

COUNTY COUNCIL OF BEAUFORT COUNTY

ADMINISTRATION BUILDING
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2180
FAX: (843) 255-9401
www.bcgov.net

WM. WESTON J. NEWTON
CHAIRMAN

D. PAUL SOMMERVILLE
VICE CHAIRMAN

COUNCIL MEMBERS

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

GARY KUBIC
COUNTY ADMINISTRATOR

BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

JOSHUA A. GRUBER
COUNTY ATTORNEY

SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA COUNTY COUNCIL OF BEAUFORT COUNTY

Monday, July 23, 2012
4:00 p.m.

Council Chambers, Administration Building
Government Center, 100 Ribaut Road, Beaufort

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
2. REGULAR MEETING - 5:00 P.M.
Council Chambers
3. CALL TO ORDER
4. PLEDGE OF ALLEGIANCE
5. INVOCATION
6. REVIEW OF MINUTES – June 11, 2012 ([backup](#)) and June 25, 2012 ([backup](#))
7. PUBLIC COMMENT
8. COUNTY ADMINISTRATOR'S REPORT ([backup](#))
Mr. Gary Kubic, County Administrator
 - A. The County Channel / Broadcast Update ([backup](#))
 - B. Four-Week Progress Report ([backup](#))
 - C. Recognition / Fort Fremont Exhibit at the Verdier House
 - D. Recognition / Corporal Daniel Allen / 2012 Eric Bamberg State School Resource Officer of the Year
 - E. Announcement / National Flood Insurance Program Community Rating System Program ([backup](#))
 - F. Presentation / Veterans Benefits
Ms. Patricia Simmons, Minority Veterans Program Coordinator
Department of Veterans Affairs National Cemetery Administration
 - G. Stormwater Utility Report 2001 – 2011

Over



9. DEPUTY COUNTY ADMINISTRATOR'S REPORT

Mr. Bryan Hill, Deputy County Administrator

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

B. Monthly Budget Summary ([backup](#))

C. Animal Shelter and Control Monthly Report ([backup](#))

D. Construction Project Updates

Mr. Rob McFee, Division-Director Engineering and Infrastructure

One Cent Sales Tax Referendum Projects:

U.S. Highway 278 Construction Project

Bluffton Parkway Phase 5A Roadway

S.C. Highway 170 status

Bluffton 5A Bridge status

Capital Improvement Projects:

St. Helena Island Branch Library

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

Mr. Paul Andres, Airports Director

F. Update / Daufuskie Island Ferry Service

Mr. Morris Campbell, Division-Director Community Services

10. CONSENT AGENDA – ITEMS A THROUGH M

A. AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012C, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$30,000,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; ADOPTING WRITTEN PROCEDURES RELATED TO TAX-EXEMPT DEBT; AND OTHER MATTERS RELATING THERETO ([backup](#))

1. Consideration of second reading approval to occur July 23, 2012

2. Public hearing announcement: Monday, August 13, 2012, beginning at 6:00 p.m. in Council Chambers of the Administration Building, Government Center, 100 Ribaut Road, Beaufort

3. Consideration of first reading approval occurred June 25, 2012 / Vote 10:0

4. Finance Committee discussion and recommendation to approve occurred June 25, 2012 / Vote 6:1

B. HILTON HEAD ISLAND AIRPORT FAA GRANT OFFER #33 ([backup](#))

1. Consideration of grant acceptance to occur July 23, 2012

2. FAA Grant amount: \$402,750

3. Funding: FAA Grant (90%); State Grant (5% pending); and a local match \$22,155 from Airports operating budget

4. Airports Board approval occurred April 19, 2012

5. Public Facilities Committee discussion and recommendation to approve occurred June 26, 2012 / Vote 6:0

- C. HILTON HEAD ISLAND AIRPORT PHASE III DATA RECOVERY AND PUBLIC OUTREACH PROGRAM ([backup](#))
1. Consideration of contract award to occur July 23, 2012
 2. Contract award: Talbert, Bright, and Ellington, Inc., Columbia, South Carolina
 3. Contract amount: \$443,097.70
 4. Funding: FAA Grant #33 (90%) of \$402,750; State Grant (5% pending); and a local match (5%) of \$22,155 from Airports operating budget
 5. Public Facilities Committee discussion and recommendation that both parties meet and agree 100% on the scope of work prior to coming to Council. This recommendation occurred June 26, 2012 / Vote 6:0
- D. NON-COMPETITIVE PURCHASE OF SC 170 DESIGN CONSTRUCTION ENGINEERING SERVICES (SALES TAX PROJECT #3) ([backup](#))
1. Consideration of change order approval to occur July 23, 2012
 2. Contract change order: Thomas & Hutton
 3. Contract amount: \$217,000
 4. Funding: 1% Sales Tax Road Improvement Program, Account #33403-54500
 5. Public Facilities Committee discussion and recommendation to approve occurred June 26, 2012 / Vote 6:0
- E. SC 170 WIDENING CONSTRUCTION FROM US 278 TO SC 46 (SALES TAX PROJECT #3) ([backup](#))
1. Consideration of contract award to occur July 23, 2012
 2. Contract award: Cleland Site Prep., Ridgeland, South Carolina
 3. Contract amount: \$14,998,972.30
 4. Funding: 1% Sales Tax Road Improvement Program, Account #33403-54500; February 2012 SC State Transportation Infrastructure Bank had approved \$24.9 million grant for this project
 5. Public Facilities Committee discussion and recommendation to approve occurred June 26, 2012 / Vote 6:0
- F. EMERGENCY PROCUREMENT CONTRACT AWARD FOR HAULING SERVICES FOR THE BEAUFORT COUNTY SOLID WASTE DEPARTMENT ([backup](#))
1. Consideration of contract award to occur July 23, 2012
 2. Contract award: Republic Waste Services of Hilton Head, Inc.
 3. Contract amount: \$858,154.32
 4. Funding: Account #33390-51165-Solid Waste Hauling Services
 5. Finance Committee discussion and recommendation to approve occurred July 18, 2012 / Vote 6:0
- G. ST. HELENA BRANCH LIBRARY IT HARDWARE PURCHASE ([backup](#))
1. Consideration of contract award to occur July 23, 2012
 2. Contract award: CSI Technology Outfitters, Easley, South Carolina
 3. Contract amount: \$93,636.73
 4. Funding: Account #11436-54420-St. Helena Library
 5. Finance Committee discussion and recommendation to approve occurred July 18, 2012 / Vote 6:0

H. REQUEST TO PURCHASE FROM NON-COMPETITIVE CONTRACT FOR ITEMS OVER \$25,000 FOR BEAUFORT COUNTY'S REGISTER OF DEEDS DEPARTMENT ([backup](#))

1. Consideration of contract award to occur July 23, 2012
2. Contract award: NewVision Systems Corporation, New Canaan, Connecticut
3. Contract amount: \$51,963.48
4. Funding: Account #12050-51110-Maintenance. Funding, or revenue, as a result of this software totaled \$2,654,994
5. Finance Committee discussion and recommendation to approve occurred July 18, 2012 / Vote 6:0

I. WAIVING INTEREST ON HERITAGE LOAN IN THE AMOUNT \$30,750 IN INTEREST THROUGH JULY 18, 2012 ([backup](#))

1. Consideration of waiving interest to occur July 23, 2012
2. Finance Committee discussion and recommendation to approve occurred July 18, 2012 / Vote 6:0

J. AN ORDINANCE TO AMEND THE FY 2012-2013 SCHOOL DISTRICT BUDGET

1. Consideration of first reading, by title only, to occur July 23, 2012
2. Finance Committee discussion and recommendation to approve on first reading, by title only, occurred July 18, 2012 / Vote 6:0

11. PUBLIC HEARING – 6:00 P.M.

A. NAMING OF A PROPOSED PEDESTRIAN / BICYCLE TRAIL

Planned for development in Northern Beaufort County, the trail will traverse a distance of approximately 13.6 miles from the Town of Port Royal, the City of Beaufort, and portions of the unincorporated area of Beaufort County, to the Whale Branch River along the former railroad right-of-way. Spurs connecting portions of the proposed pedestrian/bicycle trail to the surrounding community is also a part of the program of development.

1. Natural Resources Committee discussion and recommendation to name the Rail Trail the Spanish Moss Trail occurred June 25, 2012 / Vote 5:2
2. Historic Preservation Review Board discussion and recommendation to name the Rail Trail the Magnolia Line Trail occurred June 21, 2012 / Vote 5:0

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

13. PUBLIC COMMENT

14. ADJOURNMENT

Official Proceedings
County Council of Beaufort County
June 11, 2012

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, June 11, 2012 in the Executive Conference Room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

DISCUSSION ITEMS

Topics discussed during caucus included: (i) the Rail Trail Agreement and Plans project approval of amenities, signage, and final design standards as well as a request to eliminate the trail branding at this time; (ii) a resolution calling for action at the federal, state, and local levels to avoid sequestration and the automatic Department of Defense spending cuts; (iii) an opportunity to buy a second-hand ambulance for the EMS Department; and (iv) the library system funding inequity in the FY 2013 budget proposal.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Rick Caporale, Steven Baer, 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 McBride gave the Invocation.

CERTIFICATES OF COMMENDATION

Madeline Aune - Beaufort High School

Mr. Glaze recognized Madeline Aune, who triumphed as the 2012 Class AAAA State Champion in Girls' Pole Vault two consecutive years. Ms. Aune's 2012 track season accomplishments include: Region Champion Girls' 8-4A Pole Vault, All Region Girls' Pole Vault, and Girls' Pole Vault Champion. Ms. Aune has maintained a grade point average of 4.82 during the season.

Gretchen Brown – Battery Creek High School

Mr. Glaze recognized Gretchen Brown, who triumphed as 2012 Class AAA State Champion Girls' 100 Meter High Hurdles. Ms. Brown's 2012 track season accomplishments include: State Runner-Up Girls' Long Jump; Regional 8-3A Girls' Champion 100M High Hurdles, Long Jump And Triple Jump; South Carolina Coaches Association for Women's Sport AAA Female Athlete of the Year; and Battery Creek High School Female Athlete of the Year.

Whale Branch Early College High School Boys' Track Team

Mr. Dawson announced that the Whale Branch Early College High School Boys' Track Team triumphed as the 2012 Class 1-A State Champion. Members of the team: Joshua Fields, Charles Jiles, Devonta Delaney, Michael Smalls, Andrew Bryam, Vishawn Burrage, John Little, Devonta Glover, Devonta Alston, Andre Watson, Brandon Morton and Deonne Lykes. Mr. Terry Fillmore, one of the team coaches, accepted the certificate on the behalf of the team.

PUBLIC COMMENT

The Chairman recognized Mr. Bernie Kole, a newly appointed trustee of the Beaufort County Library. Mr. Kole works as the advocacy trustee for the library and as a representative for Mrs. Patsy Hand, Library Board Chairman. The library has taken some severe cuts in the last few years, and it has been a very hard situation for the administration and management staff to be able to plan how the money will be distributed. He spoke on the changes in the libraries operational hours of the existing libraries along with concerns for the opening of the new St. Helena Island library at Penn Center. Mr. Kole presented background information from the South Carolina State Library Report, dated February 8, 2012. According to the report, three libraries took budget cuts over \$100,000 in the state. Sumter County library took a 10% cut totaling \$129,000, Florence County with 5% totaling \$178,500, and Beaufort County at 32.95% in the amount of \$1,391,819.

Mrs. Jane Kenny, a full-time resident of Beaufort County, addressed Council on behalf of the non-resident property owners of Beaufort County. Mrs. Kenny spoke for Ms. Patty Clark, a

Town of Port Royal non-resident property owner. Ms. Clark's property taxes are 250 percent more than her neighbor's primary home taxes, though the market value is \$100,000 less. Her taxes have increased more than \$4,600 in 6 years, but the value has diminished greatly. As non-resident homeowners, she pays for local school operations. Now the School Board wants to expend \$1.8 million for iPads. As a non-resident she cannot vote. Another tax increase only shows non-residents are not welcome in Beaufort. Mrs. Kenny said the schools are not equipping students with the education needed for today's workforce.

Ms. Diane Moreno, a resident of Bluffton, commented that Beaufort County spends more on schools than any other area in South Carolina. There is a 61% graduation rate. She believes the school administration must learn to use the money already allocated and in a more effective manner. Good leadership and responsibility to the students are the only solutions. She asked Council to deny the tax increase.

Mr. Dan Yorksie, a resident of Hilton Head Island, requested clarification on how Council determines the validity of annual school budgets, which continue to rise year-after-year with unacceptable levels of student performances and achievements in the fundamental basics of higher education. What matrix is in place to determine the effectiveness of major financial decisions by school administration? If there is such a decision, where is it published? Thirty positions are being eliminated with the current budget request. How many of those positions are teachers and how many are non-teaching positions? Non-teaching positions are a significant part in determining the validity of the budget.

Mr. Bert Walker, a resident of Bluffton, commented on Councilman Steve Baer's Letter to the Editor, *County should treat branches equitably*. Mr. Walker said with the new library in place it is not a good time to raise taxes and the some of the current programs should be eliminated and take those finances to better use.

Mr. Bill Brousou, a resident of Hilton Head Island, asked Council not to pass the School Board's proposal to raise taxes. In his determination, the School Board has adequate funding; but, according to state's requirement, it is under performing. Is the issue a money matter? If so, would the citizens of the county be paying for an underperforming product? I am here to ask Council to break the chain, and not just throw money out without looking to see where the problems really are.

Mr. Jim Bequette, a resident of Lady's Island, stated his remarks deal with trying to clear up some of the information that is false. Regarding the cost per student in the schools, our schools are not the highest in the state. He presented School District Facts Since 2008 – 2009 Year: (i) the schools took in 900 more students during this time, (ii) the schools lost \$2.2 million due to a shift from 6% to 4% valuation; (iii) six new schools opened; (iv) major utility and contractor's increases; (v) \$2.7 million went to the Academic Career Education Center and Riverview Charter School; (vi) \$75,000 more in drainage fees; (vii) 33% reduction in central office staff; (viii) taxes in Beaufort County schools are by far the lowest in the State; (ix) according to the IRS, the county has the highest cost of living rate in the state for our teachers.

Mrs. Cynthia Bensch, a resident of Bluffton, addressed Council on the hardship that her family has faced from the 2009 condemnation of the Bluffton Parkway. They lost all access and developmental rights to their property. In the three years that passed, they have not been fairly compensated for the loss of their property. Mrs. Bensch requested that Council take a look at the full briefing of the contract negotiation agreement so that they can proceed with the sale of the property.

Mrs. Jean Morgan, a resident of Bluffton, stated one of her concerns is the loss of state funding to the libraries. In May of 2011, the Beaufort County libraries received a waiver of hours that was good for one year, provided, that one location provides at least 66 hours of on-site access. State statute authorized the State Library Director to provide a waiver for a one-year period that began June 1, 2011 through June 1, 2012. Will this waiver be extended or was this one of the reasons the libraries' budgets were cut on the state level? Mrs. Morgan referred to the Library Board 2011 minutes regarding not filling vacant positions. Will the County fill these positions in order to operate the new St. Helena Island library?

Mrs. Lynn Miller, President of the Friends of the Library, Hilton Head Island, stated that she has seen a large decline in the operations of the libraries as well as unfilled positions during the past four years.

Mrs. Becky Cederhall, a resident of Bluffton, requested Council restore 16.4% of the 32.9% to the Beaufort County libraries.

Mr. Aaron Crosby, a resident of Daufuskie Island, spoke on the importance of the ferry service between Hilton Head Island and Daufuskie Island. Beaufort County has been involved with the ferry service for more than 20 years. The service has increased and the connection between the County and Daufuskie Island has strengthened. It will continue to strengthen with the new Daufuskie Island Comprehensive Plan.

COUNTY ADMINISTRATOR'S REPORT

The County Channel / Broadcast Update

Mr. Gary Kubic, County Administrator, stated that The County Channel continues to produce its Beaufort History Moments. This latest episode focuses on Honey Horn Plantation on Hilton Head Island. The site is the current home of the Coastal Discovery Museum.

Mr. Kubic worked with USC-B Chancellor Upshaw, Deputy County Administrator Bryan Hill, Parks and Leisure Services Department, and The County Channel for the past two years to put together a live broadcast of the University of South Carolina Sand Sharks baseball team. The first internet display received about 1,000 hits from students, parents and other interested viewers. Mr. Michael Heesch, star pitcher for the USCB Sand Sharks, was drafted in the eighth round by the Chicago Cubs. Mr. Heesch put up great numbers for the 2012 season. The County Channel caught up with him the day after he got the good news. There will be a full interview

with Mr. Heesch, the USCB coach, and Chancellor Upshaw in the near future, and it will be broadcast on The County Channel.

Three-Week Progress Reports

Mr. Kubic, County Administrator, presented his Three-Week Progress Report, which summarized his activities from May 21, 2012 through June 8, 2012.

Announcement / 2012 NACo Achievement Award for Beaufort County Stormwater Runoff Volume Controls Program Excellence in Financial Reporting

Mr. Kubic, County Administrator, announced that Beaufort County has been awarded a 2012 NACo Achievement Award for the program entitled, “Beaufort County Stormwater Runoff Volume Controls.”

Report / Employee Customer Service Training

Mrs. Suzanne Gregory, Employee Services Director, gave an overview of the customer service training held May 31, 2012. The Employee Services Department hosted a three-house webcast from the South Carolina Association of Counties entitled, “Customer Service Excellence – The Art of Working with People.” The presentation was held at the Disabilities and Special Needs Day Program and Administration Building. Fifteen departments were represented at the training with 70 employees in attendance. The webcast was part of an overall training program. It also includes on-line courses for County employees in areas such as customer service, legal compliance, safety, management, and general business skills. Since October, courses in areas such as diversity, email best practices, harassment, and customer service, have been accessed and successfully completed by hundreds of employees. Almost 2,000 completion certificates have been distributed.

Resolution in Support of Military Bases / Military Enhancement Committee

Col. John Snider, representing the Military Enhance Committee (MEC), stated that US Senator Graham briefed the MEC and other stakeholders on May 29, 2012 about sequestration and the impact it could have on Beaufort County. To use Senator Graham’s words, “If sequestration goes through, it is about a \$1 trillion cut from our military from the Department of Defense (DOD) over the next ten years. There is already \$470 billion planned and this would be another \$600 billion taken out of the DOD over the next ten years. If that takes effect, then we will lose all of our bases here in Beaufort.” Members of the MEC are focusing their attention on this issue. US Senator Graham asked the members to start a grass roots effort to not only take it out of the Pentagon and big business and bring it down so that the Congressional Leadership can see that failure to act will affect Beaufort in a very negative way. US Senator Graham covered the main numbers – it could be our smallest forces since the 1940s, the smallest number of ships since 1915, and the smallest tactical air force. As we all know, the bases here in Beaufort generate over \$1.2 billion annually and about one-half of the tourism in northern Beaufort County about \$300 million. It is also significant just for our ability to defend ourselves. Col.

Snider had, last week, the opportunity to announce and honor our military people of the year from our local installations. It was amazing the impact these young people have. A lot of us look at our military and we take it for granted because it has been so powerful and effective and such young people support it. To think what the cuts would do, not only to Beaufort, but our ability to defend our Nation, is frightening, to say the least. Council's leadership, with this resolution, helps the MEC to get the support it needs from the local area to let Congressional leaders know that we cannot let this happen. The Super Committee has been tasked to take \$1.2 trillion budget cuts and has failed to do that to date. It is unlikely that will happen. In January 2013, sequestration will come into effect. At a minimum, next year it will be a \$50 billion cut. It is across the board and there is ability there to figure out what you are going to cut and what you are going to save.

It was moved by Mr. Flewelling, seconded by Mr. Rodman, that Council adopt a resolution calling for action at the federal, state and local levels to avoid sequestration and the automatic Department of Defense spending cuts that would severely and irreparably harm national defense and could result in devastating economic consideration for Beaufort County and its citizens.

Mr. Baer said he does not really understand enough about this; however, he is going to vote for it tonight in the spirit of teamwork. If there is anyone, like the League of Women Voters or some organization that can orchestrate an informed debate / informative session on the topic, with pros and cons, that would be very useful. He keeps coming back to the fact that the Soviet Union, for example, failed not because of its military, it failed because of economic issues internally. He worries about our county. He worries about what is going to happen economically if we do not get spending of all sorts under control. He has a gut feeling that we are putting our hand on one part of the balance scale with this resolution and not listening to the other side. There must be an equal on the other side of this.

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.

Report / Public Seminar with the Center for Heirs' Property Preservation

Mr. Kubic, County Administrator, reported on a public seminar the County held in conjunction with the Center for Heirs' Property Preservation. The seminar was held May 29, 2012. The County wrote more than 55 letters to all of the churches in the area notifying the congregations that we were having this. It was a very bad weather day, but despite the rain, 24 people responded and attended the meeting. We were delighted with the result. Three families of the 24 individuals there have worked with the Center to pursue the process of converting heirs' property into fee simple. We are happy with that. We are going to keep the information and educational program going. It was a very positive first-step forward.

Mr. Dawson thanked Mr. Kubic and his staff for putting the public seminar together. It was very informative. Many people gave reviews, and were very pleased to have that information shared with them. Some of them are going to follow-up with the Center.

Mr. Caporale asked, “If there were a solution to this, what would it be”? He understands what the problems are with heirs’ property. It seems to him that if we had volunteer legal services and perhaps a small amount of money that could be used to support those and whatever other costs there might be, we might be able to make a dent in the problem. This has been going on for years. He was hearing about this in 1985 when he first moved to Beaufort County.

Mr. Kubic replied, “The solution is a series of steps.” The first step involves instruction by County Council to begin an educational and information session to remove myths like – if your property goes up for delinquent tax sale and is purchased, it removes the heirs’ property designation. You would be surprised how many people believe that that, in fact, is the case. It is not. Therefore, the first part of this is to inform and educate individuals who have heirs’ property. The next is to let them know that if they have a use or intent for their property, to make sure they have the surveys and filings, they have the recordings in proper form, not just a survey. Many folks think that if they have a survey that their property is dully recorded. It is not. You cannot necessarily make that quantum leap. We are doing what we can short of altering the legislation, itself. The sad thing about this is you cannot obtain financing.

Mr. Caporale asked, “Is legal assistance a big part of this issue”?

Mr. Kubic replied the threat of legal assistance, in terms of the high costs, is because of the notification requirements. The Court goes through an elaborate procedure to notify. That is required and once the court deems that that process is complete and satisfactory, that is the only way you can go from heirs to fee simple. That is what we are trying to do. The Center is the vehicle for low-cost families to take that path.

Mr. Glaze thanked the County Administrator for holding the seminar. He asked staff to track the number of families, who are actually engaged in the process.

Briefing / Metropolitan Planning Organization

Mr. Gary Kubic, County Administrator, briefed Council on the new southern Beaufort area Metropolitan Planning Organization (MPO) designation. Mr. Colin Kinton, Traffic / Transportation Engineer, prepared this information. He is on excused leave. Mr. Kubic told him that he would pitch in, the best that he can.

On March 27, 2012, the U.S. Census Bureau published the list of 2010 Urbanized Areas (UZA). We are the first new MPO in South Carolina since the 1990 census. It is a statewide trend rural to urban. The area for a UZA is determined when census reached a population of 50,000 people. In the southern Beaufort area population (Hilton Head Island, portions of Bluffton and unincorporated Beaufort County area) is reported at 68,998; thus, the need for a new designation of an MPO.

The Federal Transportation Planning requirements to reach the MPO designation are as follows: (i) Urbanized areas must be included in an MPO; (ii) Study Area Boundary (planning area) of an

MPO must include the urbanized area as well as the areas anticipated to become urban within 20 years; (iii) Designation of new MPOs must be approved by agreement between the Governor and the local jurisdictions. Our Urbanized Area (UZA) follows: Town of Hilton Head Island 36,860 (53%), unincorporated Beaufort County 21,272 (31%), Town of Bluffton: 10,866 (16%); and (iv) the Agreement must include support of local jurisdictional representing 75% of the 68,998 population. That can be achieved by the Town of Hilton Head Island and unincorporated Beaufort County. It cannot be achieved by the Town of Hilton Head Island and the Town of Bluffton, without the County. It cannot be achieved by unincorporated Beaufort County and the Town of Bluffton. To reach 75% you do need at least the agreement of the Town of Hilton Head Island and unincorporated Beaufort County.

The new MPO and changes in study areas statewide will have an impact on current Guideshare Funding, Transit Funding, Enhancement Funds and Planning Fund allocations. However, in the designation of the Study Area boundary, which is a futuristic look, that naming of that study area does not have any impact on the level of Transit Funding. Including more in the Study Area does not necessarily impact or hurt any more than the formula predicts.

The timeline follows: (i) March 27, 2012, the Census Bureau released the new UZA boundaries; (ii) August 2012 – each MPO is to provide a draft Study Area to SCDOT for evaluation of Guideshare Funding; (iii) January 31, 2013, adoption by the County and local governments must be in place; (iv) March 27, 2013, official designation of the new MPO must be made by the Governor; and (iv) Post March 27, 2013, we begin our Long-Range Transportation Plan (LRTP) and the Transportation Improvement Program (TIP) process.

In preparation for the March 27, 2013 deadline, four things must happen – the Study Area Boundary established, the bylaws adopted, a Policy Committee established, as well as a Technical Committee established.

The current work to date involved a conference call with SCDOT, Federal Highway Administration, Federal Transportation Authority, Lowcountry Council of Government and Planning / Engineering staff of the County and local jurisdictions. There were three meetings with Planning / Engineering staff of the County and local jurisdictions. The draft Study Area alternatives, population assessments, developments of the pros and cons for alternatives is currently being looked at by Mr. Kinton. Mr. Criscitiello, Mr. Kinton and he met with the two top state planners to get a briefing as to what we need to do. Mr. Kubic's suggestion is to expand the educational and developmental process with south of the Broad River entities as well as the City of Beaufort and Town of Port Royal. Mr. Kubic showed a slide of the urban areas designated by the census, which is the catalyst for the designation for the new MPO. A second slide showed the area contemplated to be the next urbanized area.

Chairman Newton sent correspondence to Hilton Head Island Town Mayor Drew Laughlin and Bluffton Town Mayor Lisa Sulka to have a similar briefing on the MPO to members of the Transportation Advisory Group (BTAG). In anticipation of that meeting, we are probably going to convene all of the staffers and create a white paper, which will be used as a guide in the briefing session. We will try at that time to use our collective work as a guide tool for the BTAG

members, get their input and comments on the process, and, then, ultimately, draft that into a product that we can present to the State in August 2012 and present formally to Council for approval.

Mr. Newton said that he had sent a letter to Hilton Head Island Town Mayor Drew Laughlin and Bluffton Town Mayor Lisa Sulka suggesting a way to begin the dialogue at the elected officials' level with the three local governments required to be involved. His suggestion is the BTAG process because the members include the Mayors of Beaufort City, Port Royal Town, and Hardeeville City. Mr. Newton has not heard back from Mayor Laughlin and Mayor Sulka. He intends to follow-up on that suggestion to see if we can utilize the BTAG vehicle.

Off-Agenda Item / Emergency Medical Services / Ambulance Purchase

It was moved by Mr. McBride, seconded by Ms. Von Harten, that Council hear an off-agenda item relative to the purchase of an ambulance for the EMS Department. 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.

It was moved by Mr. Rodman, seconded by Mr. Caporale, that Council award a contract to Northwestern Emergency Vehicles in the amount of \$141,550 for the purchase of one 2012 Dodge 4500 Type 1 ambulance for the EMS Department. The funding source is account #23160-54000 Vehicle Purchases. The County will use FY 2012 funds to purchase the vehicle. 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.

Noise Supression Around the Hilton Head Island Airport

Mr. Caporale spoke about Palmetto Hall, Baygall, and St. James Baptist Church having approached the Town of Hilton Head Island regarding some sort of noise supression around the Hilton Head Island Airport. The suggestion was that somehow we have to find a way to build these and possibly made some sense to take the replanting plan and put it on hold so that we did not have to go back and redo some of that work if we did decide to put in a noise wall or berm or whatever. Is this a good idea?

Mr. Kubic replied based on all of the effort to get the replanting program through the design review process with the Town of Hilton Head Island, it is his recommendation that while the discussion on a noise deflector unit, whether that is a berm or a wall, and all of the funding and issues associated with it, that we still move forward with the pricing of the vegetation. We can tailor the specification on a unit-price basis so we would be able to complete that three-month process of preping the bid, getting them out, evaluating them and having the knowledge of the pricing that would afford us a little more flexibility. It is just a bid offer. It is not an acceptance by the County, but we do complete that formal requirement. In the best case scenario, if it were a combination of some type of device with the planting, we could then tailor based on the

number of trees. He would suggest we do that while we figure out whether or not the suggestion of a noise barrier device can be done.

Mr. Caporale commented putting it on hold has two disadvantages. One is that it prevents you from getting a piece of cost data and the other is it ultimately slows down the process, because you stop something that is in mid-stream -- these negotiations with the Town, which have been almost endless it seems, as what can be planted, etc.

Mr. Kubic stated it affords a reminder to us that as a result of the tree trimming and tree removal that the sooner we get something that beautifies that area the better we are. He is equally cognizant of Palmetto Hall's request as well.

Mr. Caporale questioned if, at some point, does the mitigation plan become an argument against a berm in some way. Does it become some part of a strategy having squashed that idea.

Mr. Kubic said he can see that potential argument. He basically answers as an administrator that he goes with what he knows. What he knows now is that he has a design review approval on the mitigation plan by the Town of Hilton Head Island. He knows that if it is possible to run currently, while the unknown factor of the noise barrier, whether it be wall or berm, while those discussions are taking place, he would rather not waste any time and in the event that fails and will not happen and then begin the process at a later point in time. He feels this is probably a better way to go.

Mr. Baer said that seems like a good plan. At some point down the road, we are going to want to also answer the question, "In the area "x" which is in contention, how much does the mitigation cost? That cost of the tree mitigation has gone up because of the Town requirement cost versus how much does a wall or berm device or some other device cost. Therefore, we can make a rationale decision of "a" versus "b" and how do we share the cost or who pays for them. He hopes Mr. Kubic will go forward and get some estimates of what a berm device or wall device might cost.

Mr. Kubic has taken the Mayor's letter, representing the Town's position, and sent it to the FAA so they know that, to seek guidance from what is required from the FAA, and to follow their plan. Logically, we would want to satisfy them as a financial partner. If they refuse to participate, then the total funding is cast upon us. That is when the engineers will tell us what is most appropriate and fitting. It was suggested to him the other day, the wall would weave along inside the buffer area so that the front part of the vegetation, next to Beach City Road, would actually serve as two points – a regular buffer and a buffer from the walls. That seemed to be fairly reasonable. The other side of the argument is to go across the street, where maybe a berm could go, because of the requirements of width and height for a berm.

Mr. Baer's last thought is to visualize the absolute worst-case situation – the FAA comes back and says it is not 65 dnl and is not going to pay for it, we cannot find another partner to pay for it, so the vegetation goes in instead of the noise wall. Then you go get aviation easements out of

Palmetto Hall and you are in a three-year lengthy legal procedure as you are still here on Lady's Island. Somehow we have to figure out how to avoid that. Is there a worst case than that?

Mr. Kubic said the problem, when we are dealing with the federal government, is following their requirements in order to be eligible for their funding. He would suggest the first step is to clearly understand what they require. Obviously, the problem becomes far worse if we, as a County, have to figure out a way to fund it even if we wanted to. Mr. Baer's suggestion of the *quid pro quo* of obtaining the aviation easements, Mr. Kubic does not know what the federal government's limitations are, whether they would recognize what you are inferring – if an aviation easement would be valued at one dollar would that dollar be forgiven by the homeowner and applied to the wall. Mr. Kubic does not know if that translation would be acceptable.

Mr. Baer commented there is also the speed to get to Phase I.

Mr. Newton said his memorandum to Mr. Kubic was to request that staff have a full understanding of the FAA issues attendant to the possibility of the berm or the wall. When staff is in a position to be able to provide that research and briefing, that Mr. Glaze's committee would be the venue that that issue could be taken up in the context of the discussion of the replanting plan and everything else attendant to financing the possibility or funding possibility of the wall.

Mr. Rodman believes it would be useful for administration to compare the cost of a wall versus a berm because you will find a wall is significantly cheaper. The berm has two non-starters. One, if you think about the fence line at the Airport and if you build it inside the fence, then you have violated the obstacle zone which is part of the Master Plan. Two, if you build it outside the fence, then you are looking at probably a 60- or 70-foot base and you are back into tree permits, mitigation, etc. You cannot get there from here. You may want to verify it and look at the barrier, but not the berm.

DEPUTY COUNTY ADMINISTRATOR'S REPORT

Three-Week Progress Reports

Mr. Hill, Deputy County Administrator, presented his Three-Week Progress Report, which summarized his activities from May 21, 2012 through June 8, 2012.

NON-COMPETITIVE PURCHASE OF ADDITIONAL ENGINEERING DESIGN SERVICES FOR BOUNDARY STREET IMPROVEMENTS SALES TAX PROJECT

This item comes before Council under the Consent Agenda. It was discussed at the May 22, 2012 Public Facilities Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council award a contract to Thomas and Hutton Engineering Company for the added Boundary Street engineering design

services in the amount of \$759,630.00. Funding for these additional engineering services is from the Beaufort County Sales Tax Project Funds and Tiger III Grant for the Boundary Street Improvements with respective balances of \$9,170,000 and \$12,600,000. 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.

ARCHITECTURAL DESIGN AND CONSTRUCTION SERVICES FOR RENOVATIONS AND UPGRADES TO THE BLUFFTON TOWNSHIP FIRE DISTRICT'S STATION #33

This item comes before Council under the Consent Agenda. It was discussed at the May 22, 2012 Public Facilities Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council award a contract to Mitchell Brothers Construction and AAG Architects, the top rank team, for a not-to-exceed contract award of \$498,275 for design build and construction renovation services for the Bluffton Township Fire District's Fire Station #33. 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.

PALMETTO ELECTRIC COOPERATIVE SUPPLEMENTAL AGREEMENT FOR SC 170 WIDENING INFRASTRUCTURE RELOCATION

This item comes before Council under the Consent Agenda. It was discussed at the May 22, 2012 Public Facilities Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve the second Palmetto Electric Cooperative Supplement Agreement for SC Highway 170 relocation in the amount of \$563,046. 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 COUNTY ADMINISTRATOR, WITH THE ADVICE AND CONSENT OF COUNTY COUNCIL TO ISSUE TAX ANTICIPATION NOTES AS MAY BE DEEMED NECESSARY

This item comes before Council under the Consent Agenda. It was discussed at the May 21, 2012 Public Facilities Committee meeting.

It was moved by Mr. Caporale, seconded by Mr. Glaze, that Council approve on second reading an ordinance authorizing the County Administrator, with the advice and consent of County Council to issue tax anticipation notes as may be deemed necessary. 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 a public hearing would occur on Monday, June 25, 2012 beginning at 6:00 p.m. in Council Chambers of the Administration Building.

**STORMWATER MANAGEMENT AND UTILITY AGREEMENT PROPOSAL
BETWEEN BEAUFORT COUNTY AND THE TOWN OF PORT ROYAL**

This item comes before Council under the Consent Agenda. It was discussed at the June 6, 2012 Natural Resources Committee meeting.

It was moved by Mr. Caporale, seconded by Mr. Glaze, that Council enter into a Stormwater Management and Utility Intergovernmental Agreement with the Town of Port Royal. 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.

**FY 2013 STORMWATER OUTREACH AGREEMENT WITH CLEMSON
UNIVERSITY**

This item comes before Council under the Consent Agenda. It was discussed at the June 6, 2012 Natural Resources Committee meeting.

It was moved by Mr. Caporale, seconded by Mr. Glaze, that Council approve the Clemson University County Extension Program Support Agreement in the amount of \$67,665. 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.

RAIL TRAIL AGREEMENT AND PLANS

Main motion: It was moved by Mr. Sommerville, as Natural Resource Committee Chairman (no second required), that Council approve the Rail Trail Agreement and Plans project trail branding, amenities, signage, and final design standards.

Motion to amend by deletion: It was moved by Ms. Von Harten, seconded by Mr. McBride, that Council delete “trail branding.” 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.

