

COUNTY COUNCIL OF BEAUFORT COUNTY

ADMINISTRATION BUILDING
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BEAUFORT, SOUTH CAROLINA 29901-1228
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CHAIRMAN

D. PAUL SOMMERVILLE
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COUNTY ADMINISTRATOR

BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL
COUNTY ATTORNEY

SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA FINANCE COMMITTEE

Monday, June 6, 2011

2:00 p.m.

Executive Conference Room
Administration Building

Committee Members:

Stu Rodman, Chairman
Rick Caporale, Vice Chairman
Steven Baer
Brian Flewelling
William McBride
Paul Sommerville
Jerry Stewart

Staff Support

Bryan Hill, Deputy County Administrator
David Starkey, Chief Financial Officer

2:00 p.m.

1. CALL TO ORDER
2. TOWN OF HILTON HEAD ISLAND CIP REQUEST ([backup](#))
3. CONTINUING DISCUSSION / COUNTY BUDGET
 - Major year-to-year expenditure budget changes and reasons
 - Discussion of open questions

**Approx.
3:15 p.m.**

4. CONTINUING DISCUSSION / BEAUFORT COUNTY SCHOOL DISTRICT BUDGET ([rollback](#))
5. ADJOURNMENT

County TV Rebroadcast	
Monday	9:00 a.m.
Wednesday	1:00 a.m.
Thursday	7:00 p.m.

Finance		
Date	Time	Location
June 13	2:00 p.m.	ECR
June 20	2:00 p.m.	BIV #2
July 18	2:00 p.m.	BIV #2
August 15	2:00 p.m.	BIV #2
September 19	2:00 p.m.	BIV #2
October 17	2:00 p.m.	BIV #2
November 21	2:00 p.m.	BIV #2
December 13	2:00 p.m.	BIV #2

A quorum of Council may be in attendance at all Committee meetings.

Please silence your cell phone during the meeting.

TOWN OF HILTON HEAD ISLAND

One Town Center Court, Hilton Head Island, S.C. 29928

(843) 341-4600 Fax (843) 842-7728

www.hiltonheadislandsc.gov

Drew A. Laughlin
Mayor

June 2, 2011

Kenneth S. Heitzke
Mayor ProTem

David A. Starkey, CPA

Council Members

Chief Financial Officer

Wm. Lee Edwards
Willie (Bill) Ferguson
William D. Harkins
Kimberly W. Likins
George W. Williams, Jr.

Beaufort County

Post Office Drawer 1228

Beaufort, South Carolina 29901

Stephen G. Riley
Town Manager


Dear Mr. Starkey:

Attached please find town invoices for the Hilton Head Island park projects. The original County allocations were to partially fund four neighborhood parks. These parks have not yet been built and as a result of the current economic climate, may not be built for many years. There is no current neighborhood demand for these parks and there is opposition to such a park in at least one of these neighborhoods. Therefore, the Town of Hilton Head Island is respectfully requesting reallocation of these funds as described below.

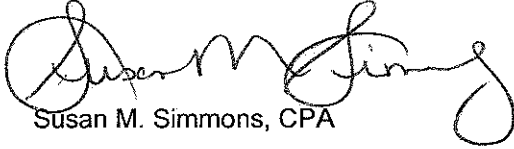
In consultation with Beaufort County staff and the Bristol Foundation as a private funding partner, the Town developed a scope of work and solicited bids for the rehabilitation of the Bristol Sports Arena. The Town is prepared to execute a contract in the amount of \$369,202 for these improvements. The Bristol Foundation has indicated an interest in contributing up to \$100,000 towards this project and previous discussions between the Town and the County have contemplated a fifty/fifty cost sharing of the balance. We therefore request a reallocation of \$134,601 of the neighborhood parks monies to our rehabilitation and refurbishment of the Bristol Sports Arena.

We further request that the remaining \$140,399 be reallocated to the Hilton Head Island Recreation Center improvement project. The capital project being designed will improve and/or expand the aquatic amenities and tennis courts as well as improve the existing recreational facility.

We understand that the reallocation of these funds will be on the June 6, 2011 County Finance Committee agenda. A Town representative will be in attendance to answer

questions as needed. The Town appreciates the County's participation and continued interest in the Town's park and recreation facilities for its citizens.

Thank you for your help,

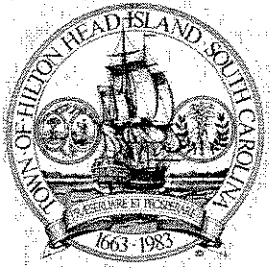
A handwritten signature in black ink, appearing to read "Susan M. Simmons". The signature is fluid and cursive, with a large initial "S" and a long, sweeping tail.

Susan M. Simmons, CPA

Director of Finance

Enclosures

Cc: Bryan Hill, Beaufort County
Robert McFee, Beaufort County
Steve Riley, Town of Hilton Head Island
Scott Liggett, Town of Hilton Head Island
Charles Cousins, Town of Hilton Head Island
Julian Walls, Town of Hilton Head Island



June 2, 2011

Beaufort County
Attn: David A. Starkey, CPA
Post Office Drawer 1228
Beaufort, South Carolina 29901

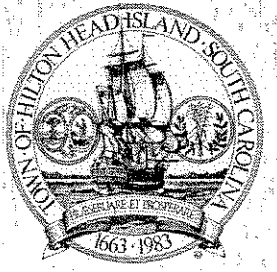
Bristol Sports Arena Rehabilitation

Total Proposed Contract Price	\$ 369,202
Bristol Foundation Contribution	<u>(100,000)</u>
Remaining Contract	269,202
Town of Hilton Head Island Contribution	<u>134,601</u>
Total Due from Beaufort County	<u>\$ 134,601</u>

Please remit payment to:

Town of Hilton Head Island
One Town Center Court
Hilton Head Island, South Carolina 29928

Attn: Susan Simmons
Director of Finance



June 2, 2011

Beaufort County
Attn: David A. Starkey, CPA
Post Office Drawer 1228
Beaufort, South Carolina 29901

Hilton Head Island Recreation Center Improvements

Total Due from Beaufort County

\$ 140,399

Please remit payment to:

Town of Hilton Head Island
One Town Center Court
Hilton Head Island, South Carolina 29928

Attn: Susan Simmons
Director of Finance

Scott

TOWN OF HILTON HEAD ISLAND

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Kimberly W. Likins
George W. Williams, Jr.

