▫ Alliance helped recruit several new employers ▫ Data base of demographic and economic information ▫ Marketing collateral developed ▫ Many young workers in some parts of the two counties ▫ Technical College responsiveness to employer training needs ▫ Tax credits can cover part of state leverage requirement ▫ Multi-modal transportation access ▫ Desirable quality of life ▫ Jasper County has 7 interchanges along I-95 and multiple sites ▫ Angel investment fund created 	<ul style="list-style-type: none"> ▫ Relatively weak external marketing and business development ▫ Lack of a systematic business retention and expansion program ▫ Very limited industrial real estate options within Beaufort County ▫ Lack of clear incentive programs ▫ Ageing infrastructure and buildings ▫ County regulatory burden is perceived as onerous with often lengthy permit processing times ▫ High land costs and hurricane risk ▫ Design Review Committee viewed as impediment ▫ High business license fees 	<ul style="list-style-type: none"> ▫ Large State of South Carolina matching grants for marketing ▫ Be more proactive in external marketing ▫ Better capitalize upon the area's military assets including the new F-35 mission ▫ International inward investment opportunities ▫ Strong interest within the region in growing Medical, Aerospace, Green Energy and Knowledge-intensive sectors ▫ Ability to diversify the economy with a concerted effort ▫ Provide more good quality job opportunities for local workers ▫ Retain more military retirees ▫ Abundance of retired C-level executive talent ▫ Reinstitute formal industry retention and expansion program ▫ Potential River Port in Jasper County will benefit entire region ▫ Possible airport in Jasper County ▫ Better capitalize upon USCB 	<ul style="list-style-type: none"> ▫ Pressing need to diversify the economy ▫ Few middle class job opportunities ▫ Loss of young people to areas with more opportunities ▫ Tax base is largely resting on home owners ▫ Continuing challenge of providing attractive industrial and commercial real estate options in a competitive market ▫ State marketing dollars require 1:1 local match ▫ Increasing real estate foreclosure rate ▫ County is more known for tourism, military and retirement

SWOT Analysis

Includes interview findings



Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none">Widely held view among leaders that E/D effort must be regionalInter-county cooperation is improvingBroad interest in economic development and diversification of the regional economyInterest in a collaborative public and private sector approachThe two counties possess complementary assets, i.e. Jasper County possesses numerous real estate options while Beaufort has ample workforce	<ul style="list-style-type: none">Much of competitive energy taken up in - fighting rather than with the region's real competitors"On again - off again" relationship with the StateWeak understanding of the role of the Low Country Alliance/NetworkNegative branding of County re: E/D	<ul style="list-style-type: none">Increase public understanding of value of e/d through improved communication of results and programsEngage more stakeholders in economic developmentFurther involve key allies such as the local Chambers of CommerceImprove the relationship with the SC Department of CommerceAugment tourism with other industry typesCreate written guidelines and other operating protocolsRevenue sharing to share benefit of regional 'wins'Engage young professionals who currently feel left outBetter capitalize upon proximity to SavannahPalmetto Electric has funds for E/D available – largely untapped in Beaufort Co.	<ul style="list-style-type: none">County is diverse and often polarizedRegionalism is not well understoodLimited trust between the two countiesLow level of trust between Beaufort County and the cities within itView by some that the county does not truly want e/dPossible loss of Jasper County to another regional groupState misperception that Beaufort is a rich county and doesn't need assistancePerceived State opposition to greater collaboration with Savannah due to possible competition with Port of Charleston

Benchmark Profiles

The North Eastern Strategic Alliance

The Economic Development Partnership

The Upstate South Carolina Alliance

Colorado Springs Regional Economic Development Corporation

The North Eastern Strategic Alliance

The North Eastern Strategic Alliance (NESA) is a public-private 501-c-3 economic development organization whose mission is to work with existing county and state economic development organizations to create new jobs and increase the per capita wage of the citizens of the North Eastern region of South Carolina at a faster rate than per capita growth rates for the state and the nation.



Benchmark Profiles

The North Eastern Strategic Alliance

Key Highlights of NESA:

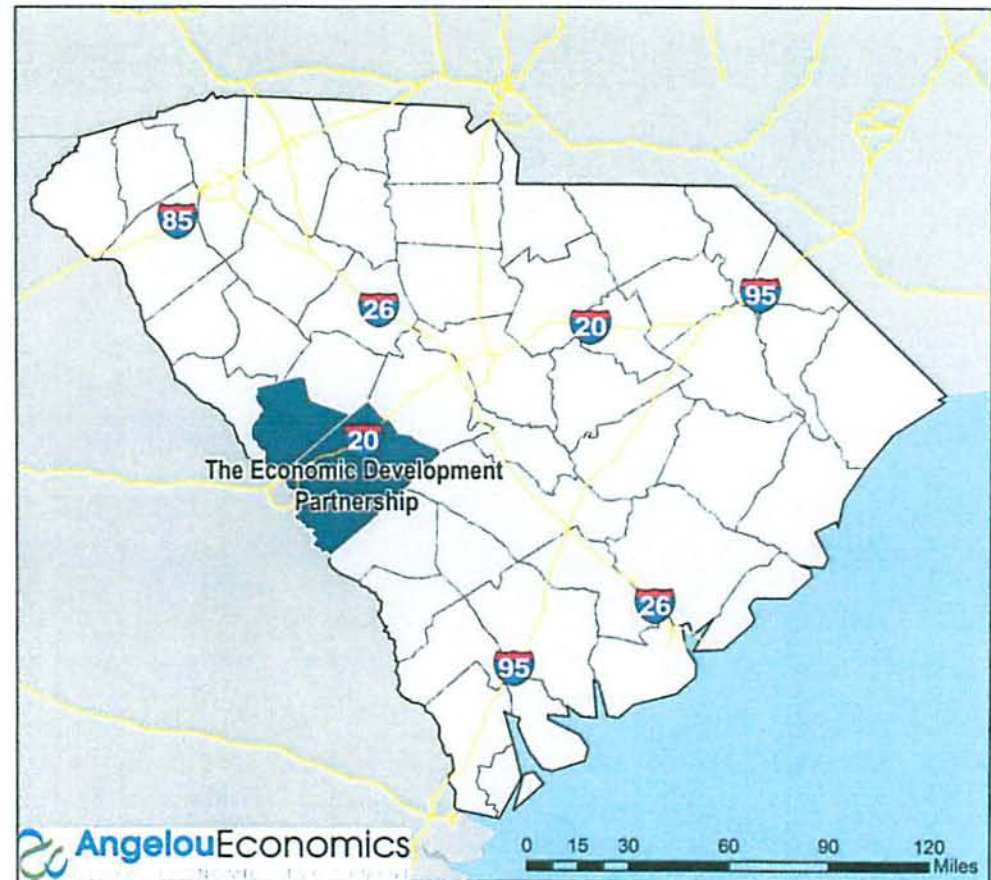
- A nine county alliance in northeastern South Carolina serving a population of more than 702,000
- Has an aggressive marketing and business development program which included 18 marketing missions last year
- Heavily involved in regional infrastructure improvements
- Utilizes quantifiable performance measures
- Task forces dedicated to economic development, tourism and I-73
- Organized business retention and expansion program
- Its Executive Committee acts as the Nominating Committee for the Board
- Any member who contributes \$100,000 over three years has a board seat
- Has a county membership formula based on mil values (tiered affluent versus poor counties)
- No cities are members of NESA
- 34% of its funding is public, 45% is private funding, and 21% is state funding
- Produces a very good annual report
<http://www.nesasc.org/UserFiles/nesa/Documents/2011%20Annual%20Report%20-%20Web.pdf>
- The region's branding and image as strictly a vacation destination has been a challenge for economic development marketing
- Has some initiatives related to tourism, including the identification of and marketing to tourism industry suppliers



Benchmark Profiles

The Economic Development Partnership of Aiken and Edgefield Counties

The Economic Development Partnership of Aiken and Edgefield Counties is a public-private 501-c-3 economic development organization whose mission is to promote economic development within Aiken and Edgefield Counties, both for existing businesses and for new members of the business community.



Benchmark Profiles

The Economic Development Partnership of Aiken and Edgefield Counties

Key Highlights of the Economic Development Partnership:

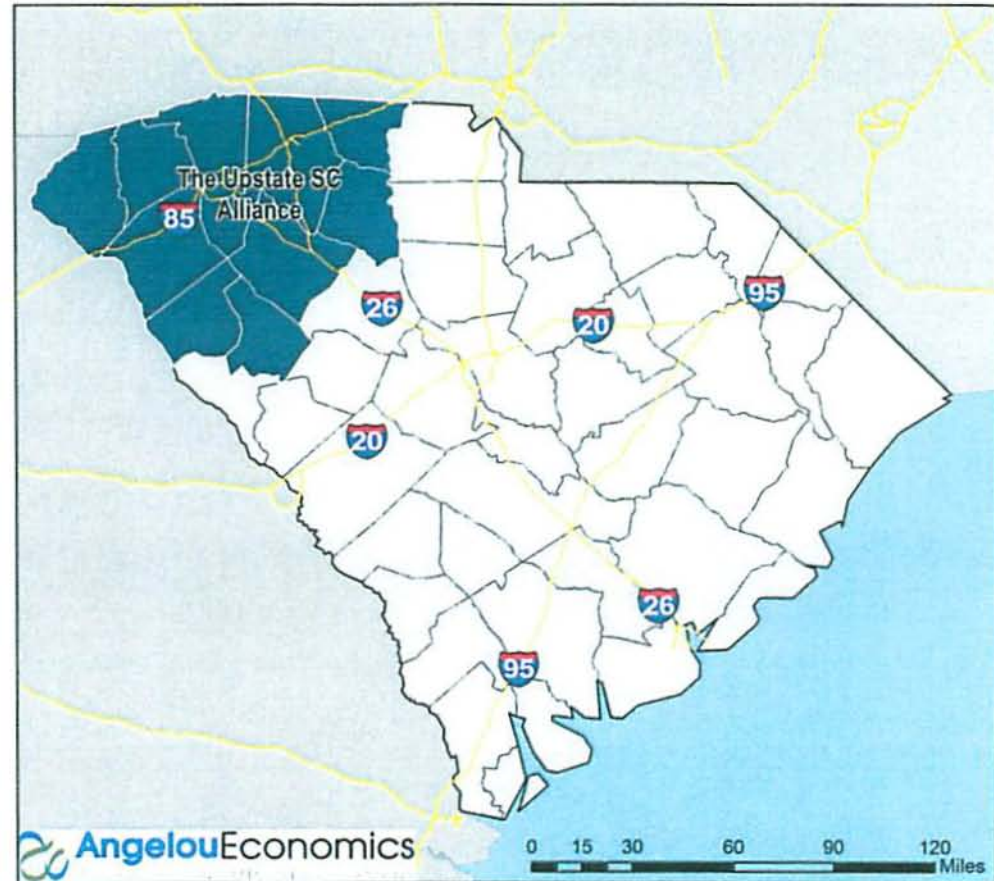
- Serves two counties and a population of more than 180,000
- Adjacent to Augusta, GA and thus they market Augusta-Aiken metro advantages despite no formal economic development alliance
- Has an interagency relationship with the Southern Carolina Alliance where they jointly retain a lead generation company
- Aiken County(\$225k) and Edgefield County(\$46k) both support the organization financially, as do the cities of Aiken and North Augusta
- County membership is on a per capita basis and city membership is based on predetermined amounts approved by each council
- Public sectors appointments are made by the County Councils
- Participates in 3 to 4 marketing missions annually including the Paris Air Show
- The organization doesn't currently have performance measures in place
- Scope of responsibility includes industrial attraction, retention, and expansion
- Utilizes State of South Carolina co-op funds for marketing activities
 - Up to \$400,000 which must be matched by private sector investors
- Land and building ownership is a mix of both the public(counties and cities) and private sectors. Some parcels within government parks are privately owned by developers
- Some limited revenue sharing occurs where Edgefield County receives 1% of the tax revenues generated by Aiken County industrial park deals



Benchmark Profiles

The Upstate SC Alliance

The Upstate South Carolina Alliance is a public-private economic development organization whose mission is to position and market the Upstate South Carolina region to successfully compete for business investment globally.



The Upstate SC Alliance

Key Highlights of the Upstate South Carolina Alliance:

- An alliance of ten counties which serves a population of nearly 1.4 million in Northwestern South Carolina
- Has a ten member executive committee which acts as the governing body
 - The executive committee includes no more than four county officials
 - Has Finance and Legislative Committees
- There are 53 members on the full Board of Directors. Each county has an appointee(all officials). The remainder of the board is private sector including firms at \$25k/year or more.
- Has Industry Councils for each of its five target industries, led by industry leaders in collaboration with local economic developers
- Was a purely private organization until 2009
- Has both county and city per capita membership formulas
 - Counties pay \$.50 per capita for first 100,000 in population, \$.40 per capita for the next 100,000 in population, and \$.30 per capita for any population above 200,000
 - Five cities are members at \$.50 per capita
- Private sector pledges are annual at a range of \$2,500 to \$50,000 per year
- In order to qualify for matching state marketing dollars, pledges must be reviewable and renewable
- Land and building ownership includes a wide blend of both public and private ownership
- Utilizes performance metrics which are linked to its Strategic Plan



Colorado Springs Regional Economic Development Corporation

The Colorado Springs Regional Economic Development Corporation is a privately funded economic development organization whose mission is to attract, retain and create quality jobs and investment in the Pikes Peak region.



Colorado Springs Regional Economic Development Corporation

Key Highlights of Colorado Springs Regional Economic Development Corporation:

- A two-county alliance serving a population of more than 635,000 in the Colorado Springs MSA
- Industry teams focused on each target industry
- Has a formal business retention and expansion program
- Has created a formal group of key partners, called the “Economic Vitality Group” with the mission of enhancing the competitiveness of Colorado Springs’ primary employers through economic development and infrastructure support services
- Has recently joined forces with the Greater Colorado Springs Chamber of Commerce to form a unified organization focused on six key areas:
 - Economic development, including job attraction, business retention, job growth through entrepreneurial activities, and capital investment
 - Community development and infrastructure improvements
 - Military affairs and developments
 - Public policy
 - Marketing and communications
 - Membership and business services



Organizational Assessment

Information contained in this section was gathered from telephone interviews, websites, annual reports, and other secondary sources using the best available information at the time of data collection. Note that metrics for The Low Country Economic Alliance were not utilized in this analysis, primarily due to its transitional status.

Target Industries

Organizational Structure

Programs and Services

Performance, Staffing, and Funding

Target Industries

Organization	Distribution & Logistics	Aeronautics	Aerospace	Defense & Homeland Security	Renewable Energy & Energy Efficiency	IT/ Data Storage	Life Sciences	Plastics	Call Centers	Advanced Manufacturing	Automotive	Energy	Chemicals	Other
The North Eastern Strategic Alliance	★		★			★		★	★					Agribusiness; Food Processing
The Economic Development Partnership								★			★		★	Hydrogen Technology
Upstate SC Alliance			★							★	★	★		Biosciences
Colorado Springs Regional Economic Development Corporation			★	★	★	★	★							Sports & Sports Related Organizations; National Non-Profits

Organizational Structure

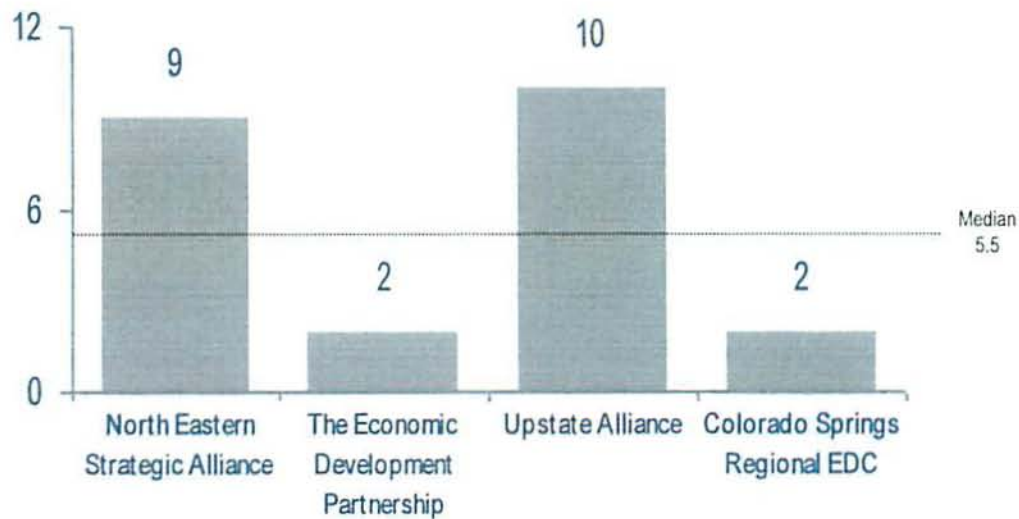
Organization	Private Non-Profit	Part of Chamber	Public-Private Partnership	Part of Development Commission	Multi-County
The North Eastern Strategic Alliance			★		★
The Economic Development Partnership			★		★
Upstate SC Alliance			★		★
Colorado Springs Regional Economic Development Corporation		★			★

Programs and Services

Organization	External Marketing	Business Recruitment & Expansion	Community Development	Workforce Development / Small Business Development	Public Policy	Entrepreneurial Support	Military Affairs and Development
The North Eastern Strategic Alliance	★	★	★		★		
The Economic Development Partnership	★	★			★		
Upstate SC Alliance	★	★			★		
Colorado Springs Regional Economic Development Corporation	★	★	★		★	★	★