Vote on the amended motion, which includes the motion to amend by deletion: Council approve the Rail Trail Agreement and Plans project amenities, signage, and final design standards and eliminate the trail branding at this time. 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.

FY 2012-2013 COUNTY BUDGET PROPOSAL

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Council approve on third and final reading the proposed FY 2012 / 2013 budget at 40.21 mills County Operations, 3.87 mills Purchase of Real Property Program, 4.44 mills County Debt Service, Bluffton Fire District at 20.49 mills operating and 0.00 mills debt service, Burton Fire District at 58.21 mills operating and 5.53 mills debt service, Daufuskie Island Fire District at 33.07 mills operating and 0.00 mills debt service, Lady's Island/St. Helena Island Fire District 33.34 mills operating and 1.50 mills debt service, and Sheldon Fire District 33.11 mills operating and 2.18 mills debt service.

Mr. Rodman, as Finance Chairman, said the parameters of the FY 2012-2013 County budget proposal are, coming out of the retreat, that Council wanted to protect the reserve, hold taxes flat, protect services, and, if possible, get to an employee cost of living. Council achieved the four parameters. It is fair to say that it was a good process. He is very pleased with the work staff did – Deputy Administrator Bryan Hill, Chief Financial Officer David Starkey and Comptroller Alicia Holland. We have had relatively few disagreements along the way. We have a few open issues on the library. We had a late comer in the Solicitor to be addressed downstream. As the Administrator has pointed out, we certainly have some challenges next year with the issue of mill role forward. There will be some continuing work to fine-tune.

In the budget, itself, County operations millage remained flat. Purchase of Real Property (Rural and Critical Lands Program) has an approximate one-mill increase, a voter-approved referendum. There was a very small/nominal decrease in County debt service millage. In the case of the fire districts, those do represent increases in all five of the districts to varying degrees, to accommodate whatever their needs were. As is our habit, we, basically, look to the Council representative, who oversees those districts, if they agree. To the best of his knowledge, there is not any disagreement as listed in the ordinance. Although there would still be time, as we work toward the final millage setting in August, if individual Council members wanted to revisit those. Council expanded the ordinance this year in order to provide more definition of how many different accounts there are that the County deals in – elected officials, state appropriations, a wide variety of different services. It is insightful to see the number and dollar magnitude of each. The ordinance incorporates some changes to the approvals of transfer of funds between activities.

Mr. Baer commented on all of the calls and emails he received. He projected a slide showing the last two years (since 2008) where we have taken over \$1,000,000 out of our library system and then returned \$525,000 to St. Helena Island Branch Library. Since FY 2008, which is the budget this Council voted on, \$550,766 has removed out of the library system. Bluffton Branch has lost \$178,238 (-26%) while Hilton Head Branch has lost \$143,370 (-21.4%). We have squeezed the County budget down, but the libraries have become a soft target and we have squeezed a disproportionate amount of money out of them. He has questions about the allocation of funds amongst the various branches around the County. The two big branches, south of the Broad River, have been hit very hard. They are high usage branches. They have large numbers of subscribers. Some of them even have subscribers who do not show up on the listing because they are visitors or tourists. We have stripped and denuetered those libraries beyond reasonable cause. He is on the wire as to whether to vote for this budget tonight. He will probably vote for it out of teamwork. The library budgets have gone down overall. They have gone up a little bit

in the last year or two in total. However, the branches, especially Bluffton and Hilton Head Island, have been decimated. We have people showing up early at the doors before the libraries are opened, very unhappy. Bookstore sales at Hilton Head Island have gone down precipitously and that is a double whammy. Not only is the library hit with fewer hours of availability, bookstore sales are down and that money is not poured back into the library for services such as the kids' shows on Saturday, senior services, etc. He would urge Council to find a way to try to restore some of this money to the branches. It is not just the little bit we lost since last year. That is not an adequate solution. He would like to see some of the one million dollars that has been taken from the libraries since 2008 (\$550,000 net) restored to the libraries from our budget.

Mr. Newton noted, as he said in caucus, he does not think any member of Council relished the cost-cutting measures that have had to be employed in the last four or five years. As we did discuss in caucus, library funding is up 8% year-over-year. The year-over-year numbers, with regard to Bluffton, is a \$17,000 reduction in allocation while Hilton Head Island is a \$49,000 reduction. It does appear that the Local Government Fund (LGF) will include at the minimum \$150,000 more in state revenues than were projected by Council staff in the inclusion of the budget. He is hopeful we can supplement these branch libraries with these additional state revenues so that the funding level this year is, at least, at the same level as it was last year. Further, it does appear the LGF will be a little bit higher than that. Mr. Newton echoes Mr. Baer's concerns about the prioritization of services and holding the line on taxes the last four or five years. The library sector has certainly been an area where funds have been reduced, and, hopefully, things will begin to improve and we can find ways to restore funds.

Mr. Newton said at the retreat two years ago, discussions of overall funding challenges within the County, one of the items we identified and we all acknowledged that use of libraries, in large part, clearly with the recession, is employment centers for folks to have access to computers and internet to try to find jobs, etc. At that retreat, we talked about, and Mr. Newton has asked administration to consider, the possibility of putting public-accessible computer kiosks in multiple government building. Within the last week, he talked with Mr. Kubic, who indicated staff has some information and are going to bring that to Council for consideration. Mr. Newton intends to support the budget this evening. He appreciates Mr. Rodman's and Finance members' hard work that has gone into this budget. He is pleased we are here tonight on final approval without a tax increase.

Mr. Caporale said all the talk about the libraries, is really kind of begging the question or pushing the issue of what is going to happen next year with reassessment. This insistent on there being no tax increase is getting very difficult. He could not help think about it when Col. Snider was speaking here earlier. He has been saying this for four or five years, regarding military spending, everybody supports the troops, but we have never had a war tax. We have had two Presidents who put the wars on the charge card. It is contradictory. You cannot do that; you cannot have it both ways. It is going to be the same with the libraries. We will deal with the pressure next year because we will have a true number to compare with library numbers when we see the budget FY 2014. At that point, it will be beyond speculation just as we will see next year what is left in the School District fund balance.

Ms. Von Harten is concerned about our libraries, too. She saw a sign this week that said, “Closing libraries in a recession is like closing hospitals during a plague.” We have not totally closed the libraries, but we have limited the hours. She would like to see us, in the coming years, gradually put more back into the libraries so we can get them back up to the level where they were a few years ago. Her hopes are high of the LGF coming in as well as using some of that money for the libraries and for the Solicitor. She will support the budget. She appreciates staffs’ hard work on it, too.

Mr. McBride plans to vote for the budget on third and final reading. He abstained at second reading. At the last Finance Committee meeting the information he desired was presented, and is satisfied with the information regarding law enforcement.

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 HEARING

FY 2012-2013 School District Budget Proposal

Mr. Rodman, as Finance Committee Chairman, explained Council goes through a process that has a couple of pieces to it. The first piece Council approves is an appropriation, which is an expenditure level ceiling. The School District (District) can spend that amount without coming back for a subsequent approval. This year, as in most of the prior years, there has not been any disagreement with the level that the Board wants to spend. The Finance Committee was unanimous in agreeing with that ceiling / cap. The second piece Council approves is the tax levy for the operating budget, it does not relate to the capital budget or the debt service. That flows from the capital expenditures they made, a portion of which is authorized under state law and portion of which is voter-approved by referendums. Council also approves a number, at this point (June) in the ordinance, and then comes back in August and takes one more look at it. That is the time Council actually finalizes what the tax levy is going to be. Before Council tonight are three items in the ordinance: (1) the ceiling expenditure of which there is no disagreement coming out of Finance Committee with what has been requested by the District; (2) the millage for capital or debt service, which Council does not set and that tax levy / millage, has not changed from the prior year; and (3) the millage for the operating budget comes from the second homeowners, the businesses, the personal vehicles, and whatever other personal property there may be. Some years ago, the State Legislature passed Act 388 where a one-penny sales tax put in place and the money that is collected from that, goes to pay what used to be paid by the residents across the state and Beaufort County.

Finance Committee approved by a 4:2 vote to accept the Board of Education recommendation for a 2.0 mill increase. If approved, this would be the second increase in five years. Council does not get into line-item adjustments to the budget. Council only has the right on the levy -- to vote it up or down. It does not mean Council cannot get into discussion about individual items. Part of the District budget is dependent upon what comes out of the General Assembly.

That 2.0 mills in based on the House version. The Board and District are committed, if the number and the final state budget is less, to reduce the millage accordingly. The Senate version that was in play at the same time was a smaller amount, which would have the equivalent of a 1.0 mill increase.

Mr. Newton stated the Finance Committee recommendation is what was approved at first reading, by title only, with no numbers included in the budget ordinance *i.e.*, school operations millage of 92.26, an increase over last year by 2.0 mills.

The Chairman opened a public hearing at 6:05 p.m. regarding the FY 2012 -2013 School District budget proposal. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:07 p.m.

The Chairman announced Mr. Jim Wedgeworth, a resident of Hilton Head Island, has just arrived at today's meeting to speak during the public hearing. He was delayed because of inclement weather.

The Chairman recognized Mr. Jim Wedgeworth, a resident of Hilton Head Island, who is here today to talk about the children. He has a six-week old grandson who he hopes moves to Beaufort County. He lives in Chapel Hill, North Carolina. He is here, begging Council, to do what is right for his one and only grandson. He has prepared information on all the houses, lots and villas that sold in 2012 and looked up the assessed value of each property. He looked up the selling price. On the approximate 25 houses he has sold, the sales price is 37% below the assessed value under the previous assessment. On the lots he sold, the sales price is 24.4% below the assessed value. On the 12 or 13 single-family lots he has sold, the difference between the assessed value and the sales price is 47.9%. If you combine this data, add up the assessed value and the sales price, it comes to 37.2%. This is a sample, only, of over 50 properties located south of the Broad River. What this means, is if we keep the taxes the same on these properties, we, in essence, are raising the taxes on these property owners 37.2%. If we do that, it is going to be a problem for the future and a problem for his grandson. We are going to kill the goose that lays the golden egg. A recent conversation Mr. Wedgeworth had with an electrical contractor follows: In 2004, the contractor had 12 employees and now has seven, who have not received a raise. The seven employees are working for less than they were earning in 2004. The contractor took a major salary decrease. He asked Council to, "Please be considerate of the taxpayers of this county who are getting ready to be reassessed and in almost every instance he knows, their property is going to be less."

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approve on second reading the FY 2012 – 2013 School District budget at 92.26 mills for school operations and 28.00 mills school bond debt service (principal and interest).

Mr. Baer knows Council cannot vote on the line items; however, the iPad program line item does not have an adequate plan. It has not been adequately considered on-going operations costs, which are going to bite us in later years. He will vote against the budget. By his very rough calculation, it is going to add at least \$1.1 million a year to the operating costs.

Mr. Caporale questioned whether this is the second millage increase in five years or second in six years.

Mr. Rodman is not sure what happened six years ago, but believes that three out of the last four the line was held on taxes. He could stand corrected; but believes that is the right number.

Mr. Caporale talked about a couple of things relative to the District and the people he knows whose children have gone through the District. He has thought about this before, but has always held back because there is so much truth in both sides of this argument. It troubles Mr. Caporale that we think we can solve this problem with Act 388 and protect 6% and 10% property owners by chocking off all tax increases to the District. You can only do that for so long. He clarified Mr. Rodman's comment before because Mr. Caporale believes this is only the second increase in six years, even though he knows in those six years, as Mr. Bequette pointed out earlier here today, the District has gained more than 1,000 students, probably 1,200 or 1,300. One thing that is for sure is that there is a fair amount of misinformation out there. There is some information that the District presents almost incessantly through so many presentations that they make; but, apparently, some people just are not hearing some of what they say. All of the people he knows (he lives in Hilton Head Plantation) their kids are all doing great. They all went to Hilton Head schools. His son has a master's degree and lives in Houston. The kids' next door -- one is an editor of a magazine in Boston, one is teaching at a college in Tennessee, and the other works for a marketing research firm in Charleston. Two friends' daughters just finish law school. He heard from a friend this weekend their son graduated Cornell and hired by Microsoft. Mr. Caporale is not sure where all the failure is that he hears about so often when he does not hear so much about the success. You heard about more successes tonight about these student athletics we have. He knows there are problems with the District; he sat on the Board 12 years. He knows that part of the answer is probably in things like school choice and Charter schools. Even in that discussion there is a certain amount of imbalance wherein Charter schools do have certain advantages over public schools. They are free from certain administrator restrictions. They generally do not provide busing. All these kids that are playing athletics, they do not exist at most Charter schools. We pay for them. He had asked how many special education students are in Riverview Charter School; he recalls the answer was 12 of 13. We have 2,000 students in the District. Do you know what it costs to deal with an autistic child for an academic year? Some members of Council need to find out more about what is right with the District. Good things happen all the time. He has seen things happen to his son, all his friends, and all their friends. Do we have a problem? Yes. The achievement gap of Black and Hispanic students is a huge problem; but, you are not going to solve it by financially suffocating the District, and you are not going to protect 6% and 10% property owners by forever-holding-back tax increases. It is just not possible. How about we go and get the people in Columbia, who created the problem, to try to fix it. He will support the District budget this year.

Mr. Sommerville said we all have a unique perspective on this issue. His is different from the others for several reasons: (i) He keeps hearing about second homeowners. That term includes rental properties. He owns multiple rental properties. This tax affects him directly, whatever

the tax is. (ii) He thanked Mr. Caporale for commenting that we cannot solve Act 388. He keeps hearing about a fact, which is a person with a 6% home valuation is paying two and half times as much, or more, than a person with a valuation of 4%. Council can do nothing about that. We did not create that problem; we cannot solve it. He does not like it. He owns 6% properties here in Beaufort County as well as Charleston County so he has a little bit of comparison. The taxes on his 6% properties in Charleston County are far worse than they are in Beaufort County. (iii) He also has children in the public schools. He has a child in middle school and a child in high school. He is not going to get off on a tangent about the iPads. He is a strong advocate of the iPads because both of his children have iPads; all children should have iPads. He sees what those iPads do for the children. He knows what the possibilities are; they are virtually unlimited. We can disagree on that. He has a strong position in favor of the iPads. (iv) He personally entered the Beaufort County school system in 1951, and has been involved in the school system since then as a student, as a sibling, as uncle, as a parent ever since then. He has seen the ups and downs. To echo what Mr. Caporale said, "Sure there are problems in the school system, but there are many things going right." Standardized test numbers are going in the right direction, up. The exception is, in the short-term, SAT scores. The SAT scores dropped a little bit last year (statewide as well), but the previous year they went up a lot. The reason had to do with the fact that many people started taking the SAT last year, who otherwise would not take them, and probably are not required to take them for the school they are going to attend. Therefore, they diluted a little bit / dropped the scores; but the scores are still higher last year than they were two years ago. He would like to see those scores higher. He would like to see a lot more kids going to top-tier colleges. He would like to see many things. He is convinced that the District is going in the right direction. He is in the schools almost every day. He sees what is going on, what these budget cuts are doing, and does not disagree because there was a time when the District was spending too, too much money on way too many things. Today the District has reduced in the classroom, the number of counselors is down, and administrators are down. There is no question we are at the bottom of the heap in certain places, but look where we were two or three years ago. We were below the charts, now at least we are on the charts. If you look at taxes and the unsustainable financial situation of this country, the one thing you look at is trends. Are we going in the right direction? We are. He is going to support the District budget. He voted for it at Finance Committee and is going to vote for it today. It is going to affect him, but unless you are paying seven figures on 6% properties, he is getting hurt a lot worse on this budget. It is the right thing to do. He supports the District. In spite of the fact that we have a long way to go, we have come a long way. He is proud to say that his children are part of this. His children are doing fine; a small part is because of the District.

Mr. Flewelling remains opposed to the tax increase. Even if we concede that spending \$1.8 million is an invest that will lead to higher test scores, lower textbook costs, and higher graduation rates, all we have seen in relation to that is anecdotal evidence, no specific studies using similar situated school districts in the same grades that we are putting in. Even if we concede all of that, no one has really addressed the point of how we are paying for that with a tax increase instead of using reserves. We are using a tax increase that we can never take away from the District. Once we own those iPads, there will be higher costs year-to-year for replacement, insurance, etc., which has not been addressed by the District, very much. We are

never going to be able to get rid of that tax increase. We will always have that in place. We can never take it away from the District. The effect of the tax increase is, unbeknownst to most people, that virtually every person who pays rents in Beaufort County will pay this tax increase. While Mr. Sommerville owns several pieces of property around the County, how many of those is he going to raise the rent? It is also going to cost more to vacation in Beaufort County. It is going to cost more to drive a car or a vehicle or own a boat. During a recession is not the right time to raise taxes. We need to be thinking about how we can reduce the cost of living and the cost government services in Beaufort County or, as the County is doing, keeping it stagnate / keeping it the same. For those reasons, Mr. Flewelling intends to vote against the tax increase for the District budget.

Mr. Dawson said over the years we have repeatedly engaged in the District budget process and virtually have forced them, on several occasions, to use their fund balance. Today, he is concerned if we do not pass the budget that they are requesting then, again, we will force them to use their fund balance that, no doubt, would probably affect their AA bond rating. We, the County, try to maintain AA+ bond rating. For that reason, he is going to support the budget the District is requesting so we do not put them in a situation where we cause them to use their fund balance and jeopardize their bond rating.

Mr. Caporale pointed out that all the success stories he talked about, and he could talk a long time about the kids he has known, just in Hilton Head Plantation, and his friends' children who have all done so well. A big part of the reason is that those kids are succeeding because they are getting their family support. School districts all over America have a problem managing that. Nobody has found a solution. He knows where the kids get support from their family and where there is value placed on education, the kids are not going to be dropouts; they are not going to be part of the statistics. We are chocking the District to death -- it is not going to fix those families. It cost him \$4,100 for home insurance and his home is only worth \$375,000. If you want to talk about problems, talk about the insurance rip-off, which is hurting every one of us a lot more than the District budget. He also agrees with Mr. Rodman -- we have a safety valve when it comes to the District budget – it is called next year. We can always look and see what we have done and the impact of what we have done by looking at the District fund balance, in particular, at the end of the year because anything they do not spend is going to wind up there. We can look at their estimates. We can look at their projections for revenue, for expenses, and we see it all in the fund balance the following year. If it turned out that we happened to be overly generous in any given fiscal year, we can fix that. He is not particularly concerned about whether the iPads are going to add to maintenance expense, or will have long-term additional costs that have not been accounted for. It is the District's problem, not his. His problem is next year, when we reassess and all those property values come crashing down. What kind of mood is Council going to be in to give the District any increase then – none, probably?

Mr. Glaze feels confident that all members of Council attended the various high school graduations. This year's graduates were awarded \$14 million in scholarships.

Mr. Baer made it very clear that he is not bashing the school system. They have done an excellent job. They have tightened the budget over the years. They have done a very good job of managing their budget. They have set extremely high standards for financial transparency, which we, in the County, have also now reached. Instead of hoarding money and building up cash reserves to take care of the winter, which is going to come with reassessment, we are off on a plan to spend as much as we can. Worse than that, on the things we are spending where there are unknown expenses that are not in the budget, *i.e.*, the additional \$1.1 million expense that is not predicted (which he thinks is going to be more than \$1.1 million). Next year, when the District is eating into its cash reserve, it is because of that amount, they will be here asking Council for another tax increase. We do have to worry about those things. Just like the Board of Education does long-term economics and County staff does long-term economics, we have to look ahead to their spending plans. They are on a path, unfortunately, that does not have an educational goal that can be written down on a piece of paper and an annual cost estimate that can be written down on a piece of paper. In a real industry they would say – go back and come back when you have a plan. The District, basically, has done a great job educating our kids; but it does not merit a tax increase this year, because they are going to spend it on candy.

Mr. Rodman is going to vote for the District budget. It has been a difficult decision for him. We have had our friendly arguments with the Board of Education (Board) over the last couple of years, but we are where we are. Both the County and the District have done an outstanding job in these difficult times, particularly, the County where the actual amount of money that is spent is declining, and it has been four or five years since we last approved a tax increase for the County. He hopes the Board and District realize that to some extent, by the County managing to a closer number, has maybe provided a little bit of leeway for the District to have one or two increases along the way. Over recent years, student enrollment has gone up by a couple thousand. The District has reduced staff by 200. We are all aware that we had several low-performing schools; now we have several high-performing schools, and he gives them a lot of credit for that. The County certainly has a series of things that we are stuck with – the Legislature cuts back on some funding that we have to step in and plug the gap, and we get some state mandates. The District gets some mandates. We both are hit, but they are hit a little bit harder with the switch from the 6% to 4% valuation because of Act 388. For those reasons, Mr. Rodman believes it is justified. He touched briefly on the iPads. What we are really talking about here is electronic textbooks. We all understand and watch how technology is becoming an increasing part of all of our personal lives. The District prepared a white paper and sent to Council that went a long way to explain the cost side to try to identify how they were going to cover the cost. Certainly, two-thirds of it is covered by some Title I funding from the federal government. They make some strong cases for how teachers can become more effective using electronics. But more importantly it talked about what this mobile technology means to the individual students, energizing them, what colleges expect when they show up, how the kids will get more engaged, and how the amount of misbehavior decreases. He has said before, and believes strongly, that as more and more electronics come along, if we have children not exposed to it at the right age, they may never catch up. He refers to it as a digit divide. He believes we have been leaving kids behind; and, in many cases, probably difficult for them to catch up. Mr. Rodman has a good friend, who is one of the original Apple employees. He had a conversation with him yesterday and asked him what he thought about

this. Having not seen the study he said, “MIT has done quite a bit of work in this area and identified a couple of different things that caught his attention. One is that many of the students do not have the reading abilities that we, as adults had, when we were younger. It is difficult for them to catch up with the reading, but the use of the electronic textbooks, which is exciting for them, helps them to overcome that and catch up. He said that in many cases, this is where students end up finding themselves. Finding what it is they want to do. They may decide they really like history; and, they therefore, get interested in that because they can do the exploring.” Lastly, although we are just using these as electronic textbooks now, he certainly hopes we will, in time look at this as something that the District can send home with the kids. We always think about misuse of these iPads. He said what they have actually found is the most disadvantaged kids, actually are the ones who take the best care of the iPad that they have been given, because it is so, so valuable to them. For all of those reasons, Mr. Rodman will vote for the District budget.

Mr. Flewelling would like to correct Mr. Rodman. There is no use of this as an e-textbook yet. That is in future years. It is definitely in the process, something down the line, but it is certainly not for this fiscal year.

Mr. Rodman replied, “Maybe I stand corrected on it being an e-textbook. They were going to use it in the classroom, I thought”?

Mr. Flewelling replied they are going to use it in the classroom, but not as a textbook.

Mr. Newton remarked he indicated at the May 21, 2012 Council meeting and he remains steadfast and stands behind his comments made at that meeting when Council gave first reading, by title only, he is not willing to support a tax increase for either School or Council operations. To make up for the failures of the state, to fulfill its responsibilities, we cannot continue to look to our property owners in Beaufort County. It is progress to see that the partnership with the Board of Education and County Council has returned \$633,000 last year due to the efforts of Senator Davis. This year the District budget proposal includes \$1.3 million of estimated additional revenues. Senator Davis reports that he has full expectation that that number will be significantly in excess of the \$1.3 million. Mr. Newton has heard a lot of discussion tonight about things that we would like to see. He acknowledges the District’s trends. They are to be congratulated and their successes applauded. However, he also sees that unemployment numbers in Beaufort County remain dismal. He would love to see per capita income up, but it is not. He would love to see property values go up in Beaufort County, but it is not. We are still in the middle of a recession even though we may not realize that when we talk in this room. We are still having hundreds of houses a month foreclosed in the courthouse next door. The compounding effect of what we do in this year’s budget will be very, very significant given next year’s reassessment. Nobody has been as vocal as Mr. Newton year- after-year about the EFA funding formula. We have to get better attention from the State of South Carolina than we get. The answer cannot be simply to look to our local property owners. There is a lot of discussion that the tax increase will affect 4% property owners, however, everybody who drives a car pays this tax, a business pays this tax, rental property, a boat or any other type of property is paying this tax increase. Mr. Newton referred

to some slides prepared by State Superintendent of School Dr. Zais. One of the slides we talked about deals with the 21 districts that have a poverty level similar to Beaufort County. We rank the highest in revenue per student. There was much discussion about whether that included the capital component or it did not include a capital component and was it an apples-to-apples comparison for the state. What we did talk about at first reading (May 21, 2012) if you remove the capital component from Beaufort County and assuming it is including, to some degree, in any other of the 21 districts, we are still the second highest revenue of those 21 similarly situated districts based on poverty level. We are still in the middle of a recession and, quite simply, Mr. Newton does not believe that a tax increase at this time is appropriate. It does not mean he is in favor or not in favor of the iPad program one way or the other. The District has indicated that both the cost living and step increase mandates can be fully funded within its current budget. Council is responsible for setting the overall tax rate; and not voting whether the iPad program should or should not be implemented or spending those resources. Mr. Newton believes it is the wrong thing, at the wrong time, to increase taxes. He is hopeful that between now and third and final reading, we will find out that the House and Senate conferees, relative to the budget proviso as well as Senator Davis's work, will close the gap. Based on comments Mr. Newton has heard tonight as well as what Mr. Rodman has stated, "If the gap closes the tax increase, which Council might oppose, would be reduced and obviated." As Mr. Newton indicated at first reading, he does not intend to support a tax increase. His opinion in that regard has not changed.

Ms. Von Harten intends to support the District budget request.

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

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

COMMITTEE REPORTS

Finance Committee

Tax Equalization Board

Mr. Rodman, as Finance Committee Chairman, nominated Mr. Paul Jernigan, representing at-large, to serve as member of the Tax Equalization Board.

Receipt of Correspondence

Mr. Rodman reported receipt of correspondence from a gentleman, who moved here a couple of years ago and who has identified that we may have a much lower probability of incidence of hurricanes that we are being charged for insurance. It goes beyond the insurance, interestingly, because it starts to chill the tourist business as we come into the season. There are people who do not move here because of it and some move away after they have been here. It actually hits businesses because the business interruption cost of insurance, this side of I-95 is higher than on

the other side. The gentleman, who put this together, is actually doing a great service. He is on to something that could save us all a lot of money. Mr. Rodman was asked to be involved as they put it together.

Governmental Committee

Mr. Newton reported receipt of correspondence from Jasper County Council regarding the Lowcountry Economic Alliance (Alliance) and making certain recommendations. Beaufort County is not a member of the Alliance. We appointed three individuals, who serve on that Alliance, and they are Mr. Tigges, Mr. Kubic and Mr. Stewart. Mr. Newton does not believe that there is anything for this governmental body can do, and have been advised that that letter may come up at the next Alliance meeting, June 14, 2012.

Natural Resources Committee

Stormwater Management Utility Board

Mr. Sommerville, as Natural Resources Committee Chairman, nominated Mr. Patrick Mitchell, representing Stormwater District 7, unincorporated Lady’s Island, to serve as a member on the Stormwater Management Utility Board.

PUBLIC COMMENT

There were no requests to speak during public comment.

ADJOURNMENT

Council adjourned at 7:46 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST _____
Suzanne M. Rainey, Clerk to Council

Ratified:

Official Proceedings
County Council of Beaufort County
June 25, 2012

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, June 25, 2012 in the Executive Conference Room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

DISCUSSION ITEMS

Topics discussed during caucus included: (i) the Daufuskie Island ferry service contract; (ii) Airports' financial issues; (iii) The Heritage Foundation loan repayment and waiver of interest payment; (iv) School District budget as it relates to EFA funds; and (iv) Rail Trail naming.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Rick Caporale, Steven Baer, 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 Herbert Glaze gave the Invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD MAY 21, 2012

It was moved by Mr. Rodman, seconded by Mr. Stewart, that Council approve the minutes of the regular meeting held May 21, 2012. The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

PUBLIC COMMENT

The Chairman recognized Mr. John Robinson, President of the Hilton Head Area Association of Realtors, who asked the realtors in the room to stand up just so we can see that other realtors are here. “I appreciate everybody coming today and I appreciate you all hearing us out. I’m here this evening on behalf of our Board of Directors and approximately 900 members of our association, who are concerned about a proposed millage increase to 6% property owners. Any increase placed on these property owners, which includes second homeowners, investors from in State and out-of-State and commercial property could be hazardous to our economic development and jobs, tourism, and the housing market. Quality schools are important to the value of home ownership and we applaud the Beaufort County Schools for their increased State scores this year and awards achieved for specific school performances; however, increasing property tax rates for the County in an effort to fund the School Board’s proposed budget is objectionable. With permission, Chairman Newton, I would like to distribute a letter or ask Ms. Rainey to distribute the letter to you, to the Council, from one of our Beaufort County second homeowner investors. This letter is from one of our second homeowner investors. I believe you heard from her at the first reading and she sent her comments onto the Association for us to distribute and use whenever relevant. We continue to caution the County and municipalities to fiscally prepare for next year’s reassessments, which will result in property values declining. Properties in the highest based bracket have declined 35% to 40%. The majority of these properties are on Hilton Head Island where over 50% of the tax revenue is collected by the County. To allow the School Board a 2.0 mil increase in this volatile environment would not be a sound or positive decision for Beaufort County. County Council has the experience and resources to understand the ramifications of a property tax increase on the community. Council can vote for the budget without the 2.0 mil increase. There is time to find other ways to fund it. Technology is also important and we are pleased to know the School District will be moving ahead with a new program incorporating iPads for our students regardless of receiving the requested millage increase. As the stewards of our taxpayers’ money, it is your responsibility to encourage the School Board to investigate other ways to fund their budget. We appreciate the hard work of the Beaufort County Council and thank them for their service. We look forward to working together in the future in the best interest of our citizens and quality of life for Beaufort County. Thank you very much. I appreciate it.”

Ms. Kay Keeler, Principal of St. Helena Elementary School, stated, “I come this evening on behalf of St. Helena Elementary School and our 500 students and their families. First, we wish to thank you for the support you have given us in the way of funding which has been matched with assistance from many organizations such as United Way, Adopt-A-School Program, and numerous volunteers who continue to give their energy, their imagination, their time and their

love. Second, we would like to share with you that our school theme is circle unbroken. This influences everything we do every day. It is the way we interface with our students, our faculty, staff, families and the surrounding community. We believe this unbroken circle includes civic and political leaders, which lead to the following question, “How do we prepare our children for the future within this unbroken circle?” We do this by working together. As you already know, there is a rich heritage on St. Helena Island that predates the 17th century. These roots provide our children with a very unique identity, a rich past and something to be proud of. However, as much as we appreciate our family roots and significance of history, it is critically important that we, together, acknowledge that we are living in a period of human history that social scientists are describing as accelerated history. Advances and new discoveries in the fields of Science and Technology are made every day. For the children and students of Beaufort County to be full participants in this ever-changing and ever-emerging global community in which we now live. We, who are called and elected to serve the public good, face some very important decisions that will impact the future of this County, this State and the Nation. We must do more than just catch up with the many who are ahead of us. We must do more to keep pace with international neighbors. We must run a good race as good stewards but at the same time make the responsible financial commitment to support public education in order that our children will be leaders, not just for today, but for tomorrow. And not just here in South Carolina but the United States and around the world. The mothers and fathers but most importantly the children of St. Helena Island thank you for your leadership, your interest and your continued support. Thank you.”

Ms. Priscilla Drake, Principal of Whale Branch Early College High School and representing the Whale Branch community, stated, “Our school was one of the schools or is the school for the last two years who’s had the one-to-one initiative. We’ve had many laptops. Each of our children has had a laptop for the last two years. We’ve had a 100% return rate meaning that at the end of the school year, when laptops were asked to be returned, our students returned them. They’ve done a very good job at taking care of them. Before the school opened, I remember hearing someone say, “Why are you giving laptops to those children?” All they’re going to do is throw them away. We’ll find them in the marsh. They’ll tear them up; we won’t know where they are at the end of the school year. That was untrue. Our students returned them all. They took very good care of them. One of the things that we must remember this is the world of our students today. Technology. Technology ruled their lives and we can make a choice that we can help them continue with what they’re doing or not. Our students have been very, very successful this year and I’m sure you’ve all heard and probably some in the community have participated in conversations about students at Whale Branch Early College High School in the Whale Branch community. Can I say that it was just the technology that helped produce the success that we’ve had? No, but it was a very, very positive and important part. Our students used the technology as a tool for learning. Our teachers used the technology to engage their learners. If there was going to be anyone that had the most difficult time with integrating technology, it would probably be our teachers because they’re using it as a learning tool. It’s one more thing and one more tool to use in the classroom. They’ve done a very good job with that. They’ve been very successful. To have what we’ve done at Whale Branch to be spread across the County, I think is a good thing. All students should be given the opportunity to have that experience that our students at Whale Branch have had. They’ve had a very good one. They’ve had a very positive one and I must say thank you to our Board of Education, as well as you, the County Council, for

the support because it's been the support of our community that has helped our children to become successful learners in our community. Because these are the students that are going to go back into our community and do things positively or do some of what we've been reading about in the newspapers. And I hope and I think by your allowing all of our schools to participate in such a great effort, I think it's going to help some of those students who may not have been as successful throughout their lives to have one more thing to attract their attention and to help them become better learners. Thank you."

Ms. Carole Ingram, Principal of Beaufort Middle School, stated, "It's my pleasure to be able to speak with you this evening and let me say thank you for your support of Beaufort Middle School and of Hilton Head Island Middle School this past year. Particularly as we had the pleasure and the honor of bringing home to you the distinction of being named Palmetto's finest middle school and high school -- the only schools in the State to have that distinction and to bring that home for two schools to you is quite an accomplishment and thank you for your support. It was a great pleasure to enjoy your meeting where that was a part of your feature and to know that you endorsed our County channel in the coverage of that and you featured that and are still featuring it on the County channel is also a pleasure to us. And also, that loan of Mr. Sommerville for that trip to Columbia and the excitement of the award ceremony as well. We appreciate that. So, I come before you this evening as that Principal who is grateful for your support in our honors and awards and also as that Principal to say, as Ms. Keeler said, it takes teamwork. It takes an alliance that you have expressed and shown through your support as Palmetto's finest schools that you are willing to forge that alliance with us. Mr. Robinson shared that having quality public education is important to realtors. It's important to all homeowners and it's important to every citizen of Beaufort County and that's what the principals and the teachers in your County schools endeavor to do is to provide quality education of the finest caliber throughout the State and we're very proud to do that. It comes at a cost, as you know, and this past year that cost and cutting those costs meant that we took deep cuts in the classroom by increasing class size and also as you know by closing an elementary school. There are families that will be displaced for next year and I'm certain that you've heard those things. Those families are displaced to have to go outside of their neighborhoods to attend school for next year. All of those deep cuts affect the quality of our education in Beaufort County. So I appeal to you to remember that alliance for the positive things and the awards, as well as when it's time to dig deeply into your pockets and endorse our budget so that we can keep those deep cuts from the classroom and we can supply to you the finest education possible. The finest in the State here in Beaufort County. I appreciate it. Thank you."

Ms. Carmen Dillard is Principal at Coosaw Elementary, which is located in Mr. Sommerville's District. She lives in Mr. Flewelling's District and met on previous occasions at our homeowners' association meetings in my neighborhood as well as at the hundredth anniversary celebration at Port Royal Elementary School. "I am here to ask the Council to approve the school district budget. I have watched my school where teachers learn to do more with less in the four years that I have been a resident at Beaufort. I have also had the honor of watching the incredible growth that we have seen at Coosaw and as a school district in spite of the budgetary limitations that we have all faced. I daresay that the impressive improvement we have compared to other schools in the State has been monumental. We have reached a point though where it

may not be possible to adequately support our students and schools in a way that promotes the continued growth that we have all enjoyed should this budget be reduced any further. At Coosaw we are implementing a leadership initiative for the students along with Beaufort County Middle Schools and High Schools. Colonel Jack Snyder, several Coosaw teachers and I have visited a number of schools in the Carolinas this past year where this has been implemented with great success. In every case, we observed strong collaboration and commitment among the schools, businesses, community and local government to expand the economic health and quality of life in the community, demonstrate to families with school age children the benefits of moving to that area where quality education for all students is promoted and supported, attract new businesses while supporting existing businesses and develop a student population that can problem solve, work with others and learn skills that will make them successful adults in their selective profession and in the community. Imagine how this mindset could impact and improve Beaufort County. I ask you all to think of this end in mind and the next generation of adults in all of our schools who are looking to us as models of civic minded responsible citizens working together for a bigger and more important cause than any immediate posturing that prevent us from moving forward. As an employee of the school district, I represent others who also have a voice whether it is expressed here or as a voter in subsequent elections. I believe I have several other people here from the School District that are here tonight; thank you all for coming. I know a lot of our teachers might not be willing to vocalize in this setting as they are in a classroom when they're working with their students but we also serve an increasing population of over 20,000 students now and those 20,000 students are very important in our lives as well. I want to thank the County Council members who have expressed support for the school district at the last reading and recognize the accomplishments that we have made these past few years. For those of you who are still did not lend your support, I hope you will reconsider in light of the impact of a well-educated next generation and the impact it would have on this community. Please consider those who reside in this community and please consider those 20,000 students, the future leaders of our community, by voting to approve the school budget. Thank you very much for your time."