Geography

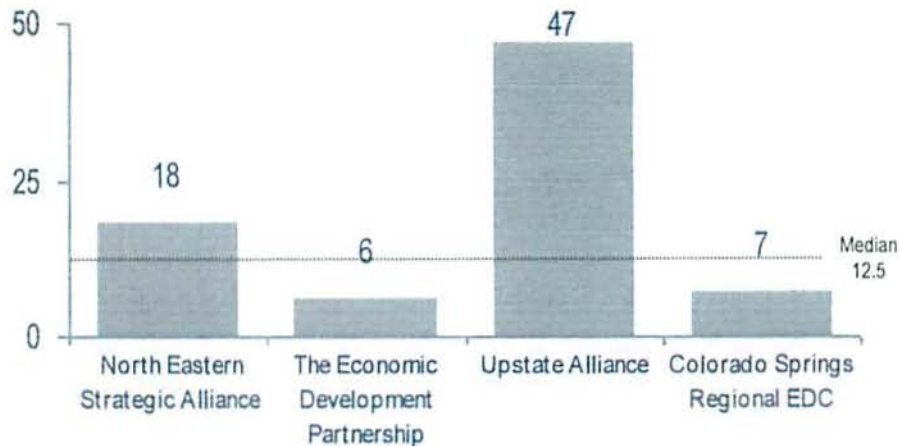
Number of Counties Served



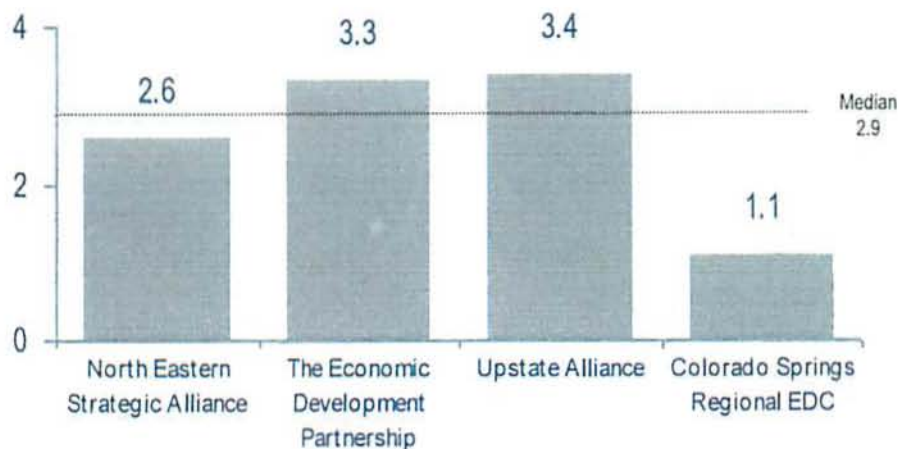
- Each of the benchmark organizations serve multiple counties, illustrating a common understanding that collaborative regional approaches create synergies which help regions increase economic growth and compete in an ever increasing global economy
- An important financial reason is that State of South Carolina cooperative marketing funds are directed at multi-county alliances

Projects

2010 Projects



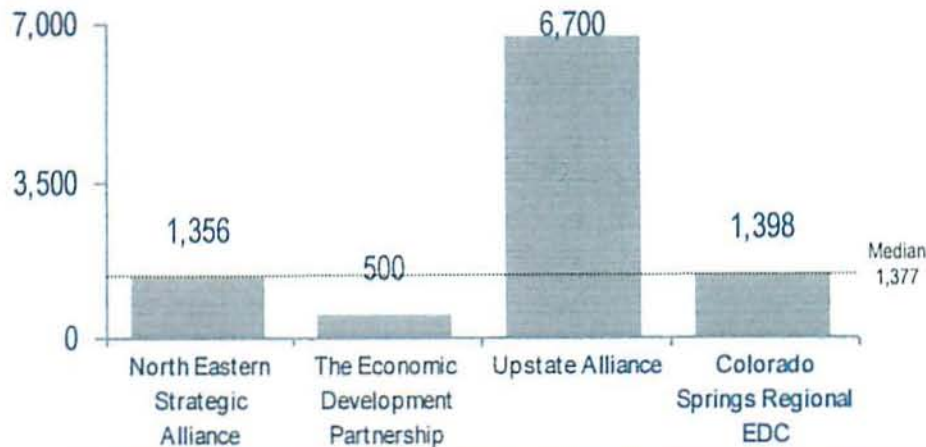
2010 Projects per 100k



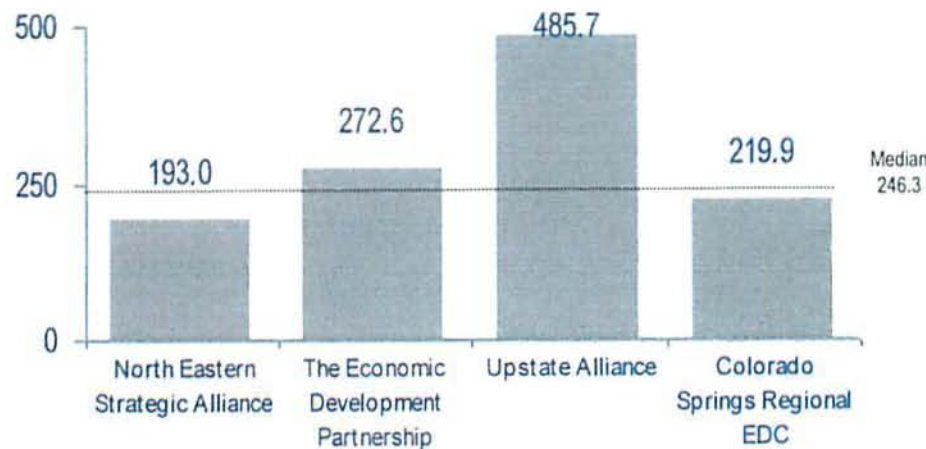
- The Upstate Alliance had forty-seven projects in 2010, most among the benchmark organizations
- The Upstate Alliance had 3.4 projects per 100,000 in population, slightly higher than projects per capita for the Economic Development Partnership of Aiken and Edgefield Counties
- The Low Country Alliance would need to be responsible for 6 completed business relocation or expansion projects annually to equal the 2010 benchmark organization per capita median

Job Creation

2010 Job Creation



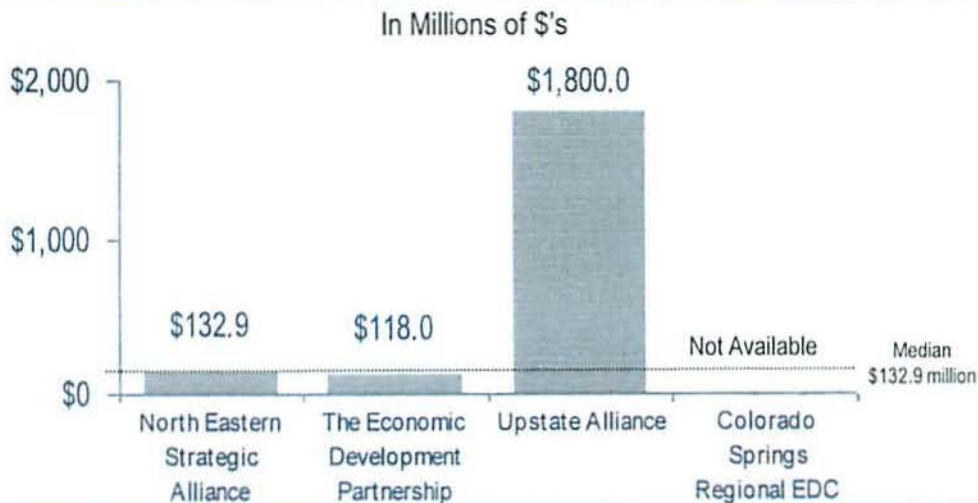
2010 Job Creation Per 100k



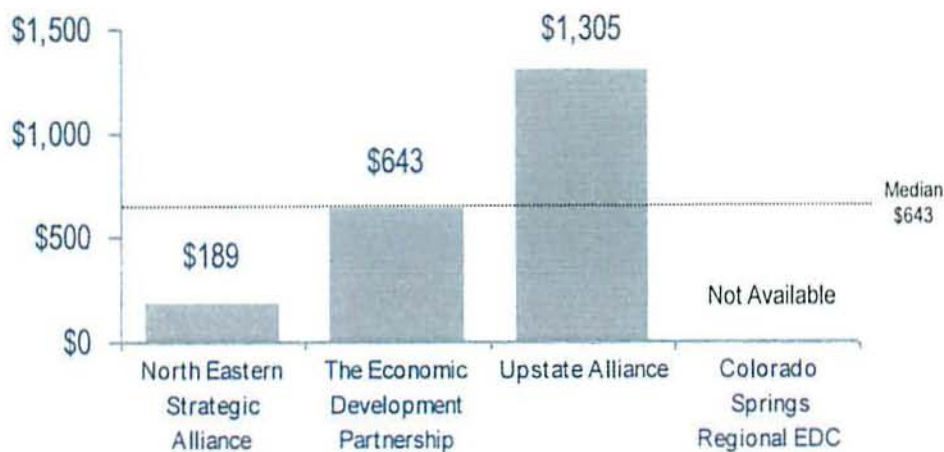
- The Upstate Alliance was responsible for the creation of 6,700 jobs in 2010, most among the benchmark organizations
- The Upstate Alliance was also responsible for the highest job creation on a per capita basis among the benchmark organizations
- The Low Country Alliance would need to be responsible for the creation of 450 jobs annually to equal the 2010 benchmark organization per capita median

Capital Investment

2010 Capital Investment



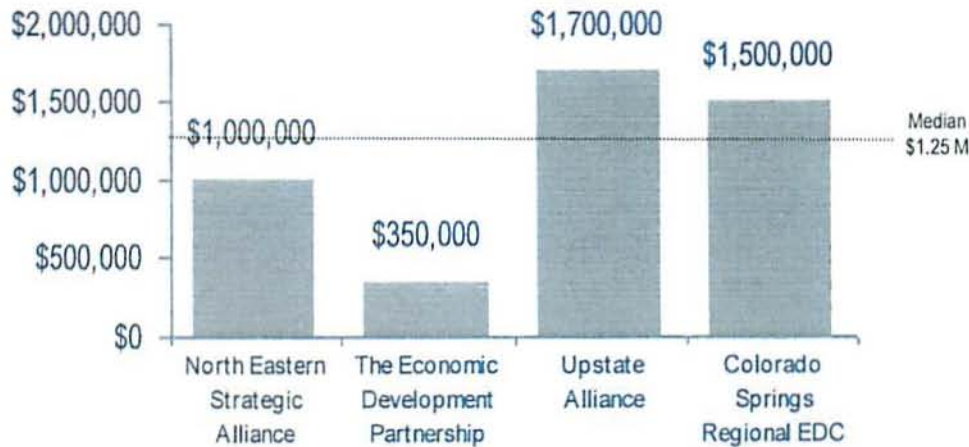
2010 Capital Investment per Capita



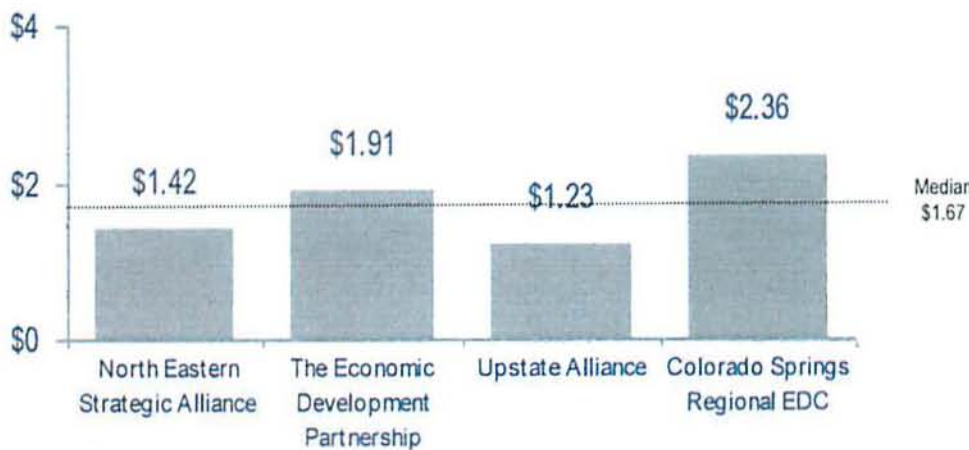
- The Upstate Alliance was responsible for \$1.8 billion in investment by new and expanding industries in 2010, most among the benchmark organizations
- The Upstate Alliance was also responsible for the highest investment on a per capita basis among the benchmark organizations
- The Economic Development Partnership, representing a population size comparable to the Low Country Economic Alliance, was slightly below the median of \$132.9 million for capital investment
- The Low Country Alliance would need to be responsible for \$117.3 million annually in capital investment in order to match the 2010 benchmark organization per capita median

Budget

2010 Budget



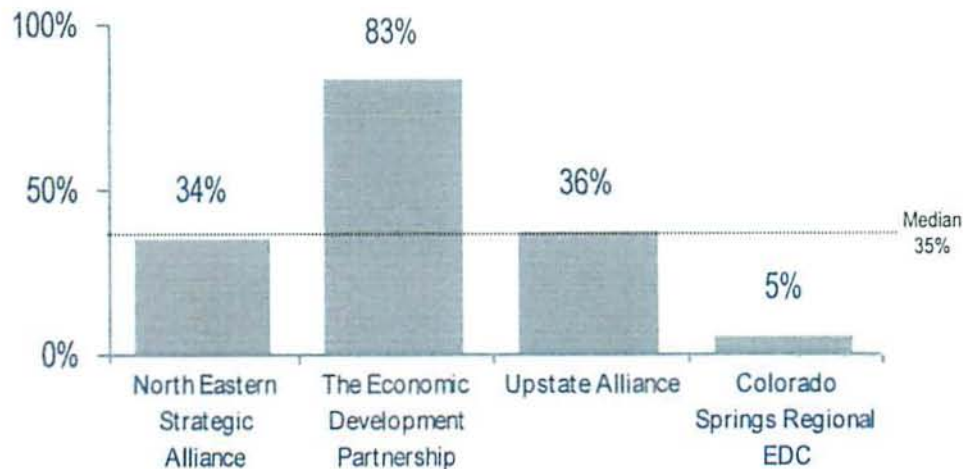
2010 Budget Per 100K



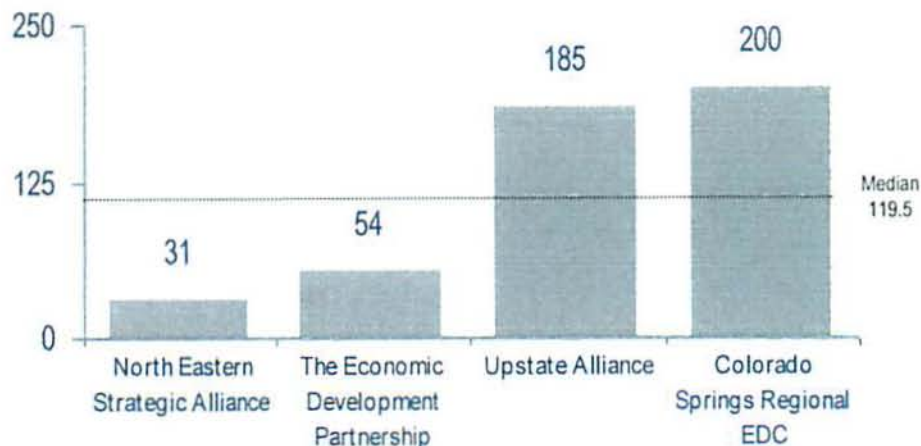
- The Upstate Alliance has a budget of \$1.7 million, largest among the benchmark organizations
- The Low Country Alliance would need a budget of \$584,195 in order to match the \$3.20 per capita economic development funding for all organizations nationally, as found in the ACCRA 2006 Survey of Economic Development Organizations (see page 35 of this report)
- The median per capita budget was \$1.67 among the four benchmark organizations although this was influenced by the larger size of most benchmarks as larger organizations typically have smaller per capita budget sizes.

Funding

Percentage of Public Funding

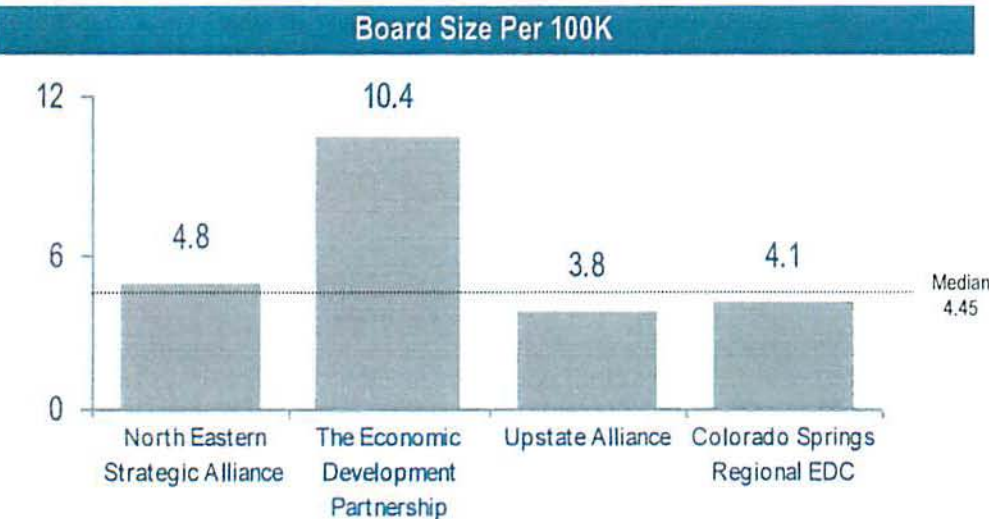
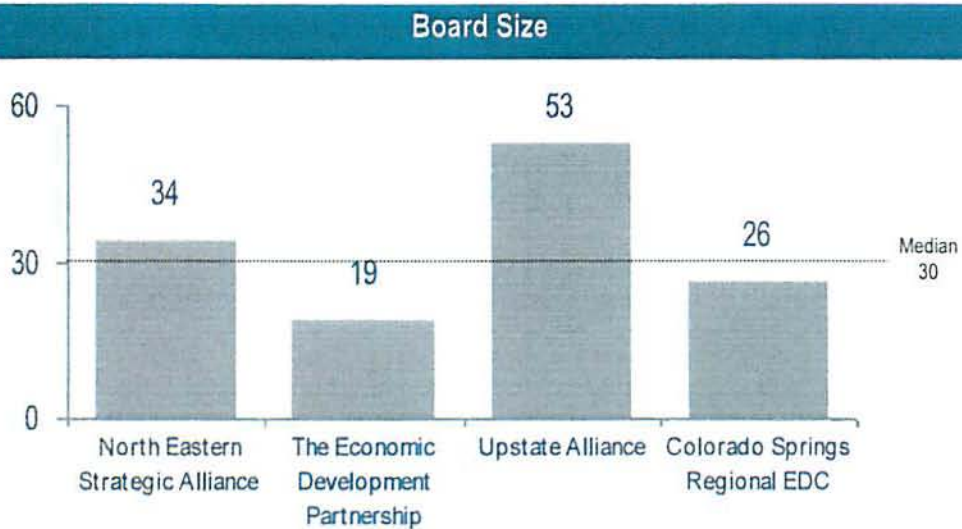


Number of Investors



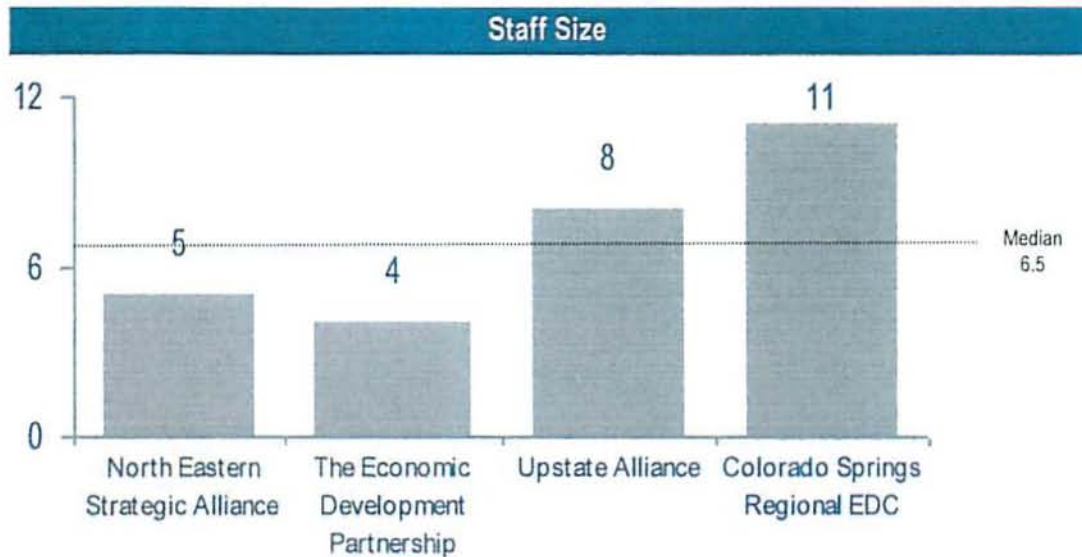
- The median percentage of public funding among the benchmark organizations is 35%
- The Economic Development Partnership of Aiken and Edgefield Counties has the highest percentage of public funding among the benchmark organizations at 83%
- The Colorado Springs Regional Economic Development Corporation has the lowest percentage of public funding among the benchmark organizations at 5% and the highest number of investors among the benchmark organizations

Board Size

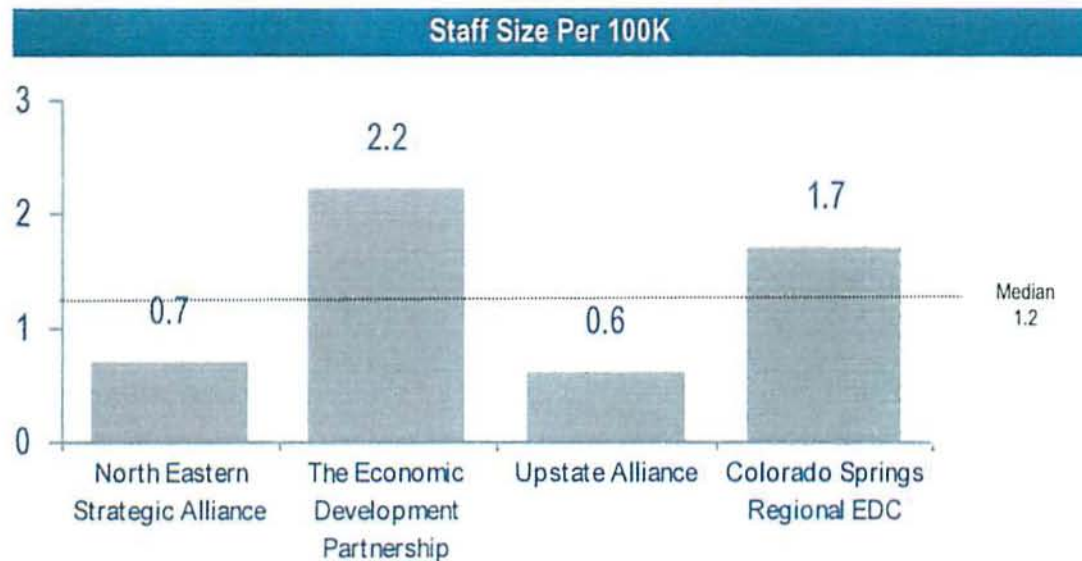


- The benchmark median for board members is 30 people
- The Upstate Alliance has 53 board members, the largest board among the benchmark organizations
- The Economic Development Partnership of Aiken and Edgefield Counties serves nearly the same population size as the Low Country Alliance, and has 19 board members
- All of the benchmarks have substantially larger boards than the Low Country Economic Alliance

Staffing

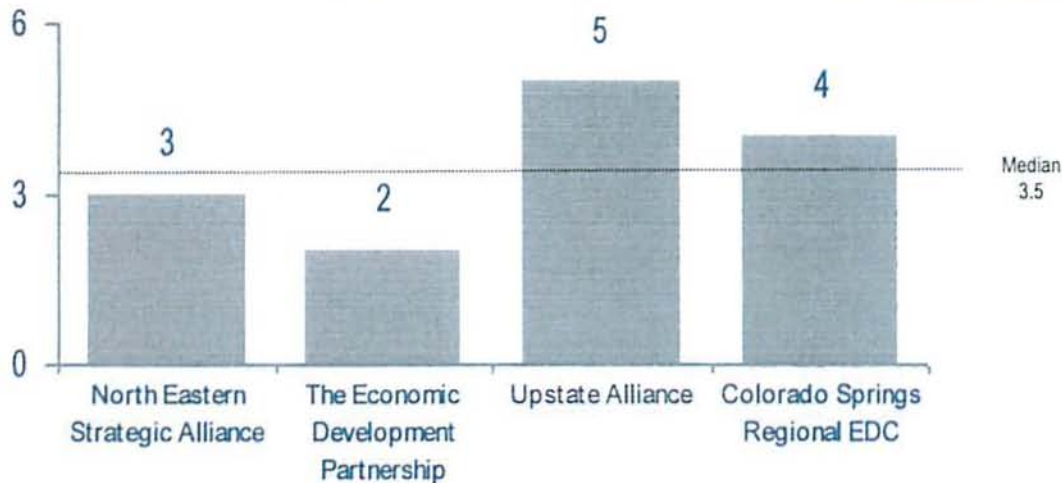


- Colorado Springs Regional Economic Development Corporation has eleven employees, the largest staff among the benchmark organizations
- On a per capita basis, the Economic Development Partnership of Aiken and Edgefield Counties has the largest staff size among the benchmarks organizations

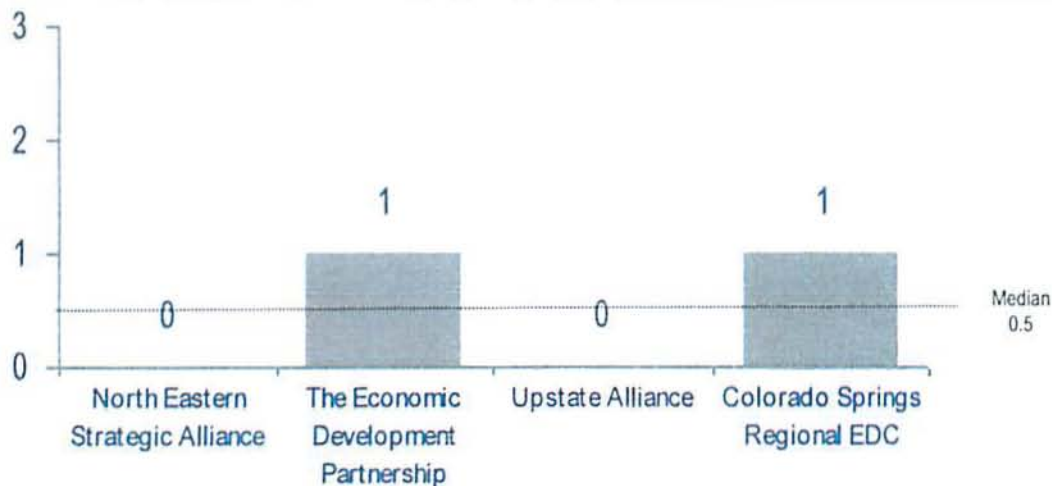


Staffing

Business Development & Marketing Staff



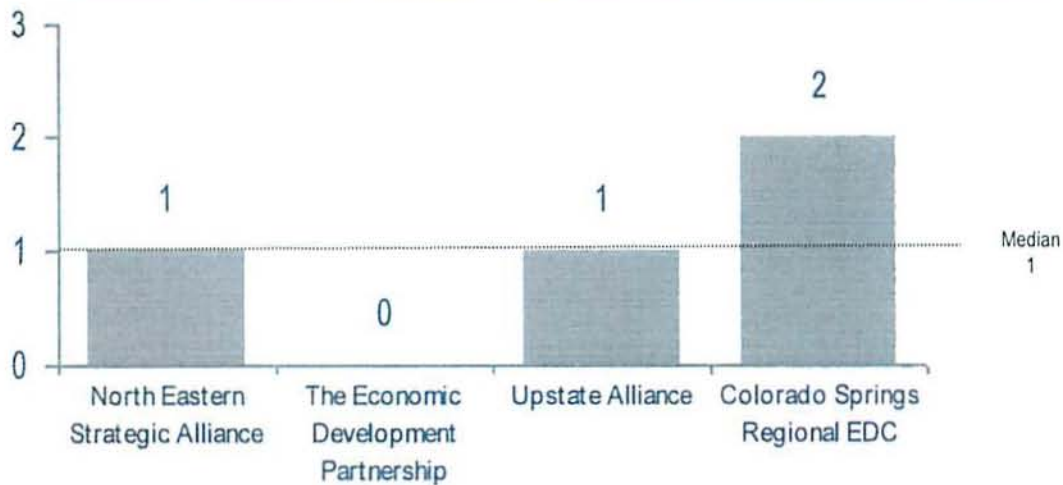
Research Staff



- The Upstate Alliance has five staff members dedicated to business development and marketing, the most among the benchmark organizations
- Of the benchmark organizations, only Colorado Springs Regional Economic Development Corporation and the Economic Development Partnership of Aiken and Edgefield Counties have a staff member dedicated to research

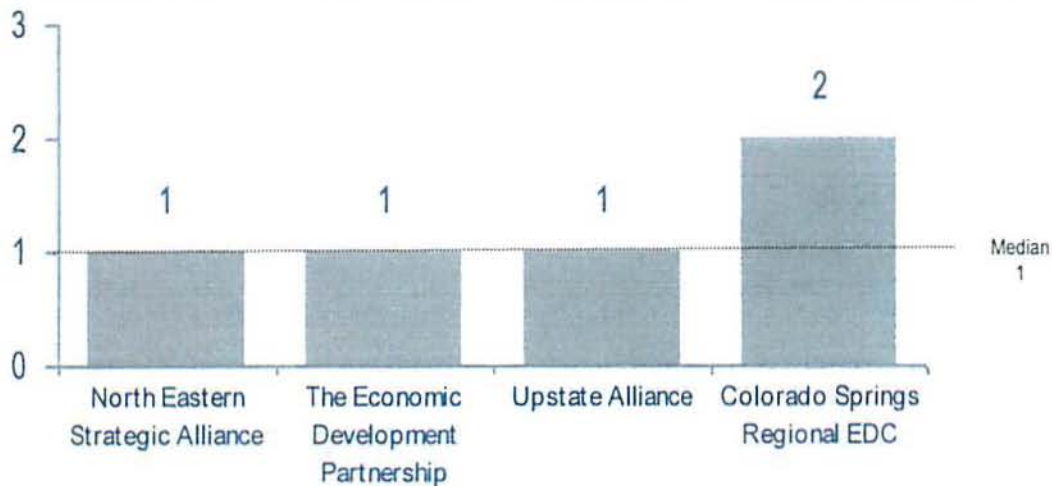
Staffing

Investor Relations Staff



- Three of the four benchmark organizations have a staff member dedicated to investor relations
- Each of the four benchmark organizations has an administrative staff member

Administrative Staff



National Trends

2006 Survey of Economic Development Organizations Findings

IEDC 2010 Salary Survey of Economic Development Professionals Findings

Conclusions

2006 Survey of Economic Development Organizations

- The most recent national organizational benchmarking data was collected by the Council for Community and Economic Research in a 2006 study
- 793 EDOs from across the nation participated in the survey
- Conducted by ACCRA – The Council For Community and Economic Research

Per Capita ED Budget by Organization Type

EDO Type	2006 Per Capita Budget
All EDOs	\$3.20
Economic Development Corporations	\$3.85
Local Government	\$6.61
Chambers of Commerce	\$2.19
Regional Planning Councils	\$0.06

Source: ACCRA 2006 Survey of Economic Development Organizations

National Trends

Average number of FTEs

EDO Type	2006
All EDOs	3.35
Economic Development Corporations	3.95
Local Government	3.22
Chambers of Commerce	1.89
Regional Planning Councils	2.90

Source: ACCRA 2006 Survey of Economic Development Organizations

Economic Development Salaries

The International Economic Development Council's 2010 Salary Survey of Economic Development Professionals (compiled and released in 2011) provides compensation and benefit data based on the survey of 3,301 respondents employed in an economic development-related position. International Economic Development Council (IEDC) is the largest professional membership organization of U.S. and Canadian economic developers.

- The following page identifies salary information for specific economic development positions in the southern region of the U.S.
- The first table provides salary information for organizations serving a population between 100,000 and 249,999, and the second table provides salary information for organizations with a budget in the \$250,000-\$499,999 range.

Economic Development Salaries

2010 Salary Levels

(Organizations serving regions of 100,000-249,999 population)

South Region Respondents

Position	Median Salary	Mean Salary
CEO	\$104,000	\$110,100
VP / Division Manager	\$76,000	\$80,200
Program Manager	\$53,600	\$55,100
Entry Level Staff *	\$39,200	\$41,300

* Note: Entry level data is for all organizations and has no breakdowns available by population or budget size.

Source: IEDC 2010 Salary Survey of Economic Development Professionals

2010 Salary Levels

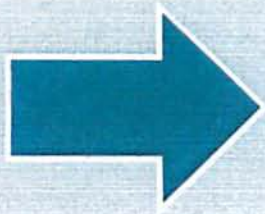
(Organizations with budgets in the \$250,000-\$499,999 range)

South Region Respondents

Position	Median Salary	Mean Salary
CEO	\$90,000	\$100,800
VP / Division Manager	\$70,000	\$77,100
Program Manager	\$54,200	\$58,300

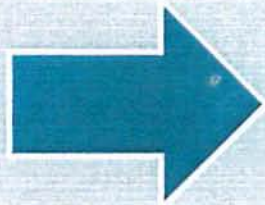
Source: IEDC 2010 Salary Survey of Economic Development Professionals

Conclusions



Economic Development Corporations

- More likely to focus on business incentives and development activities
- Have larger ED staff and pay higher salaries
- Increasingly turning to local governments and the private sector for funding



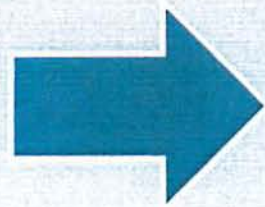
Chambers of Commerce

- Reducing support for traditional ED activities
- Increasing focus on providing community development and tourism related services



Local Governments

- Continued focus on facility and infrastructure development with emphasis on downtown redevelopment and neighborhood revitalization



Regional Planning Councils

- Focus on infrastructure planning efforts and advocacy and management activities

Source: ACCRA 2006 Survey of Economic Development Organizations

Recommendations

This section of the report presents a set of recommendations for the region in three key areas of economic development.

Organizational Structure

Programs and Competitiveness

Regional Connectivity

Organizational Structure

1. Some elements of the current economic development approach are strong and advantageous and should be continued while addressing areas of deficiency. Building upon the base that has been put in place will help prevent further loss of momentum.
2. The economic development alliance with Jasper County has been and will continue to be mutually beneficial and should be further strengthened.
3. Both counties have complementary competitive assets(i.e. real estate options and workforce). A multi-County alliance is also a necessary condition to qualify as a regional marketing alliance for State of South Carolina cooperative marketing funds.
4. The County and Region should continue to utilize a public-private sector economic development approach; however, the level of business participation needs to be substantially increased. Public - private partnerships are generally the most effective economic development approach as they can fully engage regional strengths.
5. There is a need to improve accountability including better performance measures. Annually calculate return on investment.
6. Seek over time to further strengthen the Alliance through the addition of an additional county such as Colleton or Hampton(this may be difficult as both are attached to other alliances).
7. The size of the Board of Directors needs to be substantially expanded over the size of the current board, and broad-based consisting of representatives from both counties.