Ms. Jennifer Morillo, Principal of Beaufort Elementary School, stated "Thank you for hearing me this evening and thank you again on behalf of Beaufort Elementary School and of Beaufort County School District of all the support you have given and continue to give to our district. And most importantly, to our children who, as Ms. Dillard said, will be leading us tomorrow. At Beaufort Elementary School I mentioned to you last time I met with you all that we are proud to have two of the district's magnet programs. One is AMES, Advanced Math, Engineering & Science Academy and the other is Montessori. In AMES we focus on technology and we focus on the integration of Science and Mathematics. We're particularly interested in getting those students ready for careers that don't even exist in the future. That's a fact. We're preparing students for careers that don't even exist primarily in engineering and sciences and technologies. That's our focus. We focus not just on the tools and it's unfortunate that some of the communication that's been sent in the district has been really displaying the words iPads and technology in its header. It's more important than that. It's about using those tools for learning instruction in the classroom and getting those in the hands of learners so they are better prepared to be in those careers for tomorrow. And that's good for, as Ms. Ingram said all homeowners to prepare those citizens of tomorrow for Beaufort County. Their quality of life is most important

and it's our job to get them ready. We're also home of a Montessori Program. That program is expanding next year. I'm not sure if you knew it or not but the founders of Google are four Montessorians. They received Montessori educational training; quite interesting. So, promoting that continued growth as Ms. Dillard said and Ms. Ingram said and also Kay Keeler and many others that you'll hear tonight will come at a price. We've shown that we are doing more with less and to continue the growth momentum, we're going to have to get your support so your decision tonight and in the future will directly impact our 20,000 students in our district. Please support and fund our school district's budget. Your decision again will directly affect our 20,000 children. Again, I thank you for your support and as always offer myself as a resource to you. Thank you."

Mr. Jim Bequette, a licensed real estate agent in this County for 15 years, does not support what the other agents have been putting forth. "We need to educate the children here not cut it out because of some special interest group. I've got slides I want to cover to show you comparative data. I heard at a meeting here before and I've seen it in blogs that we were the highest cost per student in the State. We are actually; there are 16 more than us, even though we have the highest cost of living in the State and I provided the Clerk's office a package to document everything I'm going to say tonight including that statement which I got from the State Department of Education. We have the lowest State millage in South Carolina. Here are a few comparisons. Beaufort is 114.7, Charleston is next at 126.6 and then I give you some other examples. I don't know how the realtors would like to be up in Richland County in the Columbia area because Richland 2 is almost three times our millage. Cost of living, Beaufort County is the highest in the State, and this is from IRS statistics released in March of this year. Charleston, of course, again, is next to us at 3.5% but you see how it jumps up in other parts of the State. In Richland, in the Columbia area, they're 21.5%, lower than we are and are teachers have to be paid more money if they're going to live at the same standards as those others but we want to keep cutting and cutting by the school absorbing more things. One thing that it absorbed, the Charter School got \$3 million in the year it just closed. Most, a lot of students don't come from public school, some of them do. If you take one student out of class, or two, you don't eliminate a teacher so all you save is some books and supplies. The last of the charts here is EFA money distribution. Beaufort, in 2010, got zero. The efforts of Senator Tom Davis, we got \$600,000 in the year just completed. \$600,000. You can see Charleston gets \$26.9 million and they're the ones close to the bottom; Horry gets \$30.7 million. Look up at Greenville - \$155.7 million and they have the biggest industrial base of the State and thanks to the hard work of Senator Tom, again, I want to say, he's making some progress and I'd like for those I saw realtors stand up, I'd like to see those supporting the school district stand up. Thank you.

Ms. English Brown, a resident of Bluffton, stated, "I want to thank you all for the opportunity to speak today and especially Mr. Caporale and Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. I am a part of the Beaufort County High School district and beat up a dead horse, a big deal has been made regarding the Beaufort County School District budget in reference to iPads for our students. And unfortunately, the headlines that go out to the public are: "Beaufort County School Board Passes Budget That Included iPads Calls for Tax Hike." Those grab attention and they don't have a lot of explanation. Here are some of the facts: the iPad technology initiative would be primarily

paid from Federal funds. Title 1 funds are provided to support high poverty schools. Instructional tools such as iPads can be used to enhance learning for students who qualify for free and reduced lunch those that need it the most. Proposed in the local budget is \$1.8 million, yes, to support instructional materials for the remaining schools, which are non-Title 1 schools. These schools have less than 50% of their students in poverty. The Riverview Charter School has implemented a one-to-one initiative with iPads this year with great success. Textbook costs are a major issue. I was part of Bluffton High School taking in textbooks. Not only is it no fun but it was over \$500,000 in textbooks that had to be accounted for. This is to comply with State mandates. The price of textbooks could be as high as \$85.00. Electronic text costs significantly less. South Carolina recently adopted the digital math text for next year and to ensure appropriate usage of current and future technology, internet access is restricted to Beaufort County School District approved web sites only. To be competitive in the job market, as well as post-secondary school technological proficiency, it is essential. Implementation of technology through practical, educational applications will provide a foundation for college and job readiness. Ironically, I see a lot of iPads in this room and their being used as tools. The tax increases that were described in the article that I mentioned earlier, they don't apply to primary residents as many of you know. Owner occupied homes don't pay for school operations. A portion of those taxes on secondary and rental properties is used to fund education. The budget proposal includes a request for 2.0 mills. Now this increase in millage equals \$12 per \$100,000 in value of that secondary or rental property and to put it in a perspective that helped me understand if you had a \$1 million property that incurs a total tax increase of \$120. That's \$120, not \$1,200. So to a lot of people it doesn't seem fair that secondary and rental properties fund our local education system and in some respects, I agree. And in essence the Property Tax Reform Act eliminated property tax on owner occupied homes and replaced it with a 1% sales tax. It's a system that's broken. It punishes our children as well as those owning non-residential properties. So I'm asking you to pass the budget because it's important to us and important to our children and in the invocation the statement was made we would like to do the best for the citizens of Beaufort County and our children are those citizens too."

Mrs. Jocelyn Staigar, a resident of Hilton Head Island, stated, "I'm taking my name tag off because I'm not talking to you as the Government Affairs Director, I'm talking to you as the mother of a five year old whose entering the public school system in August. I'm a parent who's really proud and excited about my child going into the public school system. I can't wait. I care very much about the school system. My daughter, Jessica, is beginning kindergarten in August. Unfortunately, the debate tonight regarding the School Board budget has become about technology and iPads rather than the danger of a millage increase during the recession. The technology program will exist and the ipads will get distributed whether or not an increase in millage occurs. And this is something I'm truly concerned that maybe the public doesn't know. Although I hope, and obviously, the Councilmen do know that. And my daughter uses a computer daily. We're very excited about technology and I encourage her to keep using it. So I'm glad that this program is in place and I think it's important and as I said, I know it will be in place without a millage increase. I am, though, as a parent and a citizen of Beaufort County, very concerned about the affects the recession has had on my County and where my daughter is growing up. With the looming reassessment, I think we all have to recognize that things may only get worse. If we can't start to make simple cuts now and really look at our budget, imagine

what's going to happen when you have a 35% decrease in property values. This is not about realtors versus teachers. This is about our County being able to increase economic development, being able to have budgets that will work without having to cut other programs that we all love like the Fire Department and the Police Station. So, I ask all of you Councilmen tonight to please be good stewards of the taxpayers' money. Please understand that everyone cares about education that I know of at least and I, as a parent, have it as a high priority but it will not do my daughter any good to have an iPad and have this happen and also have there be no economic development, cuts to many other programs that save our lives and the looming problems we're about to have next year if we don't begin to prepare for them now. Please do not raise taxes during a recession."

Mrs. Jane Kenny, a resident of Beaufort County, stated, "I'm here to ask you to reject the school district's request for a tax increase to fund \$1.8 million on iPads. County Council has said that it's not your role to evaluate which programs should be implemented in the schools. You correctly say, we leave that to the education professionals and we leave to the School Board the proper oversight of these programs. County Council only looks at money, at revenues and expenses from a purely fiscal point of view that is reasonable and appropriate because you provide the checks and the balances on the money. So let's look at the money realistically. Total revenue to the school district, I point out total revenue, is \$308 million and the district also has another \$25 million in a savings account. This leaves us wondering why would a school district that has over \$330 million in real money to administer ask you to raise taxes for an iPad program that amounts to one-half of 1%, actually less than one-half of 1%, of all their revenues. In the grand scheme of things this could be a rounding error. Yet at the last reading of the school budget so many of you spoke so eloquently in favor of a new program and the purchase of iPads. It kind of made us wonder, what's up with that? We thought County Council didn't get involved in programs but since you did express such a keen interest, I'm sure you all know that 20% of the students in South Carolina present as ninth graders, reading at fourth grade reading level or less. Do we really want to give iPads to a group of students, 20% who are functionally illiterate? We wonder why the school district doesn't just redouble its efforts to teach reading, writing and arithmetic. You know the basics before they hand out electronic devices. I'm here to plead with you to look at the big picture from a fiscal perspective. Our school district is well-funded; they don't need any more money. If they want to provide iPads to those students who would benefit from them, the district administrators could certainly find a way to pay for an item that is such a miniscule portion of their overall budget and such a miniscule portion of their total revenues. If they cannot do this, perhaps the school board should begin to question the capability of those who administer over \$308 million of the public purse because obviously they do not know how to prioritize. Thank you for your time."

Ms. Jan Davis Bader, a resident of Hilton Head Island, stated, "I have served for the past two years as the Chairman of the District's Education Foundation and I am currently serving on a number of volunteer positions in the schools from Hilton Head Elementary to Hilton Head Middle to currently, Hilton Head Island High School, serving on School Improvement Councils for the past nine years and officer in the PTA regarding participating in many school fundraisers. I ask you today to please vote "yes" for the proposed Beaufort County School District budget. My husband, Tom, and I have been homeowners in the Hilton Head area since moving here 14

years ago. But more importantly, we are parents of a son who has been in the public school system for the past 11 years. We, and many parents, are in support of the proposed school budget and we feel it is absolutely the right thing to do. As Mr. Bequette stated earlier, according to IRS statistics that were released earlier this year, Beaufort County has the highest cost of living in South Carolina for housing and utilities but still has the lowest tax rate in the State. The cost of living in the Columbia area, for example, is 21.5% lower than it is in Beaufort County. I respectfully ask how many realtors in Beaufort County currently have children in the public school system. Or, how many realtors in Beaufort County are involved or actually volunteer in the public school system? Or even serve as a mentor in our public schools? We would welcome them to visit and volunteer in our schools. Our superintendent, Dr. Valerie Truesdale, and our Beaufort County School District principals and teachers have worked extremely hard over the past years to positively, and let me reiterate positively, raise the student academic levels for all students in all Beaufort County Public Schools which in turn, and I think the realtors will agree, has made it more desirable for business and families to relocate to our area. Our public school district, our devoted teachers and administrators and staff deserve your support and the community's support for the benefit of all of our children to be educated successfully in their realm for education. So I ask you to please vote "yes" for the proposed Beaufort County School District budget. Thank you.

Mr. David Helmuth, a resident of Daufuskie Island), stated I have a contingent of residents here on the Island with me interested in the topic. I wanted to speak to a letter that I think all of the County Council would be aware of concerning park development on the Island and it comes from Dwayne Parrish who is the Director of State Parks, Recreation and Tourism for South Carolina. I couldn't speak to him today but I know that the County has an August 1 deadline to address the responsibility of park development to Daufuskie Island. The request had been denied to relocate the 2.9 acres to Lady's Island. Anyway, I think the State's position will be that the development should happen on Daufuskie Island and I would just like to request that the County leave the park here on Daufuskie Island, we would like to be part of the development of the plan and solution for the development of the property on the Island. If anybody here has anything I should add? What I would like to do is ask the County for a commitment of involvement from the Planning Department and with our Parks & Recreation Committee here on the Island so that the Island can support the park development. I had talked with the State earlier, Mr. Kushman, who said he would love to hear from us and that would certainly be a solution to answer this August 1 deadline response to the responsibility of park development to Daufuskie. I guess that's all I have to say right now. Thank you all for your work that you have done."

DEPUTY COUNTY ADMINISTRATOR'S REPORT

Two-Week Progress Reports

Mr. Bryan Hill, Deputy County Administrator, presented his Two-Week Progress Report, which summarized his activities from June 11, 2012 through June 22, 2012.

Monthly Budget Summary

Mr. Hill submitted a monthly budget summary effective June 23, 2012. Our revenues look somewhat flat year-over-year. We have taken the necessary steps to ensure we did not have an employee furlough. Fifty-one positions have not been re-employed. It has been a focus of Mr. Kubic's administration to ensure that we do not dip into our fund balance as occurred in 2010 and to return the \$2.7 million used in FY 2012. He thanked the finance team for their monitoring of the County finances.

Dixie Youth World Series

Mr. Hill announced the County will host the Dixie Youth World Series, 13 and 15 year olds, July 20 through July 26. The event will be held at Burton Wells Regional Park as well as Oscar Frazier Park.

Mosquito Control

Mr. Hill remarked that he has been working with Mr. Greg Hunt, Mosquito Control Director, to incorporate a GPS system that will track and monitor mosquito eggs before they hatch. The Department has done an aggressive job this season.

Euthanasia Rates

Mr. Hill remarked the County euthanasia rate is about 25%. That is down from about 75% six-months ago.

The Heritage Classic Foundation

Mr. Hill commented that more than 100,000 people participated in this year's event. The tournament is marketing tool to show America as well as the world what a jewel we have here in Beaufort County.

Mr. Simon Fraser, Chairman of The Heritage Classic Foundation, thanked Council for supporting the Foundation in its time of need. Obviously, Council's loan was very critical to getting the contract and moving forward with 2011, which created the possibility of finding sponsors for the 2012 RBC Heritage, presented by Boeing. We had a great tournament. Ticket sales were up significantly. Weather cooperated. We had two great sponsors. We are developing great relationships with me. Hopefully, they will be here a long time. We also appreciate what the County has done. We have a great working relationship with the Town of Hilton Head Island, the County, and all parties involved. One thing we are doing here tonight, primarily, not only to give Council an update and thank you for your efforts in supporting our event, is to do something that you normally do not have people do – we are bring you the money back that you provided to us. Mr. Fraser presented a \$750,000 check to pay off the principal of the loan balance that the County made to the Foundation.

Mr. Newton thanked Mr. Fraser and Mr. Steve Wilmont, Tournament Director, for what they contribute to the Heritage. It really helps define the Lowcountry and highlights the beauty of the Lowcountry throughout the world. Your efforts are to be applauded. Because of a recent Court Ruling, Council no longer has the flexibility to amend its agendas. A number of Council members who recognize the Heritage benefits to the community. A number of Council members' recognize the philanthropic work of the Foundation and the number of scholarships awarded. In that regard, even though the loan agreement provided for an interest at prime rate to be paid (somewhere in the neighborhood of \$25,000 to \$28,000), that at the next Council meeting, July 23, 2012, we will include on the agenda a motion to forgive that interest. He hopes it gains the majority support of Council.

Mr. Rodman said it would be desirable if we could get it forgiven before closure of FY 2012 because it would simplify the audit. If, in fact, the County Administrator and Council were to conclude that they could forgive it within their authorities, perhaps, that could occur this week. Failing that, we will be back in July to take care of that.

Resolution authorizing the distribution of \$1,495.00 of income generated under the Community Development Block Grant Program to assist with providing water and sewer services for low-to moderate income residents of Beaufort County

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council adopt a resolution authorizing the distribution of \$1,495.00 of income generated under the Community Development Block Grant Program to assist with providing water and sewer services for low-to moderate income residents of Beaufort County. The vote was: The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

Ferry Service Options

Mr. Morris Campbell, Division-Director Community Services, reported our intent is to continue the service, at an acceptable level for the month of July. Council approved \$175,000 for the ferry service next year. We hope to have a proposal to Council at its July 23 meeting that will provide ferry service through next year. The cost of ferry service FY 2012 is \$198,000 (\$131,000 County contribution, \$50,000 SCDOT grant, and approximately \$1,700 fare collections). FY 2013 budget proposal is \$178,500 (\$100,000 County contribution, \$50,000 SCDOT grant, and \$2,500 fare collections). Our intent is to try to continue negotiations as well as continue to develop a program that will get us to the next level. This is a very difficult “nut to crack” based on what is available in the market place at this time for this type of service.

Mr. Newton remarked the cost projection is \$200,000 more than identified in the budget in order to continue the same level of service.

Mr. Campbell agreed in the affirmative. Staff will probably come forward with a hybrid system of what exists today and piggyback on the current schedule the carrier has available.

Mr. Baer commented the current average number of residents riding the ferry is eight.

Mr. Campbell agreed in the affirmation. Those eight riders were determined on a catch-22 system. If you develop a system that will offer more opportunities, we think ridership will increase.

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012C, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$30,000,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; ADOPTING WRITTEN PROCEDURES RELATED TO TAX-EXEMPT DEBT; AND OTHER MATTERS RELATING THERETO

This item comes before Council under the Consent Agenda. It was discussed at the June 25, 2012 Finance Committee meeting.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approve on first reading an ordinance authorizing the issuance and sale of General Obligation Refunding Bonds, Series 2012C, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding \$30,000,000; fixing the form and details of the bonds; authorizing the county administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; adopting written procedures related to tax-exempt debt; and other matters relating thereto. The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

ST. HELENA ISLAND BRANCH LIBRARY FURNITURE

This item comes before Council under the Consent Agenda. It was discussed at the June 25, 2012 Finance Committee meeting.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council award a contract to Herald Office Solutions, a state contract vendor, in the amount of \$280,026.06 for the purchase of furniture for the St. Helena Island Branch Library. The funding source is St. Helena Library Furniture, Account #11436-54420, a grant funding account. The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

ST. HELENA ISLAND BRANCH LIBRARY SHELVING

This item comes before Council under the Consent Agenda. It was discussed at the June 25, 2012 Finance Committee meeting.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council award a contract to Patterson Pope, a state contract vendor, in the amount of \$129,907.15 for the purchase of shelving for the St. Helena Island Branch Library. The funding source is St. Helena Library Furniture, Account #11436-54420, a grant funding account. The vote was: The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

REQUEST TO PURCHASE AUDIO / VISUAL EQUIPMENT AND SERVICES FROM A SOLE-SOURCE VENDOR FOR COUNTY BROADCAST SERVICES DEPARTMENT

This item comes before Council under the Consent Agenda. It was discussed at the June 25, 2012 Finance Committee meeting.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council award a contract to Stagefront Presentation Systems in the amount of \$117,000 for audio/visual equipment and services to support the St. Helena Island Library Project. The funding source is St. Helena Library Furniture, Account #11436-54420, a grant funding account. The vote was: The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

SUPPLEMENTAL AGREEMENT FOR ST. HELENA ISLAND BRANCH LIBRARY – RADIO FREQUENCY IDENTIFICATION SYSTEM (RFID) LIBRARY SYSTEM

This item comes before Council under the Consent Agenda. It was discussed at the June 25, 2012 Finance Committee meeting.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approve a supplemental agreement to ITG/Bibliotheca in the amount of \$146,113.30 for the Radio Frequency Identification Systems (RFID) system for the St. Helena Branch Library. The funding source is St. Helena island Branch Library CIP project approved budget August 8, 2011. The vote was: The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

FY 2012-2013 SCHOOL DISTRICT BUDGET PROPOSAL

Mr. Newton said it is always interesting, when we discuss the School District (District) budget or any other government funding or financing, to suggest that somebody in this room is not in

support of education, is unfair to the people who are here and on whatever side of the issue. The question could be made, “Is there anybody here who does not support education, if so please stand up.” He does not believe anybody would stand up. There is room for disagreement and public discourse in discussing what we are doing tonight, and we ought to be able to keep that civil and discuss all various aspects.

Mr. Rodman, as Finance Committee Chairman, remarked as backup we find ourselves at third and final reading for the District budget. There are two aspects of what Council is actually voting on. The first is the approval / appropriation for the levy of expenditures in the general fund. What that means is that whatever number Council approves, that is the maximum amount that the District can spend out of the general fund without coming back for approval. Historically, Council has approved that. He does not believe there is any disagreement on Council that we should approve that. The second piece is the tax levy, which is included in the ordinance that is before Council. It involves two pieces. Council essentially approves that as a preliminary number. In August, when Council sets the actual tax levy, it reserves the right to revisit that number that is in the ordinance Council is considering this evening. Certainly some may look at it that Council is approving just the budget expenditure and will finalize what it is doing in August. Others may view it that Council is certainly sending an indication of where it stands, notwithstanding there may be additional information when Council gets to that point. Council does not have line-item adjustments / vetoes to what is in the budget; but, certainly it is appropriate for any Council members to understand as much or little detail as they want to of the individual line items. What is on the table tonight is a 2.0 mill increase on the operating side. The debt service millage is actually level with the prior year. If approved in August, it would be the second increase in six years.

Mr. Flewelling still stands opposed to the tax increase. To say that he is not in favor of public school education is really a travesty. He is a product of public school education. He would like to tell every student in Beaufort County, that if you apply yourself in your school you will receive a world-class education. If we are so sure that issuing an iPad is such a wonderful thing, if you can assure him it will significantly improve reading comprehension levels, math proficiency scores, increase on-time graduation rates, and decrease dropout rates, then let us start issuing these on the first day of first grade. Let's get it done; let's invest if that is really the case. We cannot be sure of that. The problem is not necessarily the money that is being asked this year. If it were a matter of \$1.8 million, we could spend that money out of reserve and then replace it over time. What is really being asked is an increase in the baseline budget for now and forever. Instead of next year, starting our discussion at 92.26 mills, we will start our discussion at 94.26 mills. Instead of talking about a baseline budget of \$113 million, it will be a baseline budget of \$115 million. It will never be brought down. That is where it will be forever and ever. Another problem, of course, is that increase is so unfairly limited to just the people who do not live here and do not get to vote, except for renters. Every piece of rental property in Beaufort County is subject to this tax and tax increase. Renters are the baseline people in this County – workers who maybe cannot afford a house. Maybe they have had a house foreclosed. The price of that rental is going up. It may not go up this year, but it will go up and it is because of this kind of tax increase. It is unfair to use the millage rate statistics that Mr. Bequette brings up, because the value of properties in Beaufort County is significantly more than the values of

property in Richland District 2. If you look at the amount on the tax bill that is for school education, on a 6% home in Richland Council 2, it may be a higher percentage, but is actually a lower dollar amount on a comparable home in Beaufort County. It is an unfair statistic. He will vote against the motion. The budget can be approved without a tax increase.

Mr. Baer is going to continue his opposition to it. Technology words used are really going to wind up being an expensive distraction. Operations have not been considered. He has read all of the material the District has sent him. The usage plan for the iPads, the definitive way they will be used, and the concrete evidence that they will have impact in that use has not been presented. If someone had said, “it is an electronic textbook,” he could have understood that because he can see the value of that, but e-textbooks are not going to be ready in time. That is a year or two down the pike. You are in a different point in your replacement cycle. If someone had said, “it is going to be used in grades 1, 2 and 3 to help in reading or playing games to learn math and reading”, he would have understood that. But it is not. The plan is very, very vague and has not been well documented in a scientific fashion. He actually had a physicist from the District write him a letter extolling the iPads. He asked him a question by email, “If one of your physics students had presented a case based on the evidence that you presented to me, what would you do”. There has not been a case made for these iPads. To the person who just talked about e-textbooks, from everything we have heard, you will not be ready for a year or two to use these iPads for e-textbook. For the person who said that Council uses iPads, we use them for email and in an e-textbook sense to replace the volumes of notes we carry around. When he goes home and wants to do any real computing and writing, he uses a computer, not an iPad. This is going to be a very expensive distraction. It is premature without an adequate plan. If the District had come to him with a plan, he would have voted for it. This is just a way to soak up some spare money.

Mr. Sommerville stated this is seventh time Council has debated this issue publically. Everybody here has had an opportunity to weigh in. Sometimes it is awkward to repeat ourselves time after time. He has been guilty of it. Maybe some others have. Since this is third and final reading, he wanted to summarize some of things he has said up to this point. He surely intends to support the budget as proposed along with the attendant 2.0-mill increase. There are a number of reasons why Mr. Sommerville is going to support the budget. One of the main reasons is that in 2009 Council effectively reduced the millage by 3.0 mills. That cost the District about \$3.6 million. In the same year that is when the 6% homeowners figured out that if they claim Beaufort County has their primary residence they can stop paying school operating costs – and a lot of them did. That was another \$1.5 million or \$2.0 million. It all added up to about \$5 million. Therefore, the revenue the District received from the ad valorem tax in Beaufort County, between 2009 and 2012, dropped about \$5 million. As a guardian of the public purse, he expects all entities that use public money to be frugal. He has watched the District since 2009, not only from afar, but close. He is probably the only Councilperson, who is in the schools almost on a daily basis, and sees what these cuts and reductions actually do in real time. The statistics have been laid out before us a number of times. A number of staff reductions have been made. A number of administrator reductions have been made. All the cost cuts that have been paid over the years. Of course, while all of this has been going on with fewer dollars, all of the costs have been going up. The cost of inflation, which the District has no control over, as

well as State mandates. The revenue that the District will receive after the 2.0 mill increase, assuming it will go through, will actually be less than the millage that they received in 2009. He likes to keep that in perspective, because somehow the idea exists that it has just been going up, up and up. In 2009 it took a drop, and it is still down and down considerably. This 2.0 mill that he refers to as a “partial claw back,” is the 3.0 mills that were eliminated effectively when Council approved the rollback in 2009. As a guardian of the public purse, if he did not believe what he is about to say, he would not vote for the budget. He believes that the District has been a prudent user of public funds. They have done an excellent job of cutting their costs where they can. The 2.0 mill increase that they are asking for is partially to offset the 3.0 mill decrease that they received in 2009. It is appropriate. He intends to support it.

Mr. Rodman stated this is obviously a difficult question for us because we end up having to look at both the County and the School Board. As he has said on many occasions, the County has done an outstanding job in terms of holding taxes level, reducing staff, and maintaining as best they could the services across the County. The District has done some similar type of things and they have some challenges that are different than ours and some of those have been spoken to. Our job is not to compare the two, but to really look at each one individually and try to figure out what is right. The real elephant in the room is Act 388. It has created a disparity between the primary homeowners and the secondary homeowners. That has a very, very detrimental and chilling effect on the real estate market. He does not know what we can do about that. It is up to our Legislatures. Maybe we need to renew our efforts to be more vocal about that impact. He thinks that is the primary issue that most people are concerned about, and hears them, loud and clear, what they are saying. He does know that these two mills on the District budget really address that particular issue. He will be voting for the increase.

Mr. Dawson said it is easy to criticize the District, but we ought to give them credit for the good that they do. In an effort to streamline and trim their budget, they have eliminated many positions. Over the years, we have seen them work diligently to increase test scores. The trend shows that graduation rates are improving regardless of how small they might be. The District is making great strides and improvements. With that in mind, he is going to support the 2.0 mill increase. He is going to support the District effort to educate the children of Beaufort County.

Mr. Glaze said Mr. Sommerville visits the schools on a frequent basis. He asked, “How many Council members visit the schools or when was the last time you were in the schools?” The District is making excellent strides. We have two Palmetto Finest schools. That designation comes through achievement and hard work. Teachers and administrators are doing all they can. Education is a process; and from that process, you get a good product. The plan is to educate the children. Regardless what the budget is, someone will oppose it. Educate the child; jail the adult.

Mr. Newton joins his colleagues in supporting public education, but he is not supporting a tax increase. He congratulates our District on their success. He applauds the trends going in the right direction. There is no body, in the audience or at the dais, which has been more vocal than he in arguing for more state funds under the Education Funding Act (EFA). No matter how noble the purpose, the economic reality is we are in a recession. We can point to any statistics

we want to through the state to argue the point one way or the other. Quite honestly, we should celebrate the fact that we have the lowest millage rate in the State of South Carolina. It is one of the best economic development tools we absolutely have. But in the context of comparing statistics, we also need to recognize that while we have the lowest millage rate, we also spend, (while there may be 16 other schools district out of 85 that spend more than Beaufort County, of our similarly situated grouping of districts, 21 of those out of 85), the most of those. We are over \$14,000 a child. We can group the 85 district any way that we want to, but just by comparison, Spartanburg 4 can do it with \$8,000 and Clarendon 3 with slightly over \$8,000. We have been through the discussion as to whether the state-reported \$14,000 figure is accurate or whether it is overstated. In fact, at first reading, when we discussed this, we said, perhaps, this was overstated and Beaufort County included capital; and if we take that out, we are only second highest with Charleston being above, we are still \$11,000+. The point is education is not purely about dollars. There are similar successes, higher performers, and lowers performers throughout the 85 school districts in this state that do that with significantly less money per pupil. He always finds it interesting, of the 13 years that he has set at the dais, the suggestion is that if you are not willing to support a tax increase you must not be for public education. Nothing could be more untrue than that. He is a product of public education. His mother was a teacher in the public schools. The fact remains, that whether it is \$14,000 or \$11,000, which some would like to suggest, it is not purely about the money. We are in a recession. There are a lot of people who may not have a house this time next year. Council, as many folks have said, does not approve any of the programs within the District. He is delighted with the successes. Dr. Truesdale and Chairman Washington have done a wonderful job. The fact remains, as we approached the County budget, the District proposal and the proposal tonight includes a 2.0 mill tax increase. And while the opportunity exists in August to talk about the millage rate, based on the more refined calculation, in the absence of an amendment to the budget at that point in time, the local tax collection appropriation of \$115,420,490 necessitates a 2.0 mill tax increase. Senator Davis has indicated that there will be, likely, an additional \$2.2 million, perhaps only \$1.3 million of that will be available for general operating funds, but we are making improvements, at least, in the right direction, in terms of state funding in Beaufort County. Mr. Rodman has indicted the biggest problem is Act 388. Mr. Newton is of the opinion the biggest problem is the EFA funding formula, that until 2011 we were at zero while our closest neighbor, Charleston County, was at \$30 million. Regardless of where you are on this issue of whether to raise the taxes this year for the schools or not, the fact remains that not enough of your dollars that go to Columbia, come back here to be spent here in our local schools. Each of you should be as outraged as he is about that. As he has said on both first and second readings, he cannot support a tax increase. He is an advocate and supporter of what the District is doing for the children in our District. Thank you for what you do.

Mr. Stewart is going to support the budget as presented. Each year he has sat on Council he has refused to and has not voted for an increase. He has asked that the District to reduce its cost as well as to take money out of its budget. Over that period of time, the District has done exactly what he has asked. He asked for some very specific things – closing schools, etc. This year he has come to the point that he is pleased with the progress in cutting the budget, costs, and taking the financial responsibility at least for what he was looking for. We still do not know what the State budget will be and how much our District is going to receive from the State. We have set

the budget based upon the worst case – the House approved version. If the Senate version is approved, the District could handle its budget without a millage increase. Probably it is going to be somewhere in between and we will deal with that the end of August. He intends that if additional monies are received, to bridge that gap, Council will reduce the millage appropriately. He fully expects that to happen. He expects the Legislature is going to come in above the worst-case scenario and it would be great if they came in at the Senate level. Realistically, he does not expect that to happen. He expects there to be some readjustment in August. He will be present to vote, if we received additional money from state, to reduce the millage. But right now he is going to vote for the budget at it is with the expectation that we are going to be able to bring that millage rate down and help the citizens, but at the same time provide support for the District that they truly need and deserve at this point in time.

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

Dr. Truesdale, District Superintendent, thanked Council for the recognition of how hard our teachers and principals have worked. It is about inequity in our state. It is not right that Beaufort County receives none of the funds that it sends to Columbia. It is wrong that Act 388 has pitted public education against realtors. We are partners with our community. We are partners with everybody who works hard to make this the greatest county there is. Chairman Newton is a bulldog when it comes to understanding this. She is really pleased Mr. Newton will be in Columbia fighting along with Senator Davis and our other representatives for Beaufort County because we do need to be made whole by the state. We have a long way to go to doing that. We have proven that poor rural children can learn at high levels. Mr. Baer, “the iPad Program is a very well thought-out plan. I do not agree with you there. It is just not your purview.” The Board of Education has climbed around in our Program very, very distinctly. She would be happy to sit down with Mr. Baer and show him the evidence of our students and what they are doing. We thank you for the belief in our schools, in our kids, and we will not let you down.

PUBLIC HEARING

AN ORDINANCE AUTHORIZING THE COUNTY ADMINISTRATOR, WITH THE ADVICE AND CONSENT OF COUNTY COUNCIL TO ISSUE TAX ANTICIPATION NOTES AS MAY BE DEEMED NECESSARY

Mr. Rodman, as Finance Committee Chairman, stated this ordinance is somewhat of a formality. At first reading of the County budget ordinance, we actually had language included regarding authorizing the County Administrator to be able to execute tax anticipation notes. With concurrence of administration and Council, we elected that we would break that into two pieces. We actually took it out of the budget ordinance and made it a stand-alone ordinance.

The Chairman opened a public hearing at 6:20 p.m. to receive information from the public regarding an ordinance authorizing the County Administrator, with the advice and consent of County Council to issue tax anticipation notes as may be deemed necessary. After calling three

times for public comment and receiving none, the Chairman declared the hearing closed at 6:21 p.m.

It was moved by Mr. Caporale, seconded by Mr. Glaze, that Council approve on third and final reading an ordinance authorizing the County Administrator, with the advice and consent of County Council to issue tax anticipation notes as may be deemed necessary. The ordinance by its own terms shall sunset and expire without further action of Council on July 1, 2014. The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

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

COMMITTEE REPORTS

Finance Committee

Tax Equalization Board

Mr. Paul Jernigan

The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. Paul Jernigan, representing at-large, garnered the six votes required to serve as a member of the Tax Equalization Board.

Natural Resources Committee

Stormwater Management Utility Board

Mr. Patrick Mitchell

The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. Patrick Mitchell, representing Stormwater District 7, unincorporated Lady's Island, garnered the six votes required to serve as a member on the Stormwater Management Utility Board.

Rail Trail Naming

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council name the rail trail the Spanish Moss Trail.

Mr. Sommerville, as Natural Resources Committee Chairman, stated that enough though this was not an official part of the motion, it is contingent upon the approval / concurrence of the Friends of Spanish Moss Trail, the Beaufort City Council, and the Path Foundation. Path

Foundation representatives have expressed their concurrence as have representatives of the Friends of Spanish Moss Trail. Communications as recently as tonight with the City of Beaufort indicated that the matter has been before Beaufort City Council, on two occasions. No objections were expressed. However, no vote was taken. Beaufort City Council expects that matter to be voted upon within the very near future.

Mr. Sommerville said there was a lot of discussion at the Natural Resources Committee that this includes, not just footage/mileage that is actually on the railroad right-of-way. It also includes footage/mileage that is off the railroad right-of-way.

It was moved Mr. Newton, seconded by Mr. Flewelling, that Council postpone voting on this issue until the July 23, 2012 Council meeting. Prior to the vote Council will hold a public hearing to be followed by a vote on this matter.