Recommendations

Organizational Structure

8. The majority of board members should be private sector representatives. Both counties should have the ability to appoint some directors – both business representatives and public officials. Each member city should also have at least one representative.
9. Expand the organization's structure to foster broader engagement, particularly of the private sector, through industry specific task forces.
10. Each community Chamber should be represented on the board.
11. Provide for appointment by the Chair of ex-officio representatives, i.e. military and K-12.
12. Establish a five to nine member Executive Committee to help handle more in-depth matters. Ensure that the Executive Committee has ample private sector representation.
13. A standing Finance Committee should be formed to help prepare budgets and monitor finances.
14. Written job descriptions should be developed for all positions .
15. Collaboratively establish written guidelines to help ensure equitable and effective processes including those used for the handling of prospective new industries.
16. Any organizational structure needs to be in alignment with the economic development strategy currently being formulated.
17. Primary roles played by counties engaged in the most effective economic development alliances consist of the following: financial support to leverage business contributions, active involvement of both county officials and their appointed business representatives on the regional group's Executive Committee and Board of Directors, periodic review of economic development results and strategic direction while enabling day-to-day operational autonomy of the economic development organization.

Recommendations

Organizational Structure

18. A budget size of \$400,000-500,000 will be necessary in order to carry out an external marketing program, retention and expansion, and product improvement functions.
19. Given the relatively small population size of the two counties, the county assessment rate needs to be within the \$1.00 to \$1.60 per capita range - higher than that for the larger metropolitan benchmarked regions. City contributions should be on a negotiated basis.
20. The recommended private sector investment schedule should range from approximately \$2,000 per year to \$25,000 per year.
21. Critical staff skills sets include the following: organizational management of economic development organizations, financial management, sales and marketing, website development and social media, geographic-based research, customer service, and public policy.

Recommendations

Programs and Competitiveness

1. Performance measures need to be developed on an annual basis and closely monitored. These metrics should include economic development results as well as measurement of progress in addressing any deficiencies in regional competitiveness, i.e. workforce development, real estate options, incentives, etc.
2. There is broad interest in improving business attraction results and increased emphasis needs to be placed on external marketing to attract additional economic base employers to the region. Additional sales missions, trade shows, and hosting events need to be undertaken with the strong social media campaign continued.
3. Marketing and business development need to be closely aligned with the target economic clusters to be identified through the recently initiated strategy.
4. Efforts should be leveraged where possible with the South Carolina Department of Commerce's sales missions, trade shows and other marketing initiatives.
5. A strong business retention and expansion program needs to be put in place with findings monitored with the use of Synchronist or another retention and expansion software package.
6. Retention and expansion program findings including ratings of governmental services need to be regularly communicated to the counties and cities.
7. Seek to fully utilize state cooperative marketing funds by finding 1:1 matches.
8. The economic development organization needs to work closely with tourism promotion efforts of the Chambers and other groups to identify and pursue overlapping opportunities, i.e. targeted industries' conferences within the region.

Recommendations

Programs and Competitiveness

9. Scarcity of industrial real estate options remains a glaring weakness in Beaufort County so programs need to be undertaken to encourage and support private sector development of market-ready sites and buildings.
10. Continue to strengthen linkages with USCB, Technical College of the Low Country and other higher educational institutions in order to better capitalize upon educational programs, research, graduates and other economic development resources
11. Conduct an in-depth assessment of County permitting and development review with tangible recommendations for improvements.
12. Explore opportunities to co-market with Savannah.

Recommendations

Regional Connectivity

1. Efforts should be placed towards full regional teamwork in competing for good employers and the reduction of intra-County disagreement, which hurts Beaufort County's ability to assist new and expanding businesses.
2. Communication of results and approaches should be elevated through a website, periodic newsletters, etc. so that the public is more aware of the importance of economic development as well as what efforts are underway.
3. An annual economic development summit should be held to address issues and opportunities with broad participation encouraged.
4. Attraction or expansion of a business in either Beaufort or Jasper County benefits both counties. Revenue sharing of net tax revenues generated from new projects should be investigated and pursued.
5. Pursue additional regional linkages with Savannah in promising areas of joint endeavor where cooperative State funds are not put at risk.
6. More business people and other subject matter experts throughout the region need to be engaged through economic cluster groups for each of the target industries.
7. Actively involve higher education institutions' leadership.
8. Better engage the local Chambers.
9. Try to get more young professionals involved who often feel left out.
10. Implement joint task forces and other collaborative approaches in order to address regional issues and to strengthen intra-regional trust.

Best Practices

Industry Specific Initiatives

Regional Collaboration

International Marketing

Best Practices

Industry Specific Initiatives (Aerospace)



Tucson Regional Economic Opportunities (TREO) was formed in 2005 to serve as the lead economic development agency of the greater Tucson area. Its economic development strategy uses an industry cluster approach focusing on four industries: bioscience, aerospace, solar, and transportation & logistics. Each target industry has a website that aims to educate industry parties about the state of the industry in Tucson and portray the opportunities that the region provides for related businesses.

The aerospace and defense portion of the TREO website (TUSONIC) aims to portray Tucson's best assets that are related to the aerospace industry. It has pages that describe various assets that aerospace companies may be looking for, including an educated workforce page with links to area universities; a strong funding support page that details federal, local and private funds that aerospace actors have been able to use; a collaboration opportunities page that lists the various aerospace initiatives in the region; and a page illustrating the importance of the military presence on Tucson's aerospace sector. The website also allows visitors to see a map with the current aerospace employers located in Southern Arizona, as well as videos of some of the key players of aerospace in Tucson describing the strengths that the area provides for their institute or business. Finally, a news page informs visitors of the latest developments in aerospace in Tucson, such as new grants being provided to local companies or announced firm expansions into the region.

<http://www.treoaz.org/Aerospace.aspx>

Best Practices

Industry Specific Initiatives (Renewable Energy)



ARC: Hydrogen is an initiative formed by the Aiken Edgefield Economic Development Partnership. The project provides a collaborative environment enabling both private industry and academic partners to work with scientists at the Savannah River National Laboratory. The program was established to leverage the local expertise in hydrogen research and development.

The facility is 60,000 square feet with half of the space utilized by the Savannah River National Laboratory (SRNL). SRNL has more than 60 years of experience in the handling and storage of hydrogen, a critical component of fuel cells. The other half is utilized by academia and the private sector. Partners in the initiative include the Savannah River National Laboratory, Toyota, the University of South Carolina-Aiken, ITER (a major international research project), and the U.S. Department of Energy.

Education is also an important component of the project. A 2,000 square foot Education, Training & Development Center lies within the **Arc: Hydrogen** facility. Aiken Technical College is an important partner in the project and K-12 programs and outreach have been established, educating young people on the importance of developing alternative energy sources.

Arc: Hydrogen is funded by Aiken County and is a program of the Aiken Edgefield EDP, marking the first time that a nationally-recognized lab and community have joined together to become the leader in applied research and technology. The \$10 million investment demonstrates the importance of hydrogen technology to the region and the Economic Development Partnership's focus on the hydrogen technology industry.

<http://www.archydrogen.com/>

Best Practices

Regional Collaboration



The JAXUSA Partnership is a private, nonprofit division of the Jacksonville Regional Chamber of Commerce that operates as Jacksonville and Northeast Florida's regional economic development initiative. JAXUSA Partnership, formerly Cornerstone Regional Development Partnership, partners with seven regional counties, the Jacksonville Regional Chamber of Commerce, the Jacksonville Economic Development Commission, and more than 200 private sector entities in the Jacksonville area, a region of roughly 1.5 million residents.

JAXUSA focuses its efforts on regional marketing, prospecting, and international trade. It has six staff members, an eighteen person executive committee, and maintains a comprehensive website with a multitude of resources and data for prospective businesses looking to relocate or expand in the Jacksonville area.

(<http://www.expandinjax.com/Home.aspx>).

Best Practices

Regional Collaboration



Florida's Great Northwest

International Convergence. Regional Innovation.

Florida's Great Northwest, Inc. is a regional economic development organization representing 16 counties in Northwest Florida. It was founded in 2000 as an effort to bring together organizations across the region in order to realize collective advantages and build upon regional strengths. It is comprised of county and local economic development groups, workforce development boards, community and junior colleges, universities and private businesses. Since its founding, it has evolved into one of the nation's premier regional alliances for economic and workforce development.

The main goal of Florida's Great Northwest is to create high-wage, high-skill jobs for the citizens of the region by diversifying its economic base, following a retention and recruitment strategy focused on target industry sectors, and transitioning its workforce into a knowledge-based economy. It embraces an aggressive marketing campaign, and recently adopted a new tagline, *Florida's Great Northwest: International Convergence*.

Workforce development is a defining activity of Florida's Great Northwest, and is conducted through the WIRED Northwest Florida Initiative. It provides grants for job creation and education as start-up funds in engineering and information technology. It has also invested \$1.15 million in scholarships to students in the IT and engineering disciplines in seven community colleges and universities. In order to build its Aerospace industry, Florida's Great Northwest recently formed the four-state Aerospace Alliance, which conducted events such as participation in the Paris Air Show and the Northwest Florida Aerospace Tour. Similar strategies in its other target industries have resulted in the growth of its target industries, both in terms of revenue and job creation, even during the recession.

<http://www.floridasgreatnorthwest.com/index.html>

Best Practices

International Marketing



27 YEARS OF THINKING REGIONALLY

The Charlotte Regional Partnership is a nonprofit, public/private economic development organization that markets the 16-County Charlotte region (12 counties in North Carolina and four in South Carolina). The 20 year old Partnership encourages government/business collaboration to promote the Charlotte region to attract sustained, long-term growth, job creation, and investment opportunities.

The Partnership operates an International Business Information website with a wealth of publicly available information geared toward international inward investment. The website (<http://charlotteusa.com/business-info/international-business/>) includes a separate webpage for nine foreign countries that have a major presence in the Charlotte region. Each webpage highlights the reasons why companies from that particular country have chosen to locate in Charlotte including factors such as direct air travel connections, cultural festivals, and key industry strengths shared by both the Charlotte region and the foreign country. Each webpage also provides a map and directory of every foreign-owned firm from that country that has facilities in the Charlotte region, including basic company information (address, contact person, # of employees, year established, and type of industry). The website includes a foreign investment profile of each of the nine foreign countries relative to North Carolina and the U.S., and a marketing document in each foreign language. The Partnership also has a list of international business organizations (such as local ethnic chambers of commerce) and international cultural organizations, complete with contact information, on its "Regional Resources" webpage

(http://charlotteusa.com/business-info/regional-resources/#international_business_organizations).

About AngelouEconomics

AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities. Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development. As a result, AngelouEconomics' clients are able to diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract 'new economy' companies.

AngelouEconomics
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Austin, Texas 78746
(512) 225-9322
www.angeloueconomics.com

AE Project Team

Angelos Angelou
Principal Executive Officer

Steve Vierck, CEcD
President, Economic Development

Abel Balwierz
Associate Project Manager



Memorandum

DATE: September 23, 2011
TO: County Council
FROM: Bryan Hill, Deputy County Administrator
SUBJECT: Deputy County Administrator's Progress Report

The following is a summary of activities that took place September 12, 2011 through September 23, 2011:

September 12, 2011 (Monday):

- Attend Finance Committee Meeting
- County Council Meeting

September 13, 2011 (Tuesday):

- Meet with Joshua Gruber, Staff Attorney re: Redistricting Presentation
- Meet with Gary Kubic, County Administrator, Ladson Howell, Staff Attorney and Suzanne Gregory, Employee Services

September 14, 2011 (Wednesday):

- Meet with Joshua Gruber and Ladson Howell, Staff Attorneys
- Meet with Patty Kennedy and Garrett Budds from BCOLT

September 15, 2011 (Thursday):

- Meet with Duffie Stone, Solicitor
- Meet with Sean Thornton, Assistant Solicitor re: AMACUS
- Attend Town of Bluffton Meeting

September 16, 2011 (Friday):

- Meet with Mike Taylor and Mike Devore, MIS re: Virtual Upgrades/Platform Initiatives
- Meet with Staff at Administration Building
- Meet with David Zeoli and Chuck Runion, Emergency Management re: EOC Update
- Meet with David Starkey re: MUNIS Upgrade

September 19, 2011 (Monday):

- DA Meeting
- Meet with Councilman Jerry Stewart re: Upcoming Legislative Meeting
- Attend Finance Committee Meeting

September 20, 2011 (Tuesday):

- Attend DSN Retreat
- Meet with Roberts Vaux, Attorney re: Bluffton Fire District
- Meet with Duffie Stone, Solicitor, and Sean Thornton, Deputy Solicitor

September 21, 2011 (Wednesday):

- Attend Don Ryan Funeral
- Meet with Robert McFee, Maggie Hickman and David Starkey re: SCDOT Contractual Issue
- Meet with Suzanne Gregory, Employee Services re: Gallagher Benefits Coordination Meeting/Open Enrollment
- Attend Agenda Review

September 22, 2011 (Thursday):

- Meet with Joshua Gruber re: County Fire District Charters
- Prepare for County Council

September 23, 2011 (Friday):

- Attend Auditor's FY2010 Report Review/Local Government Report
- Bluffton P.M. Hours

Budget FY 2012
9/26/11

Description		Organization	ORG.	FINAL 2010	Unaudited FINAL 2011	Actual to date 2012	Revised Budget 2012
41***		Taxes	41	(72,781,606)	(73,219,927)	(818,675)	(72,130,243)
42***		Licenses/Permits	42	(2,406,781)	(2,324,229)	(509,622)	(2,567,500)
43***		Intergovernmental	43	(7,840,692)	(7,206,532)	(59,629)	(7,422,875)
44***		Charges for services	44	(10,871,665)	(10,955,417)	(1,346,037)	(11,226,774)
45***		Fines & Forfeitures	45	(1,114,193)	(836,282)	(130,189)	(953,000)
46***		Interest	46	(535,064)	(172,209)	(18,727)	(141,000)
47***		Miscellaneous	47	(784,642)	(822,952)	(139,499)	(705,600)
48***		Other Finance Sources	48	(2,754,898)	(1,428,891)	-	(1,156,500)
Revenue				(99,089,541)	(96,966,440)	(3,022,378)	(96,303,492)
Newton	Elected	Council	11000	635,734	642,731	117,684	623,982
Burris	Elected	Auditor	11010	643,652	539,431	108,775	623,510
Henderson	Elected	Treasurer	11020	808,954	819,081	146,417	645,070
Henderson	Elected	Treasurer	11021	1,327,648	490,214	-	481,000
Roseneau	Elected	Clerk of Court	11030	963,474	840,140	140,145	831,574
Roseneau	Elected	Clerk of Court	11031	337,080	215,458	59,080	249,668
Simon	Elected	Probate	11040	849,174	730,972	155,256	756,659
Allen	Elected	Coroner	11060	373,890	319,807	56,331	391,938
Smith	State	Magistrate	11100	34,356	652	-	-
Smith	State	Magistrate	11101	685,920	661,303	140,398	606,062
Smith	State	Magistrate	11102	529,107	359,034	80,617	401,125
Smith	State	Magistrate	11103	64,207	65,052	14,272	66,618
Smith	State	Magistrate	11104	82,777	82,868	17,862	82,508
Smith	State	Magistrate	11105	84,396	80,491	18,751	90,681
Smith	State	Magistrate	11106	79,900	102,164	25,591	101,058
Smith	State	Master in Equity	11110	309,433	284,528	62,488	295,937
Allocation	Allocation	General Government Subsidies	11199	1,631,125	1,364,350	177,918	1,128,340
Kubic	Admin	County Administrator	12000	919,541	589,829	136,417	567,747
Criscitiello	Admin	Housing	12003	3,750	-	-	-
Larson	Admin	PIO	12005	386,010	96,754	16,519	85,218
Grooms	Admin	Broadcast Services	12006	-	174,990	49,388	221,467
Gruber	Admin	Staff Attorney	12010	556,119	559,071	110,831	497,661
Spells	Admin	Internal Audit	12015	111,710	31,103	10,673	66,091
Hood	State	Public Defender	12020	-	-	425	-
Marshall	Admin	Voter Registration	12030	694,812	563,561	130,841	598,260
Marshall	Admin	Voter Registration	12031	(1,050)	211	820	-
Hughes	Admin	Assessor	12040	2,429,315	1,833,928	364,869	2,053,520

Budget FY 2012
9/26/11

Description		Organization	ORG.	FINAL 2010	Unaudited FINAL 2011	Actual to date 2012	Revised Budget 2012
Hughes	Admin	Register of Deeds	12050	548,074	442,381	168,700	469,563
Mitchell	Admin	Risk Mgmt	12060	135,647	92,181	16,992	96,495
Davis	State	Delegation	12080	83,625	66,791	14,292	67,535
Crisdtiello	Admin	Zoning	13330	240,290	193,207	44,638	204,643
Crisdtiello	Admin	Planning	13340	852,797	706,078	152,215	696,539
Crisdtiello	Admin	Planning (Comp Plan)	13341	60,253	398,141	121,721	126,475
Morgan	Admin	GIS Map	13350	595,825	447,437	87,149	407,316
Campbell	Admin	Community Service	14000	208,001	122,782	36,685	127,785
Hayes	Admin	Staff Services	14010	432,565	379,669	83,951	353,193
Gregory	Admin	Employee Services	14020	936,766	910,938	243,654	872,760
Keough	Admin	Records Management	14030	199,101	146,795	42,707	208,385
Starkey	Admin	Finance	15010	546,441	529,164	143,264	593,166
Thomas	Admin	Purchasing	15040	248,317	227,897	56,581	235,383
Stephens	Admin	Business License	15050	474,360	153,816	11,825	97,537
Morgan	Admin	MIS	15060	2,504,079	1,888,131	633,457	2,360,307
Morgan	Admin	MIS	15061	1,128	-	-	-
McFee	Admin	Public Works	17000	256,898	207,564	44,491	205,382
Benefits	Fringe	Fringe Benefits-General Govt	19199	-	2,101,252	-	2,177,360
Tanner	Elected	Sheriff	21051	6,935,326	7,106,375	1,439,915	6,567,860
Tanner	Elected	Sheriff	21052	12,051,225	12,188,727	2,482,819	10,655,494
Tanner	Elected	Sheriff	21053	-	-	178,835	555,457
Tanner	Elected	Sheriff	21055	1,420,920	1,316,375	250,539	1,302,274
Ferguson	Admin	Emergency Management	23140	665,401	479,634	147,057	440,327
Ferguson	Admin	Emergency Management	23142	5,393	152,301	29,458	91,586
Zioli	Admin	Emergency Management - Comm	23150	4,256,015	4,212,652	2,434,506	4,602,211
Runnion	Admin	Emergency Management - DATA	23155	1,076,177	819,645	124,131	692,857
Ferguson	Admin	EMS	23160	5,959,606	5,080,321	1,101,969	4,898,239
Ferguson	Admin	Detension Center	23170	6,409,241	5,556,794	1,331,512	5,433,000
Kinton	Admin	Traffic-Signal Management	23322	303,325	276,816	51,595	307,314
Kinton	Admin	Traffic-Signal Management	23323	128,249	105,519	60,397	116,000
Ferguson	Admin	Building Codes	23360	1,311,688	951,547	146,209	624,837
vacant	Admin	Building Codes	23361	-	-	36,242	219,393
Benefits	Fringe	Fringe Benefits-Public Safety	29299	-	2,447,228	-	5,372,376
Roseneau	Admin	Facilities Management	33020	2,443,107	2,104,691	420,822	2,055,403
Roseneau	Admin	Bldg Facilities Maint	33030	1,034,490	1,070,643	212,080	1,061,572
Roseneau	Admin	Grounds North	33040	1,328,895	1,061,342	248,919	1,759,275
Roseneau	Admin	Grounds South	33042	1,111,226	877,045	144,428	-
Bellamy	Admin	Public Works General	33300	990,810	701,630	155,769	709,671