Mr. Newton commented this is a positive exercise. To the extent that it has become, or has the propensity to become, a divisive issue we ought to cut that off. Moving forward with the Rail Trail is a fantastic opportunity for Beaufort County. We ought to welcome public discussion. In the discussion following caucus, posting to a date certain, the July 23, 2012 Council meeting is not problematic. It is not because he does not support the name Spanish Moss Trail. It is simply to make certain that there has been an explanation and justification for that name and the opportunities to be inclusive and include lots of other historical components with other historical names throughout the corridor. He would urge members of Council to postpone this matter until the July Council meeting and have a public hearing. At that point we may even have the City of Beaufort position.

Ms. Von Harten believes this process will be in violation of the County “naming policy.” The process provides for the issue to be presented to the Historic Preservation Review Board, whose members either approve or disapprove the name. The issues is forwarded to Natural Resources Committee. To hear knowledge Council has never had a public hearing on something to be named. That is not to say it is not a good idea. It would be a good idea to change our “naming policy.” We need to start opening up to the public. Right now, there is no provision for public input in our “naming policy”.

Mr. Newton said there is no prohibition on having a public hearing. We are trying to build positive support about this entire rail trail, not leave it with a negative. The Historic Preservation Review Board is advisory. We do not have to accept their recommendation as to naming. We already know as of today that there are some folks who are not pleased by the selection of the name and this would give an opportunity to fully understand the process, what the current name means, what the process is that is in place, and give members of the public an opportunity to weigh in. The delay does not hurt. This is an effort to eliminate any controversy by giving folks an opportunity to offer their voice so that they at least, will not suggest, that they were not given an opportunity to participate.

Mr. Sommerville is under assumption that this will minimize, rather than increase controversy.

Ms. Von Harten thinks this will increase the controversy. It will have more time to fester. People will be coming up with who knows how many different names. We are not going to be able to make a decision on that day, July 23, if we have dozens and dozens of people coming forward with proposed names. That is not going to give us enough time to process all of that and discuss it amongst ourselves, send it back to the Historic Preservation Review Board, and back to Natural Resources Committee. We are going to be extending this process for way too long. There are people who are wanting to grants. Right now, they are being delayed writing grants because of this naming issue. There are other reasons why it would be to move ahead. It is going to increase the controversy if, unless, we make a decision tonight.

Mr. Baer reminded Council that we have all been part of public hearings where the vote is 21 for “x” versus “y”. We have listened to all of those semi-politely and then we vote for “y” amongst ourselves. That raises the level of controversy. He is generally in favor of public hearings, but he agrees, at this point, on this, is going to raise the level of controversy.

Mr. Newton replied, “Or offer the opportunity for explanation.”

Mr. Baer said we can do various other ways, too.

Mr. Sommerville said this is a really critical decision Council is about ready to make here. He does not know if it will raise more controversy or whether it will reduce controversy.

Mr. Rodman commented it is wise in this case to err on the side of getting additional public input.

Vote on the motion to postpone.

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

PUBLIC COMMENT

There were no requests to speak during public comment.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Glaze, seconded by Mr. Rodman, that Council go immediately into executive session Discussion of matters relating to the proposed location, expansion or the provision of services encouraging location or expansion of industries or other businesses in Beaufort County. Further, receipt of legal advice relating to pending and potential claims covered by the attorney-client privilege. The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

EXECUTIVE SESSION

RECONVENE OF REGULAR SESSION

It was moved by Mr. Stewart, seconded by Ms. Von Harten, that Council adopt a resolution of partnership for the purpose of economic development between the Town of Bluffton and Beaufort County. A company, to be known for the time being as Project Pants, anticipates that, should its plans proceed as expected, will result in investment of at least \$11,000,000, the retention of approximately 130 jobs in Beaufort County, the relocation of approximately 40 jobs from an out-of-state facility to Beaufort County, and the creation of approximately 100 new jobs over the first five-years of Company expansion. The County has expressed interest in being co-located with other technology intensive companies where synergies abound. The Town has determined that the most appropriate site for said Project to take place is within the May River Tech Park, which is part of the Buckwalter Place portion of the Multi-County Industrial/Business Park. The County agrees participate in negotiations for the Project, as applicable; determine and make available any economic development incentives for consideration; and cooperate in the fulfillment of negotiated terms, as applicable. The Town agrees to Full management and facilitation of the Project amongst all partners such as State Agencies, Local Agencies and Utility providers; and determine and make available any economic development incentives for consideration.

Mr. Rodman commented negotiating economic incentives with companies to retain existing jobs could be tricky since newer jobs are a lot easier to measure.

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

ADJOURNMENT

Council adjourned at 8:10 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST _____
Suzanne M. Rainey, Clerk to Council

Ratified:

OFFICE OF THE COUNTY ADMINISTRATOR
COUNTY COUNCIL OF BEAUFORT COUNTY

GARY KUBIC
COUNTY ADMINISTRATOR

CHERYL HARRIS
EXECUTIVE ASSISTANT

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

BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

JOSHUA A. GRUBER
STAFF ATTORNEY

COUNTY ADMINISTRATOR'S REPORT

Monday, July 23, 2012
5:00 p.m.
County Council Chambers

INFORMATION ITEMS:

- The County Channel / Broadcast Update (Enclosure)
- Four-Week Progress Report (Enclosure)
- Recognition / Fort Fremont Exhibit at the Verdier House
- Recognition / Corporal Daniel Allen / 2012 Eric Bamberg State School Resource Officer of the Year
- Announcement / National Flood Insurance Program Community Rating System Program (Enclosure)
- Presentation / Veterans Benefits
Ms. Patricia Simmons, Minority Veterans Program Coordinator, Department of Veterans Affairs National Cemetery Administration
- Stormwater Utility Report 2001 – 2011



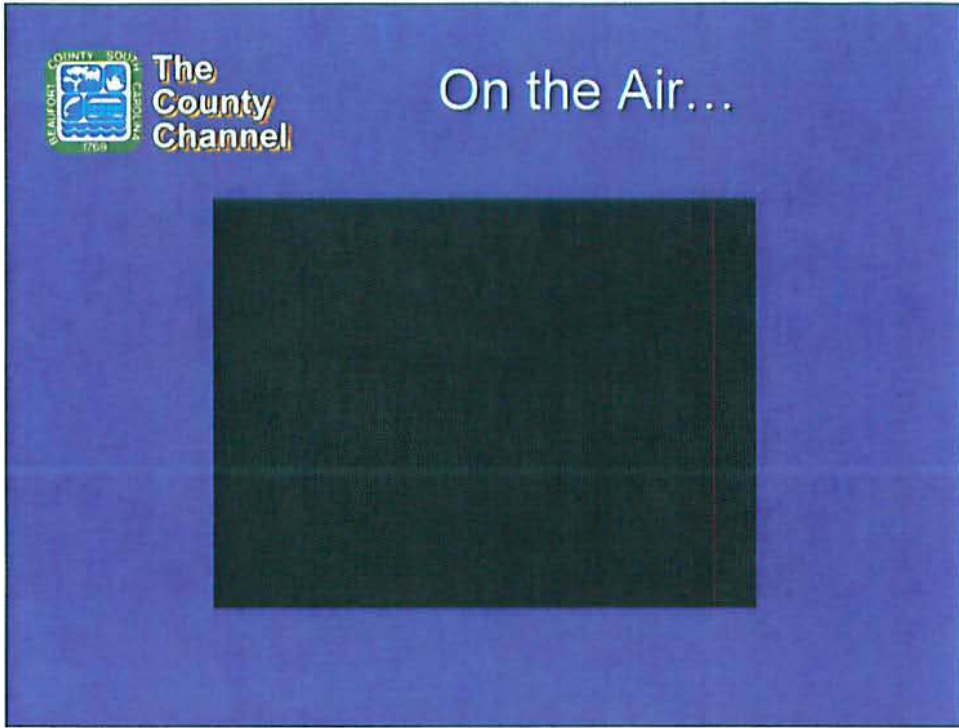
The
County
Channel

On the Air...

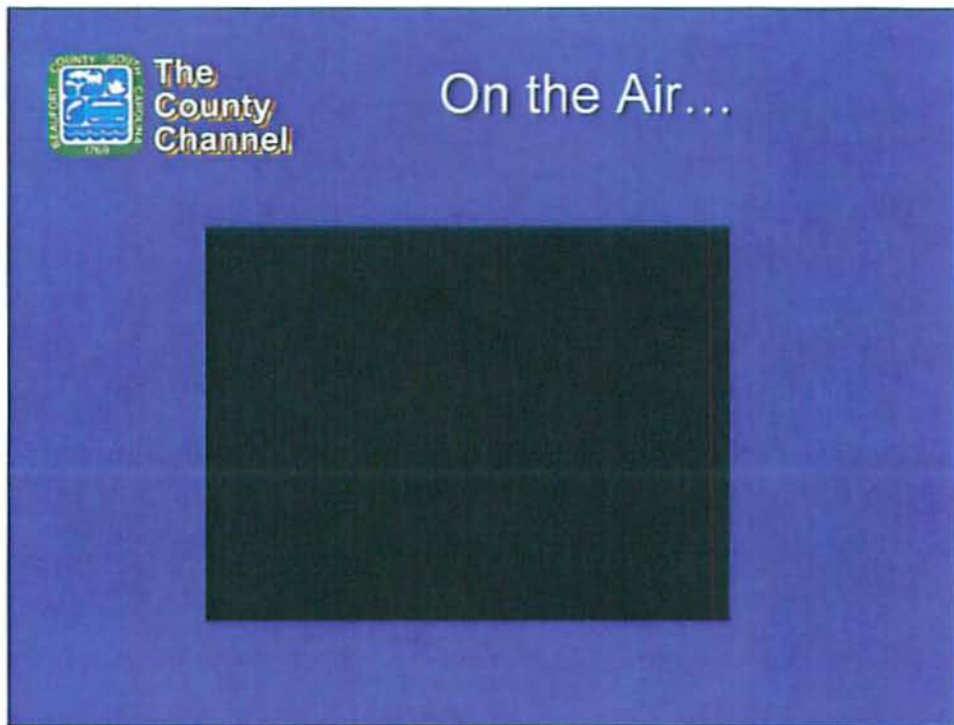


For generations, the natural and pristine beauty of Beaufort County has attracted the lenses of Hollywood cameras. Our latest Beaufort County moment highlights some of the classic films that chose Beaufort County as their setting, and looks back at one of the first films to do so...

{NEXT SLIDE}



{VIDEO PLAYS WITH AUDIO}



{VIDEO PLAYS} The County Channel has been busy all weekend and the rest of this week with coverage of the Dixie Boys State Tournament. The tournament is underway at Burton Wells recreation center, and at Oscar Frazier Park in Bluffton. We'll have all the action during the week, including the championship game on Thursday! The winner of the tournament will go on to represent South Carolina in the Dixie Boys World Series.



Memorandum

DATE: July 20, 2012

TO: County Council

FROM: Gary Kubic, County Administrator

SUBJ: County Administrator's Progress Report

The following is a summary of activities that took place June 25, 2012 through July 20, 2012:

June 25 – 29 and July 2, 2012

- Personal leave

July 3, 2012

- Meeting with Deputy County Administrator Bryan Hill

July 4, 2012

- Fourth of July holiday

July 5, 2012

- Metropolitan Planning Organization (MPO) formation meeting with county staff, city and town managers

July 6, 2012

- Meeting with H. B. "Buck" Limehouse re: transportation issues

July 9, 2012

- Meeting with Joshua Gruber, Staff Attorney, and Suzanne Gregory, Employee Services Director re: personnel matter

COUNTY COUNCIL

July 20, 2012

Page 2

- Swearing in of Kenneth Fulp, new Probate Judge
- Staff meeting re: Pea Patch Road wetlands
- Staff meeting re: County road policies

July 10, 2012

- Meeting with Deputy County Administrator Bryan Hill
- Conference call with staff re: reassessment update

July 11, 2012

- Meeting with Deputy County Administrator Bryan Hill, Building Codes Director Charles Atkinson and Hakim Bayyoud re: Building Codes
- Meeting re: Magistrate's Court

July 12, 2012

- Meeting with Councilman Steven Baer
- Windmill Harbour meeting
- Meeting with Joyce Wright, of Mitchelville Preservation re: Hilton Head Government Center office space

July 13, 2012

- Conference call with staff re: MPO
- Meeting with Staff Attorney Josh Gruber and Division Director of Planning and Development Tony Criscitiello re: Daufuskie Island Park

July 16, 2012

- Conference call re: Republic Services Solid Waste Hauling Contract
- Meeting with Marion Gasque re: PALS aquatics pool program

July 17, 2012

- Staff meeting re: Hilton Head Island LMO
- County / Town of Hilton Head Island bimonthly meeting

COUNTY COUNCIL
July 20, 2012
Page 3

July 18, 2012

- Agenda review with Chairman, Vice Chairman and Executive Staff re: Council agenda for July 23rd Council meeting (unable to attend)
- Finance Committee meeting (unable to attend)

July 19, 2012

- Follow-up MPO meeting with county staff, city and town managers
- Meeting with Council member Jerry Stewart re: economic development
- County / Town of Bluffton bimonthly meeting

July 20, 2012

- Meeting with Judy Lohr
- Meeting with Animal Shelter Director Tallulah Trice



FEMA

JUN 15 2012

Gary Kubic
Beaufort County Administrator
Post Office Box 1228
Beaufort, South Carolina 29901

Dear Mr. Kubic:

Congratulations! The Department of Homeland Security, Federal Emergency Management Agency (FEMA), has determined that your community will increase to a Class 6 in the National Flood Insurance Program (NFIP) Community Rating System (CRS). The floodplain management activities implemented by your community qualifies it for a 20 percent discount in the premium cost of flood insurance for NFIP policies issued or renewed in Special Flood Hazard Areas on or after May 1, 2012. This increase is based on a field verification of your five-year cycle CRS application. I am enclosing the field verification report showing the results of your application review for your records.

Please note Preferred Risk Policies, applicable in Zones B, C, and X, on your community's NFIP Flood Insurance Rate Map are not eligible for the CRS discount. Standard rated flood insurance policies in Zones B, C, X, D, AR, and A99 are limited to a CRS discount of ten percent in Class 1-6 communities and five percent in Class 7-9 communities. The rates for these zones already reflect significant premium reductions.

If there are no NFIP noncompliance actions, the CRS rating for your community will automatically be renewed annually and a notification letter will not be sent to your community. This renewal will occur as long as your community continues to implement the CRS activities you certify each October. If no additional modifications or new CRS activities are added, the next verification visit for your community will be in accordance with its established five-year cycle or three-year cycle for CRS Class 5 or better communities. In the interim, FEMA will periodically send the *NFIP/CRS Update* Newsletter and other notices to your CRS Coordinator to keep your community informed.

I commend you on your community actions and your determination to lead your community to be more disaster resistant. This commitment enhances public safety, property protection, and protects the natural functions of floodplains, and reduces flood insurance premiums.

If you have any questions or need additional information, please contact the FEMA Region IV Office, CRS Coordinator, Janice Mitchell, by telephone at (770) 220-5441.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Miller".

David L. Miller
Associate Administrator
Federal Insurance and Mitigation Administration

Enclosure

cc: Hakim Bayyoud, CRS Coordinator



COMMUNITY
RATING
SYSTEM

VERIFICATION
REPORT

Beaufort County, SC

Verified Class 6

NFIP Number: 450025

Cycle

Date of Verification Visit: April 28, 2011

This Verification Report is provided to explain the recommendations of Insurance Services Office, Inc. (ISO) to DHS/FEMA concerning credits under the Community Rating System (CRS) for the above named community.

A total of 2209 credit points are verified which results in a recommendation that the community improve from a CRS Class 7 to a CRS Class 6. The community has met the CRS Class 6 prerequisite with a Building Code Effectiveness Grading Schedule (BCEGS) Classification of 4/4. The following is a summary of our findings with the total CRS credit points for each activity listed in parenthesis:

Activity 310 – Elevation Certificates: The Building Department maintains elevation certificates for new and substantially improved buildings. Elevation Certificates are also kept for post-FIRM buildings. Copies of elevation certificates are made available upon request. (102 points)

Activity 320 – Map Information Service: Credit is provided for furnishing inquirers with flood zone information from the community's latest Flood Insurance Rate Map (FIRM), publicizing the service annually and maintaining records. (140 points)

Activity 330 – Outreach Projects: A community brochure is mailed annually to all properties in the community's Special Flood Hazard Area (SFHA). The community also provides flood information through displays at public buildings. (167 points)

Activity 340 – Hazard Disclosure: Credit is provided for state and community regulations requiring disclosure of flood hazards. (10 points)

Activity 350 – Flood Protection Information: Documents relating to floodplain management are available in the Beaufort County Public Library. Credit is also provided for floodplain information displayed on the community's website. (83 points)

Activity 410 – Additional Flood Data: Credit is provided for a cooperating technical partnership agreement with FEMA. (13 points)

Activity 420 – Open Space Preservation: Credit is provided for preserving approximately 8768 acres in the SFHA as open space. (104 points)

Activity 430 – Higher Regulatory Standards: Credit is provided for enforcing regulations that require cumulative substantial improvement, protection of natural and beneficial functions, enclosure limits, land development criteria and state mandated regulatory standards. Credit is also provided for a BCEGS Classification of 4/4, the adoption and implementation of the International Series of Building Codes and for staff education and certification as a floodplain manager. (637 points)

Activity 440 – Flood Data Maintenance: Credit is provided for maintaining and using GIS maps in the day to day management of the floodplain. (147 points)

Activity 450 – Stormwater Management: The community enforces regulations for stormwater management, soil and erosion control, and water quality. Credit is also provided for stormwater management master planning. (399 points)

Section 502 – Repetitive Loss Category: Based on the updates made to the NFIP Report of Repetitive Losses as of August 31, 2009, Beaufort County has 4 repetitive loss properties and is a Category B community for CRS purposes. All requirements for a Category B community have been met. (No credit points are applicable to this section)

Activity 540 – Drainage System Maintenance: A portion of the community's drainage system is inspected regularly throughout the year and maintenance is performed as needed by Beaufort County Public Works Department. Records are being maintained for both inspections and required maintenance. Credit is also provided for an ongoing Capital Improvements Program. The community also enforces a regulation prohibiting dumping in the drainage system. (300 points)

Activity 610 – Flood Warning Program: Credit is provided for a program that provides timely identification of impending flood threats, disseminates warnings to appropriate floodplain residents, and coordinates flood response activities. (67 points)

Activity 630 – Dam Safety: All South Carolina communities currently receive CRS credit for the State's dam safety program. (40 points)

Attached is the Community Calculations Worksheet that lists the verified credit points for the Community Rating System.

CEO Name / Address:

Gary Kubic
County Administrator
100 Ribaut Road
Beaufort, South Carolina 29901

CRS Coordinator Name / Address:

Hakim Bayyoud
Chief Plans Examiner
100 Ribaut Road
Beaufort, South Carolina 29901
(843) 255-2071

Date Report Prepared: October 17, 2011

720 COMMUNITY CREDIT CALCULATIONS (Cycle):

CALCULATION SECTION :

Verified Activity Calculations:	Credit
c310 102	102
c320 140	140
c330 167	167
c340 10	10
c350 83	83
c360	
c410 10 x CGA 1.30 =	13
c420 80 x CGA 1.30 =	104
c430 490 x CGA 1.30 =	637
c440 113 x CGA 1.30 =	147
c450 307 x CGA 1.30 =	399
c510	
c520	
c530	
c540 300	300
c610 67	67
c620	
c630 40	40

722 Community Classification Calculation:

cT = total of above	cT = <u>2209</u>
Community Classification (from Appendix C):	Class = <u>6</u>

CEO Name/Address:

Gary Kubic
 County Administrator
 100 Ribaut Road
 Beaufort, South Carolina 29901

CRS Coordinator Name/Address:

Hakim Bayyoud
 Chief Plans Examiner
 100 Ribaut Road
 Beaufort, South Carolina 29901
 (843) 255-2071

Date Report Prepared: October 17, 2011



FEMA



July 3, 2012

Mr. Gary Kubic
Beaufort County Administrator
100 Ribaut Road
Beaufort, South Carolina 29901

CID: 450025

Congratulations to Community Rating System Program Success

Dear Mr. Kubic:

As a participant in the National Flood Insurance Program (NFIP), Beaufort County made a decision several years ago to participate in the NFIP's Community Rating System (CRS). As a result of the County's outstanding performance in the CRS, flood insurance policyholders within your jurisdiction are afforded a reduced premium on their policies.

As a token of our appreciation for the County's efforts to reduce loss of lives and property damage caused by flooding, restore environmental functions of floodplains, and hold development to standards that exceed the minimum requirements of the NFIP, we are pleased to present you this plaque acknowledging your successes in the CRS.

All of us at the Federal Emergency Management Agency and, in particular, Region IV, including our partners, the NFIP Coordinators in South Carolina and the Insurance Services Office, CRS staff, congratulate you for your accomplishment.

In the years to come, we hope that the County will aim even higher and pursue additional avenues to raise your CRS rating. Please give us a call at (770) 220-5400 if we can be of assistance.

Sincerely,

Brad G. Loar, CFM, Director
Mitigation Division



Memorandum

DATE: July 20, 2012
TO: County Council
FROM: Bryan Hill, Deputy County Administrator *y Hill*
SUBJECT: Deputy County Administrator's Progress Report

The following is a summary of activities that took place June 25, 2012 through July 20, 2012:

June 25, 2012 (Monday):

- Prepare for County Council
- Natural Resources Committee Meeting
- Finance Committee Meeting
- County Council

June 26, 2012 (Tuesday):

- Meet with Fran Plyler of Waste Pro with Joshua Gruber, Staff Attorney

June 27, 2012 (Wednesday):

- Meet with representatives of the Town of Bluffton
- Meet with Scott Grooms, Broadcasting
- Meet with Monica Spells, Compliance Officer
- Meet with Elizabeth Wooten, Purchasing and Alicia Holland, Controller
- Meet with Lad Howell and Joshua Gruber, Staff Attorneys

June 28, 2012 (Thursday)--Bluffton:

- A.M. Bluffton Hours
- P.M. - PLD

June 29, 2012 (Friday)--Bluffton:

- Meet with Dan Morgan, MIS & GIS Director
- Meet with Suzanne Gregory, Employee Services
- Meet with Rob McFee, Engineering & Infrastructure re: Town of Hilton Head Island Roads
- Meet with Cheryl Harris to handle pending items

- Visit Lynn Brown Center

July 2, 2012 (Monday):

- Meet with Hakim Bayyoud, Building Codes
- Meet with Tony Criscitiello, Planning Director
- Meet with Rob McFee, Engineering & Infrastructure
- Meet with David Starkey, CFO
- Meet with Mike Taylor, MIS
- Meet with Phillip Foot, Public Safety Director

July 3, 2012 (Tuesday)--Bluffton:

- Conference with Gary Kubic
- Meet with Mark Orlando, Town of Bluffton re: Project Pants

July 4, 2012 (Wednesday):

- INDEPENDENCE DAY

July 5, 2012 (Thursday):

- Meet with Gregg Hunt, Mosquito Control Director and Phillip Foot, Public Safety Director
- Meet with Gary Kubic, County Administrator
- Meet with David Starkey, CFO
- Attend MPO Strategy Session Meeting

July 6, 2012 (Friday)--Bluffton:

- Meet with Robert McFee, Engineering & Infrastructure Director re: Heritage Lakes/Bluffton Parkway Entrances
- Meet with Robert McFee, Engineering & Infrastructure Director re: Stormwater

July 9, 2012 (Monday):

- Meet with Joshua Gruber, Staff Attorney
- Attend Pea Patch Road Wetlands Meeting
- Attend Swearing In Ceremony of Kenneth E. Fulp as Probate Judge

July 10, 2012 (Tuesday):

- Meet with Alicia Holland, Controller re: Stormwater
- Meet with Gary Kubic, County Administrator
- Conference Call Meeting re: Reassessment
- Meet with Duffie Stone, Solicitor
- Telephone call with Bruce Kline, Fire Chief
- Meet with Suzanne Gregory, Staff Services Director

July 11, 2012 (Wednesday):

- Meet with Gary Kubic, County Administrator, Charles Atkinson, Building Codes Director and Hakim Bayyoud, Building Codes
- Attend Security Plan Meeting for Magistrate's Court in Beaufort

July 12, 2012 (Thursday):

- Attend Funeral in Columbia

July 13, 2012 (Friday):

- Meet with Joshua Gruber, Staff Attorney re: R. H. Realty
- Attend MPO Staff Meeting

July 16, 2012 (Monday):

- Attend Republic Services Solid Waste Hauling Contract Transition Status Meeting
- Conference call with USCB Representative
- Conference call with Barbara Heller re: PALS Training

July 17, 2012 (Tuesday)--Bluffton:

- Meet with Marc Orlando re: Pants Project / Buckwalter Place
- Attend HHI LMO Meeting
- Attend Bluffton Town Council Meeting

July 18, 2012 (Wednesday):

- Agenda Review
- Meet with Richard Dimont, Purchasing re: Daufuskie Ferry PowerPoint Presentation
- Meet with David Starkey, CFO re: Bond Issues
- Attend Finance Committee Meeting

July 19, 2012 (Thursday):

- Telephone Conference with Coastal Plains Insurance and Joshua Gruber, Staff Attorney
- Attend MPO Status Meeting
- Work on Reassessment

July 20, 2012 (Friday)--Bluffton:

- Telephone call with Ken Ballard, potential PALS Study Firm
- Meet with Duffie Stone, Solicitor re: Supplemental Appropriation
- Meet with Alicia Holland, Controller re: Enterprise Funds Review
- Work on Reassessment
- Attend 2012 Dixie Boys Baseball State Tournament Opening Ceremonies

Budget FY 2012
As of 7/18/2012

Description			ORG	Actual Year to Date Comparison For the Period Ending June 30th				June 30, 2012	Adopted
				FY 2009	FY 2010	FY 2011	FY 2012	Actual to Date FY 2012	Budget FY 2012
Taxes			41000	(74,049,849)	(72,781,606)	(73,219,927)	(71,903,254)	(71,903,254)	(72,130,243)
Licenses & Permits			42000	(2,787,597)	(2,406,781)	(2,324,229)	(2,854,442)	(2,854,442)	(2,567,500)
Intergovernmental			43000	(9,064,133)	(7,840,692)	(7,209,033)	(6,851,260)	(6,851,260)	(7,422,875)
Charges for Services			44000	(10,181,054)	(10,871,665)	(10,960,563)	(11,200,884)	(11,200,884)	(11,226,774)
Fines & Forfeitures			45000	(1,063,709)	(1,114,193)	(836,282)	(828,554)	(828,554)	(953,000)
Interest			46000	(1,033,426)	(535,064)	(172,209)	(152,677)	(152,677)	(141,000)
Miscellaneous			47000	(1,091,777)	(784,642)	(822,952)	(439,478)	(439,478)	(705,600)
Other Financing Sources			48000	(849,175)	(2,754,898)	(1,428,891)	(1,159,678)	(1,159,678)	(1,156,500)
General Fund Revenue				(100,120,720)	(99,089,541)	(96,974,086)	(95,390,227)	(95,390,227)	(96,303,492)
General	Elected	COUNTY COUNCIL	11000	757,489	635,734	643,954	558,583	558,583	623,982
General	Elected	AUDITOR	11010	610,481	643,652	538,868	489,549	489,549	623,510
General	Elected	TREASURER	11020	991,764	808,954	818,943	682,666	682,666	645,070
General	Elected	TREASURER TAX BILLS & CC FEES	11021	-	1,327,648	490,214	357,669	357,669	481,000
General	Elected	CLERK OF COURT	11030	1,002,441	963,474	837,312	771,934	771,934	831,574
General	Elected	FAMILY COURT	11031	418,181	337,080	215,458	196,491	196,491	249,668
General	Elected	PROBATE COURT	11040	832,561	849,174	730,443	734,530	734,530	756,659
General	Elected	CORONER	11060	464,441	373,890	319,525	374,489	374,489	391,938
General	State	HILTON HEAD MAGISTRATE	11100	94,368	34,356	652	-	-	-
General	State	BEAUFORT MAGISTRATE	11101	591,063	685,920	660,643	766,006	766,006	606,062
General	State	BLUFFTON MAGISTRATE	11102	566,347	529,107	359,162	396,011	396,011	401,125
General	State	SHELDON MAGISTRATE	11103	52,361	64,207	64,972	69,248	69,248	66,618
General	State	ST HELENA MAGISTRATE	11104	91,456	82,777	82,908	46,276	46,276	82,508
General	State	MAGISTRATE BOND COURT	11105	81,696	84,396	80,201	94,870	94,870	90,681
General	State	MAGISTRATE AT-LARGE	11106	100,571	79,900	102,039	133,706	133,661	101,058
General	State	MASTER IN EQUITY	11110	303,671	309,433	284,317	285,433	285,433	295,937
General	Allocation	GEN GOVT DIRECT SUBSIDIES	11199	1,229,580	1,631,125	1,364,350	1,018,740	1,018,740	1,128,340
General	Admin	COUNTY ADMINISTRATOR	12000	465,854	919,541	591,064	509,120	509,120	567,747
General	Admin	HOUSING	12003	(12,232)	3,750	-	-	-	-
General	Admin	PUBLIC INFORMATION OFFICER	12005	271,894	386,010	96,852	70,860	70,860	85,218
General	Admin	BROADCAST SERVICES	12006	-	-	177,022	248,369	248,369	221,467
General	Admin	STAFF ATTORNEY	12010	677,740	556,119	551,291	534,556	534,556	497,661
General	Admin	INTERNAL AUDITOR	12015	58,741	111,710	30,398	57,441	57,441	66,091
General	State	PUBLIC DEFENDER	12020	151,145	-	-	-	-	-
General	Admin	VOTER REGISTRATION/ELECTIONS	12030	827,832	694,812	563,717	606,888	606,888	598,260
General	Admin	ELECTION WORKERS	12031	-	(1,050)	211	1,060	1,060	-
General	Admin	ASSESSOR	12040	2,335,036	2,429,315	1,834,302	1,705,967	1,705,967	2,053,520
General	Admin	REGISTER OF DEEDS	12050	629,070	548,074	442,376	446,291	446,291	469,563
General	Admin	RISK MANAGEMENT	12060	130,777	135,647	92,245	92,504	92,504	96,495
General	State	LEGISLATIVE DELEGATION	12080	83,590	83,625	66,791	69,099	69,099	67,535

Budget FY 2012
As of 7/18/2012

Actual Year to Date Comparison
For the Period Ending June 30th

June 30, 2012
Actual to Date

Adopted
Budget

Description	Organization	ORG	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012	FY 2012	
General	Admin	ZONING & DEVELOPMENT ADM	13330	249,765	240,290	193,207	179,910	179,910	204,643
General	Admin	PLANNING	13340	883,431	852,797	704,085	703,093	703,093	696,539
General	Admin	COMPREHENSIVE PLAN	13341	73,720	60,253	398,141	138,829	138,829	126,475
General	Admin	AUTOMATED MAPPING/GIS	13350	535,343	595,825	446,302	382,658	382,658	407,316
General	Admin	DIRECTOR OF COMMUNITY SERVICES	14000	227,530	208,001	122,808	121,161	121,161	127,785
General	Admin	STAFF SERVICES	14010	495,945	427,774	379,669	254,276	254,276	353,193
General	Admin	EMPLOYEE SERVICES	14020	821,595	936,766	909,982	962,277	962,277	872,760
General	Admin	RECORDS MANAGEMENT	14030	241,795	199,101	146,795	215,395	215,395	208,385
General	Admin	FINANCE DEPARTMENT	15010	611,651	546,441	529,372	593,136	593,136	593,166
General	Admin	PURCHASING	15040	241,832	248,317	228,451	206,881	206,881	235,383
General	Admin	BUSINESS LICENSES	15050	670,253	474,360	153,371	50,547	50,547	97,537
General	Admin	MANAGEMENT INFORMATION SYSTEMS	15060	1,934,403	2,504,079	1,891,678	2,006,645	2,006,645	2,360,307
General	Admin	MANAGEMENT INFORMATION SYSTEMS	15061	-	1,128	-	-	-	-
General	Admin	DIRECTOR OF PUBLIC SERVICES	17000	253,858	256,898	207,698	209,379	209,379	205,382
General	Fringe	GENERAL GOVT BENEFITS POOL	19199	-	-	2,101,252	2,098,493	2,098,493	2,177,360
Public Safety	Elected	SHERIFF	21051	6,524,237	6,935,326	7,111,849	6,327,975	6,327,975	6,567,860
Public Safety	Elected	SHERIFF	21052	12,005,802	12,051,225	12,193,300	10,705,729	10,705,729	10,655,494
Public Safety	Elected	SHERIFF	21053	-	-	-	583,021	583,021	555,457
Public Safety	Elected	SHERIFF	21055	1,186,135	1,420,920	1,315,482	1,133,942	1,133,942	1,302,274
Public Safety	Admin	EMERGENCY MANAGEMENT	23140	648,344	665,401	480,067	455,968	455,968	440,327
Public Safety	Admin	EMERGENCY MANAGEMENT	23141	22,653	-	-	-	-	-
Public Safety	Admin	EMERGENCY MANAGEMENT	23142	-	5,393	152,585	79,206	79,206	91,586
Public Safety	Admin	EMERGENCY MANAGEMENT - Comm	23150	4,420,466	4,252,117	4,212,527	5,013,829	5,013,829	4,602,211
Public Safety	Admin	EMERGENCY MANAGEMENT - DATA	23155	920,455	1,076,177	819,645	535,938	535,958	692,857
Public Safety	Admin	EMERGENCY MEDICAL SERVICE	23160	6,076,990	5,959,606	5,078,989	5,193,518	5,193,518	4,898,239
Public Safety	Admin	DETENTION CENTER	23170	6,597,249	6,409,241	5,557,117	5,104,311	5,104,311	5,433,000
Public Safety	Admin	TRAFFIC - Signal Management	23322	370,111	303,325	277,246	290,290	290,290	307,314
Public Safety	Admin	TRAFFIC - Signal Management	23323	-	128,249	104,007	115,097	115,097	116,000
Public Safety	Admin	BUILDING CODES	23360	1,493,328	1,311,688	948,365	698,199	698,199	624,837
Public Safety	Admin	BUILDING CODES ENFORCEMENT	23361	-	-	-	182,050	182,050	219,393
Public Safety	Fringe	PUBLIC SAFETY BENEFITS POOL	29299	-	-	2,447,228	4,929,212	4,929,212	5,372,376
Public Works	Admin	FACILITIES MANAGEMENT	33020	2,307,493	2,443,107	2,112,228	1,719,588	1,719,588	2,055,403
Public Works	Admin	BUILDINGS MAINTENANCE	33030	1,082,245	1,034,490	1,070,415	982,053	982,053	1,061,572
Public Works	Admin	GROUNDS MAINTENANCE - NORTH	33040	1,307,629	1,328,895	1,061,146	1,221,806	1,221,806	1,759,275
Public Works	Admin	GROUNDS MAINTENANCE - SOUTH	33042	1,134,929	1,111,226	876,985	567,419	567,419	-
Public Works	Admin	PUBLIC WORKS GEN SUPPORT	33300	865,321	990,810	701,598	672,439	672,439	709,671
Public Works	Admin	ROADS/DRAINAGE - NORTH	33301	1,051,231	1,048,771	873,630	791,416	791,416	801,181
Public Works	Admin	ROADS/DRAINAGE - SOUTH	33302	547,285	706,686	602,956	448,465	448,465	539,706
Public Works	Admin	PUBLIC WORKS ADMINISTRATION	33305	416,223	371,265	279,819	272,458	272,458	248,018
Public Works	Admin	ENGINEERING	33320	1,040,997	450,071	304,747	278,528	278,528	338,283

Budget FY 2012
As of 7/18/2012

Actual Year to Date Comparison
For the Period Ending June 30th

June 30, 2012
Actual to Date

Adopted
Budget

Description	Organization	ORG	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012	FY 2012	
Public Works	Admin	SWR ADMINISTRATION	33390	1,078,243	5,011,077	4,361,167	4,171,963	4,171,963	4,744,454
Public Works	Admin	SWR	33391	190,554	-	-	-	-	-
Public Works	Admin	SWR	33392	248,765	-	-	-	-	-
Public Works	Admin	SWR HILTON HEAD	33393	1,074,471	104,191	108,391	101,345	101,345	100,693
Public Works	Admin	SWR BLUFFTON	33394	1,150,625	156,074	143,157	148,507	148,507	145,790
Public Works	Admin	SWR BURTON	33395	648,362	156,532	165,616	139,558	139,558	177,521
Public Works	Admin	SWR DAUFUSKIE	33396	372,087	33,298	203	-	-	49,356
Public Works	Admin	SWR ST HELENA	33397	527,965	143,143	137,139	153,228	153,228	163,455
Public Works	Admin	SWR SHELDON	33398	265,491	107,353	109,882	100,525	100,525	101,993
Public Works	Admin	SWR TOWN OF BLUFFTON	33399	82,419	-	-	-	-	-
Public Works	Fringe	PUBLIC WORKS BENEFITS POOL	39399	-	-	1,382,469	1,291,317	1,291,317	1,429,893
Public Health	Admin	ANIMAL SHELTER & CONTROL	43180	908,216	899,340	758,613	794,787	794,787	774,061
Public Health	Admin	MOSQUITO CONTROL	43190	1,634,244	1,714,086	1,087,606	1,149,948	1,149,948	1,091,325
Public Health	Admin	ENVIRONMENTAL SCIENCE	43195	-	5,000	-	-	-	-
Public Health	Allocation	PUBLIC HEALTH DIRECT SUBSIDIES	44199	2,609,449	2,630,740	2,582,740	1,914,059	1,914,059	1,800,511
Public Health	Fringe	PUBLIC HEALTH BENEFITS POOL	49499	-	-	301,388	291,140	291,140	325,265
Public Welfare	Admin	VETERANS AFFAIRS	54050	223,530	194,205	139,703	141,562	141,562	143,034
Public Welfare	State	DEPT OF SOCIAL SERVICES	54060	204,214	196,105	197,450	180,973	180,973	195,700
Public Welfare	Allocation	PUBLIC WELFARE DIRECT SUBSIDIES	54299	504,681	481,320	498,330	438,443	438,443	540,000
Public Welfare	Fringe	PUBLIC WELFARE BENEFITS POOL	59599	-	-	37,170	28,511	28,511	29,572
Cultural	Admin	PALS CENTRAL ADMINISTRATION	63310	347,243	407,865	361,055	256,829	256,829	264,628
Cultural	Admin	PALS SUMMER PROGRAM	63311	137,999	143,279	158,241	137,961	137,961	120,450
Cultural	Admin	PALS AQUATICS PROGRAM	63312	1,110,581	1,177,361	1,041,870	967,080	967,080	924,044
Cultural	Admin	PALS HILTON HEAD PROGRAMS	63313	343,012	80,000	79,980	80,132	80,132	80,000
Cultural	Admin	PALS BLUFFTON PROGRAMS	63314	634,245	900,237	792,306	117,831	117,831	145,500
Cultural	Admin	PALS ATHLETIC PROGRAMS	63316	634,397	523,068	396,397	750,103	750,103	917,492
Cultural	Admin	PALS RECREATION CENTERS	63317	999,685	854,749	611,778	584,041	584,041	717,584
Cultural	Admin	LIBRARY ADMINISTRATION	64070	894,018	870,732	639,241	625,079	625,079	651,166
Cultural	Admin	LIBRARY BEAUFORT BRANCH	64071	673,667	651,413	509,425	498,662	498,662	512,347
Cultural	Admin	LIBRARY BLUFFTON BRANCH	64072	815,150	771,287	557,855	435,455	435,455	509,272
Cultural	Admin	LIBRARY HILTON HEAD BRANCH	64073	764,006	707,536	613,103	524,819	524,819	572,403
Cultural	Admin	LIBRARY LOBECO BRANCH	64074	209,051	203,066	111,668	124,378	124,378	128,087
Cultural	Admin	LIBRARY ST HELENA BRANCH	64075	100,327	91,332	92,538	91,742	91,742	91,919
Cultural	Admin	LIBRARY TECHNICAL SERVICES	64078	864,438	888,005	395,537	463,671	463,671	579,194
Cultural	Admin	LIBRARY SC ROOM	64079	110,193	111,974	95,890	95,569	95,569	99,178
Cultural	Fringe	CULTURAL & RECRE BENEFITS POOL	69699	-	-	897,015	795,395	795,395	834,815
General Fund Expenditures				91,429,490	93,078,767	88,399,895	85,338,106	85,338,081	89,118,554

Budget FY 2012
As of 7/18/2012

Actual Year to Date Comparison
For the Period Ending June 30th

June 30, 2012
Actual to Date

Adopted
Budget

Description	Organization	ORG	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012	FY 2012
Transfers	Allocation	GENERAL FUND XFERS OUT	99100					
		Miscellaneous Grant	59200	10,000	11,301	-	-	-
		Daufuskie Ferry	59202	75,000	75,000	100,000	100,000	100,000
		Public Safety Grants	59206	11,059	-	61,180	2,472	2,472
		EMS Grants	59207	1,772	6,352	1,315	6,000	6,000
		Tire Recycling	59226	-	8,808	14,516	-	-
		Real Property	59209	-	-	-	333,859	333,859
		Dale Water Line	59229	-	-	31,524	-	-
		PALS Programs Fund	59231	18,693	15,452	2,999	-	-
		DSN Programs Fund	59241	1,296,139	1,438,099	1,620,612	1,359,500	1,359,500
		A&D Programs Fund	59261	292,679	251,615	364,563	299,687	299,687
		DNA Laboratory	59270	323,379	318,417	332,494	-	-
		Victims Assistance	59271	203,577	303,364	93,834	107,635	107,635
		School Resource Officer	59273	115,033	115,033	145,855	133,451	133,451
		Sheriff Grant	59274	23,919	6,311	18,528	4,806	4,806
		Sheriff's Vehicles	59277	-	-	-	-	-
		DNA Grant Fund	59280	-	-	-	22,097	22,097
		COSY Program	59281	42,000	103,000	130,000	160,000	160,000
		Solid Waste	59290	18,525	-	-	-	-
		Debt Service Fund	59300	-	-	-	400,000	400,000
		LI Airport	59570	-	100,000	-	-	-
		HHI Airport	59580	-	150,000	12,500	-	-
		Clerk of Court	59619	-	417,705	-	-	-
		Public Defender	59651	360,000	653,363	419,028	300,000	300,000
		Sheriff's Trust	59663	-	20,000	30,000	30,000	30,000
		Total General Fund Transfers Out		2,791,775	3,993,820	3,378,948	3,259,507	3,259,507
Education	Education	Education Allocation	64399	4,716,300	4,716,300	4,716,300	4,000,000	4,000,000
		General Fund Expenditures (including Transfers and Education Allocation)		98,937,565	101,788,887	96,495,143	92,597,613	92,597,588
		Net (Surplus)/Deficit		(1,183,155)	2,699,346	(478,943)	(2,792,614)	(2,792,639)



BEAUFORT COUNTY ANIMAL SHELTER MONTHLY REPORT
 23 Shelter Church Road, Beaufort, South Carolina, 29906

REPORT PERIOD MARCH 2012
 INTAKE 313 EUTHANIZED 90
 EUTHANASIA RATE 28%

LAST YEAR MARCH 2011
 INTAKE 366 EUTHANIZED 204
 EUTHANASIA RATE 56%

BEAUFORT COUNTY INTAKE	CAT	DOG	OTHER	TOTAL
Stray	67	43	4	114
Owner Surrendered	26	59		85
Seized/Trapped	49	62		111
Returned		3		3
TOTAL	142	167	4	313

BEAUFORT COUNTY OUTCOME	CAT	DOG	OTHER	TOTAL
Adopted	7	2	4	13
Reclaimed	4	18		22
Transferred	51	91		142
TOTAL	62	111	4	177

Canines euthanized	31
Felines euthanized	59
EUTHANASIA REASONS	
Owner Request	5
Injury/ DOA	11
Heartworm +	4
Illness	6
Aggressive (K-9)	12
Wild/Feral (Cat)	52
No Space	0
Shelter Other	0
Total	90

REPORT PERIOD APRIL 2012
 INTAKE 408 EUTHANIZED 141
 EUTHANASIA RATE 34%

LAST YEAR APRIL 2011
 INTAKE 409 EUTHANIZED 264
 EUTHANASIA RATE 64%

BEAUFORT COUNTY INTAKE	CAT	DOG	OTHER	TOTAL
Stray	122	35	8	165
Owner Surrendered	21	44		65
Seized/Trapped	109	64		173
Returned	1	4		5
TOTAL	253	147	8	408

BEAUFORT COUNTY OUTCOME	CAT	DOG	OTHER	TOTAL
Adopted	16	1	4	21
Reclaimed	1	22		23
Transferred	59	75	4	138
TOTAL	76	98	8	182

Canines euthanized	41
Felines euthanized	100
EUTHANASIA REASONS	
Owner Request	4
Injury/ DOA	17
Heartworm +	7
Illness	6
Aggressive (K-9)	25
Wild/Feral (Cat)	82
No Space	0
Shelter Other	0
Total	141

REPORT PERIOD MAY 2012

LAST YEAR MAY 2011

INTAKE 525 EUTHANIZED 138

INTAKE 516 EUTHANIZED 296

EUTHANASIA RATE 27%

EUTHANASIA RATE 57%

BEAUFORT COUNTY INTAKE	CAT	DOG	OTHER	TOTAL
Stray	201	59	7	267
Owner Surrendered	41	43		84
Seized/Trapped	103	66		169
Returned	2	3		5
TOTAL	347	171	7	525

Canines euthanized	42
Felines euthanized	96
EUTHANASIA REASONS	
Owner Request	5
Injury/ DOA	27
Heartworm +	14
Illness	18
Aggressive (K-9)	19
Wild/Feral (Cat)	55
No Space	0
Shelter Other	0
Total	138

BEAUFORT COUNTY OUTCOME	CAT	DOG	OTHER	TOTAL
Adopted	20	0	7	27
Reclaimed	1	17		18
Transferred	67	92		159
TOTAL	101	109	7	217

REPORT PERIOD JUNE 2012

LAST YEAR JUNE 2011

INTAKE 559 EUTHANIZED 258

INTAKE 566 EUTHANIZED 440

EUTHANASIA RATE 46%

EUTHANASIA RATE 78%

BEAUFORT COUNTY INTAKE	CAT	DOG	OTHER	TOTAL
Stray	167	55	8	230
Owner Surrendered	41	38		79
Seized/Trapped	150	97		247
Returned		3		3
TOTAL	358	193	8	559

Canines euthanized	58
Felines euthanized	200
EUTHANASIA REASONS	
Owner Request	4
Injury/ DOA	27
Heartworm +	10
Illness	92
Aggressive (K-9)	29
Wild/Feral (Cat)	96
No Space	0
Shelter Other	0
Total	258

BEAUFORT COUNTY OUTCOME	CAT	DOG	OTHER	TOTAL
Adopted	2	14	2	21
Reclaimed	1	22		23
Transferred	59	75		138
TOTAL	76	98	8	182

ORDINANCE NO. 2012/___

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012C, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$30,000,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; ADOPTING WRITTEN PROCEDURES RELATED TO TAX-EXEMPT DEBT; 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) A successful referendum (the “Referendum”) was held in the County on November 7, 2000. A portion of the Series 2004 Bonds were issued pursuant to the Referendum.

(f) 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 \$80,253,597 which includes the Bonds to be Refunded (hereinafter defined).

Thus, the County may incur \$65,651,086 of additional general obligation debt within its applicable debt limitation.

(g) A portion of the Series 2004 Bonds (hereinafter defined) are subject to the 8% constitutional debt limit. The difference between the outstanding principal amount of the maturities subject to the 8% constitutional debt limit to be refunded of the Series 2004 Bonds and the amount needed to refund the certain maturities subject to the 8% constitutional debt limit of the 2004 Bonds will also count against the County's 8% constitutional debt limit.

(h) Pursuant to constitutional and statutory authorizations, the Referendum, and an Ordinance duly enacted by the County Council on August 23, 2004 (the "2004 Ordinance"), the County issued its \$30,500,000 General Obligation Bonds, Series 2004, dated October 15, 2004 (the "Series 2004 Bonds").

(i) 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.

(j) The Series 2004 Bonds are currently outstanding in the amount of \$28,250,000. The Series 2004 Bonds maturing on or after February 1, 2015, are subject to redemption at the option of the County on or after February 1, 2014, as a whole or in part 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.

(k) 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 2004 Bonds (the "Bonds to be Refunded") because a savings can be effected through the refunding of such Series 2004 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.

(h) The County Council has been advised by Bond Counsel that a best practice related to the issuance of tax-exempt debt is for each issuer to have Written Procedures related to Tax-Exempt Debt.

(i) It is now in the best interest of the County for County Council to provide for the issuance and sale of not exceeding \$30,000,000 principal amount general obligation refunding bonds of the County to provide funds for (i) refunding the Bonds to be Refunded; (ii) costs of issuance of the Bonds (hereinafter defined); and (iii) such other lawful purposes as the County Council shall determine and to adopt the Written Procedures Related to Tax-Exempt Debt.

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 \$30,000,000 aggregate principal amount of general obligation refunding bonds of the County to be designated “\$30,000,000 (or such lesser amount issued) General Obligation Refunding Bonds, (appropriate series designation), of Beaufort County, South Carolina” (the “Bonds”), for the purpose set forth in Section 1(k) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees.

The refunding of the Bonds to be Refunded shall be effected with a portion of the proceeds of the Bonds which proceeds shall be used for the payment of the principal of such Bonds to be Refunded as and when such Bonds to be Refunded mature and are called for redemption in accordance with the provisions of the 2004 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 2004 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, Countys and political subdivisions.

SECTION 21. Written Procedures Related to Tax-Exempt Debt. The Board hereby approves the Written Procedures Related to Tax-Exempt Debt attached hereto as Exhibit F.

SECTION 22. 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 First SouthWest, 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 _____, 2012.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair, County Council

(SEAL)

ATTEST:

Clerk, County Council

First Reading: June 25, 2012

Second Reading:

Public Hearing:

Third and Final Reading:

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT
GENERAL OBLIGATION REFUNDING BOND, SERIES 2012_

No. R-

INTEREST	MATURITY	ORIGINAL	
<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 _____, 2012.

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 \$_____ (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 \$_____ General Obligation Bonds, Series 2004, dated _____; (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 _____, 2012, 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 \$_____ General Obligation Bonds, Series 2004, dated _____, 2004; (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 2012_,
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 _____, _____, 2012, at which time said proposals will be publicly opened for the purchase of \$ _____ General Obligation Refunding Bonds, Series 2012_, 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 2012_, 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>
-------------	--------------------------	-------------	--------------------------

*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 _____, 2012, 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

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2012, is executed and delivered by Beaufort County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

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

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

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

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

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

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

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

“Disclosure Representative” means the Finance Director, or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

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

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

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

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

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

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

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

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a

Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the next February 1 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2013. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

“Principal and interest payment delinquencies;”

“Non-Payment related defaults, if material;”

“Unscheduled draws on debt service reserves reflecting financial difficulties;”

“Unscheduled draws on credit enhancements reflecting financial difficulties;”

“Substitution of credit or liquidity providers, or their failure to perform;”

“Adverse tax opinions, IRS notices or events affecting the tax status of the security;”

“Modifications to rights of securities holders, if material;”

“Bond calls, if material;”

“Defeasances;”

“Release, substitution, or sale of property securing repayment of the securities, if material;”

“Rating changes;”

“Tender offers;”

“Bankruptcy, insolvency, receivership or similar event of the obligated person;”

“Merger, consolidation, or acquisition of the obligated person, if material;” and

“Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;”
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data.”

- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

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

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement as follows:

- (i) The financial statements of the Issuer for the preceding fiscal year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information). If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (ii) Financial and operating data for the fiscal year then ended, to the extent such information is not included in the Issuer's audited financial statements filed pursuant to clause (1) above, which shall be generally consistent with the tabular information (or other information, as otherwise noted below) contained in the Official Statement under the following headings: "THE BONDS—Security;" "DEBT STRUCTURE—Outstanding Indebtedness;" and "CERTAIN FISCAL MATTERS—Assessed Value of Taxable Property in the County," "—Estimated True Value of All Taxable Property in the County," "—Tax Rates," "—Tax Collections for Last Five Years," and "—Ten Largest Taxpayers."

1. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

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

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

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

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- vii. Modifications to rights of Bond holders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. Defeasances;
- x. Release, substitution, or sale of property securing repayment of the Bonds, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets

or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- xiii. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event

Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

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

Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

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

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

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

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

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

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

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question

or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

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

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

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

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

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

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

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

By: _____
Name: _____
Title: _____

BEAUFORT COUNTY, SOUTH CAROLINA, as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer _____
Obligated Person(s) _____
Name of Bond Issue: _____
Date of Issuance: _____
Date of Official Statement _____

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure Agreement: _____

CUSIP Number: _____

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

Dated: _____

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

cc:

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

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

Issuer's Six-Digit CUSIP Number:

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

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

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

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Issuer and DAC.

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

Issuer's Six-Digit CUSIP Number:

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

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

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

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name:

Issuer’s Six-Digit CUSIP Number:

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

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ “quarterly/monthly financial information;”
2. _____ “change in fiscal year/timing of annual disclosure;”
3. _____ “change in accounting standard;”
4. _____ “interim/additional financial information/operating data;”
5. _____ “budget;”
6. _____ “investment/debt/financial policy;”
7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
8. _____ “consultant reports;” and
9. _____ “other financial/operating data.”

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

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

BEAUFORT COUNTY, SOUTH CAROLINA

**WRITTEN PROCEDURES
Related to Tax-Exempt Debt**

The Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder (the “Regulations”) impose certain requirements on tax-exempt bonds, including but not limited to, restrictions on the use of bond proceeds and bond-financed property, arbitrage yield restrictions, and the arbitrage rebate requirement. These requirements are generally applicable throughout the period that the bonds remain outstanding.

The September 2011 revision to the Form 8038-G, Information Return for Tax Exempt Governmental Obligations (“Form 8038-G”) requires the issuer to represent whether it has established written procedures to (a) monitor the requirements of Section 148 of the Code, including, but not limited to, the arbitrage rebate and arbitrage yield restriction requirements; and (b) ensure that any nonqualified bonds (within the meaning of Section 1.148-12(j) of the Regulations) are remediated in accordance with the Code and the Regulations.

In addition to the above-described Form 8038-G representations, Beaufort County, South Carolina (the “County”) has been advised that additional procedures are recommended in order for the County to document compliance with the applicable federal tax requirements. Actions pursuant to these procedures (collectively referred to as post-issuance tax compliance) are intended to assist the County in documenting compliance with the applicable federal tax requirements. Post-issuance tax compliance begins with the debt issuance process itself and includes a continuing focus on investments of bond proceeds and use of bond-financed property. Post issuance tax compliance requires identifying the responsible people and the applicable procedures.

References herein to a “bond” or to “bonds” shall apply to all forms of tax-exempt obligations including, but not limited to, lease/purchase agreements, bond anticipation notes, and tax anticipation notes.

Procedures

The County’s Chief Financial Officer (“CFO”) is designated as being responsible for post-issuance tax compliance. The CFO may delegate to his staff or contract with independent contractors (such as an arbitrage/rebate consultant or a consulting engineer) responsibility for different aspects of post-issuance tax compliance. For example, coordinating and documenting the expenditure of bond proceeds on projects may be delegated to the consulting engineer. However, the CFO will be ultimately responsible for implementing the procedures described herein.

The County recognizes that that the County has issued tax-exempt debt prior to the adoption of these procedures. With respect to this prior issued debt, the CFO will take reasonable steps to collect and maintain appropriate documentation of compliance with these procedures. However, the County recognizes that such documentation may not exist with respect to some of the items enumerated in these procedures.

Issuance – The CFO will:

- (a) Confirm the filing of the Form 8038 or Form 8038-G (or applicable successor form) with Internal Revenue Service (“IRS”). Filing of the applicable Form 8038 is usually overseen by bond counsel at or soon after the closing of a bond issue.
- (b) Obtain and store the Transcript of Proceedings prepared by bond counsel (which typically includes the applicable Form 8038 and the Federal Tax Certificate containing the County’s expectations as of the date of issuance of the bond issue).

Recordkeeping – The CFO will:

- (a) Establish a plan for keeping relevant books and records as to the investment and the expenditure of bond proceeds.
- (b) Keep accurate records including:
 - Basic records relating to the bond transactions (including the trust indenture, loan agreements, and bond counsel opinion; see Transcript of Proceeding, above);
 - Documentation evidencing the expenditure of bond proceeds;
 - Documentation evidencing use of bond-financed property by public and private users (i.e., copies of management contracts, material power purchase contracts);
 - Documentation evidencing all sources of payment or security for the bonds; and
 - Documentation pertaining to any investment of bond proceeds (including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- (c) Keep all records in a manner that ensures their complete access to the IRS so long as they are material. While this is typically accomplished through the maintenance of hard copies, records may be kept in an electronic format if certain requirements are satisfied, in accordance with the guidelines in Revenue Procedure 97-22, 1997-1 C.B. 652.
- (d) Keep the relevant records for each issue of bonds for as long as such issue of bonds is outstanding (including any bonds issued to refund such issue of bonds) plus three years after the final redemption date of the bonds.

Arbitrage Rebate and Arbitrage Yield Restriction – The CFO will:

- (a) Engage the services of an arbitrage/rebate consultant for assistance in compliance with arbitrage related issues. As of the date of the adoption of these procedures, the County has retained AMTEC Compliance as its arbitrage/rebate consultant.
- (b) Work with the County’s bond counsel, financial advisor and/or arbitrage/rebate consultant to monitor compliance with “temporary period exceptions” for expenditure of bond proceeds, typically three years for new money bonds, and provide for yield restriction of investments or “yield reduction payments” if exceptions are not satisfied.
- (c) Work with the County’s bond counsel and financial advisor to ensure investments acquired with bond proceeds are purchased at fair market value. This may include use of bidding procedures under the regulatory safe harbor (Section 1.148-5(d) of the Regulations).

- (d) Consult with the County's bond counsel prior to the creation of funds which would reasonably be expected to be used to pay debt service on tax-exempt bonds to determine in advance whether such funds must be invested at a restricted yield (i.e., yield restricted).
- (e) Consult with the County's bond counsel and financial advisor before engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap).
- (f) Consult with the County's bond counsel, financial advisor, and/or arbitrage/rebate consultant to identify situations in which compliance with applicable yield restrictions depends upon subsequent investments (e.g., purchase of 0% SLGS from U.S. Treasury) and monitor implementation.
- (g) Work with the County's arbitrage/rebate consultant to arrange for timely computation of rebate/yield reduction payment liability and, if an amount is payable, for timely filing of Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate (or applicable successor form), and payment of such liability. Rebate/Yield Reduction payments are ordinarily due at 5-year intervals.

Private Use of Bond-Financed Facilities - The CFO will:

- (a) Create and maintain records of which proceeds of bond issues were used to finance which facilities. These records shall incorporate the refunding or partial refunding of any bond issues.
- (b) Record the allocation of bond proceeds to expenditures, including reimbursements. These records will be consistent with the expenditures used for arbitrage purposes.
- (c) Record the allocation of bond proceeds and funds from other sources in connection with any bond funded project. Review expenditure of bond proceeds with bond counsel and/or consulting engineer to ensure bond proceeds are used for qualifying costs.
- (d) Review with bond counsel prior to the sale or lease of a bond-financed facility, or the granting of a license or management contract, or any other arrangement allowing private use of a bond financed facility, the terms of such arrangement.
- (e) Keep records of private use, if any, of bond-financed facilities to monitor the amount of private use of bond-financed facilities. Relevant to the County, private use generally includes: use of the proceeds of bonds or bond-financed facilities in any activity by a person or organization that is not (a) a state or local government; or (b) a natural person. Notwithstanding the preceding sentence, private business use generally does not include: (a) use as a member of the general public pursuant to arrangements with a term of less than 200 days; and (b) use by a nongovernmental person pursuant to an arrangement with a term of less than 50 days that is a result of arms-length negotiations and compensation payable under the arrangement is not less than fair market value.
- (f) Private use of bond-financed facilities shall be reviewed once a year (in connection with the preparation of the annual financial statements). If private use occurs, bond counsel will be consulted to determine if remedial action is necessary (including but not included to, the remediation of all non-qualified bonds in accordance with Section 1.14-12 of the Regulations).

Reissuance – The CFO will:

- (a) Consult with bond counsel to identify any post-issuance modification to the terms of bonds which could be treated as a current refunding of “old” bonds by “new” bonds, often referred to as a “reissuance.”
- (b) Consult with bond counsel to determine whether any “remedial action” (see item (f) under “Private Use of Bond-Financed Facilities” above) in connection with private use must be treated as a “reissuance.”



County Council of Beaufort County
Hilton Head Island Airport – www.hiltonheadairport.com
Beaufort County Airport – www.beaufortcoairport.com
Post Office Box 23739 – 120 Beach City Road
Hilton Head Island, South Carolina 29925-3739
Phone: (843) 255-2950 - Fax: (843)255-9424

TO: Councilman Herbert Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator *GKubic*
Bryan Hill, Deputy County Administrator *BHill*
Joshua Gruber, County Attorney *JGruber*
David Starkey, Chief Financial Officer *DStarkey*
Rob McFee, Director, Engineering and Infrastructure Division *Rob McFee*

FROM: Paul Andres, Director of Airports *PA*

SUBJ: **Hilton Head Island Airport FAA Grant Offer #33**

DATE: June 12, 2012

BACKGROUND. The FAA has issued Grant Offer #33 for the Hilton Head Island Airport in the amount \$402,750.00 to fund their portion of the Phase III Archeology Data Recovery and Outreach Program associated with the Mitchelville artifacts located on the north end of airport property. The artifacts will be recovered, catalogued, and prepared for future display. This project is necessary to satisfy the requirements of the ongoing Environmental Assessment associated with Phase I of the Master Plan. The Airports Board favorably endorses this project.

FUNDING. FAA Grant #33 (90%), State Grant (5% Pending) \$22,155.00; and Local Match of \$22,155.00 which will come from the Airports Operating Budget.

RECOMMENDATION. That the Public Facilities Committee approve and recommend that County Council accept FAA Grant Offer #33 for the Hilton Head Island Airport in the amount of \$402,750.00.

PAA/paa

Attachment: FAA Grant Offer #33



U.S. Department
of Transportation
**Federal Aviation
Administration**

Atlanta Airports District Office
Campus Building
1701 Columbia Ave., Suite 2-260
College Park, GA 30337-2747
(404) 305-7150 FAX: (404) 305-7155

RECEIVED
JUN 13 2012

June 12, 2012

Mr. Wm. Weston J. Newton
Chairman, Beaufort County Council
Post Office Box 1228
Beaufort, South Carolina 29901

BY:.....

Dear Mr. Newton:

Enclosed are five original grant offers issued in response to your project application dated April 13, 2012, for Airport Improvement Program Project No. 3-45-0030-033-2012, at Hilton Head Island Airport, Hilton Head, South Carolina. This grant offer is in the amount of \$402,750.

If the terms of the grant offer are satisfactory, you should accept the grant offer on or before July 13, 2012, and have your attorney certify that the acceptance complies with local and state laws and constitutes a legal and binding obligation on the part of the airport sponsor

"Terms and Conditions of Accepting Airport Improvement Program Grants" is enclosed. This master agreement is incorporated into the grant agreement by reference and will become binding upon your execution of the grant. Please retain the master agreement for your records.

Three original executed grant agreements should be returned to this office as soon as possible. Also, please fax or email (Keke.Rice@faa.gov) a copy of the executed grant to ensure timely processing. Our fax number is 404-305-7155.

Sincerely,

Scott L. Seritt
Manager

Enclosures



U. S. Department
of Transportation
Federal Aviation
Administration

GRANT AGREEMENT

Date of Offer: June 12, 2012
Project Number: 3-45-0030-033-2012
Recipient: Beaufort County (Herein called Sponsors)
Airport: Hilton Head Island Airport

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share of ninety percent of the allowable costs incurred in accomplishing the project consisting of the following:

Obstruction Removal Phase V- Archaeological Data Recovery;

as more particularly described in the Project Application dated April 13, 2012.

The maximum obligation of the United States payable under this Offer shall be \$402,750 for airport development. This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION



Manager Airports District Office

ACCEPTANCE

The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein and in the document "Terms and Conditions of Accepting Airport Improvement Program Grants" dated April 13, 2012.

Executed this ____ day of _____, 2012.
(Seal)

Beaufort County
Name of Sponsor

Attest

Signature of Sponsor's Designated Official Representative

Title

Title

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of South Carolina. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Signature of Sponsor's Attorney

Date (Date must be on or later than execution date above)



U. S. Department
of Transportation
Federal Aviation
Administration

April 13, 2012

Terms and Conditions of Accepting Airport Improvement Program Grants

This document was compiled from multiple government source documents.

This document contains the terms and conditions of accepting Airport Improvement Program (AIP) grants from the Federal Aviation Administration (FAA) for the purpose of carrying out the provisions of Title 49, United States Code. These terms and conditions become applicable when the Sponsor accepts a Grant Offer from the FAA that references this document. The FAA may unilaterally amend the terms and conditions by notification in writing, and such amendment will only apply to grants accepted after notification.

I. DEFINITIONS

- A. **Sponsor**—An agency that is legally, financially, and otherwise able to assume and carry out the certifications, representations, warranties, assurances, covenants and other obligations required in this document and in the accepted Grant Agreement.
- B. **Project**—Work as identified in this grant Agreement.
- C. **Primary Airport**—A commercial service airport the Secretary of Transportation determines to have more than 10,000 passengers boarding each year.
- D. **"this grant"** – In this document the term "this grant" refers to the applicable grant agreement or grant agreements that incorporate(s) these Terms and Conditions as part of the grant agreement.

II. CERTIFICATIONS

Title 49, United States Code, section 47105(d), authorizes the Secretary to require certification from the Sponsor that it will comply with statutory and administrative requirements in carrying out a project under the AIP. The following list of certified items includes major requirements for this aspect of project implementation. However, the list is not comprehensive, nor does it relieve sponsors from fully complying with all applicable statutory and administrative standards. In accepting this grant, the Sponsor certifies that each of the following items was or will be complied with in the performance of grant agreements. If a certification cannot be met for a specific project, the Sponsor must fully explain in an attachment to the project application.

- A. **Sponsor Certification for Selection of Consultants.** General standards for selection of consultant services within Federal grant programs are described in Title 49, Code of Federal Regulations (CFR), and Part 18.36. Sponsors may use other qualifications-based procedures provided they are equivalent to specific standards in 49 CFR 18 and Advisory Circular 150/5100-14, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects.
 - 1. Solicitations were (will be) made to ensure fair and open competition from a wide area of interest.
 - 2. Consultants were (will be) selected using competitive procedures based on qualifications, experience, and disadvantaged enterprise requirements with the fees determined through negotiations.

3. A record of negotiations has been (will be) prepared reflecting considerations involved in the establishment of fees, which are not significantly above the Sponsor's independent cost estimate.
 4. If engineering or other services are to be performed by Sponsor force account personnel, prior approval was (will be) obtained from the FAA.
 5. The consultant services contracts clearly establish (will establish) the scope of work and delineate the division of responsibilities between all parties engaged in carrying out elements of the project.
 6. Costs associated with work ineligible for AIP funding are (will be) clearly identified and separated from eligible items in solicitations, contracts, and related project documents.
 7. Mandatory contract provisions for grant-assisted contracts have been (will be) included in consultant services contracts.
 8. The cost-plus-percentage-of-cost methods of contracting prohibited under Federal standards were not (will not be) used.
 9. If the services being procured cover more than the single grant project referenced in this certification, the scope of work was (will be) specifically described in the advertisement, and future work will not be initiated beyond five years.
- B. Sponsor Certification for Project Plans and Specifications.** AIP standards are generally described in Advisory Circulars 150/5100-6, Labor Requirements for the Airport Improvement Program; 150/5100-15, Civil Rights Requirements for the Airport Improvement Program; and 150/5100-16, Airport Grant Assurance One—General Federal Requirements. A list of current advisory circulars with specific standards for design or construction of airports, as well as procurement/installation of equipment and facilities, is referenced in standard airport sponsor Grant Assurance 34 in this document.
1. The plans and specifications were (will be) prepared in accordance with applicable Federal standards and requirements; so no deviation or modification to standards set forth in the advisory circulars, or State standard, is necessary other than those previously approved by the FAA.
 2. Specifications for the procurement of equipment are not (will not be) proprietary or written so as to restrict competition. At least two manufacturers can meet the specifications.
 3. The development included (to be included) in the plans is depicted on the airport layout plan approved by the FAA.
 4. Development that is ineligible for AIP funding has been (will be) omitted from the plans and specifications or otherwise identified to assure that no reimbursement will be made for the cost of the ineligible item(s).
 5. The process control and acceptance tests required for the project by standards contained in Advisory Circular 150/5370-10 are (will be) included in the project specifications.
 6. If a value engineering clause is incorporated into the contract, concurrence was (will be) obtained from the FAA.
 7. The plans and specifications incorporate (will incorporate) applicable requirements and recommendations set forth in the Federally approved environmental finding.
 8. For construction activities within or near aircraft operational areas, the requirements contained in Advisory Circular 150/5370-2 have been (will be) discussed with the FAA, as well as incorporated into the specifications; and a safety/phasing plan has FAA's concurrence, if required.

9. The project was (will be) physically completed without Federal participation in costs due to errors and omissions in the plans and specifications that were foreseeable at the time of project design.

C. Sponsor Certification for Equipment/Construction Contracts. General standards for equipment and construction contracts within Federal grant programs are described in Title 49, CFR, Part 18.36. AIP standards are generally described in FAA Advisory Circular (AC) 150/5100-6, Labor Requirements for the Airport Improvement Program; 150/5100-15, Civil Rights Requirements for the Airport Improvement Program; and 150/5100-16, Airport Grant Assurance One-General Federal Requirements. Sponsors may use State and local procedures provided procurements conform to these Federal standards.

1. A code or standard of conduct is (will be) in effect governing the performance of the Sponsor's officers, employees, or agents in soliciting and awarding procurement contracts.
2. Qualified personnel are (will be) engaged to perform contract administration, engineering supervision, construction inspection, and testing.
3. Unless the FAA approved (has approved) otherwise, the procurement was (will be) publicly advertised using the competitive sealed bid method of procurement.
4. The bid solicitation clearly and accurately describes (will describe):
 - a. The current Federal wage rate determination for all construction projects; and
 - b. All other requirements of the equipment and/or services to be provided.
5. Concurrence was (will be) obtained from FAA prior to contract award under any of the following circumstances:
 - a. Only one qualified person/firm submits a responsive bid;
 - b. The contract is to be awarded to other than the lowest responsible bidder;
 - c. Life cycle costing is a factor in selecting the lowest responsive bidder; or
 - a. Proposed contract prices are more than 10 percent over the Sponsor's cost estimate.
6. All contracts exceeding \$100,000 require (will require) the following provisions:
 - a. A bid guarantee of 5 percent, a performance bond of 100 percent, and a payment bond of 100 percent;
 - b. Conditions specifying administrative, contractual, and legal remedies, including contract termination, for those instances in which contractors violate or breach contract terms; and
 - c. Compliance with applicable standards and requirements issued under Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), and Executive Order 11738.
7. All construction contracts contain (will contain) provisions for:
 - a. Compliance with the Copeland "Anti-Kick Back" Act; and
 - b. Preference given in the employment of labor (except in executive, administrative, and supervisory positions) to honorably discharged Vietnam-era veterans and disabled veterans.
8. All construction contracts exceeding \$2,000 contain (will contain) the following provisions:
 - a. Compliance with the Davis-Bacon Act based on the current Federal wage rate determination; and
 - b. Compliance with the Contract Work Hours and Safety Standards Act (40 USC 327-330), Sections 103 and 107.
9. All construction contracts exceeding \$10,000 contain (will contain) appropriate clauses from 41 CFR Part 60 for compliance with Executive Orders 11246 and 11375 on Equal Employment Opportunity.