Budget FY 2012
9/26/11

Description		Organization	ORG.	FINAL 2010	Unaudited FINAL 2011	Actual to date 2012	Revised Budget 2012
Bellamy	Admin	Public Works Roads North	33301	1,048,771	873,667	171,876	801,181
Bellamy	Admin	Public Works Roads South	33302	588,352	602,973	89,477	539,706
Bellamy	Admin	Public Works Admin	33305	371,265	279,610	61,200	248,018
Klink	Admin	Engineering	33320	450,071	304,608	53,930	338,283
Minor	Admin	SWR- Adm	33390	5,011,077	4,361,384	4,008,021	4,744,454
Minor	Admin	SWR-HHI	33393	104,191	108,391	21,388	100,693
Minor	Admin	SWR- Bluffton	33394	156,074	143,157	33,229	145,790
Minor	Admin	SWR-Burton	33395	156,532	165,616	29,873	177,521
Minor	Admin	SWR-Ladys Isl (7)	33396	33,298	203	-	49,356
Minor	Admin	SWR- St., Helena (8)	33397	143,143	137,139	30,516	163,455
Minor	Admin	SWR- Sheldon	33398	107,353	109,882	24,806	101,993
Benefits	Fringe	Fringe Benefits-Public Works	39399	-	1,382,469	-	1,429,893
Lytton	Admin	Animal Shelter	43180	899,340	758,681	186,016	774,061
Hunt	Admin	Mosquito Control	43190	1,714,086	1,087,662	347,254	1,091,325
Kubic	Admin	Environmental Sciences	43195	5,000	-	-	-
Allocation	Fringe	Public Health Subsidy	44199	2,630,740	2,582,740	430,937	1,800,511
Benefits	Admin	Fringe Benefits-Public Health	49499	-	301,388	-	325,265
Ray	Admin	Veterans	54050	194,205	139,787	30,575	143,034
Campbell	State	Social Services	54060	196,105	197,470	24,462	195,700
Campbell	Allocation	Public Welfare	54299	481,320	498,330	2,090	540,000
Benefits	Fringe	Fringe Benefits-Public Welfare	59599	-	37,170	-	29,572
Penale	Admin	PALS-Admin	63310	407,865	361,474	50,452	284,628
Penale	Admin	PALS-Summer Programs	63311	143,279	158,241	94,416	120,450
Penale	Admin	PALS-Aquatics	63312	1,177,361	1,041,870	189,336	924,044
Penale	Admin	PALS-Hilton Head	63313	80,000	80,000	20,145	80,000
Penale	Admin	PALS-Athletics(S)	63314	900,237	792,279	107,550	145,500
Penale	Admin	PALS-Athletics(N)	63316	523,068	396,397	101,008	847,492
Penale	Admin	PALS-Recreation Centers	63317	854,749	611,770	114,081	767,584
Wlodek	Admin	Library-Administration	64070	870,732	639,511	134,755	656,166
Wlodek	Admin	Library-Beaufort	64071	651,413	509,831	101,825	511,847
Wlodek	Admin	Library-Bluffton	64072	771,287	557,819	89,565	507,772
Wlodek	Admin	Library-Hilton Head	64073	707,536	613,005	117,495	570,153
Wlodek	Admin	Library-Lobeco	64074	203,066	111,843	25,777	127,837
Wlodek	Admin	Library-St. Helena	64075	91,332	92,461	19,100	91,919
Wlodek	Admin	Library-Technical Services	64078	888,005	395,537	74,453	579,194
Wlodek	Admin	Library-S.C. Reading Room	64079	111,974	95,890	19,903	98,678
Benefits	Fringe	Fringe Benefits-Parks & Cultural	69699	-	897,015	-	834,815
Allocation	Allocation	General Funds Transfers	99100	3,993,821	3,387,565	-	3,184,938

Budget FY 2012
9/26/11

Description	Organization	ORG.	FINAL 2010	Unaudited FINAL 2011	Actual to date 2012	Revised Budget 2012	
			96,962,942	91,786,062	21,847,405	92,303,492	
Allocation	Education	Education Allocation	64399	4,716,317	4,716,300	-	4,000,000
		Total County Budget	101,679,259	96,502,362	21,847,405	96,303,492	

* All figures reflected in this report are as of September 22, 2011(8am)

* Fringe benefits are now pooled, they are no longer associated to individual accounts.

* PALS supports the Island Recreational Center with two allocations, 80K(pool) and 60K(Rec Center)

ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$50,000,000 AGGREGATE PRINCIPAL AMOUNT OF HOSPITAL REFUNDING AND IMPROVEMENT REVENUE BONDS (BEAUFORT MEMORIAL HOSPITAL) SERIES 2011; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AND LOAN AGREEMENT, A REFUNDING ESCROW DEPOSIT AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND OTHER MATTERS INCIDENTAL THERETO.

WHEREAS, Beaufort County, South Carolina (the "*County*"), acting by and through its County Council (the "*County Council*"), is authorized and empowered under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "*Act*"), to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing and equipping of hospital facilities (as defined in the Act) to serve the people of the State of South Carolina (the "*State*") and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the County is further authorized to issue revenue bonds for the purpose of defraying the cost of providing hospital facilities and to refinance or refund outstanding bonds, obligations, mortgages or advances issued, made or given by a hospital or public agency for the cost of hospital facilities; and

WHEREAS, the County is further authorized to make the proceeds of any revenue bonds available by way of a loan to a hospital or public agency pursuant to a loan agreement; and

WHEREAS, the County has heretofore issued \$28,740,000 Hospital Revenue and Refunding Bonds (Beaufort County Memorial Hospital) Series 1997, of which \$13,365,000 is currently outstanding (the "*Series 1997 Bonds*"); and

WHEREAS, the Hospital is organized and existing under the laws of the State, is empowered to operate and maintain hospital facilities, and is a "public agency" as defined in the Act; and

WHEREAS, the Hospital has deemed it necessary and desirable to acquire certain land and make improvements thereto, undertake certain additions, improvements and renovations to its hospital facilities, including the acquisition of equipment therefor, and reimbursing the Hospital for certain prior capital expenditures heretofore incurred for hospital facilities which the Hospital expressed an intent to finance (collectively, the "*Project*"); and

WHEREAS, the Hospital has deemed it necessary and desirable to refund the outstanding Series 1997 Bonds to achieve a savings in debt service; and

WHEREAS, in making the determination to refund the Series 1997 Bonds, the County has given consideration to the interest to maturity on the Series 1997 Bonds, the costs of issuance of the Series 2011 Bonds (hereinafter defined) authorized herein, a portion of the proceeds of which will be applied to refund the outstanding Series 1997 Bonds and the known earned income from the investment of a portion of the proceeds of the Series 2011 Bonds providing for refunding the Series 1997 Bonds; and

WHEREAS, the South Carolina Department of Health and Environmental Control has issued Certificates of Need with respect to those items of the Project requiring a Certificate of Need; and

WHEREAS, no certificate of need is required with respect to the refunding of the Series 1997 Bonds; and

WHEREAS, the Hospital, the County and TD Bank, N.A. propose to enter into a Bond Purchase and Loan Agreement dated as of the first day of the month in which the Series 2011 Bonds are delivered, or such other date on or before December 31, 2011 (the "**Purchase Agreement**"), with respect to the financing of the Project and the refunding of the Series 1997 Bonds; and

WHEREAS, the County desires to authorize the issuance of a series of Bonds to be designated, "Beaufort County, South Carolina, Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011" (the "**Series 2011 Bonds**"), for the purpose of defraying the cost of the Project, including reimbursing the Hospital for certain capital expenditures heretofore made by the Hospital which it expressed an intent to finance, and refunding the Series 1997 Bonds; and

WHEREAS, the County and the Hospital now desire to proceed with the financing; and

WHEREAS, there have been prepared and submitted to the County the forms of (a) the Purchase Agreement; (b) the Refunding Escrow Deposit Agreement (the "**Escrow Agreement**") by and among the County, the Hospital and the Paying Agent for the Series 1997 Bonds; and (c) the Tax Compliance and Non-Arbitrage Agreement to be dated the date of issuance of the Series 2011 Bonds by and between the County and the Hospital;

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

Section 1. To defray the cost of the Project, including permitting the Hospital to be reimbursed for certain capital expenditures heretofore made which the Hospital expressed an intent to finance, and to refund the Series 1997 Bonds, the issuance of hospital revenue bonds to be designated "not exceeding \$50,000,000 Beaufort County, South Carolina, Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011," is hereby authorized subject to the provisions of this Ordinance and the Purchase Agreement. The Series 2011 Bonds shall be dated; shall be issued in such denominations; shall be payable as to principal, interest and redemption premium, if any; shall bear interest; shall mature; shall be in the form; and shall contain provisions for execution, authentication, payment, registration, redemption and numbering as shall be set forth in the Purchase Agreement.

Section 2. The Series 2011 Bonds shall be secured by a pledge effected by the Purchase Agreement and shall be limited obligations of the County payable solely from and secured by a pledge of the gross revenues and receipts derived by the County from or in connection with the Purchase Agreement hereinafter authorized. The Series 2011 Bonds do not and shall never constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

Section 3. The form of the Purchase Agreement for the Series 2011 Bonds and as submitted to this meeting and appended hereto as *Exhibit A* and made a part of this Ordinance as though set forth in full herein, be and the same are hereby approved. The Chairman of the County Council (the "**Chairman**") is hereby authorized and directed to execute and deliver the Purchase Agreement with such changes, insertions and omissions as may be approved by said Chairman upon advice of counsel, said execution being conclusive

evidence of such approval; and the Clerk of the County Council (the "*Clerk*") is hereby authorized and directed to affix the corporate seal of the County to the Purchase Agreement and to attest the same.

Section 4. The form of the Escrow Agreement, as submitted to this meeting and appended hereto as *Exhibit B* and made a part of this Ordinance as though set forth in full herein, be and the same is hereby approved. The Chairman is hereby authorized and directed to execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by said Chairman upon advice of counsel, the execution being conclusive evidence of such approval; and the Clerk is hereby authorized and directed to affix the corporate seal of the County to the Escrow Agreement and to attest the same.

Section 5. The form of the Tax Agreement, as submitted to this meeting and appended hereto as *Exhibit C* and made a part of this Ordinance as though set forth in full herein, be and the same is hereby approved. The Chairman is hereby authorized and directed to execute and deliver the Tax Agreement with such changes, insertions and omissions as may be approved by said Chairman upon advice of counsel, the execution being conclusive evidence of such approval; and the Clerk is hereby authorized and directed to affix the corporate seal of the County to the Tax Agreement to attest the same.

Section 6. The Chairman and the Clerk, and any other proper officer of the County, be and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Ordinance.

Section 7. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 8. This Ordinance shall become effective and be in full force immediately.

BEAUFORT COUNTY, SOUTH CAROLINA

(SEAL)

By: _____
Chairman, County Council

ATTEST:

Clerk to County Council

First Reading: September 12, 2011
Second Reading: September 26, 2011
Public Hearing:
Third Reading:

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A SUPPLEMENTAL APPROPRIATION FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF \$72,159.83 FOR THE PURPOSE OF FUNDING CENSUS-BASED BEAUFORT COUNTY MAGISTRATE SALARY INCREASES FOR THE PERIOD OF JULY 1, 2011 TO JUNE 30, 2012.

WHEREAS, S.C. Code of Laws Section 22-8-40(2)(a) provides that, “for those Counties with a population of one hundred fifty thousand and above, according to the latest official United States Decennial Census, the base salary (for Magistrates) is fifty-five percent of a circuit court judges salary for the state’s previous fiscal year”; and

WHEREAS, the Decennial Census figures for Beaufort County became certified on March 22, 2011, and demonstrated that Beaufort County’s population was in excess of one hundred fifty thousand people thus requiring the County to provide a salary increase to certain Beaufort County Magistrates in order to comply with the minimum funding percent indicated above; and

WHEREAS, by the adoption of this Ordinance, the 2011-2012 Beaufort County Budget as adopted by County Council will incorporate the necessary increases to certain Beaufort County Magistrates salaries as required by statute so as to meet the minimum salary amounts necessary to comply with the statutory funding formula.

NOW, THEREFORE, BE IT ORDAINED by Beaufort County Council that the FY2011-2012 Beaufort County Budget Ordinance is hereby amended so as to provide a supplemental appropriation in an amount of \$72,159.83 for the purpose of providing salary increases for certain Beaufort County Magistrates as a result of the certification of the Decennial Census figures.

DONE THIS _____ DAY OF _____ 2011, AT A MEETING DULY ASSEMBLED OF BEAUFORT COUNTY COUNCIL.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Wm. Weston J. Newton, Chairman

BY: _____
Gary T. Kubic, County Administrator

Approved as to Form:

Joshua A. Gruber, Staff Attorney

Attest:

Suzanne M. Rainey, Clerk to Council

First Reading: September 12, 2011

Second Reading:

Public Hearings:

Third and Final Reading:

2011 /

BEAUFORT COUNTY ZONING MAP AMENDMENT FOR R300 015 000 0101 0000 (KNOWN AS ST. HELENA STATION PLANNED UNIT DEVELOPMENT (PUD), 13.24 ACRES OFF SEA ISLAND PARKWAY/HIGHWAY 21); FROM PUD TO RURAL (R) ZONING DISTRICT.

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

Adopted this ____ day of _____, 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: September 12, 2011

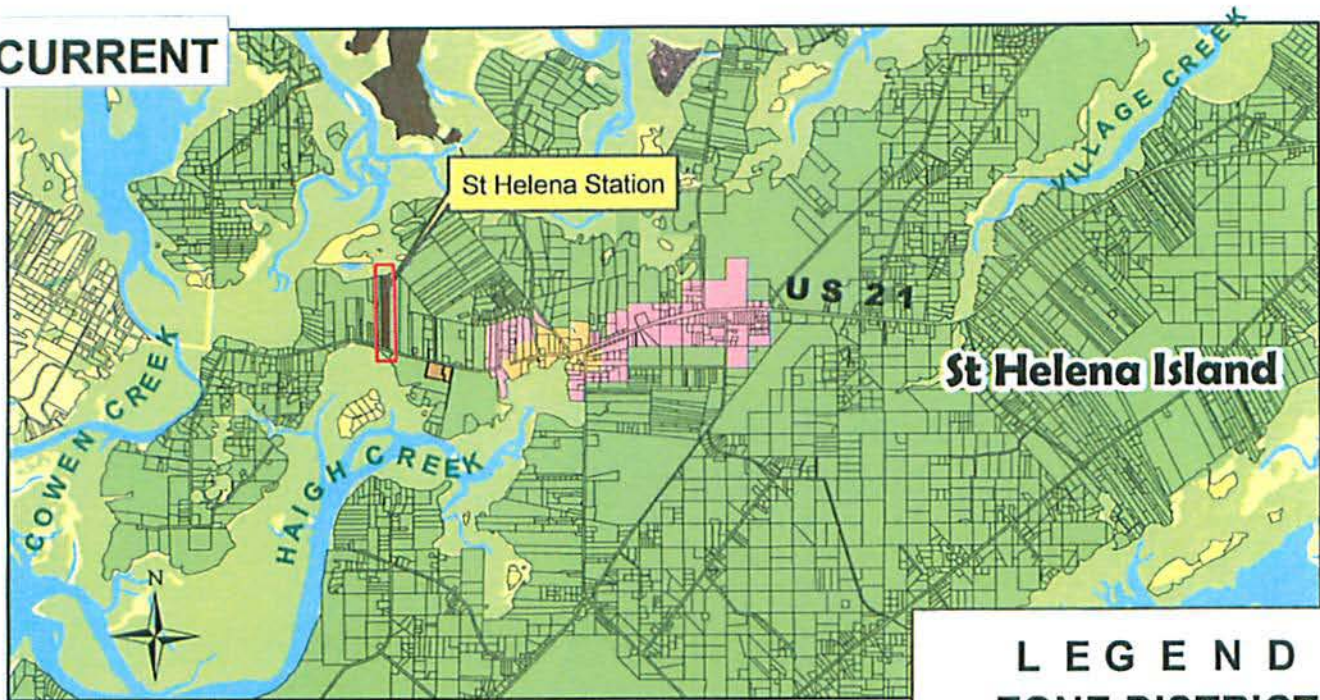
Second Reading:

Public Hearing:

Third and Final Reading:

(Amending 99/12)