- b. Supporting documents for settlements are (will be) included in the project files.
- 11. If a negotiated settlement is not reached, the following procedures were (will be) used:
 - a. Condemnation was (will be) initiated and a court deposit not less than the just compensation was (will be) made prior to possession of the property; and
 - b. Supporting documents for awards were (will be) included in the project files.
- 12. If displacement of persons, businesses, farm operations, or non-profit organizations is involved, a relocation assistance program was (will be) established, with displaced parties receiving general information on the program in writing, including relocation eligibility, and a 90-day notice to vacate.
- 13. Relocation assistance services, comparable replacement housing, and payment of necessary relocation expenses were (will be) provided within a reasonable time period for each displaced occupant in accordance with the Uniform Act.
- E. Sponsor Certification for Construction Project Final Acceptance.** General requirements for final acceptance and closeout of Federally funded construction projects are in Title 49, CFR, Part 18.50. The Sponsor shall determine that project costs are accurate and proper in accordance with specific requirements of this grant Agreement and contract documents.
 - 1. The personnel engaged in project administration, engineering supervision, construction inspection, and testing were (will be) determined to be qualified as well as competent to perform the work.
 - 2. Daily construction records were (will be) kept by the resident engineer/construction inspector as follows:
 - a. Work in progress
 - b. Quality and quantity of materials delivered
 - c. Test locations and results
 - d. Instructions provided the contractor
 - e. Weather conditions
 - f. Equipment use
 - g. Labor requirements
 - h. Safety problems
 - i. Changes required.
 - 3. Weekly payroll records and statements of compliance were (will be) submitted by the prime contractor and reviewed by the Sponsor for Federal labor and civil rights requirements (Advisory Circulars 150/5100-6 and 150/5100-15).
 - 4. Complaints regarding the mandated Federal provisions set forth in the contract documents have been (will be) submitted to the FAA.
 - 5. All tests specified in the plans and specifications were (will be) performed and the test results documented as well as made available to the FAA.
 - 6. For any test results outside of allowable tolerances, appropriate corrective actions were (will be) taken.
 - 7. Payments to the contractor were (will be) made in compliance with contract provisions as follows:
 - a. Payments are verified by the Sponsor's internal audit of contract records kept by the resident engineer; and
 - b. If appropriate, pay reduction factors required by the specifications are applied in computing final payments; and a summary of pay reductions are made available to the FAA.

10. All contracts and subcontracts contain (will contain) clauses required from Title VI of the Civil Rights Act and 49 CFR 23 and 49 CFR 26 for Disadvantaged Business Enterprises.
11. Appropriate checks have been (will be) made to assure that contracts or subcontracts are not awarded to those individuals or firms suspended, debarred, or voluntarily excluded from doing business with any U.S. Department of Transportation (DOT) element and appearing on the DOT Unified List.

D. Sponsor Certification for Real Property Acquisition. General requirements on real property acquisition and relocation assistance are in Title 49, CFR, Part 24 and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act).

1. The Sponsor's attorney or other official has (will have) good and sufficient title and title evidence on property in the project.
2. If defects and/or encumbrances exist in the title that adversely impact the Sponsor's intended use of property in the project, they have been (will be) extinguished, modified, or subordinated.
3. If property for airport development is (will be) leased, the following conditions have been (will be) met:
 - a. The term is for 20 years or the useful life of the project;
 - b. The lessor is a public agency; and
 - c. The lease contains no provisions that prevent full compliance with this grant agreement.
4. Property in the project is (will be) in conformance with the current Exhibit "A" property map, which is based on deeds, title opinions, land surveys, the approved airport layout plan, and project documentation.
5. For any acquisition of property interest in noise sensitive approach zones and related areas, property interest was (will be) obtained to ensure land is used for purposes compatible with noise levels associated with operation of the airport.
6. For any acquisition of property interest in runway protection zones and areas related to 14 CFR 77 surfaces, property interest was (will be) obtained for the following:
 - a. The right of flight;
 - b. The right of ingress and egress to remove obstructions; and
 - c. The right to restrict the establishment of future obstructions.
7. Appraisals prepared by qualified real estate appraisers hired by the Sponsor include (will include) the following:
 - a. Valuation data to estimate the current market value for the property interest acquired on each parcel; and
 - b. Verification that an opportunity has been provided the property owner or representative to accompany appraisers during inspections.
8. Each appraisal has been (will be) reviewed by a qualified review appraiser to recommend an amount for the offer of just compensation, and the written appraisals and review appraisal are (will be) available to FAA for review.
9. A written offer to acquire each parcel was (will be) presented to the property owner for not less than the approved amount of just compensation.
10. Effort was (will be) made to acquire each property through the following negotiation procedures:
 - a. No coercive action was (will be) taken to induce agreement; and

8. The project was (will be) accomplished without significant deviations, changes, or modifications from the approved plans and specifications, except where approval is obtained from the FAA.
 9. A final project inspection was (will be) conducted with representatives of the Sponsor and the contractor, and project files contain (will contain) documentation of the final inspection.
 10. Work in this grant agreement was (will be) physically completed, and corrective actions required as a result of the final inspection are completed to the satisfaction of the Sponsor.
 11. If applicable, the as-built plans, an equipment inventory, and a revised airport layout plan have been (will be) submitted to the FAA.
 12. Applicable close out financial reports have been (will be) submitted to the FAA.
- F. Sponsor Certification for Seismic Design and Construction.** 49 CFR Part 41 sets forth the requirements in the design and construction of the building(s) to be financed with the assistance of the FAA. Compliance will be met by adhering to at least one of the following accepted standards:
1. Model codes found to provide a level of seismic safety substantially equivalent to that provided by use of the 1988 National Earthquake Hazards Reduction Program (NEHRP) including:
 - a. The 1991 International Conference of Building Officials (IBCO) Uniform Building Code, published by the International Conference of Building Officials, 5360 South Workman Mill Road, Whittier, California 90601;
 - b. The 1992 Supplement to the Building Officials and Code Administration International (BOCA) National Building Code, published by the Building Officials and Code Administrators, 4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795; and
 - c. The 1992 Amendments to the Southern Building Code Congress (SBCC) Standard Building Code, published by the Southern Building Code Congress International, 900 Montclair Road, Birmingham, Alabama 35213-1206.
 2. Revisions to the model codes listed above that are substantially equivalent or exceed the then current or immediately preceding edition of the NEHRP recommended provisions, as it is updated, may be approved by the DOT Operating Administration to meet the requirements of 49 CFR Part 41.
 3. State, county, local, or other jurisdictional building ordinances adopting and enforcing the model codes, listed above, in their entirety, without significant revisions or changes in the direction of less seismic safety, meet the requirement of 49 CFR Part 41.
- G. Sponsor Certification for Drug-Free Workplace.** General requirements on the drug-free workplace within Federal grant programs are described in Title 49, CFR, Part 29 and the Drug-Free Workplace Act of 1988. Sponsors are required to certify they will provide, or will continue to provide, a drug-free workplace in accordance with the regulation.
1. A statement has been (will be) published notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Sponsor's workplace, and specifying the actions to be taken against employees for violation of such prohibition.
 2. An ongoing drug-free awareness program has been (will be) established to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The Sponsor's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and

- d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- 3. Each employee to be engaged in the performance of the work has been (will be) given a copy of the statement required within item 1 above.
- 4. Employees have been (will be) notified in the statement required by item 1 above that, as a condition of employment under this grant, the employee will:
 - a. Abide by the terms of the statement; and
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.
- 5. The FAA will be notified in writing within ten calendar days after receiving notice under item 4b above from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title of the employee, to the FAA. Notices shall include the project number of each affected grant.
- 6. One of the following actions will be taken within 30 calendar days of receiving a notice under item 4b above with respect to any employee who is so convicted:
 - a. Take appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.
- 7. A good faith effort will be made to continue to maintain a drug-free workplace through implementation of items 1 through 6 above.

III. GENERAL CONDITIONS

- A. The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration under Title 49 U.S.C.
- B. Payment of the United States' share of the allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs, and settlement will be made for any upward or downward adjustments to the Federal share of costs.
- C. The Sponsor shall carry out and complete the Project(s) without undue delays and in accordance with the terms hereof, and such regulations and procedures as the Secretary shall prescribe.
- D. The FAA reserves the right to unilaterally terminate this grant if the Sponsor does not make at least one draw down of funds under their Letter of Credit or submit at least one written Request for Reimbursement, as applicable, in each twelve month period after grant acceptance.
- E. The Sponsor agrees to monitor progress on the work to be accomplished by this grant. For engineering services, the Sponsor agrees to make payment only for work that has been satisfactorily completed and that ten percent (10%) of the total value of the engineering services contract will not be paid to the Engineer until acceptable final project documentation is provided.
- F. The Sponsor agrees to submit final grant closeout documents to the FAA within 60 days after physical completion of the project(s), but no greater than four (4) years from the date of the grant, unless otherwise agreed to by the FAA.
- G. The FAA reserves the right to amend or withdraw this grant offer at any time prior to its acceptance by the Sponsor.

- H. This grant offer will expire, and the United States shall not be obligated to pay any part of the costs of the project unless this grant offer has been accepted by the Sponsor on or before 30 days after this grant offer but no later than September 30 of the federal fiscal year this grant offer was made, or such subsequent date as may be prescribed in writing by the FAA.
- I. The Sponsor shall take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or disbursed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. It shall obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. It shall return the recovered Federal share, including funds recovered by settlement, order or judgment, to the Secretary. It shall furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share shall be approved in advance by the Secretary.
- J. The United States shall not be responsible or liable for damage to property or injury to persons that may arise from, or be incident to, compliance with this grant agreement.
- K. If, during the life of the project, the FAA determines that this grant amount exceeds the expected needs of the Sponsor by \$5,000 or five percent (5%), whichever is greater, this grant amount can be unilaterally reduced by letter from FAA advising of the budget change. Conversely, with the exception of planning projects, if there is an overrun in the eligible project costs, FAA may increase this grant to cover the amount of the overrun not to exceed the statutory fifteen (15%) percent limitation for primary airports or either by not more than fifteen percent (15%) of the original grant amount or by an amount not to exceed twenty-five percent (25%) of the total increase in allowable project costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding for non-primary airports. FAA will advise the Sponsor by letter of the increase. Planning projects will not be increased above the planning portion of the maximum obligation of the United States shown in this grant agreement. Upon issuance of either of the aforementioned letters, the maximum obligation of the United States is adjusted to the amount specified. In addition, the Sponsor's officially designated representative, is authorized to request FAA concurrence in revising the project description and grant amount within statutory limitations. A letter from the FAA concurring in the said requested revision to the project work description and grant amount shall constitute an amendment to this Grant Agreement.
- L. If requested by the Sponsor and authorized by the FAA, the letter of credit method of payment may be used. It is understood and agreed that the Sponsor agrees to request cash withdrawals on the letter of credit only when actually needed for its disbursements and to timely reporting of such disbursements as required. It is understood that failure to adhere to this provision may cause the letter of credit to be revoked.
- M. Unless otherwise approved by the FAA, it will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for airport development or noise compatibility for which funds are provided under this grant. The Sponsor will include in every contract a provision implementing this condition.
- N. **Central Contractor Registration and Universal Identifier Requirements**

1. Requirement for Central Contractor Registration (CCR)

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial

registration, and more frequently if required by changes in your information or another award term.

2. Requirement for Data Universal Numbering System (DUNS) Numbers

If you are authorized to make subawards under this award, you:

- a. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
- b. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

3. Definitions

For purposes of this award term:

- a. **Central Contractor Registration (CCR)** means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at <http://www.ccr.gov>).
- b. **Data Universal Numbering System (DUNS) number** means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
- c. **Entity**, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - 1) A Governmental organization, which is a State, local government, or Indian Tribe;
 - 2) A foreign public entity;
 - 3) A domestic or foreign nonprofit organization;
 - 4) A domestic or foreign for-profit organization; and
 - 5) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
- d. **Subaward**:
 - 1) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - 2) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. 210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"). A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
- e. **Subrecipient** means an entity that:
 - 1) Receives a subaward from you under this award; and
 - 2) Is accountable to you for the use of the Federal funds provided by the subaward.
 - 3) A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
- O. If this grant agreement includes pavement work that equals or exceeds \$250,000, the Sponsor will perform the following:

1. Furnish a construction management program to FAA prior to the start of construction which shall detail the measures and procedures to be used to comply with the quality control provisions of the construction contract, including, but not limited to, all quality control provisions and tests required by the Federal specifications. The program shall include as a minimum:
 - a. The name of the person representing the Sponsor who has overall responsibility for contract administration for the project and the authority to take necessary actions to comply with the contract.
 - b. Names of testing laboratories and consulting engineer firms with quality control responsibilities on the project, together with a description of the services to be provided.
 - c. Procedures for determining that testing laboratories meet the requirements of the American Society of Testing Materials standards on laboratory evaluation, referenced in the contract specifications (D3666, C1077).
 - d. Qualifications of engineering supervision and construction inspection personnel.
 - e. A listing of all tests required by the contract specifications, including the type and frequency of tests to be taken, the method of sampling, the applicable test standard, and the acceptance criteria or tolerances permitted for each type of test.
 - f. Procedures for ensuring that the tests are taken in accordance with the program, that they are documented daily, that the proper corrective actions, where necessary, are undertaken.
 2. Submit at completion of the project, a final test and quality control report documenting the results of all tests performed, highlighting those tests that failed or did not meet the applicable test standard. The report shall include the pay reductions applied and reasons for accepting any out-of-tolerance material. An interim test and quality control report shall be submitted, if requested by the FAA.
 3. Failure to provide a complete report as described in paragraph 2, or failure to perform such tests, shall, absent any compelling justification, result in a reduction in Federal participation for costs incurred in connection with construction of the applicable pavement. Such reduction shall be at the discretion of the FAA and will be based on the type or types of required tests not performed or not documented and will be commensurate with the proportion of applicable pavement with respect to the total pavement constructed under this grant agreement.
 4. The FAA, at its discretion, reserves the right to conduct independent tests and to reduce grant payments accordingly if such independent tests determine that Sponsor tests results are inaccurate.
- P. For a project to replace or reconstruct pavement at the airport, the Sponsor shall implement an effective airport pavement maintenance management program as is required by Airport Sponsor Assurance Number 11. The Sponsor shall use such program for the useful life of any pavement constructed, reconstructed, or repaired with Federal financial assistance at the airport. As a minimum, the program must conform with the following provisions:

Pavement Maintenance Management Program

An effective pavement maintenance management program is one that details the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed. An airport sponsor may use any form of inspection program it deems appropriate. The program must, as a minimum, include the following:

1. **Pavement Inventory.** The following must be depicted in an appropriate form and level of detail:
 - a. Location of all runways, taxiways, and aprons;
 - b. Dimensions;

- c. Type of pavement, and;
- d. Year of construction or most recent major rehabilitation.

For compliance with the Airport Improvement Program (AIP) assurances, pavements that have been constructed, reconstructed, or repaired with federal financial assistance shall be so depicted.

2. Inspection Schedule.

- a. **Detailed Inspection.** A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available; i.e., Pavement Condition Index (PCI) survey as set forth in Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," the frequency of inspections may be extended to three years.
- b. **Drive-By Inspection.** A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition.

3. Record Keeping. Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The types of distress, their locations, and remedial action, scheduled or performed, must be documented. The minimum information to be recorded is listed below:

- a. Inspection date;
- b. Location;
- c. Distress types; and
- d. Maintenance scheduled or performed.

For drive-by inspections, the date of inspection and any maintenance performed must be recorded.

- 4. Information Retrieval.** An airport Sponsor may use any form of record keeping it deems appropriate, so long as the information and records produced by the pavement survey can be retrieved to provide a report to the FAA as may be required.
- 5. Reference.** Refer to Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," for specific guidelines and procedures for maintaining airport pavements and establishing an effective maintenance program. Specific types of distress, their probable causes, inspection guidelines, and recommended methods of repair are presented.

- Q. Takeover of Instrument Landing System and Associated Equipment In Project.** If this grant includes an instrument landing system and associated equipment and the FAA has agreed to takeover the system and equipment, the Sponsor must check the facility prior to its commissioning to assure it meets the operational standards. The Sponsor must also remove, relocate, or lower each obstruction on the approach, or provide for the adequate lighting or marking of the obstruction if any aeronautical study conducted under FAR part 77 determines that to be acceptable, and mark and light the runway, as appropriate.
- R. Airport-Owned Visual or Electronic NAVAIDS In Project.** If this grant includes a visual or electronic navigational aid, the Sponsor must provide for the continuous operation and maintenance of any navigational aid funded under the AIP during the useful life of the equipment and check the facility prior to its commissioning to assure it meets the operational standards. The Sponsor must also remove, relocate, or lower each obstruction on the approach or provide for the adequate lighting or marking of the obstruction if any aeronautical study conducted under FAR Part 77 determines that to be acceptable, and mark and light the runway, as appropriate. The FAA will not take over the ownership, operation, or maintenance of any sponsor-acquired equipment other than an AIP-funded instrument landing system and associated equipment where FAA agrees to take over the system and equipment.
- S. Non-AIP Work In Application.** It is understood and agreed by and between the parties hereto that notwithstanding the fact that a Project Application may include therein the construction of work not included in this grant agreement project description, said work shall not be a part of this project and, if or to the extent accomplished by the Sponsor, such accomplishment shall be

without any participation in the costs thereof by the United States under this project. It is further understood and agreed that, in the event the work which is excluded from the project is accomplished by the Sponsor, the Sponsor shall maintain as a portion of the cost records covering this project, separable cost records pertaining to the above-identified work excluded from Federal participation under this project, which records shall be made available for inspection and audit by the FAA to the end that the cost of the excluded work may be definitely determined..

It is further understood and agreed that the Sponsor will submit a Program Statement/cost estimate depicting the excluded costs or a cost estimate depicting only those costs eligible for Federal participation in this project.

- T. Utility Relocation in Project.** It is understood and agreed by and between the parties hereto that the United States shall not participate in the cost of any utility relocation unless and until the Sponsor has submitted evidence satisfactory to the FAA that the Sponsor is legally responsible for payment of such costs. FAA participation will be limited to those utilities located on private right-of-way or utilities that exclusively serve the Airport.
- U. Revenue from Real Property – Land In Project.** The Sponsor agrees that all net revenues produced from real property purchased in part with Federal funds in this grant shall be used on the airport for airport planning, development or operating expenses, except that all income from real property purchased for noise compatibility purposes or for future aeronautical use be used only to fund projects which would be eligible for grants under the Act. Income from noise or future use property may not be used for the Sponsor's matching share of any airport grant. Airport fiscal and accounting records shall clearly identify actual sources and uses of these funds.
- V. Future Development Land.** If this grant includes acquisition of land for future development, the Sponsor agrees to implement within five years of such grant the airport development that requires this land acquisition, unless the FAA agrees to a different duration. Furthermore, the Sponsor agrees not to dispose of the land by sale or lease without prior consent and approval of the FAA. In the event the land is not used within ten years for the purpose for which it was acquired, the Sponsor will refund the Federal share of acquisition cost or the current fair market value of the land, whichever is greater, unless the FAA agrees to a different duration.
- W. Runway Protection Zones.** The Sponsor agrees to take the following actions to maintain and/or acquire a property interest, satisfactory to the FAA, in the Runway Protection Zones:
- 1. Existing Fee Title Interest in the Runway Protection Zone:** The Sponsor agrees to prevent the erection or creation of any structure or place of public assembly in the Runway Protection Zone, except for NAVAIDS that are fixed by their functional purposes or any other structure approved by the FAA. Any existing structures or uses within the Runway Protection Zone will be cleared or discontinued unless approved by the FAA.
 - 2. Existing Easement Interest in the Runway Protection Zone:** The Sponsor agrees to take any and all steps necessary to ensure that the owner of the land within the designated Runway Protection Zone will not build any structure in the Runway Protection Zone that is a hazard to air navigation or which might create glare or misleading lights or lead to the construction of residences, fuel handling and storage facilities, smoke generating activities, or places of public assembly, such as churches, schools, office buildings, shopping centers, and stadiums.
 - 3. Future Interest in the Runway Protection Zone:** The Sponsor agrees that it will acquire fee title or less-than-fee interest in the Runway Protection Zones that presently are not under its control under an agreed schedule with the FAA. Said interest shall provide the protection noted in above Subparagraphs 1 and 2.
- X. Noise Projects on Privately Owned Property.** No payment shall be made under the terms of this grant agreement for work accomplished on privately owned land until the Sponsor submits the agreement with the owner of the property required by Assurance 5d of the *ASSURANCES Airport Sponsors*, and such agreement is determined to be satisfactory. As a minimum, the agreement with the private owner must contain the following provisions:

1. The property owner shall subject the construction work on the project to such inspection and approval during the construction or installation of the noise compatibility measures and after completion of the measures as they may reasonably be requested by the Secretary or the Sponsor.
 2. The property owner shall assume the responsibility for maintenance and operation of the items installed, purchased, or constructed under this grant agreement. Neither the FAA nor the Sponsor bears any responsibility for the maintenance and operation of these items.
 3. If Federal funds for the noise compatibility measures are transferred by the Sponsor to the owner of the private property, or the owner's agent, the property owner shall agree to maintain and make available to the Secretary or the Sponsor, upon reasonable request, records disclosing the amount of funds received and the disposition of those funds.
 4. The property owner's right to sue the owner of the noise-impacting Airport for adverse noise impacts will be abrogated if the property owner deliberately or willfully acts to reduce or destroy the effectiveness of the noise compatibility measures during the useful life of such measures. This obligation shall remain in effect throughout the useful life of the noise compatibility measures, but not to exceed 20 years from the date of the Sponsor's acceptance of federal aid for the project.
- Y. Update Approved Exhibit "A" For Land in Project.** It is understood and agreed by and between the parties hereto that notwithstanding the fact that this grant offer is made and accepted upon the basis of the current Exhibit "A" Property Map, the Sponsor hereby covenants and agrees that upon completion of an AIP funded land acquisition project, it will update said Exhibit "A" Property Map to standards satisfactory to the FAA and submit said documentation in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Exhibit "A" Property Map is an eligible administrative cost for participation within the scope of this project.
- Z. Friction Measuring Devices.** If this grant includes acquisition of friction measuring devices, the Sponsor assures that it will properly calibrate, operate, and maintain the friction measuring equipment in accordance with the manufacturer's guidelines and instructions and Advisory Circular 150/5320-12. The friction measuring equipment and tow vehicle (if applicable) shall not be used for any other purpose other than for conducting friction measuring tests on airport pavement surfaces and directly related activities, such as training and calibration.
- AA. Low Emission Systems.** If this grant includes low emission systems work, the Sponsor agrees to the following conditions under the Voluntary Airport Low Emission (VALE) program:
1. Vehicles and equipment purchased with assistance from this grant shall be maintained and used for their useful life at the airport for which they were purchased. Moreover, any vehicles or equipment replaced under this program shall not be transferred to another airport or location within the same or any other nonattainment or maintenance area. No airport-owned vehicles or equipment may be transferred to, taken to, or used at another airport without the consent of the FAA in consultation with the United States Environmental Protection Agency and State air quality agency.
 2. All vehicles and equipment purchased with assistance from this grant shall be clearly labeled using the VALE program emblem designed by the FAA.
 3. The Sponsor shall maintain annual reporting records of all vehicles and equipment purchased with assistance from this grant. These public records shall contain detailed information involving individual vehicles and equipment, project expenditures, cost effectiveness, and emission reductions.

The Sponsor certifies that it shall replace any disabled or seriously damaged vehicle or equipment purchased with assistance from this grant, at any time during its useful life, with an equivalent vehicle or unit that produces an equal or lower level of emissions. The Sponsor assumes all financial responsibility for replacement costs. The Sponsor also certifies that it shall fulfill this replacement obligation, beyond the useful life of the affected vehicle or equipment, for

the possible longer life of Airport Emission Reduction Credits that were granted to the Sponsor for this vehicle or equipment.

IV. ASSURANCES

The following FAA document titled *ASSURANCES Airport Sponsors*, dated April 2012, is incorporated as part of these Terms and Conditions:

Assurances

Airport Sponsors

April 2012

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "Sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the Sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.** The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.
2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.** The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.
3. **Airport Planning Undertaken by a Sponsor.** Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 30, 32, 33, and 34 in section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project.

C. Sponsor Certification. The Sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements.** It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

- a. Title 49, U.S.C., subtitle VII, as amended.
- b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.¹
- c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- d. Hatch Act - 5 U.S.C. 1501, et seq.²
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.¹²
- f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).¹
- g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.¹
- h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended.
- j. Coastal Zone Management Act, P.L. 93-205, as amended.
- k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.¹
- l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))
- m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
- n. Civil Rights Act of 1964 - Title VI - 42 U.S.C. 2000d through d-4.
- o. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- p. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- q. Architectural Barriers Act of 1968 - 42 U.S.C. 4151, et seq.¹
- r. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.¹
- s. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.¹
- t. Copeland Anti kickback Act - 18 U.S.C. 874.1
- u. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.¹
- v. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- w. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.²
- x. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

Executive Orders

- Executive Order 11246 - Equal Employment Opportunity¹
- Executive Order 11990 - Protection of Wetlands
- Executive Order 11998 - Flood Plain Management
- Executive Order 12372 - Intergovernmental Review of Federal Programs
- Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction¹
- Executive Order 12898 - Environmental Justice

Federal Regulations

- a. 14 CFR Part 13 - Investigative and Enforcement Procedures.
- b. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.

- c. 14 CFR Part 150 - Airport noise compatibility planning.
- d. 29 CFR Part 1 - Procedures for predetermination of wage rates.¹
- e. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.¹
- f. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).¹
- g. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).¹
- h. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.³
- i. 49 CFR Part 20 - New restrictions on lobbying.
- j. 49 CFR Part 21 - Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
- k. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.
- l. 49 CFR Part 24 - Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.^{1,2}
- m. 49 CFR Part 26 - Participation By Disadvantaged Business Enterprises in Department of Transportation Programs.
- n. 49 CFR Part 27 - Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance.¹
- o. 49 CFR Part 29 - Government wide debarment and suspension (nonprocurement) and government wide requirements for drug-free workplace (grants).
- p. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
- q. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.¹

Office of Management and Budget Circulars

- a. A-87 - Cost Principles Applicable to Grants and Contracts with State and Local Governments.
- b. A-133 - Audits of States, Local Governments, and Non-Profit Organizations

¹ These laws do not apply to airport planning sponsors.

² These laws do not apply to private sponsors.

³ 49 CFR Part 18 and OMB Circular A-87 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

2. Responsibility and Authority of the Sponsor.

- a. **Public Agency Sponsor:** It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
- b. **Private Sponsor:** It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability. It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. Good Title.

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.
- b. For noise compatibility program projects to be carried out on the property of the Sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the Sponsor. This shall be done in a manner acceptable to the Secretary.
- b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the Sponsor shall insert in the contract or document transferring or disposing of the Sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.
- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the Sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement

against the local government if there is substantial non-compliance with the terms of the agreement.

- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
 - e. If the Sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
 - f. If an arrangement is made for management and operation of the airport by any agency or person other than the Sponsor or an employee of the Sponsor, the Sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.
 - g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.
6. **Consistency with Local Plans.** The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.
 7. **Consideration of Local Interest.** It has given fair consideration to the interest of communities in or near where the project may be located.
 8. **Consultation with Users.** In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.
 9. **Public Hearings.** In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.
 10. **Air and Water Quality Standards.** In projects involving airport location, a major runway extension, or runway location it will provide for the Governor of the state in which the project is located to certify in writing to the Secretary that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within sixty days after the project application has been received by the Secretary.

11. **Pavement Preventive Maintenance.** With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.
12. **Terminal Development Prerequisites.** For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.
13. **Accounting System, Audit, and Record Keeping Requirements.**
 - a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
 - b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.
14. **Minimum Wage Rates.** It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.
15. **Veteran's Preference.** It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.
16. **Conformity to Plans and Specifications.** It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. Construction Inspection and Approval. It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects. In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the Sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the Sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. Operation and Maintenance.

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the Sponsor will have in effect arrangements for-
 - 1) Operating the airport's aeronautical facilities whenever required;
 - 2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
 - 3) Promptly notifying airmen of any condition affecting aeronautical use of the airport.

Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility

which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the Sponsor.

- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.
20. **Hazard Removal and Mitigation.** It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.
21. **Compatible Land Use.** It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.
22. **Economic Nondiscrimination.**
- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
 - b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the Sponsor will insert and enforce provisions requiring the contractor to-
 - 1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
 - 2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
 - c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
 - d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
 - e. Each air carrier using such airport (whether as a tenant, non tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non tenants and signatory carriers and non signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.
 - f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.

- g. In the event the Sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the Sponsor under these provisions.
 - h. The Sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
 - i. The Sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.
- 23. Exclusive Rights.** It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:
- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
 - b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.
- 24. Fee and Rental Structure.** It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.
- 25. Airport Revenues.**
- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
 - 1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

- 2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
 - 3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.
- b. As part of the annual audit required under the Single Audit Act of 1984, the Sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
 - c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.
- 26. Reports and Inspections. It will:**
- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
 - b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
 - c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and
 - d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
 - 1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
 - 2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.
- 27. Use by Government Aircraft.** It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the Sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary,

would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
 - b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.
- 28. Land for Federal Facilities.** It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the Sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.
- 29. Airport Layout Plan.**
- a. It will keep up to date at all times an airport layout plan of the airport showing (1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the Sponsor for airport purposes and proposed additions thereto; (2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities; (3) the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and (4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The Sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.
 - b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities, except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.
- 30. Civil Rights.** It will comply with such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from funds received from this grant. This assurance obligates the Sponsor for the period during which Federal financial assistance is extended to the program, except where Federal financial assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon in which case the assurance obligates the Sponsor or any transferee for the longer of the following periods: (a) the period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits, or (b) the period during which the Sponsor retains ownership or possession of the property.

31. Disposal of Land.

- a. For land purchased under a grant for airport noise compatibility purposes, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.
- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.
- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
- d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services. It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the Sponsor of the airport.

33. Foreign Market Restrictions. It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such

foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.** It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the "Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects", dated (the latest approved version as of this grant offer) and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.
35. **Relocation and Real Property Acquisition.** (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.
36. **Access By Intercity Buses.** The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.
37. **Disadvantaged Business Enterprises.** The recipient shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non discrimination in the award and administration of DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26, and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801).
38. **Hangar Construction.** If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.
39. **Competitive Access.**
 - a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:
 - 1) Describes the requests;
 - 2) Provides an explanation as to why the requests could not be accommodated; and
 - 3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.
 - b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.



County Council of Beaufort County
Hilton Head Island Airport – www.hiltonheadairport.com
Beaufort County Airport – www.beaufortcoairport.com
Post Office Box 23739 – 120 Beach City Road
Hilton Head Island, South Carolina 29925-3739
Phone: (843) 255-2950 - Fax: (843) 255-9424

TO: Councilman Herbert Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator *GKubic*
Bryan Hill, Deputy County Administrator *BHill*
Joshua Gruber, County Attorney *JGruber*
David Starkey, Chief Financial Officer *DStarkey*
Dave Thomas, Purchasing Director *DThomas*
Monica Spells, Compliance Officer *MSpells*
Rob McFee, Director, Engineering and Infrastructure Division *Rob McFee*

FROM: Paul Andres, Director of Airports *PA*

SUBJ: **Hilton Head Island Airport Phase III Data Recovery and Public Outreach Program**

DATE: June 12, 2012

BACKGROUND. Talbert, Bright, and Ellington, Inc. is currently under contract to provide professional consulting and engineering services in support of Beaufort County airport projects. Attached is the proposed scope of work to conduct a Phase III Data Recovery and Public Outreach Program associated with the Mitchelville artifacts discovered on the north end of airport property. This project is necessary to satisfy the requirements of the ongoing Environmental Assessment associated with Phase I of the Master Plan. The Airports Board favorably endorses this project.

FUNDING. Funding for this project will come from FAA Grant #33 (90%) which totals \$402,750.00; a State Grant (5% pending); and a local 5% match of \$22,155.00 which will come from the Airports Operating Budget.

RECOMMENDATION. That the Public Facilities Committee approve and recommend to County Council awarding a contract in the amount of \$443,097.70 to Talbert, Bright, and Ellington, Inc. to conduct a Phase III Data Recovery and Public Outreach Program associated with the Mitchelville artifacts located on the Hilton Head Island Airport.

PAA/paa

Attachment: TBI Work Authorization 12-02

**HILTON HEAD ISLAND AIRPORT
HILTON HEAD ISLAND, SOUTH CAROLINA
WORK AUTHORIZATION 12-02
May 31, 2012
PROJECT NO.: TBI NO. 2119-1202**

It is agreed to undertake the following work in accordance with the provisions of our Contract for Professional Services.

Description of Work Authorized: In January 2012, an intensive survey of the Hilton Head Island Airport (HXD) Phase I development project area of potential effect was undertaken and Site 38BU2301 was identified covering much of the northern end of the HXD property. This site contains artifacts and deposits associated with Pre-Contact Woodland occupations and mid- to late-nineteenth century occupations associated with the settlement of Mitchelville. Comparing the clusters of metal detected artifacts and artifacts from shovel tests, there is a potential presence of the remnants of a number of households in two of the blocks/streets indicated on the 1864 map of Mitchelville. The presence of these artifact clusters indicates that archaeological deposits in this portion of Mitchelville can generate important information about the people who lived there during 1860s-1920s, and thereby indicates the National Register of Historic Places (NRHP) eligibility of the site.

Since this area cannot be avoided by the implementation of the Phase I development projects, a Phase III data recovery program and public outreach program will be conducted at the request of the South Carolina Department of Archives and History State Historic Preservation Office and FAA.

The Phase III data recovery and public outreach program will showcase the historical and archaeological significance of Mitchelville and create opportunities for the public to make meaningful connections to the cultural history of the site. The proposed interpretive products, which are part of the public outreach program will include:

- A permanent museum exhibition of the recovered artifacts
- A multi-page web site that explores the history of Mitchelville and the archaeological investigations
- Educational materials for teachers that will provide the opportunity to bring this information to the classroom for discussion of events that have local and national significance

Estimated Time Schedule: Work shall be completed in accordance with the schedule established and agreed upon by the Owner and Engineer.

Cost of Services: The method of payment shall be in accordance with Article 6 of the Master Contract. The work shall be performed in accordance with the Master Contract as a lump sum of **\$443,097.70.**

Agreed as to Scope of Services, Time Schedule and Budget:

APPROVED:
BEAUFORT COUNTY

APPROVED:
TALBERT, BRIGHT & ELLINGTON,
INC.