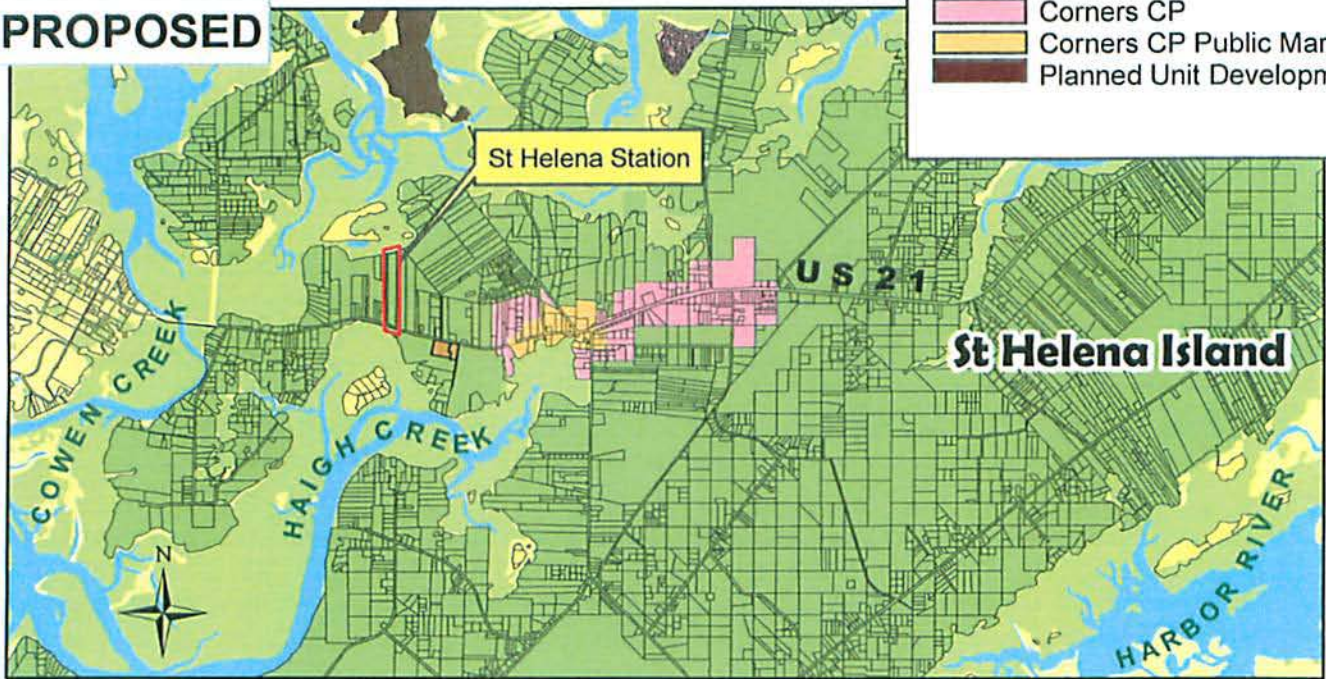
CURRENT



LEGEND
ZONE DISTRICT

- Resource Conservation
- Rural
- Rural Business
- Corners CP
- Corners CP Public Market
- Planned Unit Development

PROPOSED



REZONING AMENDMENT

300 015 000 0101 0000 St Helena Station
FROM Planned Unit Development [PUD] TO Rural [R]

2011

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE, TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE VII, SEC. 106-1845(6) BUFFER DISTURBANCE (ADDS RIVER BUFFER DISTURBANCE STANDARDS).

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: September 12, 2011

Second Reading:

Public Hearing:

Third and Final Reading:

(Amending 99/12)

Sec. 106-1845. River buffer.

The river buffer extends inland 50 feet from all tidal waters and wetlands beginning at the OCRM critical line. The following standards are required for all development affecting the river buffer:

- (1) *Drainage.* [Ed. Note: no changes proposed.]
- (2) *Bulkheads, rip-rap and erosion control devices.* [Ed. Note: language provided for information only – no changes proposed.] All bulkheads, rip-rap or other erosion control devices in the river buffer are limited uses, subject to the required standards below.
 - a. A permit to construct the bulkhead, rip-rap or erosion control device must have been issued by OCRM.
 - b. Application for a permit for the installation of a bulkhead, rip-rap or other erosion control device more than 48 inches in total vertical height from the existing ground elevation must submit design plans, including certification from a South Carolina registered professional engineer as to the adequacy of the design standards included to prevent collapse or other failure.
 - c. The provisions of subsection 106-1846(b), tree protection and specimen trees, must be met.
 - d. Any disturbance of shoreline within the river buffer landward of the SC critical line shall require submission of a revegetation plan. A principal objective of the plan is to preserve and replace as much of the on-site preconstruction native vegetation to the extent possible. Other acceptable landscaping plants are found in the SC DHEC publication entitled "Backyard Buffers", publication CR-003206 (11/00). Such plantings shall be in the quantities set forth in Table 106-1680(e) for a maritime forest on a disturbed area prorated acre basis, i.e., a one-tenth of an acre disturbance requires one-tenth of the bufferyard planting, unless soil conditions are unfavorable to establish this type of forestation, in which case a revegetation plan more suitable for the type of soil conditions will be accepted.
 - e. Revegetation of areas landward of the critical line, having sloping topography in excess of 1:3 slope, shall also include slope stabilization measures in compliance with SCDOT standards, as set forth in section 205, Embankment Construction, of the SCDOT Standard Specifications for Highway Construction, Edition of 2000.
 - f. Landscaping and construction design plans will be submitted to the zoning development administrator (ZDA), who shall issue a development permit for construction and land disturbance if these criteria are satisfied. Inspection of the

construction and landscaping shall be done by the Beaufort County Building Inspection Department as provided for building permits.

- (3) *View corridor.* [Ed. Note: **language provided for information only – no changes proposed.**] The landowner may provide a view corridor through the river buffer. The following standards shall apply:
- a. Such a view corridor shall not extend for more than 75 feet or one-third of the lot width, whichever is less.
 - b. The view corridor shall generally involve only pruning to provide views. However, a landowner may submit a selective clearing and selective landscaping program for the view corridor. This shall only be approved by the DRT if the net result provides both ample screening of the shoreline and filtering of runoff from lawns on the lots.
- (4) *Setbacks.* [Ed. Note: **no changes proposed.**]
- (5) *Waiver.* [Ed. Note: **no changes proposed.**]
- (6) **Buffer Disturbance. There shall be no disturbance of the river buffer except as allowed for bulkheads, rip-rap and erosion control devices and view corridors outlined in this section. A buffer disturbance violation shall require a revegetation plan prepared by a landscape designer or landscape architect to be submitted for review and approval by the natural resource planner. The plant back requirements shall minimally meet those requirements outlined in Subsection (2)d above. Removal of trees shall require plant back inch for inch of trees removed. If it is determined by the natural resource planner that all tree inches can not be planted back on site due to site constraints, the remaining tree inches shall be subject to a general forestation fee.**

2012 ATAX Tax Board Recommendations

Organization	Event/Project	2011 Funding	Amount Requested	Board Recommended	Council District	Finance Recommended 9/12/2011
Beaufort Art Association	Rack cards for new gallery locations	\$ -	\$ 430	\$ 500	0	\$ 500
Art League of Hilton Head Island	New fine arts craft guild and opening show	\$ 1,000	\$ 3,000	\$ 1,000	0	\$ 1,000
Main Street Youth Theatre	Disney's <i>Beauty and the Beast</i>	\$ -	\$ 5,000	\$ 1,500	0	\$ 1,500
Penn Center	Penn Center Heritage Days and 150th planning / implementation	\$ 15,000	\$ 40,000	\$ 10,000	0	\$ 10,000
Coastal Discovery Museum	Cultural and Eco-Tourism programs	\$ 9,500	\$ 23,500	\$ 8,500	0	\$ 8,500
Hilton Head Symphony Orchestra	2012 Hilton Head International Piano Competition	\$ 5,000	\$ 15,300	\$ 4,000	0	\$ 4,000
Hilton Head Island Concours d'Elegance, Inc.	Hilton Head Island Motoring Festival & Concours d'Elegance	\$ 13,000	\$ 20,000	\$ 9,000	0	\$ 9,000
Independence Fund	Lt. Dan Weekend	\$ -	\$ 83,000	\$ -	0	\$ -
Community Foundation of the Lowcountry	Public Art Exhibition on Hilton head Island	\$ -	\$ 50,000	\$ 10,000	0	\$ 10,000
CAPA / Exchange Club of Beaufort	Ghost Tours	\$ 1,500	\$ 3,000	\$ 1,150	0	\$ 1,150
Hilton Head Choral Society	Marketing for 2012 Concerts	\$ 1,000	\$ 3,000	\$ 1,200	0	\$ 1,200
Historic Beaufort Foundation	Fall Festival of Houses & Gardens	\$ 2,500	\$ 7,500	\$ 3,200	0	\$ 3,200
Arts Council of Beaufort County	Beaufort County - A Nationally Recognized Arts Destination	\$ 5,000	\$ 8,000	\$ 6,150	0	\$ 6,150
Beaufort County Black Chamber of Commerce	Cultural Tourism Marketing	\$ 35,000	\$ 65,000	\$ 25,000	0	\$ 25,000
Beaufort County Historical Society	Maintenance and installation of historic markers in Beaufort County	\$ 2,000	\$ 9,150	\$ 4,000	0	\$ 4,000
Hilton Head Island-Bluffton Chamber of Commerce	Beaufort County Freedom Firsts: Civil War Sesquicentennial, Mitchelville PR / marketing program & Harriet Tubman Story	\$ 35,000	\$ 54,000	\$ 30,000	0	\$ 30,000
Heritage Library Foundation	Fort Mitchell Refurbishment	\$ 4,500	\$ 11,000	\$ 2,500	0	\$ 2,500
Archeology Society of South Carolina	Archeological Assessment Program "What the heck is it?" Archeological Artifact Identification Program	\$ -	\$ 4,000	\$ -	0	\$ -
Main Street Beaufort, USA	Tourism Advertising Campaign	\$ 17,700	\$ 34,686	\$ 9,200	0	\$ 9,200
Arts Center of Coastal Carolina	Tourism marketing of unincorporated areas of Beaufort County	\$ 17,000	\$ 20,000	\$ 8,000	0	\$ 8,000

Organization	Event/Project	2011 Funding	Amount Requested	Board Recommended	Council District	Finance Recommended 9/12/2011
Historic Bluffton Arts and Seafood Festival	Historic Bluffton Arts and Seafood Festival	\$ -	\$ 5,000	\$ 2,500	0	\$ 2,500
Daufuskie Island Foundation	Daufuskie Day	\$ 3,000	\$ 8,000	\$ 1,500	0	\$ 1,500
Old Village Association of Port Royal	Expansion of Port Royal Visitor Center Operations	\$ 3,000	\$ 9,500	\$ 3,000	0	\$ 3,000
Literacy Volunteers of the Lowcountry	Lowcountry Storytelling Festival	\$ -	\$ 10,000	\$ 2,500		\$ 2,500
The Beaufort County Open Land Trust	Maintaining "The Green" in Historic Downtown Beaufort	\$ -	\$ 7,500	\$ -		
The Sandbox	Summer Fun Series and Summer Tourist Programs	\$ -	\$ 10,512	\$ 2,000		\$ 2,000
Beaufort County Soil & Water Conservation District	Beaufort County Blueways, Phase III	\$ -	\$ 5,000	\$ 1,500		\$ 1,500
Mitchelville Preservation Project	Mitchelville Freedom Park	\$ -	\$ 50,000	\$ 10,000		\$ 10,000
Friends of Hunting Island State Park	Pelican Plunge, 5K and Sand Sculpture, and other special events	\$ -	\$ 20,000	\$ 7,500	0	\$ 7,500
Boys and Girls Club of the Lowcountry	Sea Islands 100 Bike Event	\$ -	\$ 10,000	\$ 3,000	0	\$ 3,000
Beaufort Regional Chamber of Commerce Visitor & Convention Bureau	Tourism marketing	\$ 83,000	\$ 120,000	\$ 50,000		\$ 50,000
Bluffton Historical Preservation Society	Town of Bluffton Welcome Center / Heyward House	\$ 15,000	\$ 25,000	\$ 10,000		\$ 10,000
Lowcountry & Resort Islands Tourism Commission and Lowcountry Visitors Center & Museum	Promotion of Beaufort County and the Lowcountry	\$ 20,000	\$ 27,500	\$ 15,000		\$ 15,000
Beaufort Film Society	International Film Festival	\$ 5,000	\$ 15,000	\$ 5,000		\$ 5,000
Lowcountry Estuarium	Student trip market promotion	\$ 1,000	\$ 7,547	\$ 3,600	0	\$ 3,600
	Total	\$ 294,700	\$ 790,125	\$ 252,000		\$ 252,000

- 1 - Caporale
- 2 - Baer
- 3 - Rodman
- 4 - Newton
- 5 - McBride
- 6 - Dawson
- 7 - Sommerville
- 8 - Glaze
- 9 - Flewelling
- 10 - Stewart
- 11 - Von Harten

* 09.12.11 Finance Committee recommended Council approve the award of \$252,000 of state (2%) accommodations tax dollars as presented in the Board's recommendations.

ORDINANCE NO. _____

**AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET
ORDINANCE SO AS TO PROVIDE A TRANSFER FROM THE COUNTY'S GENERAL
RESERVE FUND IN THE AMOUNT OF \$260,880.00 IN MATCHING GRANT FUNDS
FOR THE BEAUFORT COUNTY RAILS TO TRAILS PROGRAM.**

WHEREAS, Beaufort County Council adopted the FY 2011/2012 County Operating Budget on June 27, 2011; and

WHEREAS, it has become necessary for Beaufort County Council to amend the budget as adopted to allow for a transfer of funds from the County's General Reserve Fund; and

WHEREAS, Beaufort County holds a 13.6 mile easement on the Federal Rail Banked Yemassee to Port Royal Rail Road Right-of-Way and desires to develop bicycle and pedestrian trails for use by the public and visitors as part of Beaufort County's Rails to Trails program; and

WHEREAS, Beaufort County applied for and was awarded a grant from the Transportation, Community, and System Preservation Program of the Federal Highway Administration in an amount of \$1,043,520.00; and

WHEREAS, as a condition of accepting the grant, Beaufort County must provide a local match of funds of 20% of the overall grant award, or in this case \$260,880.00; and

WHEREAS, Beaufort County Council believes that it is in the best interests of its citizens, and to visitors of Beaufort County, to provide them with a safe and accessible pedestrian and bicycle route that will not only become a recreational asset, but provide an alternative mode of transportation that will link people to jobs, services, and schools.

NOW, THEREFORE, BE IT ORDAINED by Beaufort County Council that the FY2011-2012 Beaufort County Budget Ordinance is amended only to the extent so as to provide a transfer in the amount of \$260,880.00 from the County's General Reserve Fund for the express purpose of providing matching funds for the Federal Highway Administration grant to support Beaufort County's Rails to Trails program.

**DONE THIS _____ DAY OF _____ 2011, AT A MEETING DULY
ASSEMBLED OF BEAUFORT COUNTY COUNCIL.**

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Wm. Weston J. Newton, Chairman

BY: _____
Gary T. Kubic, County Administrator

Approved as to Form:

Joshua A. Gruber, Staff Attorney

Attest:

By: Suzanne M. Rainey, Clerk to Council

First Reading: September 12, 2011

Second Reading:

Public Hearings:

Third and Final Reading:

ORDINANCE NO. _____

AN ORDINANCE TO AMEND PART I, CHAPTER 46, ARTICLE III OF THE BEAUFORT COUNTY CODE OF ORDINANCES RELATING TO THE BEAUFORT COUNTY DISABILITIES AND SPECIAL NEEDS BOARD AND PROVISIONS RELATING THERETO

Whereas, Beaufort County Ordinance 2002/33 (General Template) and South Carolina Code Ann. Section 44-20-10 et. seq., establishes the authority for development of County Disabilities and Special Needs Boards; and

Whereas, from time to time it is necessary for County Council to reexamine its codes and ordinances to ensure that they are current in their wording and executions; and

Whereas, it is apparent that certain language contained in Sections 46-91 and 46-92 should be amended to reflect the current processes, characteristics, and purposes of the Beaufort County Disabilities and Special Needs Board.

Now, THEREFORE, BE IT ORDAINED, by Beaufort County Council that Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances be amended to read as follows:

Sec. 46-91. – Purpose.

The purpose of the Beaufort County Board of Disabilities and Special Needs is to advocate for the individuals with disabilities and special needs who are served by the Beaufort County Disabilities and Special Needs Department; to provide assistance and advice to the Beaufort County Disabilities and Special Needs Department staff concerning matters of policy; and to promote community awareness of Beaufort County Disabilities and Special Needs Department programs and services.

Sec. 46-92. – Membership; terms of office.

- (a) The membership of the Board shall be at least seven (7) members, but not more than eleven (11), and shall be appointed by Beaufort County Council.
- (b) Board members shall serve a term of office of four (4) years as identified in their appointment letter subject to the following voting requirements for appointment and reappointment:
 - a. 1st Term- Requires an affirmative vote of no less than six (6) Council members;
 - b. 2nd Term- Requires an affirmative vote of no less than eight (8) Council members; and
 - c. 3rd or Subsequent Term- Requires an affirmative vote of no less than ten (10) members of Council.
- (c) Members of the Board shall serve without compensation from either the State of South Carolina or Beaufort County, with the exception that limited travel or other expenses may be reimbursed upon prior written approval of the County Administrator.

(d) Any member desiring to resign from the Board shall do so by submitting his or her resignation in writing to the Chairman of County Council and the Chairman of the Board of Disabilities and Special Needs. Members who fail to attend 3 consecutive meetings without prior written notice will be subject to recommendation for removal to County Council.

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: August 22, 2011
Second Reading: September 12, 2011
Public Hearing:
Third and Final Reading:

ORDINANCE NO. 2011/_____

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$18,250,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

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

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

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

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

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

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

(e) The assessed value of all the taxable property in the County as of June 30, 2011, is \$1,823,808,541. Eight percent of the assessed value is \$145,904,683. As of the date hereof, the outstanding general obligation debt of the County subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$93,385,369 which includes the Bonds to be Refunded (hereinafter defined). Thus, the County may incur \$52,519,314 of additional general obligation debt within its applicable debt limitation.