Title

Vice President
Title:

Date:

Date:

Witness:

Witness:

MANHOUR ESTIMATE

**PHASE III DATA RECOVERY AND PUBLIC OUTREACH PROGRAM
HILTON HEAD ISLAND AIRPORT
HILTON HEAD ISLAND, SOUTH CAROLINA
AIP PROJECT NO:
SCDOA PROJECT NO:
CLIENT PROJECT NO:
TBI PROJECT NO. 2119-1202**

May 31, 2012

DESCRIPTION	PRN	PM	SP	E6	E4	E2	E1	T3	PL1	AD4	AD3
	\$ 161	\$ 158	\$ 125	\$ 142	\$ 107	\$ 78	\$ 61	\$ 98	\$ 58	\$ 67	\$ 53
PROJECT MANAGEMENT											
Coordinate with Subcontractors	^	^	^	^	^	^	^	^	^	^	^
Project Management	40	0	80	0	0	0	0	0	0	4	0
Report Review	16	0	40	0	0	0	0	0	40	0	0
Field Review	40	0	80	0	0	0	0	0	0	0	0
Meetings (4)	32	0	32	0	0	0	0	0	0	0	0
MANHOUR TOTAL	136	0	272	0	0	0	0	0	40	6	0

**DIRECT LABOR EXPENSES
CLASSIFICATION**

CLASSIFICATION	PRN	BILL RATE	E.T MHR	EST COST
Principal	PRN	\$ 168	136	\$ 22,848
Project Manager	PM	\$ 158	-	-
Senior Planner	SP	\$ 125	272	\$ 34,000
Engineer VI	E6	\$ 142	-	-
Engineer IV	E4	\$ 108	-	-
Engineer II	E2	\$ 78	-	-
Engineer I	E1	\$ 61	-	-
Technician V	T3	\$ 98	-	-
Planner I	PL1	\$ 58	40	\$ 2,320
Administrative Assistant 4	AD4	\$ 67	6	\$ 402
Administrative Assistant 3	AD3	\$ 53	-	-
				\$ -
			Total	454
SUBTOTAL				\$ 59,570.00

DIRECT EXPENSES

EXPENSE DESCRIPTION	UNIT	UNIT RATE	EST UNITS	EST COST
Telephone	LS	\$ 250.00	1	\$ 250
Postage	LS	\$ 500.00	1	\$ 500
Miscellaneous Expenses (pizza, faxes, copies)	LS	\$ 1,000.00	0	\$ -
Travel/Per Diem	LS	\$ 10,000.00	1	\$ 10,000
SUBTOTAL				\$ 10,750.00

SCOPE OF SUBCONTRACTED SERVICES

EXPENSE DESCRIPTION	UNIT	UNIT RATE	E.T UNITS	EST COST
Phase III Data Recovery	LS	\$ 229,840	0	\$ 229,840
Public Outreach Program	LS	\$ 142,938	0	\$ 142,938
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
SUBTOTAL				\$ 372,778

TOTAL COST: \$ 443,097.70



COUNTY COUNCIL OF BEAUFORT COUNTY
BEAUFORT COUNTY ENGINEERING DIVISION

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

TO: Councilman Herbert N. Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator
Bryan Hill, Deputy Administrator
David Starkey, Chief Financial Officer
Robert McFee, Director of Engineering and Infrastructure
Dave Thomas, Purchasing Director
Monica Spells, Compliance Officer

FROM: Robert Klink, County Engineer

SUBJ: SC 170 Design Construction Engineering Services
Beaufort County Sales Tax Project #3

DATE: June 19, 2012

BACKGROUND. SC 170 widening from US 278 to SC 46 is an approved 1% sales tax road improvement project and will soon go to construction. While the County will have construction engineering inspection/management (CEI/CM) services with another contractor, it will be necessary to have the assistance of the design engineer. Design questions, clarifications and/or revisions will need to be answered. The SC 170 design firm, Thomas & Hutton, has given the County the attached proposal to provide these services at a not to exceed cost \$217,000. Their price breakdown and scope of services documentation has been reviewed and it is recommended that Thomas & Hutton be retained for these services during construction.

This project will be funded from the 1% Sales Tax Road Improvement Program, Acct# 33403-54500. In February 2012, the South Carolina State Transportation Infrastructure Bank had approved a \$25 million dollar grant for the widening of SC 170 Phases 1 & 2 from US 278 to SC 46.

RECOMMENDATION: The Public Facilities Committee approve and recommend to County Council approval of a contract change order to Thomas & Hutton for design assistance during widening construction of SC 170 in the amount of \$217,000 on an as needed basis.

REK/mjh

Attachments: 1) 5/16/12 Thomas & Hutton Design Assistance Proposal
2) 6/18/12 Purchasing Director Memo
3) 6/18/12 Non-Competitive Purchase Request Form

Contract/STP03/PFCapp-T&HDesignAsst

THOMAS & HUTTON

50 PARK OF COMMERCE WAY | POST OFFICE BOX 2727
SAVANNAH, GA 31402-2727 | 912.234.5300
WWW.THOMASANDHUTTON.COM

May 16, 2012

Mr. Robert Klink, P.E.
Beaufort County Engineer
Beaufort County Development Division
Post Office Box 1228
Beaufort, SC 29901-1228

Re: SC 170 Designer Assistance
During Construction

Dear Mr. Klink:

In accordance with the request by Beaufort County we have prepared a fee summary to assist the County during the construction phase of the SC 170 Widening Project. We have attached the following summary of work in spreadsheet form for your review and approval. The spreadsheet outlines the work tasks to be completed as a part of the project and shows hours and rates to complete the work. These tasks and hours allow us to establish a budget for the project and the work will be billed on an as needed basis as directed by the County.

The work will include attendance of the pre-construction conference, attendance as requested to the weekly construction meetings, utility coordination, coordination with SCDOT/County, addressing RFI's, and plan revisions. As discussed previously, the work will be completed on an as needed basis to answer questions and interpret the construction drawings based on the design decisions made for the project. As the designer of record, Thomas & Hutton, as much as anyone else would like to see the project be a success. This arrangement has worked well in the past between the County and Thomas & Hutton. If you will recall a similar arrangement was used on the Bluffton Parkway Phase 3 & 4 project and we were able to quickly respond to questions from the contractor and the project was completed on time and under budget.

We appreciate the opportunity to continue our work with the County on this project. If you have any question or comments regarding the attached information please contact our office to discuss.

Sincerely,

THOMAS & HUTTON



Doyle D. Kelley, Jr. P.E.

DDK,Jr./kts

Enclosure



Memorandum

FROM: Dave Thomas, Purchasing Department Director *DT*

SUBJ: **Non-Competitive Purchase of Engineering Design Services During Construction of SC 170 Widening – Sales Tax #3**

DATE: June 18, 2012

The Purchasing Department has reviewed the 6/18/12 request from the County Engineer for the subject engineering services to be completed by Thomas & Hutton Engineering Company (T&H).

T&H has a current contract with the County for engineering design services on the SC 170 widening. In 2007, the County advertised a proposal for engineering design services for several of the County's sales tax projects. T&H's proposal was evaluated by a selection committee with the other 16 proposals received. T&H was recommended by the selection committee as the firm who could best design the SC 170 widening improvements. County Council then awarded a design contract in the amount of \$1,419,855 to T&H.

The Engineering Division has indicated in the attached non-competitive purchase form that since now the SC 170 project will be awarded soon, design assistance from the engineering firm of record will be needed when construction starts. Therefore, the non-competitive purchase form for Thomas & Hutton Engineering Company to complete the necessary design engineer assistance during construction of the SC 170 widening project is endorsed by the County Purchasing Department.



Non-Competitive Purchases Form

This form shall be completed for any non-competitive purchase over \$2,500 that is not exempt.

(a) A County contract may be awarded without competition when the Purchasing Director determines in writing, after conducting a good faith review of available sources, that there is only one source for the required supply, service, or construction item. The Purchasing Director shall conduct negotiations, as appropriate, as to price, delivery, and terms. A record of sole source procurements shall be maintained as public record and shall list each contractor's name, the amount and type of each contract, a listing of the items procured under each contract, and the identification of each contract file.

(b) Sole source procurement of a used item from the open market may only be considered, provided that:

- (1) The using agency recommends purchase;
- (2) condition of the item is verified by appropriate County official; and
- (3) price analysis justifies purchase when the following factors are considered: (a) new acquisition price; (b) current book value; and (c) maintenance costs.

Code 1982 SS 12-19 Sec. 2-518 Sole source procurement

The County Council may by resolution, exempt specific supplies or services from the purchasing procedures required in the Code. The following supplies and services shall be exempt from the purchasing procedures required in this division; however, the Purchasing Director for just cause may limit or withdraw any exemption provided for in this section. (1) Works of art for museum and public display (2) Published books, library books, maps, periodicals, technical pamphlets (3) Copyrighted educational films, filmstrips, slides and transparencies (4) Postage stamps and postal fees (5) Professional dues, membership fees and seminar registration fees (6) Medicine and drugs (7) Utilities including gas, electric, water and sewer (8) Advertisements in professional publications or newspapers (9) Fresh fruit, vegetables, meats, fish, milk, bread and eggs (10) Oil company credit cards (11) Articles for commercial sale by all governmental bodies

Code 1982 SS 12-14 Ord. No. 2000-1 S 1, 1-1-0-2000 Sec. 2-514 Exemption from procedures

Notwithstanding any other section of this division, the Purchasing Director may make or authorize others to make emergency procurements of supplies, services, or construction items when there exists a threat to the functioning of county government; for the preservation or protection of property; or for the health, welfare or safety of any person, provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. As soon as practicable, a record of each emergency procurement shall be made and shall set forth the contractor's name, the amount and type of the contract, a listing of the items procured under the contract, and the identification number of the contract file.

Code 1982 SS 12-20 Sec. 2-519 Emergency procurements

Requesting Department: Engineering Division Requested Account Code: 33403-54500

Description of Requested Services

Engineering Design Assistance for SC 170 Widening Construction Phases 1 & 2 Sales Tax Project #3

Please provide a listing of the items purchased, if additional pages are necessary please attach to this form:

Cost of Requested Services: \$217,000

Requested Vendor Name: Thomas & Hutton Engineering Co.

Requested Vendor Address: PO Box 2727, Savannah, GA 31405



Non-Competitive Purchases Form

Requested Vendor Phone Number: 912-234-2950 Requested Vendor Email Address: 912-234-5300

Type of Service Requested (Please check one) Construction Services Supply/Good

Please attach any documentation provided by the vendor that provides back up for the claims in this document.

Please select a reason below as to why this is a non-competitive purchase and provide a brief explanation.

- It is not possible to obtain competition. There is only one source available for the supply, service, or construction item.*
- The procurement is for a used item from the open market. The item may only be considered if, (1) the using agency recommends purchase, (2) condition of the item is verified by appropriate County official, (3) Price analysis justifies purchase when the following factors are considered: (a) new acquisition price; (b) current book value; and (c) maintenance costs.*
- The item is a single source purchase. Other sources may be available but purchases are directed to one source because of factors unique to Beaufort County. Please select an option below:*
 - Standardization*
 - Warranty*
 - Other, if selected please specify below.*

T&H was awarded the original professional engineering services contract for the Sales Tax Project #3 – SC 170 widening Improvements. This firm is the active design consultant/engineer of record for the County on this project. The County was awarded a \$25 million dollar SIB Grant in Feb 2012 for construction of Phases 1 & 2. The project has been advertised for bids and bids received on June 14, 2012. A recommendation for contract award for the construction of SC 170 is moving forward to County Council. It is anticipated that the contract award will be completed in July 2012.

This request for non-competitive purchase, is for T & H to to provide design assistance during construction. T & H should be consultant to provide the engineering design assistance needs during construction and is recommended as a non-competitive purchase. T & H has participated in all phases of the planning and design of the SC 170 widening improvements with the County and outside agencies. The time expended on hiring a new design consultant to assist during construction would hinder the construction effort tremendously.

- An emergency exists that threatens the functioning of County government.*
- An emergency exists that threatens the preservation or protection of County property.*
- An emergency exists that threatens the health, welfare or safety or any person within the County.*

What steps have been taken to verify that these features are not available elsewhere?

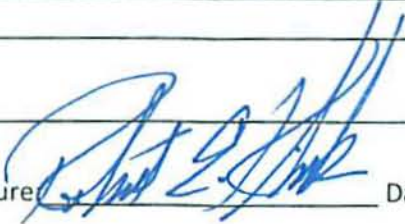


Non-Competitive Purchases Form

Other brands/manufacturers were examined (please list names and contact information, and explain why they are not suitable for use by the County-attach additional pages as necessary):

Other vendors were contracted (please list names and contact information and explain why those contacted did not meet the needs of the County-attach additional pages as necessary):

Requester Name: _____ Requester Signature: _____ Date: _____

Department Head Name: Robert E. Klink Department Head Signature:  Date: 6/18/12

For Purchasing Completion only:

Date Received in Purchasing Department: _____

Reviewed by Purchasing Department for completeness

Date: _____

Reviewed by: _____

Verified that this is the only source: Yes No

Comments: _____

Purchasing Director or His Designee Approval Signature: _____

Associated Purchase Orders Number: 20080286, (original PO) 20110219 (FY 2011 replacement), 20120155 (current PO), 20120912 (current PO for Phase 2 Design Update)

Associated Contract Number: _____



COUNTY COUNCIL OF BEAUFORT COUNTY
BEAUFORT COUNTY ENGINEERING DIVISION

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

TO: Councilman Herbert N. Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator
Bryan Hill, Deputy Administrator
David Starkey, Chief Financial Officer
Robert McFee, Director of Engineering and Infrastructure
Dave Thomas, Purchasing Director
Monica Spells, Compliance Officer

Handwritten signatures and initials in blue ink: OKUBIC, Hill, Starkey, McFee, Thomas, Spells, and Klink.

FROM: Robert Klink, County Engineer

SUBJ: SC 170 Widening Construction – US 278 to SC 46 (Phases 1 & 2) : IFB #2909/120630
Beaufort County Sales Tax Project #3

DATE: June 18, 2012

BACKGROUND. During May 2012, Beaufort County issued an invitation for bids to perform widening construction of SC 170 from US 278 (McGarvey’s Corner) to SC 46. This project consists of 4.5-mile, 4-lane divided roadway with 10-foot multi-use pathways. Bidders were allowed to submit bids based on three alternate option methods of construction. Bidders submitted bids for option 3 only. Listed below with their corresponding bid are the 5 firms that submitted bids on June 14, 2012:

Bidder	Option 3 Bid Submitted
Cleland Site Prep, Inc., 2894 Argent Blvd, Ridgeland, SC	\$ 14,998,972.30
RB Baker Infrastructure, 100 Morgan Ind Blvd, Garden City, GA	15,446,574.89
APAC-Southeast, Inc., 47 Telfair Place, Savannah, GA	15,886,273.81
JR Wilson Construction Co, 4985 Savannah Hwy, Hampton, SC	17,165,503.00
Sanders Brothers Construction, 1990 Harley St, N. Charleston, SC	17,666,370.90
Engineers Estimate	17,342,783.00

Cleland Site Prep., Inc., was the certified low bidder and is in compliance with the County’s SMB Participation Ordinance. An analysis of their bid prices revealed no apparent cause for rejecting their bid. This project will be funded from the 1% Sales Tax Road Improvement Program, Acct# 33403-54500. In February 2012, the South Carolina State Transportation Infrastructure Bank had approved a \$25 million dollar grant for this project.


RECOMMENDATION: The Public Facilities Committee approve and recommend to County Council approval of a contract award to Cleland Site Prep., Inc. in the amount of \$14,998,972.30 for the construction SC 170 Widening from US 278 to SC 46.

REK/mjh

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

Beaufort County Engineering Division
 Bid Tab Summary – SC 170 Widening from US 278 to SC 46
 IFB #2909/120630
 Bid Opening: Jun 14, 2012

BIDDER				CLELAND SITE PREP		BAKER INFRASTRUCTURE GROUP, INC.		OLD CASTLE SOUTHERN GROUP d/b/a APAC, SE		JR. WILSON CONSTRUCTION CO., INC.		SANDERS BROTHERS CONSTRUCTION CO.		ENGINEER'S OPINION - THOMAS & HUTTON	
ITEM	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	ESTIMATE PRICE
PROJECT SUBTOTAL COST				No Bid		No Bid		No Bid		No Bid		No Bid		\$ 15,318,343.00	
COST OPTION 1				No Bid		No Bid		No Bid		No Bid		No Bid		\$ 5,414,600.00	
TOTAL PROJECT COST w/OPTION 1 - ASPHALT AGGREGATE BASE COURSE				No Bid		No Bid		No Bid		No Bid		No Bid		\$ 70,732,943.00	
PROJECT SUBTOTAL COST				No Bid		No Bid		No Bid		No Bid		No Bid		\$ 15,318,343.00	
COST OPTION 2				No Bid		No Bid		No Bid		No Bid		No Bid		\$ 2,902,620.00	
TOTAL PROJECT COST w/OPTION 2 - CEMENT STABILIZED AGGREGATE BASE COURSE				No Bid		No Bid		No Bid		No Bid		No Bid		\$ 18,220,963.00	
PROJECT SUBTOTAL COST				\$ 12,661,162.00		\$ 13,285,194.59		\$ 13,719,237.21		\$ 14,828,645.50		\$ 15,304,796.40		\$ 15,318,343.00	
COST OPTION 3				\$ 2,337,810.30		\$ 2,161,380.30		\$ 2,166,936.60		\$ 2,336,857.50		\$ 2,361,574.50		\$ 2,074,640.00	
TOTAL PROJECT COST w/OPTION 3 - GRADED AGGREGATE BASE COURSE				\$ 14,998,972.30		\$ 15,446,574.89		\$ 15,886,273.81		\$ 17,165,503.00		\$ 17,666,370.90		\$ 17,342,983.00	
Acknowledment/Receipt of Addenda #1				Yes		Yes		Yes		Yes		Yes		NA	
Acknowledment/Receipt of Addenda #2				Yes		Yes		Yes		Yes		Yes		NA	
Acknowledment/Receipt of Addenda #3				Yes		Yes		Yes		Yes		Yes		NA	
Acknowledment/Receipt of Addenda #4				Yes		Yes		Yes		Yes		Yes		NA	

Reviewed by:

 Diane Deering, P.E.
 Thomas & Hutton

Checked by:

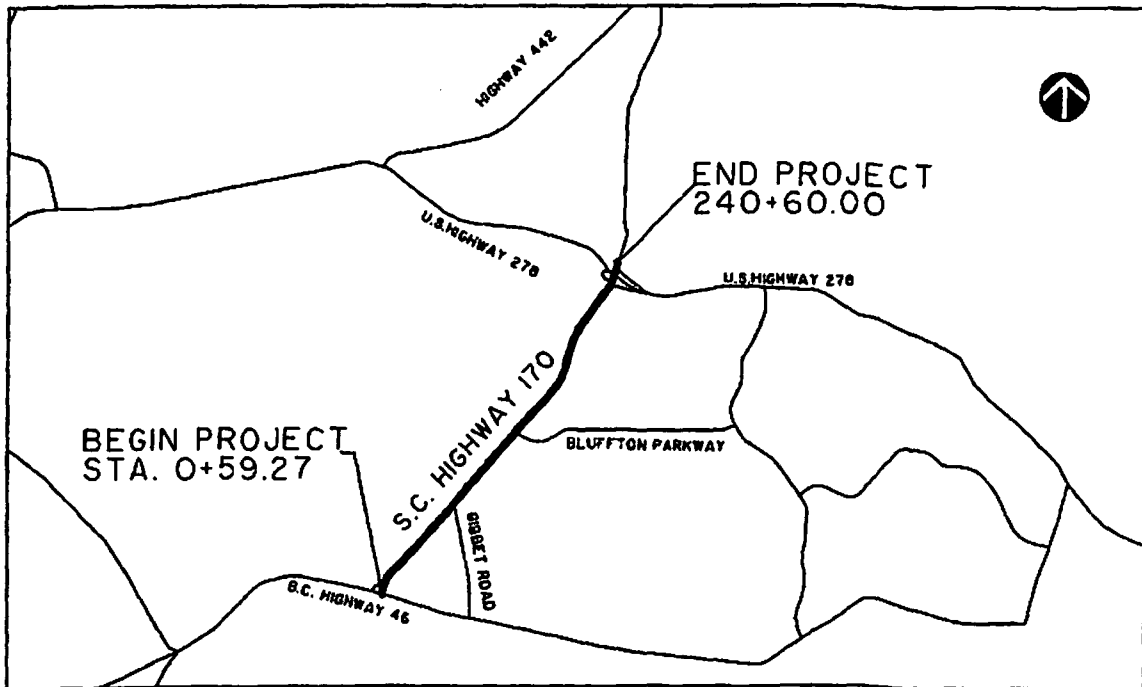
 Donnie Williams
 Thomas & Hutton

To the best of my knowledge information and belief, the attached bid tabulation is an accurate summary of the bids received on Thursday, June 14, 2012 at 3:00 PM. If a certified bid tab assumes the Beaufort County small/minority business requirements are met. The certification regarding the small/minority business program will be issued by the County.

Certified by:

 Doyle D. Kelley, P.E.
 Registration # 19063
 Thomas & Hutton

LOCATION MAP



BEAUFORT COUNTY GOVERNMENT

Small and Minority Business Bid Compliance Review of Good Faith Effort Requirements (1 of 2)
 SC 170 Widening Project - IFB #2909/120630

	Prime Bidder	APAC	Baker Infrastructure	Cleland Site Prep	J.R. Wilson Construction Co.	Sanders Brothers Construction
1	Included Good Faith Efforts Checklist Form	0	1	1	0	1
2	Requested SMBE List from Compliance Office	1	1	1	1	1
3	Included Copy of Written Notice to SMBE	1	1	1	1	1
4	Provided Proof of Sending Written Notice to SMBE	1	1	1	1	1
5	Sent Bid Notice to SMBE 10 Days in Advance	1	1	1	1	1
6	Included Copy of Written Notice to Good Faith Agencies	1	1	1	1	1
7	Provided Proof of Sending Written Notice to Good Faith Agencies	1	1	1	1	1
8	Signed Non-Discrimination Statement Form (Exhibit 1)	0	1	1	0	0
9	Included Outreach Documentation Log (Exhibit 2)	1	1	1	0	1
10	Included Proposed Utilization Plan (Exhibit 3)	1	1	1	0	1
	Total	8	10	10	6	9

Total of 10 Possible Points
 Scoring: 0 = No · 1 = Yes



BEAUFORT COUNTY GOVERNMENT

Small and Minority Business Bid Compliance Review of Good Faith Effort Requirements (2 of 2)

SC 170 Widening Project - IFB #2909/120630

Prime Bidder	Proposed Local SMBE Firm Name	Type	Location	Scope	Amount
APAC Savannah, GA	JS Construction	SBE	Bluffton, SC	Clearing	\$300,000
	HSA Engineers & Scientists	SBE	Bluffton, SC	Testing	\$100,000
	O'Quinn Marine Construction	SBE	Beaufort, SC	Boardwalk	<u>\$165,000</u>
	Total Proposed Local SMBE				\$565,000
Baker Infrastructure Garden City, GA	Graybar Fence	SBE	Beaufort, SC	Fencing	\$25,500
	DLB (Donna L. Beach)	WBE	Bluffton, SC	Hauling	<u>\$100,000</u>
	Total Proposed Local SMBE				\$125,500
Cleland Site Prep Ridgeland, SC	HSA Engineers & Scientists	MBE	Bluffton, SC	QC Testing	\$136,500
	Graybar Fence	SBE	Beaufort, SC	Fencing	\$22,000
	Tobin Construction	WBE	Hilton Head Island, SC	Erosion Control	\$447,578
	Surveying Consultants	SBE	Bluffton, SC	Surveying	TBD
	O'Quinn Marine Construction	SBE	Beaufort, SC	Boardwalk	\$165,000
	Low Country Concrete	SBE	Beaufort, SC	Concrete	\$230,000
	Over The Top Concrete	MBE	Beaufort, SC	Brick Masonry	\$33,000
	Oliver's Bushhogging	SBE	Beaufort, SC	Clearing	\$48,000
	Leon's Fence and Guardrail	MBE	Seabrook, SC	Fencing/Guardrail	<u>\$270,000</u>
Total Proposed Local SMBE				\$1,352,078	
J.R. Wilson Seabrook, SC	<i>DID NOT PROVIDE</i>				
Sanders Brothers Construction North Charleston, SC	Beaufort Surveying	SBE	Port Royal, SC	Surveying	\$53,225
	Graybar Fence	SBE	Beaufort, SC	Fencing	\$17,960
	O'Quinn Marine Construction	SBE	Beaufort, SC	Boardwalk	\$164,997
	JS Construction	SBE	Bluffton, SC	Clearing	<u>\$328,812</u>
Total Proposed Local SMBE				\$564,994	

SBE = Small Business Enterprise / MBE = Minority Business Enterprise / WBE = Woman Business Enterprise (WBE=MBE)





COUNTY COUNCIL OF BEAUFORT COUNTY
PURCHASING DEPARTMENT
POST OFFICE DRAWER 1228 ♦ BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2350 FAX: (843) 255-9437

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

VIA: Gary Kubic, County Administrator *GKubic*
Bryan Hill, Deputy County Administrator *BHill*
David Starkey, Chief Financial Officer *DStarkey*
Josh Gruber, Staff Attorney *JGruber*
Monica Spells, Compliance Officer *MSpells*
Rob McFee, Division Director, Engineering and Infrastructure *Rob McFee*
Eddie Bellamy, Public Works Director *EBellamy*
Jim Minor, Solid Waste Manager *Jim*

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

SUBJ: **Emergency Procurement Contract Award for Hauling Services for the Beaufort County Solid Waste Department**

BACKGROUND: Beaufort County issued a Request for Proposals (RFP) to solicit proposals from qualified firms in April, 2011 to provide hauling services for the Beaufort County Solid Waste Department. The County received responses from three firms, Waste Pro, Waste Management, and Republic Waste Services. At that time, Waste Pro provided the lowest price and best proposal for providing the requested services. Waste Pro was awarded a three year contract for \$683,025 per year, with two one year extensions. On May, 11, 2012 the County received a termination notification letter from Waste Pro stating due to financial hardship that they were incurring from their current contract pricing, they could no longer provide the service at the three year fixed fee price. As a result of Waste Pro's termination letter and under emergency procurement procedures, the County decided to seek best and final offers from the remaining two firms, and Waste Pro, who submitted proposals from the aforementioned RFP. On June 29, 2012 we received the following responses from all three firms:

Republic Waste Services	\$858,154.32
Waste Pro	\$879,802.32
Waste Management	\$998,218.20

EVALUATION COMMITTEE NOTES: The evaluation committee consisted of Jim Minor, Solid Waste Manager, Eddie Bellamy, Public Works Director, Josh Gruber, Staff Attorney, and Dave Thomas, Purchasing Director. The evaluation committee reviewed the three responses to the RFP and ranked Republic Waste Services as the number one ranked firm.

FINAL EVALUATION RANKING:

1. Republic Waste Services
2. Waste Pro
3. Waste Management

FUNDING: Account # 33390-51165 Solid Waste Hauling Services.

RECOMMENDATION: The Purchasing Department recommends that the Finance Committee approve and recommend to the County Council, approval of the contract award to Republic Waste Services, the top ranked firm, for an annual cost of \$858,154.32. The initial contract term will be for three years with two additional one (1) year terms subject to approval by County Council.

cc: Elizabeth Wooten, Richard Dimont
Att: Republic Waste Services Proposal Pricing

<u>Convenience Centers</u>	<u>Total Average Pulls</u>	<u>Proposed Cost/Pull</u>	<u>Cost/Month with Proposed Cost</u>	<u>Annual Cost/Year with Proposed Cost</u>	<u>Total Average Pulls</u>
Hilton Head	112.22	\$111.00	\$12,456.42	\$149,477.04	112.22
Big Estate	5.08	\$111.00	\$563.88	\$6,766.56	5.08
Lobeco	23.83	\$111.00	\$2,645.13	\$31,741.56	23.83
Sheldon	5.25	\$111.00	\$582.75	\$6,993.00	5.25
Gate	59.50	\$111.00	\$6,604.50	\$79,254.00	59.50
Shanklin	46.08	\$111.00	\$5,114.88	\$61,378.56	46.08
Coffin Point	7.97	\$111.00	\$884.67	\$10,616.04	7.97
Cuffy	7.25	\$111.00	\$804.75	\$9,657.00	7.25
St. Helena	92.25	\$111.00	\$10,239.75	\$122,877.00	92.25
Bluffton	126.61	\$111.00	\$14,053.71	\$168,644.52	126.61
Pritchardville	38.72	\$111.00	\$4,297.92	\$51,575.04	38.72
Daufuskie	6.89	\$1,050.00	\$7,234.50	\$86,814.00	6.89

* Does not include Annual CPI, Fuel Adjustment Prices, or Rental Fees

Total Annual Cost **\$785,794.32**

<u>Proposed Rental Fees</u>					
<u>Container Type</u>	<u>Quantity</u>	<u>Proposed Rental Fees</u>	<u>Rental Costs with Proposed Rental Fees</u>		
30 Yard Open Container	5	\$65.00	\$3,900.00	Republic	\$858,154.32
30/35 Yard Self Contained Compactor	11	\$300.00	\$39,600.00		
40 Yard Open Container	37	\$65.00	\$28,860.00		
Totals	53		Annual Rental Fees \$72,360.00		



COUNTY COUNCIL OF BEAUFORT COUNTY
ENGINEERING AND INFRASTRUCTURE DIVISION

Building 3, 102 Industrial Village Road
Post Office Drawer 1228, Beaufort, SC 29901-1228
Phone: (843) 255-4005 Fax: (843) 255-9420

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

VIA: Gary Kubic, County Administrator *GKubic*
Bryan Hill, Deputy Administrator *BHill*
David Starkey, Chief Financial Officer *DStarkey*
Robert McFee, Division Director Engineering & Infrastructure *Robert McFee*
Dave Thomas, Purchasing Director

FROM: Bob Klink, County Engineer *BKlink*

SUBJ: **St. Helena Branch Library – IT Hardware Purchase**

DATE: July 12, 2012

BACKGROUND: Choate Construction Company was awarded the St. Helena Library construction contract at the August 8, 2011 County Council Meeting in the amount of \$7,322,403.00 with a total overall budget of \$11.1 million. The project budget is funded by \$1.1 million dollars of impact fees, \$8.5 million dollars of a USDA Grant/Loan package and \$1.5 million dollar CDBG grant.

A \$540,000 internet technology (IT) and audiovisual (AV) budget was established within the overall project budget. The County's MIS Division received a price quote from CSI Technology Outfitters under state contract #4400002749 in the amount of \$93,636.73 for the IT hardware required in the St. Helena Branch Library. This purchase would be funded from Acct #11436-54420 St. Helena Library.

RECOMMENDATION: The Finance Committee approve and recommend to County Council approval of a \$93,636.73 purchase from CSI Technology Outfitters under state contract #4400002749 with funding included in the St. Helena Library budget.

REK/DC/mjh

Attachment: 1) IT Hardware Price Quote

Contract/St.HelenaLibrary/IT&AV

Computer Software Innovations Inc

900 East Main Street, Suite T
Easley, SC 29640
Phone: 864-855-3900
www.csioutfitters.com

Prepared for:

Scott Trezevant Phone: (843) 470-2767
Beaufort County Government
100 Ribaut Rd.
PO Drawer 1228
Beaufort, SC 29901 USA

Qty.	Item ID	Description	UOM	Sell	Total
St Helena 2012 - Cisco - rev2					
8	WS-C3750X-48PF-S	Stackable 48 10/100/1000 Ethernet PoE+ ports, with 1100W AC power supply - IP BASE	EA	\$8,120.00	\$64,960.00
8	CON-SNT-3750X4FS	SMARTNET 8X5XNBD Catalyst 3750X 48 Port Full PoE IP Base	EA	\$616.00	\$4,928.00
8	C3KX-NM-1G=	1G Network Module Spare	EA	\$290.00	\$2,320.00
6	GLC-LH-SM=	GE SFP LC CONNECTOR LX/LH TRANSCEIVER 1 x 1000Base-LX/LH	EA	\$577.10	\$3,462.60
1	VG204	Cisco VG204 Analog Voice Gateway	EA	\$751.10	\$751.10
1	CON-SNT-VG204	SMARTNET 8X5XNBD Cisco VG204 Analog Voice Gateway	EA	\$91.52	\$91.52
1	VG224	24PORT VOICE OVER IP ANA.GATEWY	EA	\$3,129.10	\$3,129.10
1	CON-SNT-VG224	Smartnet 8x5xNBD 24 Port Voice over IP	EA	\$380.16	\$380.16
9	AIR-LAP1242AG-A-K9	802.11AG LWAPP AP DUAL 2.4 5GHZ RP-TNC FCC CNFG	EA	\$521.42	\$4,692.78
9	CON-SNT-LAP1242A	Smartnet 8x5xNBD Maintenance	EA	\$63.36	\$570.24
12	AIR-ANT4941	2.2 DBI DIPOLE ANTENNA (STD RUBBER DUCK) FOR AIRONET MF IN SING	EA	\$11.02	\$132.24
3	AIR-ANT24120	Cisco 2.4GHZ 12 DBI Omni Mast Mt Antenna W/ RP-TNC Connector w/RP-TNC Connectors	EA	\$403.10	\$1,209.30
3	AIR-ACC245LA-R	Cisco 2.4 AND 5GHZ Lightning Arrestor RP-TNC Connector	EA	\$121.22	\$363.66
3	AIR-CAB100ULL-R	Cisco 100FT Ultra Low Loss Cable Assembly W/ RP-TNC Connectors	EA	\$173.42	\$520.26

Item Total:	\$87,510.96
Tax at 7.000%:	\$6,125.77
Total:	\$93,636.73

Computer Software Innovations Inc

900 East Main Street, Suite T

Easley, SC 29640

Phone: 864-855-3900

www.csioutfitters.com

Prices are firm until 8/12/2012

Reference SC State Contract 4400002749

Please make the purchase order to:

CSI Technology Outfitters

900 East Main Street, Suite T

Easley, SC 29640

Fax the purchase order to John Ulmer at 864-307-2285 at CSI or email to insidesales@csioutfitters.com



**COUNTY COUNCIL OF BEAUFORT COUNTY
PURCHASING DEPARTMENT**

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

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

VIA: Gary Kubic, County Administrator *rk*
Bryan Hill, Deputy County Administrator *BH*
David Starkey, Chief Financial Officer *DS*
Dan Morgan, MIS Director *DM*
Dale Butts, Register of Deeds *DB*

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

SUBJ: Request to Purchase from Non-competitive Contract for Items over \$25,000 for Beaufort County's Register of Deeds Department.

DATE: July 12, 2012

BACKGROUND: The Purchasing Department received a requisition for over \$25,000 from the Register of Deeds Department requesting to renew an annual maintenance contract for Official Records Software from New Vision Systems Corporation. This service contract term will cover July 1, 2012 through June 30, 2013 and will support the software that is currently installed. This software is used to digitally record, scan, index and display the real estate records for public use, as well as provide the data necessary for the Assessor's office to establish the County's tax base.

<u>NON-COMPETITIVE/SOLE SOURCE VENDOR:</u>	<u>Cost</u>
NewVision Systems Corporation	\$51,963.48

FUNDING AND COST BREAKDOWN:

Maintenance Account 12050-51110. Funding, or revenue, as a result of this software totaled \$2,654,994.00 in FY12. See attached sheet for breakdown of costs associated with this software system.

RECOMMENDATION: The Purchasing Department recommends that the Finance Committee approve, and recommend to County Council, approval of the purchase from the aforementioned vendor for a total amount of \$51,963.48.

cc: Elizabeth Wooten, Richard Dimont

11 Pages



NewVision Systems Corporation

50 Locust Avenue
New Canaan, CT 06840
(203) 323-4623

****Invoice****

Invoice 3471

June 5, 2012

Mr. Dale Butts
Register of Mesne Conveyances
County Council of Beaufort County
100 Ribaut Road,
Post Office Drawer 1197
Beaufort, SC 29902-1197

Re: Maintenance for Official Records System

This invoice is for maintenance of the Official Records Software for the period 7/01/12 through 6/30/13 and covers currently installed software. Maintenance pricing is based on 8 hours on-line service daily except scheduled holidays, with four hours response time.