(f) Pursuant to constitutional and statutory authorizations and Ordinance No. 2003/9 duly enacted by the County Council on March 24, 2003 (the "2003 Ordinance"), the County issued its \$25,500,000 General Obligation Bonds, Series 2003, dated June 15, 2003 (the "Series 2003 Bonds").

(g) The 2003 Bonds are subject to the 8% constitutional debt limit. The difference between the outstanding principal amount of the maturities to be refunded of the 2003 Bonds and the amount needed to refund the certain maturities of the 2003 Bonds will also count against the County's 8% constitutional debt limit.

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

(i) The Series 2003 Bonds are currently outstanding in the amount of \$18,900,000. The Series 2003 Bonds maturing on or after February 1, 2014, are subject to redemption at the option of the County on or after February 1, 2013, in whole or in par at any time, and if in part in such order of maturity as selected by the County, at par, together with the interest accrued thereon to the date fixed for redemption.

(j) Based on current market conditions and projected savings, the County Council finds that it is in the best interest of the County to effect a refunding of certain maturities of the Series 2003 Bonds (the "Bonds to be Refunded") because a savings can be effected through the refunding of such Series 2003 Bonds. The County Council recognizes, however, that current market conditions may change and that, as of the date of enactment of this Ordinance, a determination cannot be made as to the amount of such savings, if any, realized through the refunding of the Bonds to be Refunded and that certain authority relating to such refunding is delegated to the County Administrator and/or his lawfully-authorized designee through this Ordinance. Because the Refunding Act requires that refunding bonds be sold at public sale, there can be no assurance that market conditions at the time of such sale will be similar to the prevailing rates on the date of the enactment of this Ordinance. If the rates of interest on the refunding bonds authorized by this Ordinance do not result in satisfactory debt service savings, the County Council, through the authority delegated to the County Administrator and/or his lawfully-authorized designee, will be empowered to reject bids for the purchase of the refunding bonds.

(k) It is now in the best interest of the County for County Council to provide for the issuance and sale of not exceeding \$18,250,000 principal amount general obligation refunding bonds of the County to provide funds for (i) refunding the Bonds to be Refunded; (ii) costs of issuance of the Bonds (hereinafter defined); and (iii) such other lawful purposes as the County Council shall determine.

SECTION 2. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$18,250,000 aggregate principal amount of general obligation refunding bonds of the County to be designated "\$18,250,000 (or such lesser amount issued) General Obligation Refunding Bonds (appropriate series designation), of Beaufort County, South Carolina" (the "Bonds"), for the purpose set forth in Section 1(k) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees.

The refunding of the Bonds to be Refunded shall be effected with a portion of the proceeds of the Bonds which proceeds shall be used for the payment of the principal of such Bonds to be Refunded as and when such Bonds to be Refunded mature and are called for redemption in accordance with the provisions of the 2003 Ordinance and interest on such Bonds to be Refunded as and when the same becomes due. If necessary, notice of the aforesaid refunding for which a portion of the proceeds of the Bonds will be used shall be given in a financial paper published in the City of New York, State of New York.

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

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

Upon the award of the Bonds, the County shall designate the Bonds to be Refunded for redemption on a date determined by the County Administrator and/or his lawfully-authorized designee in accordance with the 2003 Ordinance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Government Obligations” shall mean any of the following:

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

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

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

Enacted this ____ day of September, 2011.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair, County Council

(SEAL)

ATTEST:

Clerk, County Council

First Reading: August 22, 2011
Second Reading: September 12, 2011
Public Hearing:
Third and Final Reading:

FORM OF BOND

UNITED STATES OF AMERICA
 STATE OF SOUTH CAROLINA
 COUNTY OF BEAUFORT
 GENERAL OBLIGATION REFUNDING BOND, SERIES 2011_

No. R-

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

REGISTERED HOLDER:

PRINCIPAL AMOUNT: DOLLARS

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

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

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

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, denomination, date of maturity, redemption provisions, and rate of interest, aggregating _____ Dollars (\$ _____), issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and Ordinance No. _____ duly enacted by the County Council on _____, 2011.

[Redemption Provisions]

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

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA

Chair of County Council

(SEAL)

ATTEST:

Clerk of County Council

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

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

_____ as Registrar

By: _____ Authorized Officer

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

TEN COM - As tenants in common

UNIF GIFT MIN. ACT

TEN ENT - As tenants by the entireties

_____ Custodian _____
(Cust.) (Minor)

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

under Uniform Gifts to Minors

_____ (State)

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

[FORM OF ASSIGNMENT]

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

_____ (Name and address of Transferee)

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

Dated:

_____ Signature Guaranteed:

_____ (Authorizing Officer)

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

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

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

[FORM OF CERTIFICATE]

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

BEAUFORT COUNTY, SOUTH CAROLINA

By: _____
Clerk of County Council

FORM OF NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held by the County Council of Beaufort County, South Carolina (the "County"), County Administration Building, 100 Ribaut Road, Beaufort, South Carolina, at 6:00 p.m. on _____, 2011.

The purpose of the public hearing is to consider an Ordinance providing for the issuance and sale of General Obligation Refunding Bonds of Beaufort County, South Carolina, in the principal amount of not exceeding \$18,250,000 (the "Bonds"). The proceeds of the bonds will be used for the following purposes: (i) refunding certain maturities of the County's original principal amount \$25,500,000 General Obligation Bonds, Series 2003, dated June 15, 2003; (ii) paying costs of issuance of the Bonds; and (iii) such other lawful purposes as the County Council shall determine.

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

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

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE

NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given that on _____, 2011, the Beaufort County Council adopted an ordinance entitled: "ORDINANCE NO. _____" (the "Ordinance").

The proceeds of the bonds will be used together with other available funds of the County for the following purposes: The proceeds of the bonds will be used for the following purposes: (i) refunding certain maturities of the County's original principal amount \$25,500,000 General Obligation Bonds, Series 2003, dated June 15, 2003; (ii) paying costs of issuance of the Bonds; and (iii) such other lawful purposes as the County Council shall determine.

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

**COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA**

FORM OF NOTICE OF SALE

OFFICIAL NOTICE OF SALE

\$ _____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011_,
OF BEAUFORT COUNTY, SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that sealed bids, facsimile bids and electronic bids will be received on behalf of Beaufort County, South Carolina (the "County"), 100 Ribaut Road, Beaufort, South Carolina, until 11:00 a.m, South Carolina time, on _____, _____, 2011, at which time said proposals will be publicly opened for the purchase of \$ _____ General Obligation Refunding Bonds, Series 2011_, of the County (the "Bonds").

Sealed Bids: Each hand delivered proposal shall be enclosed in a sealed envelope marked "Proposal for \$ _____ General Obligation Refunding Bonds, Series 2011_, Beaufort County, South Carolina" and should be directed to the County Administrator at the address in the first paragraph hereof.

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

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

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

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

The Bonds will be issued in fully-registered form registered as to principal and interest; will be dated _____, 2011; will be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing in each year; and will mature serially in successive annual installments on _____ in each of the years and in the principal amounts as follows:

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

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

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

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

[Redemption Provisions]

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

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

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

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

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

Good Faith Deposit: No good faith deposit is required.

Bid Form: Proposals should be enclosed in a separate sealed envelope marked "Proposal for \$ _____ General Obligation Refunding Bonds, Series 2011_ of Beaufort County, South Carolina" and should be directed to the County Administrator at the address in the first paragraph hereof. It is requested but not required that you submit your bid on the Proposal for Purchase of Bonds supplied with the Official Statement.

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

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

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

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

Delivery: The Bonds will be delivered on or about _____, 2011, in New York, New York, at the expense of the County. The balance of the purchase price then due, including the amount of accrued interest, must be paid in federal funds or other immediately available funds.

BEAUFORT COUNTY, SOUTH CAROLINA

s/ _____
Chair of County Council

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

ORDINANCE NO.

AN ORDINANCE TO REGULATE OUTDOOR BURNING WITHIN THE UNINCORPORATED AREAS OF BEAUFORT COUNTY; TO PROVIDE FOR THE ENFORCEMENT THEREOF, AND MATTERS RELATED THERETO.

WHEREAS, smoke from outdoor burning in populated areas can present a serious health hazard to individuals with respiratory ailments, including children, elderly people, individuals with cardiovascular disease, and individuals with impaired respiratory function, including asthmatics and those with obstructive airway disease; and

WHEREAS, smoke from outdoor burning is a common cause of complaints between neighbors and may become a public nuisance to residents of Beaufort County and the traveling public; and

WHEREAS, smoke from outdoor burning may pose significant visibility problems for individuals driving within Beaufort County resulting in accidents and other public safety issues; and

WHEREAS, Beaufort County Council finds that it is in the interest of the public health, safety, and welfare of the citizens of the County, to strictly regulate outdoor burning.

NOW, THEREFORE, BE IT ORDAINED by Beaufort County Council that the following regulations are hereby adopted with regards to outdoor burning:

Section 1. Compliance With Ordinance. No person shall kindle or maintain any open burning or authorize any open burning to be kindled or maintained within the unincorporated areas of Beaufort County, excepted as stated in this ordinance.

Section 2. Regulation of Open Burning. The open burning of leaves, tree branches, yard trimmings, and other vegetative matter originating on the premises of residential properties located within the unincorporated areas of Beaufort County shall be permitted, provided that any such open burning must be located no less than seventy-five (75) feet from any structure, road, or property line. Adequate provisions shall be made to prevent the fire from spreading to any area within seventy-five (75) feet of any structure, road, or property line. The open burning as provided for under this section must be started only between the hours of 9:00 a.m. and 3:00 p.m. No combustible material may be added to the fire between 3:00 p.m. of one day and 9:00 a.m. the following day. Any open burning as provided for under this section shall be fully extinguished and shall not allow any smoke to be produced beyond the time of official sunset as determined by The United States Naval Observatory.

Section 3. Open Burning on Premises of Undeveloped Properties for Purposes of Land Clearing or Right-of-Way Maintenance. Open burning for purposes of land clearing or right-of-way maintenance on the premises of undeveloped properties upon which no residential structure is situated, shall be permitted, provided that such burning is conducted in accordance with the South Carolina Department of Health and Environmental Control (DHEC) Air Quality Regulations 61-62.2 and South Carolina Code of Laws Section 48-35-10, and provided that authorization for the open burning is obtained from the South Carolina Forestry Commission prior to ignition of the fire.

Section 4. Attendance and Fire Extinguishing Equipment Required for Open Burning; notice to State Forester; adherence to State Law. The open burning permitted under section 2 above shall at all times be attended by a competent person from the time that such fire is kindled, until such time as all embers of said fire have been extinguished. Such responsible person shall have a garden hose connected to a constant water supply, or other fire extinguishing equipment readily available for use, in such quantities and amounts as shall prevent the spread of any open burning beyond permitted areas. Proper notification shall be given to the State Forester or his duly authorized representative or other persons designated by the State Forester by calling the South Carolina Forestry Commission at 1-800-895-7062. The notice shall contain all information required by the State Forester. The open burning must be conducted in accordance with related State Laws and regulations including, but not limited to, DHEC Air Quality Regulations 61-62.2 and 61-62.4 and South Carolina Code of Laws Section 48-35-10.

Section 5. Fires Shall Be Prohibited as Follows.

a. The County Designated Fire Code Official, in coordination with the Fire Chief's of the individual Fire Districts in Beaufort County, may prohibit open burning during such times as may be necessary depending upon atmospheric conditions, local weather patterns, or other such circumstances as would exist to make open burning hazardous.

b. The only materials that may be lawfully burned as permitted in Section 2 above, are those vegetative materials which shall have originated on the site in which they are proposed to be included in any open burning. All other materials or items are prohibited from being burned on properties located within the unincorporated areas of Beaufort County, which materials shall include, but not be limited to; asphalt and asphaltic materials, paint, plastics, metals, treated wood, paper, petroleum products, demolition debris, dead animals, construction debris, household chemicals, household garbage, tires, trade waste and cardboard.

Section 6. Criteria for Determining When Open Burning Deemed Hazardous. When a Red Flag Alert has been declared in Beaufort County by the South Carolina Forestry Commission, it shall automatically constitute a hazardous condition. Thereafter, no open burning of any material, vegetative or otherwise, will be permitted within the unincorporated areas of the County for so long as the alert may remain active. Beaufort

County Council may also from time to time establish by resolution, reasonable criteria to assist in determining what conditions are present that may pose a hazardous situation for the burning of outdoor fires. These criteria may include, but are not limited to, air quality standards, fire danger indexes, atmospheric conditions, or local weather patterns. Additionally, should any Fire Chief of any Individual Fire District, or the County Designated Fire Official, certify in writing to the County Administrator that any current condition or set of conditions pose a present or imminent hazardous situation for purposes of banning open burning, then a ban shall take immediate effect and may last for a period of no more than thirty (30) days or until such time as County Council may have had an opportunity to hear and render a decision on the necessity of an open burning ban, whichever is shorter.

Section 7. Prohibition on Open Burning in County Maintained Drainage Ditches and on County Maintained Roads and Right-of-Way. Open burning of any material, vegetative or otherwise, shall be prohibited on all County maintained roads and right-of-ways, and within County maintained drainage ditches. At no time shall the ash or remnants of open burning be allowed to enter into County maintained drainage ditches or upon County maintained roads and right-of-ways.

Section 8. Exemptions.

a. Nothing in this Ordinance shall apply to regulate the burning of vegetative material as related to the management of forestry, wildlife, or agriculture areas, as expressly authorized by the State Forestry Commission.

b. Nothing in this Ordinance shall be meant to restrict open burning in connection with the preparation of food for consumption, campfires or other like fires intended solely for recreational purposes, or those fires necessary for religious or ceremonial occasions, or for providing human warmth, so long as said fires are maintained in a safe manner.

c. Nothing in this Ordinance shall apply to the open burning of storm debris that shall result from major storms such as severe thunderstorms, tornadoes, or hurricanes. Any fire that is contemplated under the exemption contained in this section shall require the review and approval of the County Designated Fire Code Official and the Fire Chiefs of the individual Fire Districts in which the fire is intended to occur.

d. Nothing in this Ordinance shall apply to limit the training of fire-fighting personnel so long as the kindling of any such fire has been authorized by an appropriate governmental entity, has been done in consultation with the South Carolina Department of Health and Environmental Control, is solely for the purposes of fire-fighter training, and is immediately extinguished upon the completion of all training activities.

Section 9. Hazardous or Toxic Materials. At no time shall hazardous or toxic materials be burned within the unincorporated areas of Beaufort County.

Section 10. Penalties.

Enforcement of this Ordinance shall fall under the jurisdiction of both the Beaufort County Sheriff's Office and Beaufort County Codes Enforcement. Officers of the Beaufort County Sheriff's Office and Beaufort County Codes Enforcement shall have the authority to exercise full discretion in deciding whether to issue a warning or a citation when investigating complaints that arise under this Ordinance. Any violation of this Ordinance may be punishable by a fine of up to \$110.00, or up to 30 days imprisonment.

DONE THIS _____ DAY OF _____, 2011, AT A MEETING
DULY ASSEMBLED OF BEAUFORT COUNTY COUNCIL.

COUNTY COUNCIL OF BEAUFORT COUNTY

By _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Joshua A. Gruber, Staff Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

First Reading: August 22, 2011
Second Reading: September 12, 2011
Public Hearing:
Third and Final Reading:

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) ORDINANCE _____

AN ORDINANCE TO CALL FOR A REFERENDUM TO ALLOW THE QUALIFIED ELECTORS OF BEAUFORT COUNTY, SOUTH CAROLINA TO VOTE TO RETAIN THE COUNCIL/ADMINISTRATION FORM OF GOVERNMENT OR CHANGE TO THE COUNCIL/MANAGER FORM OF GOVERNMENT.

WHEREAS, This Ordinance is authorized pursuant to Section 4-9-10 of the South Carolina Code of Laws (1976), as amended. The purpose of this Ordinance shall be to provide for a referendum to allow the qualified electors of Beaufort County, South Carolina to vote to retain the current Council-Administrator form of government or to change to the Council-Manager form of government.

WHEREAS, The Beaufort County Board of Elections and Registration shall take such steps as are necessary and appropriate to hold a referendum in conjunction with the general election to be held on November 2, 2012 to allow the qualified electors of Beaufort County, South Carolina to vote on the issue of retaining the current Council-Administrator form of government or changing to the Council-Manager form of government as provided for in Section 4-9-610, et. Seq., Code of Laws of South Carolina (1976) as amended.

WHEREAS, the question for such referendum shall be stated as follows:

Should the form of Beaufort County's government be changed from that of a Council-Administrator form of government as set forth in S.C. Code of Laws Title 4, Chapter 9, Article 7 (1976, as amended) to that of a Council-Manager form of government as set forth in S.C. Code of Laws Title 4, Chapter 9, Article 9 (1976, as amended)?

[] Yes (A "yes" vote is a vote in favor of changing the current form of government to a Council-Administrator form of government.)

[] No (A "no" vote is a vote to retain the current Council-Administrator form of government.)

NOW, THEREFORE BE IT ORDAINED, The Beaufort County Board of Elections and Registration shall conduct a referendum as stated above and shall verify the results of such referendum as provided by law.

Should the present form of government receive a majority favorable vote of those qualified electors voting, the present form shall continue without further action by the Beaufort County Council. Should the Council-Manager form of government receive a majority favorable vote of those qualified electors voting, then, in such event, the

Beaufort County Council shall enact an Ordinance establishing the new form of government in accordance with the provisions of applicable law.

APPROVED AND ADOPTED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, ON THIS _____ DAY OF OCTOBER, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

Approved as to Form:

Joshua A. Gruber, Staff Attorney

Attest:

Suzanne M. Rainey, Clerk to Council

First Reading:

Second Reading:

Public Hearings:

Third and Final Reading:

Committee Reports

September 26, 2011

A. COMMITTEES REPORTING

1. Finance

- ① Minutes are provided from the [July 12](#) meeting. No action is required.
- ② Minutes are provided from the [July 19](#) meeting. Action is required. See main agenda item 12.
- ③ Accommodations Tax Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
09/26/11	Olivia Young	Hospitality-Hotel Management	Appoint	6 of 11

2. Governmental

- ① Burton Fire Commission

<i>Nominated</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
09/12/11	John Harris	At-Large	Appoint	6 of 11

2. Natural Resources

- ① Southern Corridor Review Board

<i>Nominated</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
09/12/11	James Atkins	Architect Beaufort County	Appoint	6 of 11
09/12/11	Daniel Ogden	Resident Beaufort County	Appoint	6 of 11

B. COMMITTEE MEETINGS

1. Community Services

William McBride, Chairman

Gerald Dawson, Vice Chairman

➔ Next Meeting – Monday, October 17 at 4:00 p.m., BIV #2

2. Executive

Weston Newton, Chairman

➔ Next Meeting – October 2011

3. Finance

Stu Rodman, Chairman

Rick Caporale, Vice Chairman

➔ Next Meeting – Monday, October 17 at 2:00 p.m., BIV #2

4. Governmental

Jerry Stewart, Chairman

Laura Von Harten, Vice Chairman

➔ Next Meeting – Monday, October 3 at 4:00 p.m., ECR

5. Natural Resources

Paul Sommerville, Chairman

Brian Flewelling, Vice Chairman

➔ Next Meeting – Monday, October 3 at 2:00 p.m., ECR

6. Public Facilities

Herbert Glaze, Chairman

Steven Baer, Vice Chairman

➔ Next Meeting – Tuesday, September 27 at 4:00 p.m., ECR

7. Redistricting

Weston Newton, Chairman

William McBride, Vice Chairman

8. Transportation Advisory Group

Weston Newton, Chairman

Stu Rodman, Vice Chairman

➔ Next Meeting – October 2011

FINANCE COMMITTEE

September 12, 2011

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

The Finance Committee met on Monday, September 12, 2011 at 3:00 p.m., in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, SC.

ATTENDANCE

Finance Committee members: Chairman Stu Rodman, Vice Chairman Rick Caporale, and members Steven Baer, Brian Flewelling, William McBride, Paul Sommerville and Jerry Stewart were present. Non Committee members Herbert Glaze and Chairman Newton, who serves *ex-officio* on all committees, were also present.

County staff: Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; David Starkey, Chief Financial Officer; and Dave Thomas, Purchasing Director.

Councilman Rodman chaired the meeting.

ACTION ITEMS

1. 2012 Accommodations Tax Board Recommendations

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Chairman Rodman reviewed with the Committee the recommendations as provided by the Accommodations Tax (2%) Board. Council previously voted to have the Board allocate \$252,000. The Board is recommending \$105,000 to the Chambers of Commerce and \$147,000 to the other entities. There was much discussion between Council, the Board Chairman and the folks from the Independence Fund regarding their application.

Motion: It was moved by Mr. Flewelling, seconded by Mr. Caporale, that the Finance Committee approves and recommends that County Council approves accommodations tax funding as follows: Beaufort Art Association \$800, Art League of Hilton Head Island \$1,000, Main Street Youth Theatre \$1,500, Penn Center \$10,000, Coastal Discovery \$8,500, Hilton Head Island Symphony \$15,300, Hilton Head Island Concours d'Elegance \$9,000, Community Foundation \$10,000, CAPA/Exchange Club \$1,150, Hilton Head Island Choral Society \$1,200, Historic Beaufort Foundation \$3,200, Arts Council of Beaufort County \$6,150, Beaufort County Black Chamber of Commerce \$25,000, Beaufort County Historical Society \$4,000, Hilton Head Island-Bluffton Chamber of Commerce \$30,000, Heritage Library \$2,500, Main Street Beaufort \$9,200, Arts Center of Coastal Carolina \$8,000, Historic Bluffton Arts and Seafood \$2,500, Daufuskie Island Foundation \$1,500, Old Village of Port Royal \$3,000, Literacy Volunteers \$2,500, The Sandbox \$2,000, Beaufort County Soil & Water Conservation \$1,500, Mitchelville

Preservation \$10,000, Friends of Hunting Island \$7,500, Boys and Girls Club of the Lowcountry \$3,000, Beaufort Regional Chamber \$50,000, Bluffton Historical Society \$50,000, Lowcountry Resort and Visitors Center \$15,000, Beaufort Film Society \$5,000, and Lowcountry Estuarium \$3,600. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: County Council approves accommodations tax funding as follows: Beaufort Art Association \$800, Art League of Hilton Head Island \$1,000, Main Street Youth Theatre \$1,500, Penn Center \$10,000, Coastal Discovery \$8,500, Hilton Head Island Symphony \$15,300, Hilton Head Island Concours d'Elegance \$9,000, Community Foundation \$10,000, CAPA/Exchange Club \$1,150, Hilton Head Island Choral Society \$1,200, Historic Beaufort Foundation \$3,200, Arts Council of Beaufort County \$6,150, Beaufort County Black Chamber of Commerce \$25,000, Beaufort County Historical Society \$4,000, Hilton Head Island-Bluffton Chamber of Commerce \$30,000, Heritage Library \$2,500, Main Street Beaufort \$9,200, Arts Center of Coastal Carolina \$8,000, Historic Bluffton Arts and Seafood \$2,500, Daufuskie Island Foundation \$1,500, Old Village of Port Royal \$3,000, Literacy Volunteers \$2,500, The Sandbox \$2,000, Beaufort County Soil & Water Conservation \$1,500, Mitchelville Preservation \$10,000, Friends of Hunting Island \$7,500, Boys and Girls Club of the Lowcountry \$3,000, Beaufort Regional Chamber \$50,000, Bluffton Historical Society \$50,000, Lowcountry Resort and Visitors Center \$15,000, Beaufort Film Society \$5,000, and Lowcountry Estuarium \$3,600.

2. An ordinance to amend the FY2011-2012 Beaufort County Budget Ordinance so as to provide a transfer from the county's general reserve fund in the amount of \$260,880 in matching grant funds for the Beaufort County Rails To Trails Program

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: This is an ordinance to amend the FY2011/2012 Beaufort County Budget Ordinance to provide a transfer from the County's General Reserve Fund in the amount of \$260,880 in matching grant funds for the Beaufort County Rails to Trails Program. Mr. Kubic stated this is a \$1,043,520 grant; and with the 20% local match, it is \$1,043,520 worth of improvements on a Rail to Trail Project that was previously dedicated as a top priority. The ordinance is designating to the Federal Government that we will commit to the \$260,880. This is a suggestion to Council to use part of the approximate \$18,000,000 reserve fund so we can certify the local match, and then Council can find the areas to free up all, part or none.

Motion: It was moved by Mr. Stewart, seconded by Mr. Caporale, that the Finance Committee approves and recommends to Council approve on first reading an ordinance to amend the FY2011/2012 Beaufort County Budget Ordinance as to provide a transfer from the County's General Reserve Fund in the amount of \$260,880 in matching grant funds for the Beaufort County Rails to Trails Program.

Motion to amend by deletion: It was moved by Mr. Baer, seconded by Mr. Caporale, that the Finance Committee recommends removal of language relative to taking this money from

the County's General Reserve Fund. The vote was: FOR – Mr. Baer and Mr. Caporale. OPPOSED - Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion failed.

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

Recommendation: Council approves on first reading an ordinance to amend the FY2011/2012 Beaufort County Budget Ordinance as to provide a transfer from the County's General Reserve Fund in the amount of \$260,880 in matching grant funds for the Beaufort County Rails to Trails Program.

3. **An ordinance to amend the FY2011-2012 Beaufort County Budget Ordinance so as to provide a supplemental appropriation from the county's general reserve fund in the amount of \$72,159.83 for the purpose of funding census-based Beaufort County Magistrate Salary increases for the period of July 1, 2011 to June 30, 2012**

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: This is an ordinance to amend the FY 2011/2012 Beaufort County Budget Ordinance so as to provide a supplemental appropriation from the County's General Reserve Fund in the amount of \$72,159.83 for the purpose of funding Census-Based Beaufort County Magistrate salary increase for the period of July 1, 2011 to June 30, 2012. The County Administrator stated this is a statute that describes this procedure. The State of South Carolina does not directly notify counties, but, instead, relies on the South Carolina Association of Counties. The County has researched all correspondence going back to March 1, 2010 to see if we have received a letter that would tell us in advance that we would be obligated to make these budgetary adjustments. We found a letter addressed to all elected officials that are associated with this possibility, under one email, with a listing of all of the counties and that this provision must be made. It came to us as a blanket notification. We missed it. That is why it was not calculated in advance.

Motion: It was moved by Mr. Flewelling, seconded by Mr. McBride, that the Finance Committee approves and recommends Council approve on first reading an ordinance to amend the FY 2011/2012 Beaufort County Budget Ordinance so as to provide a supplemental appropriation from the County's General Reserve Fund in the amount of \$72,159.83 for the purpose of funding Census-Based Beaufort County Magistrate salary increase for the period of July 1, 2011 to June 30, 2012. The vote was: FOR – Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. OPPOSED – Mr. Baer. The motion passed.

Recommendation: Council approves on first reading an ordinance to amend the FY 2011/2012 Beaufort County Budget Ordinance so as to provide a supplemental appropriation

from the County's General Reserve Fund in the amount of \$72,159.83 for the purpose of funding Census-Based Beaufort County Magistrate salary increase for the period of July 1, 2011 to June 30, 2012.

4. Beaufort Memorial Hospital

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: This issue involves a \$50 million refinancing in total bond issue, divided into two components. (i) New money to include the financing of the expansion in the emergency room, purchase of property, support services building and additional property improvements. (ii) Refinancing existing 1997 series bonds due to low interest rates. A significant amount of interest can be saved on these bonds.

A. Resolution making application to the State Budget and Control Board of South Carolina for approval of the issuance by Beaufort County, South Carolina, of its Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011, in an aggregate principal amount of not exceeding \$50,000,000

Motion: It was moved by Mr. Sommerville, seconded by Mr. McBride, that the Finance Committee approves and recommends Council adopt a resolution making application to the State Budget and Control Board of South Carolina for approval of the issuance by Beaufort County, South Carolina, of its Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011, in an aggregate principal amount of not exceeding \$50,000,000. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: Council adopt a resolution making application to the State Budget and Control Board of South Carolina for approval of the issuance by Beaufort County, South Carolina, of its Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011, in an aggregate principal amount of not exceeding \$50,000,000.

B. An ordinance authorizing the issuance of not exceeding \$50,000,000 aggregate principal amount of Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011

Motion: It was moved by Mr. Sommerville, seconded by Mr. McBride, that the Finance Committee approves and recommends Council approve on first reading an ordinance authorizing the issuance of not exceeding \$50,000,000 aggregate principal amount of Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: County Council approve on first reading an ordinance authorizing the issuance of not exceeding \$50,000,000 aggregate principal amount of Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011.

INFORMATION ITEM

5. Request for Grant Extension / Statutory Filing Requirement as Required for Submission of an Application 4% Special Assessment Ratio

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mrs. Elizabeth Mayo, an attorney with Novit & Scarminach, representing the taxpayer who owns Parcel R550 017 00B 0206 0000, stated the property owner received a notice of tax reassessment from the County Auditor in September 2010, and contacted the attorney's office December 10, 2010 with respect to making an application to protest the reassessment and the evaluation that was included on the notice of reassessment. The property had been owned by a two-member limited liability company; but previous to 2010, it was owned by the wife's irrevocable trust. It was transferred to a limited liability company for creditor protection and income tax purposes. As a result of the reassessment, on December 17, 2010, they executed a new deed to transfer it back out of the limited liability company and back into the wife's irrevocable trust. On December 20, 2010 the attorney's office contacted the Assessor to protest the 2010, 6% ratio that was applied. On December 22, 2010, Mrs. Mayo directed her assistant to file letters for five different taxpayers indicated their tax appeal was being protested. Four of the five were sent out, and this one was not mailed until after the first of the year. In addition, we relied upon a letter from the Assessor to Carey Griffin, real property lawyer, who forwarded the letter to the Hilton Head Island Bar. In that letter, the Assessor had said that it could change based on appeal or an assessment ratio change and that the application deadline for tax year 2010 for legal residence classification and filing appeals is January 15, 2011. She stated they received a notice in early January that the appeal was being denied because it was not received until January 3, 2011. They are asking for Council's indulgence for the reclassification.

Mr. Kubic stated he had no idea that they were going to present their description of the process for consideration of the appeal. This should be done as a hearing, at the full body of Council, and both sides present a process for Council to render a determination. He would prefer not to have a determination made together. He would like Assessor Ed Hughes and the respective individuals, who made the decisions, in attendance during the process.

Status: This item was postponed until the next Finance Committee meeting.

FINANCE COMMITTEE

September 19, 2011

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

The Finance Committee met on Monday, September 19, 2011 at 3:00 p.m., in the Conference Room, Beaufort Industrial Village, 102 Industrial Village Road, Beaufort, SC.

ATTENDANCE

Finance Committee Members: Chairman Stu Rodman, Vice Chairman Rick Caporale, and members Steven Baer, Brian Flewelling, William McBride, Paul Sommerville and Jerry Stewart were present. Non Committee member Gerald Dawson was also present.

County staff: Bryan Hill, Deputy County Administrator; Alicia Holland, Controller; Lad Howell, Attorney; Ed Hughes, Assessor; Gary Kubic, County Administrator; David Starkey, Chief Financial Officer.

Public: Earl Campbell, Board of Education member; Bill Evans, Board of Education member; Larry Holman, Beaufort Black Chamber of Commerce; Beth Mayo, lawyer, Novit & Scarminach, P.A.; Chuck Scarminach, Novit & Scarminach, P.A.; Fred Washington, Board of Education Chairman; Phyllis White, School District Chief Financial Officer.

Councilman Rodman chaired the meeting.

ACTION ITEMS

1. Request For 4% Special Assessment Ratio / Sharon Saunders Trust Property

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: County Attorney Lad Howell explained the procedural process to the Committee. Ms. Beth Mayo, representing Sharon Saunders Trust, and County Assessor Ed Hughes presented the Committee with opposing arguments relative for an extension to the 4% special tax assessment. A discussion ensued and the committee voted to deny the request.

Motion: It was moved by Mr. McBride, seconded by Mr. Sommerville, that the Finance Committee denies and recommends that County Council deny the request for the 4% special assessment ratio for the Sharon Saunders Trust Property. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, and Mr. Sommerville. OPPOSED – Mr. Rodman and Mr. Stewart. The motion passed.

Recommendation: County Council deny the request for the 4% special assessment ratio for the Sharon Saunders Trust Property.

2. Cash Updates / 3% Accommodations Tax Funds

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Motion: It was moved by Mr. Flewelling, seconded by Mr. Baer, that the Finance Committee recommends County Council amend the ordinance to transfer funds from Tourism Infrastructure Section of Local 3% Accommodations Tax Ordinance (2009/15) \$260,880 in matching grant funds for the Rails / Trails Program. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: County Council amend the ordinance to transfer funds from Tourism Infrastructure Section of Local 3% Accommodations Tax Ordinance (2009/15) \$260,880 in matching grant funds for the Rails / Trails Program.

3. Consideration of Reappointments and Appointments – Accommodations Tax Board

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Motion: It was moved by Mr. Stewart, seconded by Mr. Caporale, that the Finance Committee approves and recommends County Council nominate Ms. Olivia Young to serve as a member of the Accommodations Tax Board. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: Council nominate Ms. Olivia Young, hospitality-lodging, to serve as a member of the Accommodations Tax Board.

INFORMATION ITEMS

4. Discussion / Fiscal Autonomy Board of Education

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Committee Chairman Stu Rodman presented the Committee with a PowerPoint presentation to serve as an overview of fiscal autonomy. There was much discussion relative to the possibility of a referendum for school board fiscal autonomy. Board of Education Chairman Fred Washington spoke to the issue and stated the Board's disinterest in pursuing fiscal autonomy at this time, but may in the future. The Board would like to see modifications to the current budget ordinance and changes relative to millage value calculations. There was much

discussion between Council, the majority of whom felt direction from the Legislative Delegation is in order.

Status: This item was for informational purposes only. No action was taken.

5. Cash Updates / 2% Accommodations Tax Funds

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Rodman said the Beaufort Chamber of Commerce has announced that they will not spin off the Visitor & Convention Bureau. Mr. Sommerville said, "We are moving forward on requirements we expect from our Designated Marketing Organizations (DMOs)."

Status: This item required no discussion or action.

6. Cash Updates / Rural and Critical Lands Funds

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Rodman said the Rural and Critical Lands Board is recommending a one mill (\$20,000,000) referendum.

Status: This item required no action.

7. Policy Discussion / Reserve Fund Policy and Fund Transfer Policy

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: County Administrator Gary Kubic announced he would like to take 90 to 120 days to develop policies within the County.

Status: This item was for informational purposes only. No action was taken.

8. Off Agenda – Councilman’s Baer’s Analysis of Annual Budget

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Baer presented his analysis of the annual budget. He is concerned because large amounts of money can be moved around within the general fund without oversight by county council. He also said the staff printouts are hard to read and wants more information regarding transfers.

Status: This item required no action.

9. New Controller / Ms. Alicia Holland

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Gary Kubic, County Administrator, announced the promotion of Ms. Alicia Holland to the position of Controller within the Beaufort County's Finance Department.

Status: Informational purposes only.

10. Disabilities and Special Needs Board Retreat

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Gary Kubic, County Administrator, announced that the Disabilities and Special Needs Board Retreat will be held September 20, 2011 at 9 a.m. at the Golden Corral, Bluffton.

Status: Informational purposes only.

11. Offices / South of Broad River

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Gary Kubic, County Administrator, stated administration would like to breakdown the costs and benefits associated with offices south of the Broad River. We have two facilities – Myrtle Park (Bluffton) and Government Center Hilton Head Island. Administration has been conducting to determine possibilities and has been talking with the owners of Myrtle Park about a year and a half. A notice will be sent out to that effect and will be discussed at a future meeting.

Status: Informational purposes only.