Qty	Description	Annual Maint Each	Total Annual Maint
	OFFICIAL RECORDS SYSTEM SOFTWARE		
11	NEWVISION MULTI-FUNCTION MODULE - INCLUDING RECORD/CASHIER, SCAN AND INDEX/VERIFY	\$794	\$8,734
16	NEWVISION PUBLIC SEARCH SOFTWARE	161	2,576
1	NEWVISION PUBLIC SEARCH SOFTWARE FOR TREASURER'S OFFICE	161	161
1	NEWVISION SUPERVISOR/ADMIN SOFTWARE	695	695
1	NEWVISION REPORTS SOFTWARE	894	894
3	NEWVISION INDEX/VERIFY SOFTWARE - AUDITOR AND ASSESSOR WORKSTATIONS WORKSTATIONS	695	2,085
1	TAX ASSESSOR MODULE (OCCASIONAL USE) PO 20110277	175	175
1	NEWVISION IMAGE LOAD MODULE	1,092	1,092
1	NEWVISION IMAGE WRITER RUNTIME SOFTWARE	894	894
1	NEWVISION DATASERVER RUNTIME MODULE SW	1,240	1,240
1	REMOTE DIAGNOSTIC SOFTWARE	30	30
17	ORACLE RDBMS FURNISHED BY COUNTY - NEWVISION MAINTENANCE	331	5,627
1	NEWVISION PRINT QUEUE MGT SOFTWARE	744	744

NewVision Systems Corporation

Invoice Continued

Qty	Description	Annual Maint Each	Total Annual Maint
1	PROBLEM DETERMINATION ASSISTANCE - HW & SW	\$4,410	\$4,410
1	NEWVISION WEB ACCESS APPLICATION (DATA PLUS IMAGES) (10 CONCURRENT ACCESSES)	2,894	2,894
1	WEB TOOLKIT SOFTWARE	1,017	1,017
1	2 nd NEWVISION WEB INSTANCE	1,737	1,737
1	WEB SPECIFIC FUNCTIONS FOR BEAUFORT	441	441
1	IMAGE QUALITY CONTROL SOFTWARE	1,075	1,075
1	PUBLIC VIEW PRINT CHANGE ORDER	1,350	1,350
1	INDEX BOOK PAGE SEARCH FACILITY CHANGE ORDER	1,075	1,075
1	PRE-1990 IMAGE SEARCH CHANGE ORDER	1,985	1,985
1	PLAT SCAN AND PRINT SOFTWARE	1,588	1,588
1	PUBLIC VIEW ZOOM & PRINT (CO 5-2007)	945	945
1	BACKFILE DATA ENTRY PROGRAM	2,809	2,809
1	ELECTRONIC RECORDING MODULE - GO LIVE 5/1/2012	2,291	2,291
	TOTAL ANNUAL MAINTENANCE		\$48,564
	SC SALES TAX @ 7%		\$3,399.48
	TOTAL INVOICE		\$51,963.48

Beaufort County
Heritage Note - Revised 7/18/2012

Principal Borrowed

1,000,000

Interest Rate

3.25%

Prime at 8/1/2011

Year	Interest Rate	Principal Paid/Owed	Interest Paid/Owed	Total Payment	Amount Remaining
8/1/2011	3.25%	-	-	-	1,000,000
9/12/2011	3.25%	246,260	3,740	250,000	753,740
6/25/2012	3.25%	724,534	25,466	750,000	29,206
7/18/2012	3.25%	29,206	1,544	30,750	-
8/1/2013	3.25%	-	-	-	-
8/1/2014	3.25%	-	-	-	-
8/1/2015	3.25%	-	-	-	-
8/1/2016	3.25%	-	-	-	-
		1,000,000	30,750	1,030,750	

Principal Paid as of July 18, 2012 =

970,794

Interest Revenue August 1, 2011 - July 18, 2012 =

30,750

Committee Reports
July 23, 2012

A. COMMITTEES REPORTING

1. Finance

- ① Minutes are provided from the June 25 meeting. No action is required. ([backup](#))
- ② Minutes from the July 18 meeting provided August 18. Action is required. See main agenda items 10F, 10G, 10H, 10I and 10J.

2. Natural Resources

- ① Minutes are provided from the June 25 meeting. No action is required. ([backup](#))

3. Public Facilities

- ① Minutes are provided from the June 25 meeting. Action is required. See main agenda items 10B, 10C, 10D and 10E. ([backup](#))

B. COMMITTEE MEETINGS

1. Community Services

William McBride, Chairman

Gerald Dawson, Vice Chairman

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

2. Executive

Weston Newton, Chairman

➔ Next Meeting - To be announced.

3. Finance

Stu Rodman, Chairman

Rick Caporale, Vice Chairman

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

4. Governmental

Jerry Stewart, Chairman

Laura Von Harten, Vice Chairman

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

5. Natural Resources

Paul Sommerville, Chairman

Brian Flewelling, Vice Chairman

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

6. Public Facilities

Herbert Glaze, Chairman

Steven Baer, Vice Chairman

➔ Next Meeting – Tuesday, July 24 at 4:00 p.m., ECR

7. Transportation Advisory Group

Weston Newton, Chairman

Stu Rodman, Vice Chairman

➔ Next Meeting – To be announced.

FINANCE COMMITTEE

June 25, 2012

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

The Finance Committee met on Monday, June 25, 2012 at 2:00 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Finance Committee Members: Chairman Stu Rodman, and members Steven Baer, Brian Flewelling, William McBride, Paul Sommerville and Jerry Stewart were present. Vice Chairman Rick Caporale absent. Non-Committee members Gerald Dawson, Laura Von Harten and Weston Newton, who serves *ex-officio* on all committees, were also present.

County staff: Paul Andres, Airports Director; Morris Campbell, Division Director – Community Services; David Coleman, Engineering; Doug Henderson, Treasurer; Bryan Hill, Deputy County Administrator; Alicia Holland, Comptroller; Scott Grooms, Broadcast Services Manager; Joshua Gruber, Staff Attorney; David Starkey, Chief Financial Officer; Dave Thomas, Purchasing Director; and Elizabeth Wooten, Procurement Officer.

Media: Joe Croley, Hilton Head Island-Bluffton Chamber of Commerce.

School District: Fred Washington, Board of Education Chairman; Valerie Truesdale, Superintendent; and Phyllis White, Chief Operational Services Officer.

Public: Aaron Crosby, Daufuskie Island Council; Wick Scurry, Owner/Operator of Ferry Company.

Councilman Rodman chaired the meeting.

ACTION ITEMS

- 1. Consent Agenda - Authorizing the issuance and sale of General Obligation Refunding Bonds, Series 2012C, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding \$30,000,000; fixing the form and details of the bonds; authorizing the County Administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; adopting written procedures related to tax-exempt debt; and other matters relating thereto.**

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 authorizing the issuance and sale of General Obligation Refunding Bonds, Series 2012C, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding \$30,000,000; fixing the form and details of the bonds; authorizing the County Administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; adopting written procedures related to tax-exempt debt; and other matters relating thereto. Details of the refunding results and savings were provided to the Committee.

It was moved by Mr. Sommerville, seconded by Mr. McBride, that Finance Committee approve and recommend Council approve on first reading an ordinance authorizing the issuance and sale of General Obligation Refunding Bonds, Series 2012C, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding \$30,000,000; fixing the form and details of the bonds; authorizing the county administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; adopting written procedures related to tax-exempt debt; and other matters relating thereto. The vote was: YEAS – Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Recommendation: Council approve on first reading an ordinance authorizing the issuance and sale of General Obligation Refunding Bonds, Series 2012C, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding \$30,000,000; fixing the form and details of the bonds; authorizing the county administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; adopting written procedures related to tax-exempt debt; and other matters relating thereto.

2. Consent Agenda - St. Helena Island Branch Library Furniture – Contract amount \$280,026.06

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

Discussion: This is a contract award for the purchase of furniture for the St. Helena Island Branch Library. The Purchasing Department worked with Watson Tate Savory Liollo Architects, Charleston, S.C. to conduct a proposal to process from pre-qualified state contract vendors. Four State Contract furniture vendors gave presentations to a selection Committee of the library staff. The Committee recommended Herald Office solutions to be the furniture provider. Herald Office Solutions is a state contract vendor and was able to get state contract pricing further reduced due to volume buying. Beaufort County has previous experience with the vendor through various projects, including the Disabilities and Special Needs Adult Day Facility. The Committee selected the furniture to match the design of the St. Helena Library as well as provide all the functionality patrons will need. The total cost would be \$280,026.06 and would come out of Account 11436-54420, a grant funded account.

It was moved by Mr. Sommerville, seconded by Mr. McBride, that Finance Committee approve and recommend Council award a contract to Herald Office Solutions, a state contract vendor, in the amount of \$280,026.06 for the purchase furniture for the St. Helena Island Branch Library. The funding source is St. Helena Library Furniture, Account #11436-54420, a grant funding account. The vote was: YEAS – Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Recommendation: Council award a contract to Herald Office Solutions, a state contract vendor, in the amount of \$280,026.06 for the purchase of furniture for the St. Helena Island Branch Library. The funding source is St. Helena Library Furniture, Account #11436-54420, a grant funding account.

3. Consent Agenda - St. Helena Island Branch Library Shelving – Contract amount \$129,907.15

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

Discussion: This is a contract award for the purchase of shelving for the St. Helena Island Branch Library. The Purchasing Department worked with Watson Tate Savory Liollo Architects, Charleston, S.C. to conduct a proposal to process from pre-qualified state contract vendors. Two State Contract shelving vendors gave presentations to a selection Committee of the library staff. The Committee recommended Patterson Pope to be the shelving provider. Patterson Pope is a state contract vendor and was able to get state contract pricing further reduced due to volume buying. Beaufort County has previous experience with the recommended vendor through various projects to include the Disabilities and Special Needs Adult Day Facility. The committee selected the shelving to match the design of the St. Helena Library, as well as provide all the functionality patrons will need. The cost of the shelving would total \$129,907.15 and will come out of Account 11436-54420, a grant funded account.

It was moved by Mr. Sommerville, seconded by Mr. McBride, that Finance Committee approve and recommend Council award a contract to Patterson Pope, a state contract vendor, in the amount of \$129,907.15 for the purchase of shelving for the St. Helena Island Branch Library. The funding source is St. Helena Library Furniture, Account #11436-54420, a grant funding account. The vote was: YEAS – Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Recommendation: Council award a contract to Patterson Pope, a state contract vendor, in the amount of \$129,907.15 for the purchase of shelving for the St. Helena Island Branch Library. The funding source is St. Helena Library Furniture, Account #11436-54420, a grant funding account.

4. Consent Agenda - Request to Purchase Audio / Visual Equipment and Services from a Sole-Source Vendor for County Broadcast Services Department – Contract amount \$117,000

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

Discussion: This is a request to purchase audio/visual equipment and services for the St. Helena Library Project. The Purchasing Department received a sole source request from the Broadcast Department requesting to purchase Audio/Visual equipment and services from a sole source vendor in support of the St. Helena Library Project. Purchasing reviewed the requests and concurs that Stagefront Presentation Systems, Savannah, Georgia is the only vendor capable of meeting the scope of work, certification, and delivery requirements for the project. Note, this project requires a short installation and delivery schedule by certified Creston Controller installers. The deadline for equipment delivery and installation is August 9, 2012. With this in mind, availability of quality vendors located within four hours of the new library was limited to three vendors. The three vendors were contacted by Dave Thomas, Purchasing Director, and Scott Grooms, Director of Broadcast Services to request price quotes and verify qualifications. The scope of work and requirements were discussed with each vendor and price quotes were requested. As of June 21, 2012, Stagefront was the only vendor who responded. The other two vendors (Clark Powell, Columbia, SC and WH Platts, North Charleston, SC) declined to provide a quote based on availability and certification requirements. The total cost of this equipment and services would be \$117,000, and would come from Account 11436-54420.

It was moved by Mr. Sommerville, seconded by Mr. McBride, that Finance Committee approve and recommend Council award a contract to Stagefront Presentation Systems in the amount of \$117,000 for audio/visual equipment and services to support the St. Helena Island Library Project. The funding source is St. Helena Library Furniture, Account #11436-54420, a grant funding account. The vote was: YEAS – Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Recommendation: Council award a contract to Stagefront Presentation Systems in the amount of \$117,000 for audio/visual equipment and services to support the St. Helena Island Library Project. The funding source is St. Helena Library Furniture, Account #11436-54420, a grant funding account.

5. Consent Agenda - Supplemental Agreement for St. Helena Island Branch Library – Radio Frequency Identification System (RFID) Library System – Contract amount \$146,113.30

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

Discussion: On November 29, 2012, County Council awarded an initial contract to ITG totaling \$970,711 for the Radio Frequency Identification Systems (RFID) equipment and services for the Beaufort, Bluffton, Hilton Head, Lobecko and St. Helena Libraries. The RPID equipment and services for the initial contract for the new St. Helena Library was funding by Lady's Island/St. Helena Library Impact Fees. Since November 2012 when the County entered into a contract with IT for the RPID system, the ITG has been purchased by Bibliotheca, a global

firm. Choate Construction Company was awarded the St. Helena Library construction contract at the August 8, 2011 County Council Meeting in the amount of \$7,322,403 with a total overall budget of \$11.1 million. The project budget is funding by \$1.1 million in impact fees, \$8.5 million of USDA Grant Loan package and \$1.5 million dollar CDBG grant. When the contract for the RPID was awarded, the St. Helena Branch Library was under development as a two-story facility, with provisions for the RPID system. As the development of the design progressed the facility became a single story building resulting in changes in the intended RFID system. An allowance of \$213,000 was established in the St. Helena Branch Library's budget for the anticipated redesign cost. The actual cost to redesign the RPID system is \$146,113.30.

It was moved by Mr. Sommerville, seconded by Mr. McBride, that Finance Committee approve and recommend Council approve a supplemental agreement to ITG/Bibliotheca in the amount of \$146,113.30 for the Radio Frequency Identification Systems (RFID) system for the St. Helena Branch Library. The funding source is St. Helena island Branch Library CIP project approved budget August 8, 2011. The vote was: YEAS – Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Recommendation: Council approve a supplemental agreement to ITG/Bibliotheca in the amount of \$146,113.30 for the Radio Frequency Identification Systems (RFID) system for the St. Helena Branch Library. The funding source is St. Helena island Branch Library CIP project approved budget August 8, 2011.

INFORMATION ITEMS

6. Discussion – Aircraft Hangar Rental Rates

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 stated previously the Committee would review and approve aircraft rental rates on an annual basis. This Airports Board has previously been asked to recommend any changes in hangar rental rates at both the Hilton Head Island and Lady's Island Airports. Last year, the hangar rental rates were increased 5% at both airports. The following monthly rental rates are currently in effect:

	Type	Current Rent
Hilton Head Island Airport	T-Hangar	\$399.00
	52x60	\$1,185.00
	80x80	\$2,431.00
Lady's Island Airport	T-Hangar	\$265.00

The Hilton Head Island Airport hangars generate a total of \$172,380 in annual rental income. Subtracting the debt service (\$126,535), 15% FBO management fee (\$25,857), and annual O&M costs (\$10,000) results in positive cash flow of \$9,988.

Because of relatively short waiting lists, comparable rates being charged at similar surrounding airports and positive cash flows, the Airports Board voted 8:1 at their May 17, 2012 meeting to recommend no increase in hangar rents at either airport for the next fiscal year.

It was moved by Mr. McBride, seconded by Mr. Stewart, that Finance Committee approve the Airport's Board recommendation not to increase the hangar rental rates at either the Hilton Head Island Airport or the Beaufort County (Lady's Island) Airport. The vote was: YEAS – Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. NAYS – Mr. Baer. ABSENT – Mr. Caporale. The motion passed.

Status: Finance Committee approved the Airport's Board recommendation not to increase the hangar rental rates at either the Hilton Head Island Airport or the Beaufort County (Lady's Island) Airport.

7. Continuing Discussion – FY2013 Beaufort County School District Budget

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

Discussion: Beaufort County Superintendent Valerie Truesdale presented the Committee with a PowerPoint Presentation. The presentation included information regarding the District's partnership with 21st Century Learning, the skills taught through partnership and the student outcomes. She spoke on how the District is determined to build an educated workforce for Beaufort County by having national and international emphasis on science, mathematics, engineering, and technology (STEM) and also the inclusion of arts. Dr. Truesdale informed Council of the poverty statistics within the County. Technology has been called the "great equalizer" She continued in outlining the benefits and purpose of technology within the classroom. She spoke on the upcoming use of iPads within the classroom, the costs entailed, and the benefits of that initiative.

Mr. Rodman stated the District's Budget is based on the House Bill, which had the lower amount, and if a portion or all of the Senate Bill prevails then there will be an adjustment in the millage. The Committee previously talked about shared facilities and about the County/School District being on similar policies. He said once policy is agreed upon, we can look at the two administrations to bring forth better utilization of recreational/school facilities. He also spoke about the TIF issue – Whether there should be a 3.0 mill adjustment to reflect back on what may or may not have happened. He foresees that discussion to occur next budget cycle.

Mr. Washington spoke in regard to the 3.0 mills. He said his hope was that is we move through the budget process this year, and moving forward with the 2.0 mill or adjusted millage (depending on Senate/House). We have basically answered except in the event of reassessment. Part of this can be addressed with the current budget, the other part can wait until reassessment.

Status: No action required.

8. Consideration of Ferry Service Options

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

Discussion: Mr. Morris Campbell, Division Director – Community Services, presented the Committee with a PowerPoint Presentation providing an update of the Daufuskie Ferry. In FY2012 there was a \$198,500 budget for ferry services. It was broken down as follows: Beaufort County \$131,000, SCDOT matching grant \$50,000, and fares \$17,500. Current expenditures to date have been \$181,278 with projected year end being \$190,000. The current year ridership has been 5,800 and fares have been collected in the amount of \$15,700. The available FY2013 budget is \$175,000. He presented Option 1 to the Committee which allows a continuance of the same level of service. That service being two round trips daily, Monday through Saturday at a cost of \$300 per hour. The number of trips on an annual basis have been estimated at 624, at two hour increments (\$600) which total \$374,400. He continued in saying that rental of the 30 parking spaces is \$7,000 a year, and administration of ticket sales and parking is an additional \$4,500. This totals \$385,900. Other options Mr. Campbell reviewed included (1) a hybrid system in the amount of \$256,420, (2) Contract service from Haig Point Ferry Company at a cost of \$731,000, or (3) access to carrier current schedule in which cost would have to be negotiated.

Committee discussion followed.

Mr. Wick Scurry, Owner/Operator of Ferry Company, spoke before the Committee on the hourly rates and explained the reasoning of the contract negotiated. He also answered questions from the Committee.

Mr. Rodman suggests Council leave this to administration to bring forward their recommendation.

Mr. Aaron Crosby, Daufuskie Island Council, spoke to the Committee about ways of meeting the needs in a way that will contribute to the current economy on Daufuskie Island. The people of Daufuskie need to make a decision of whether or not they want to tax themselves. The Daufuskie Island Council decided at the June meeting to move around a petition to have a referendum for the creation of a special purpose tax district on Daufuskie Island.

Status: No action required. Information only.

9. Continuing Discussion – General Fund Balance Policy Proposal

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

Discussion: Beaufort County is required to adopt Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. These policies dictate that each governing body adopt a fund balance policy for all

funds. Beaufort County Council during its last annual retreat established this item as a top fiscal priority.

Main motion: It was moved by Mr. Sommerville, seconded by Mr. Rodman (who passed the gavel to Mr. Stewart in order to second the motion), that Finance Committee approve and recommend Beaufort County Council to acknowledge that 15% of general fund expenditures is an appropriate general fund reserve for the School District, establish that 20% of general fund expenditures is an appropriate general reserve for Beaufort County, and establish that a 30% cash reserve, as a percentage of general fund expenditures, should be on hand at the end of each fiscal year.

Mr. David Starkey, Chief Financial Officer, reviewed with the Committee what the financial advisers recommended:

- County maintain a larger fund balance.
- County meet with a bank representative and pay for a line of credit.

Mr. Rodman would like to include the language of “or equivalent line of credit” after “30% cash reserve”.

Motion to amend by substitution: It was moved by Mr. McBride, seconded by Mr. Baer, that the Committee request staff to submit a request for proposal for a line of credit. The vote was: YEAS – Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. NAYS – Mr. Baer. ABSENT – Mr. Caporale. The motion passed.

Status: Staff is to submit a request for proposal for the costs associated with a line of credit.

10. Consent Agenda - Request to Purchase a new 2012 Freightliner Sprinter High Roof Van from State Contract for Beaufort County’s Broadcast Services Department – Contract amount \$41,110

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

Discussion: This is a request to purchase a new 2012 Freightliner Sprinter high roof van from state contract for Beaufort County’s Broadcast Services Department. The Purchasing Department received a requisition Broadcast Services Department requesting this purchase from Christopher Trucks, a state contract vendor. This vehicle will be used to enhance the operation and capabilities of the Department. The purchase is to allow the Department to operate from multiple locations North and South of the Broad River. Additionally, the vehicle will provide enough space to operate with generator power and store equipment for field use at live events. The cost of this purchase would be \$42,110 from account 12006-54000 Vehicle Purchases, and will be covered by FY2012 funds.

Committee members inquired about what would happen with the existing van the Department has for such use, and how the van would be outfitted. Mr. Grooms, Broadcast Services Manager, stated it would be in addition to the existing van to allow the Department to attend multiple events simultaneously. Also, the Department currently has duplicate equipment in inventory for outfitting the new van. A few pieces of equipment would need to be purchased. The additional equipment would cost approximately \$6,000 to \$8,000.

It was moved by Mr. Sommerville, seconded by Mr. McBride, that Finance Committee award a contract to Christopher Trucks, a state contract vendor, in the amount of \$41,110 for the purchase a new 2012 Freightliner Sprinter high roof van. The funding source is Account # 12006-54000, Vehicle Purchases. This purchase will be covered by FY 2012 funds. The vote was: YEAS – Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Status: Finance Committee award a contract to Christopher Trucks, a state contract vendor, in the amount of \$41,110 for the purchase a new 2012 Freightliner Sprinter high roof van. The funding source is Account # 12006-54000, Vehicle Purchases. This purchase will be covered by FY 2012 funds.

DRAFT

NATURAL RESOURCES COMMITTEE

June 25, 2012

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

The Natural Resources Committee met on Monday, June 25, 2012 at 1:00 p.m., in the Executive Conference Room of the Administration Building, Beaufort, South Carolina.

ATTENDANCE

Natural Resources Members: Chairman Paul Sommerville, Vice Chairman Brian Flewelling, and committee members Steven Baer, Gerald Dawson, William McBride, Jerry Stewart and Laura Von Harten attended the meeting.

County Staff: Tony Criscitiello, Division Director – Planning and Development; Joshua Gruber, Staff Attorney; and Ian Hill, Historic Preservationist.

Public: Susan Crime, railroad neighbor; Joe DiVito, Beaufort Jasper Water and Sewer Authority employee and Chairman of the Metropolitan Planning Commission; Jane Frederick, Friends of Spanish Moss Trail; Dot Gnann, retiree; Rita Igleheart, Historic Preservation Review Board; Tommy Logan, local historian; Claude McCloud, Seabrook; Sally Murphy, Historic Preservation Review Board; Jean Regale, consultant and Friends of Spanish Moss Trail; Robert Roberts, citizen; Edie Rodgers, retiree; and David Tedder, Friends of Spanish Moss Trail.

Media: Joe Croley, Hilton Head Island-Bluffton Chamber of Commerce.

ACTION ITEM

1. Discussion – Rail Trail Branding

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

Discussion: Committee Chairman Paul Sommerville gave the Committee an introduction of this item and made other comments. Currently we do not have a trail; we have a concept. He questions naming a concept and feels Council should wait and name the trail. There is a disagreement on the naming of the Rail Trail (Trail). He said the official name should come from County Council. He also informed the Committee of some housekeeping items regarding this Trail.

1. He has asked Mr. Joshua Gruber, County Attorney, to speak about the agreement in place.
2. He has asked Mr. Tony Criscitiello, Division Director – Planning and Development, to speak about the importance of staying on track with the project.

Mr. Criscitiello spoke before the Committee. County Council reached an agreement May 8, 2012 for the Trail. The agreement contains several trigger points:

- We would receive in September, from the Path Foundation, the specifications necessary to agree to a set of plans that will be built.
- That would be reviewed and approved by the design committee by September 1, 2012.
- By November 1, 2012, we would begin construction. That is the critical path.

Mr. Gruber informed the Committee that the only thing the County agreed to in the agreement dated May 8, 2012 -- development and branding will be agreed on by all parties – Beaufort County, City of Beaufort, Friends of Spanish Moss and PATH Foundation. Furthermore, the agreement in place states no specific date on branding decision; however, it is an element of the design specification, which must be completed in September.

Mr. Ian Hill spoke on behalf of the Historic Preservation Review Board whose members met June 21, 2012. The outcome of the meeting was a unanimous vote 5:0 in favor of the Magnolia Line Trail as the name of the Trail.

Mr. Tommy Logan, local historian, distributed two handouts regarding the Magnolia Line and spoke in favor the name.

Mr. Robert Rodgers feels the historical name, Magnolia Line, should be recognized somehow in connection with this project.

Ms. Edie Rodgers spoke regarding the work and progress made and feels it would be unfortunate to let this historical opportunity get away.

Mr. Joe DiVito, Metropolitan Planning Commission Chairman, spoke about the Trail. The vision is to connect different neighborhoods and spurs that connect elsewhere as well. It is more than a railroad right of way; it is a trail. He said they have in the plans to use signage to handle the historical pieces. There may be several locations that need documentation of history.

Mrs. Jane Frederick, Friends of Spanish Moss Trail, reviewed with Committee the process that was taken to get to the name Spanish Moss Trail. She spoke about the public notices and the community workshops that were held.

Mr. David Tedder, Director of Spanish Moss Trail, spoke about the Cox Foundation as well as how the structure of the Plan was developed. The name, Spanish Moss Trail, was created by local citizens and branding reasons. He informed the Committee that there are five Magnolia Trails.

Mr. Flewelling said the naming of the Trail empowers. He is not interested in anyone other than Beaufort County to have that power. He would like to look at this as an opportunity to solicit public interest.

Motion: It was moved by Mr. Flewelling that the Committee delay consideration of the naming of the Rail Trail until the August 6, 2012 Natural Resources Committee. This motion died for a lack of a second.

Motion: It was moved by Ms. Von Harten, seconded by Mr. Dawson, that Committee approve and recommend Council consider naming of the Rail Trail the Spanish Moss Trail.

Ms. Von Harten does not want to derail the progress that has been made.

Mr. Stewart said we could take action at a Committee level without forwarding it to County Council today. He is concerned with waiting until August to address the branding.

Mr. Flewelling pointed out there is a lot of precedence of the Magnolia Line. It could be called Spanish Moss with sections being Magnolia Line. He, however, does not want to rush forward with something that is not precedent today and feels the motion on the table is unwise.

Mr. McBride did not anticipate having to make a decision today.

Motion: It was moved by Mr. Flewelling that the Committee table naming the Rail Trail at this time. The motion failed due to lack of a second.

Mr. Gruber suggests that the decision on a name be made in conjunction with the City of Beaufort.

Mr. Tedder suggested working with PATH and go before a City of Beaufort meeting with the recommendation.

The vote was: YEAS – Mr. Baer, Mr. Dawson, Mr. McBride, Mr. Stewart, and Ms. Von Harten. ABSTAINED - Mr. Flewelling and Mr. Sommerville. The motion passed.

Recommendation: Council approve naming of the Rail Trail the Spanish Moss Trail.

PUBLIC FACILITIES COMMITTEE

June 26, 2012

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

The Public Facilities Committee met on Tuesday, June 26, 2012 at 4:00 p.m., in the Executive Conference Room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Public Facilities members: Chairman Herbert Glaze, Vice Chairman Steve Baer, members Gerald Dawson, Brian Flewelling, William McBride, and Jerry Stewart.

County staff: Rob McFee, Division Director – Engineering and Infrastructure; Bob Klink, County Engineer; Dave Thomas, Purchasing Director, Eddie Bellamy, Public Works Director, Joshua Gruber, Staff Attorney; and Paul Andres, Airports Director.

Public: Judy Elder, Talbert & Bright; Fran White, St. James Baptist Church; Ben Williams, Mitchelville Preservation Project; Barry Brooks, Mitchelville Preservation Project; Claudia Kennedy, Mitchelville Preservation Project; Tom Richardson, Mitchelville Preservation Project; Randy Dolyniuk, Mitchelville Preservation Project; Steven Riley, Town Manager of Hilton Head Island; Joseph Mazzei, Airports Board Chairman; Will Dopp, Airports Board Vice Chairman; and Jocelyn Staiger, Governmental Affairs Director, Sun City Association of REALTORS; Logan Crowther, Vice President Cleland Site Prep, and Chuck Blinne, Apex Southeast.

Media: Joe Croley, Hilton Head Island-Bluffton Chamber of Commerce.

Mr. Glaze chaired the meeting.

ACTION ITEMS

1. Hilton Head Island Airports FAA Grant Offer #33

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

Discussion: Mr. Paul Andres, Director of Airports, made a request to the committee to accept the FAA Grant offer #33 for the Hilton Head Island Airport in the amount \$402,750, to fund their portion of the Phase III Archeology Data Recovery and Outreach Program associated with the Mitchelville Artifacts located on the north end of airport property. The artifacts will be recovered, catalogued, and prepared for future display. This project is necessary to satisfy the requirements of the ongoing Environmental Assessment associated with Phase I of the Master Plan. Mr. Andres stated that the Airports Board favorably endorses this project. The funding for the project would come from the FAA Grant #33 (90%), a (5% Pending) State Grant in the

amount of \$22,155, and a local matched amount of \$22,155 that will come from the Airports Operating Budget.

Motion: It was moved by Mr. Flewelling, seconded by Mr. Baer, that Public Facilities Committee approve and recommend to Council acceptance of a FAA Grant Offer #33 for the Hilton Head Island Airport in the amount of 402,750. The funding for the project would come from the FAA Grant #33 (90%), a (5% Pending) State Grant in the amount of \$22,155, and a local matched amount of \$22,155 that will come from the Airports Operating Budget. The vote was: YEAS - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, and Mr. Stewart. The motion passed.

Recommendation: Council accept FAA Grant Offer #33 for the Hilton Head Island Airport in the amount of 402,750. The funding for the project would come from the FAA Grant #33 (90%), a (5% Pending) State Grant in the amount of \$22,155, and a local matched amount of \$22,155 that will come from the Airports Operating Budget.

2. Hilton Head Island Airport Phase III Data Recovery and Public Outreach Program

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

Discussion: Mr. Paul Andres, Director of Airports, gave a brief background update on the Hilton Head Island Airport Phase III Data Recovery and Public Outreach Program. Talbert, Bright and Ellington, Inc. are currently under contract to provide professional consulting and engineering services in support of Beaufort County airport projects. Mr. Andres submitted a proposed scope of work to be conducted as part of the Phase III Data Recovery and Public Outreach Program associated with the Mitchelville artifacts discovered on the north end of airport property. This project is necessary to satisfy the requirements of the ongoing Environmental Assessment associated with Phase I of the Master Plan. The Airports Board favorably endorses this project. The funding for this project will come from FAA Grant #33 (90%) which totals \$5,402,750; a State Grant (5% pending); and a local 5% match of \$22,155, which will come from the Airports Operating Budget.

Motion: It was moved by Mr. McBride, seconded by Mr. Baer, that Public Facilities Committee approve and recommend to Council award a contract in the amount of \$443,097.70 to Talbert, Bright and Ellington, Inc., with stipulation that the verbiage of the contract be written and agreed upon by Talbert, Bright and Ellington Inc., and the Mitchelville Preservation Project members before conducting a Phase III Data Recovery and Public Outreach Program associated with the Mitchelville Artifacts located on the Hilton Head Island Airport. The funding for this project will come from FAA Grant #33 (90%) which totals \$5,402,750; a State Grant (5% pending); and a local 5% match of \$22,155, which will come from the Airports Operating Budget. The vote was: YEAS – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride and Mr. Stewart. The motion passed.

Recommendation: Council award a contract in the amount of \$443,097.70 to Talbert & Bright Engineering, with the stipulation that the verbiage of the contract be written and agreed upon by the Talbert & Bright Engineering along with the Mitchelville Preservation Project members before conducting a Phase III Data Recovery and Public Outreach Program associated with the Mitchelville artifacts located on the Hilton Head Island Airport. The funding for this project will come from FAA Grant #33 (90%) which totals \$5,402,750; a State Grant (5% pending); and a local 5% match of \$22,155, which will come from the Airports Operating Budget.

3. SC 170 Widening Construction from US 278 to SC 46 (Sales Tax Project #3)

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

Discussion: Rob McFee, Division Director – Engineering and Infrastructure, began the conversation of the SC 170 widening by introducing the winning bidder of the project. During May 2012, Beaufort County issued an invitation for bids to perform widening construction of SC 170 from US 278 (McGarvey's Corner) to SC 46. This project consists of 4.5-miles, 4 lanes divided roadway with 10-foot multi-use pathways. Bidders were allowed to submit bids based on three alternate option methods of construction. Bidders submitted bids for option 3 only. Five firms submitted bids on July 14, 2012. Cleland Site Prep, Inc., of Ridgeland, S.C., was the certified lowest bidder with a bid amount of \$14,998,972.30, and is in compliance with the County's SMB Participation Ordinance.

The project will be funded from the 1% Sales Tax Road Improvement Program, Account #3303-54500. In February 2012, the South Carolina State Transportation Infrastructure Bank approved a 25 million dollar grant for this project.

Motion: It was moved by Mr. Stewart, seconded by Mr. Dawson, that Public Facilities Committee approve and recommend to County Council award a contract to Cleland Site Prep Inc., in the amount of \$14,998,972.30 for the construction SC 170 Widening from US 278 to SC 46. The project will be funded from the 1% Sales Tax Road Improvement Program, Account #3303-54500. In February 2012, the South Carolina State Transportation Infrastructure Bank approved a 25 million dollar grant for this project. The vote was: YEAS - Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride and The motion passed.

Recommendation: Council award a contract to Cleland Site Prep Inc. in the amount of \$14,998,972.30 for the construction SC 170 Widening from US 278 to SC 46. The project will be funded from the 1% Sales Tax Road Improvement Program, Account #3303-54500. In February 2012, the South Carolina State Transportation Infrastructure Bank approved a 25 million dollar grant for this project.

4. Non-Competitive Purchase of SC 170 Design Construction Engineering Services (Sales Tax Project #3)

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

Discussion: SC 170 widening from US 278 to SC 46 is an approved 1% sales tax road improvement project and will soon be under construction. While the County will have construction engineering inspection/ management (CEI/CM) services with another contractor, it will be necessary to have the assistance of the design engineer. Design questions, clarifications and/or revisions will need to be answered. The SC 170 design firm, Thomas & Hutton, has given the County the attached proposal to provide these services at a not to exceed cost \$217,000. Robert Klink, County Engineer advised that the price breakdown and scope of services documentation has been reviewed and it is recommended that Thomas & Hutton be retained for these services during construction. This project will be funded from the 1% Sales Tax Road Improvement Program, Account #33403-54500. In February 2012, the South Carolina State Transportation Infrastructure Bank had approved a \$25 million dollar grant for the widening of SC 170 Phases 1 & 2 from US 278 to SC 46.

Motion: It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Public Facilities Committee approve and recommend to County Council approval of a contract change order to Thomas & Hutton for design assistance during widening construction of SC 170 in the amount of \$217,000, on an as needed basis. This project will be funded from the 1% Sales Tax Road Improvement Program. Account #33403-54500. In February 2012, the South Carolina State Transportation Infrastructure Bank had approved a \$25 million dollar grant for the widening of SC 170 Phases 1 & 2 from US 278 to SC 46. The vote was: YEAS – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride and Mr. Stewart. The motion passed.

Recommendation: Council approve a contract change order to Thomas & Hutton for design assistance during widening construction of SC 170 in the amount of \$217,000 on an as needed basis. This project will be funded from the 1% Sales Tax Road Improvement Program. Account #33403-54500. In February 2012, the South Carolina State Transportation Infrastructure Bank had approved a \$25 million dollar grant for the widening of SC 170 Phases 1 & 2 from US 278 to SC 46.

INFORMATION ITEMS

5. Discussion / Construction of a Berm or Wall / Concerns About Noise from Hilton Head Island Airport

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

Discussion: Mr. McFee, Division-Director Engineering and Infrastructure, gave a recap of the information from the previous meeting regarding the tree cuttings and trimmings a long Beach City Road and extends to the Hilton Head Island Airport. On May 22, 2012, an application was submitted to DRV allowing the County to perform construction in the area. Mr. Baer advised the committee that most of the residents in the area are not pleased with the incomplete visual and noise blockage by the County's proposed plan. St James Baptist Church and Palmetto Hall residence are two of the communities at this time that have appealed the ruling to the Town of Hilton Head Island. The cost for the replenishment of trees is expected to be available on August 2, 2012, during this time Mr. Baer request that the committee get another price from the engineering department on what it would cost to put up a second noise barrier wall. The cost would be compared to the original cost and the difference could be divided among various groups that want to or should participate in the development.

Mr. Joshua Gruber, Staff Attorney, gave an input on the different area that the County has to take into consideration during the process to include all engineering estimates, problems securing property from residence in the area.

Motion: It was moved by Mr. Baer, seconded by Mr. Flewelling, that Public Facilities Committee ask the Staff of both the Beaufort County and Town of Hilton Head to provide a collection of views on what the cost would be pre unit or feet of a non-tree alternative wall. YEAS – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride and Mr. Stewart. The motion passed.

Status: Public Facilities Committee ask the Staff of both the Beaufort County and Town of Hilton Head to provide a collection of views on what the cost would be pre unit or feet of a non-tree alternative wall.

6. Text Amendments to Airports Board Charter

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

Status: Members agreed to postpone discussion of this item until the July 24, 2012 meeting.