Stephen G. Riley
Town Manager

May 11, 2011

Robert McFee, PE
Beaufort County Director of Engineering & Infrastructure
P.O. Drawer 1228
Beaufort, SC 29901

Re: Reallocation of County Capital Improvement Program (CIP) Funds

Dear Rob:

I am writing as a follow-up to our recent conversation in the longstanding discussion between the Town and County regarding the above reference matter. Previous correspondence is provided for reference. The Town remains very much interested in the reallocation of funds previously proposed to partially fund several neighborhood parks on Hilton Head Island. As is detailed in the supporting attached correspondence, the County has made the following allocations:

- | | |
|---|----------|
| • Driessen Neighborhood Park | \$75,000 |
| • North Forest Beach Neighborhood Park | \$75,000 |
| • South Forests Beach Neighborhood Park | \$75,000 |
| • Marshland Road Neighborhood Park | \$50,000 |

These four parks have not yet been built and as a result of the current economic climate, the parks may not be built for many years. There is no neighborhood demand for these parks and there is opposition to such a park in at least one of these neighborhoods.

As you may be aware, in consultation with County Staff and the Bristol Foundation as a private funding partner, the Town developed a scope of work and solicited bids for the rehabilitation of the Bristol Sports Arena. The Town is prepared to execute a contract in the amount of \$369,202 for this work.

The Bristol Foundation has indicated an interest in contributing up to \$100,000 and previous discussions between the Town and County have

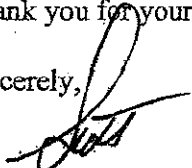
contemplated a 50/50 cost sharing of the balance. Therefore, in an effort to best address the Town's more pressing Capital needs, I request that the County reallocate \$134,601 of the neighborhood parks money to our rehabilitation and refurbishment of the Bristol Sports Arena.

I expect to make a subsequent request for the reallocation of the balance of \$140,399 at a later time, when necessary.

Time is of the essence, I would respectfully request confirmation of the County's continued interest and intent to participate with this project and the viability of the cost sharing as outlined above prior to our execution of the contract. Additionally, I trust this written request is sufficient for reassignment to the appropriate County Council Committee, please advise me if anything further is needed and of the date on which this topic will be discussed by Committee.

Thank you for your help.

Sincerely,



Scott P. Liggett
Director of Public Projects & Facilities/Chief Engineer



Beaufort County, South Carolina

Summary of Tax Year 2009 Millage Rollback



Presentation Outline

- ❖ Timeline of Events
- ❖ Appeals and 6% to 4% Shifts
- ❖ Other Considerations
- ❖ Fiscal Year 2010 Results
- ❖ Questions



Timeline of Events

- ❖ September 28, 2009 – Rollback Millage Approved by County Council
- ❖ November 2009 – Tax Year 2009 Real & Personal Property Tax Bills Mailed
- ❖ Throughout 2010 – Tax Year 2009 Monthly Auto Billings Mailed



Timeline of Events

- ❖ Total BCSD Ops Originally Billed = \$120.9 Million
 - ❖ December 15, 2009 – Beaufort County School District (BCSD) Ops Real & Personal Property Billings (Net of TIFs) Totaled \$114.0 Million
 - ❖ BCSD Ops Tax Year 2009 Autos Billed Totaled \$6.9 Million
- ❖ Original Estimated Mil Value Produced an Estimated \$114.2 Million (Net of TIFs) in BCSD Ops Ad Valorem Tax Billings
- ❖ Original Fiscal Year 2010 BCSD Ops Ad Valorem Tax Budget = \$119.8 Million



Timeline of Events

- ❖ Total Ending Tax Year 2009 BCSD Ops Billings = \$112.0 Million
- ❖ October 31, 2010 – At the End of Tax Year 2009 BCSD Ops Real & Personal Property Billings (Net of TIFs) Totaled \$105.1 Million
- ❖ December 31, 2010 – Tax Year 2009 BCSD Ops Autos Billed Totaled \$6.9 Million



Appeals and 6% to 4% Shifts

- ❖ Why the Large Drop in BCSD Ops Real & Personal Property Tax Billings?
- ❖ 1,843 Properties Shifted from 6% to 4% During Tax Year 2009
- ❖ Approximately 110 Properties Shifted to Ag Use During Tax Year 2009
- ❖ Thousands of Assessed Value Appeals Processed in the Reassessment Year
- ❖ Virtually No Growth to Offset the Items Above



Other Considerations

- ❖ Not All Tax Bills Are Even in a Rollback with a No Millage Increase
- ❖ Houses with Above Average Assessed Value Growth = Tax Bills Increase
- ❖ Houses with Below Average Assessed Value Growth = Tax Bills Decrease



Fiscal Year 2009 & 2010 Results

- ❖ BCSD Ops Ad Valorem Taxes (from CAFRs)
 - ❖ FY 2009 (Tax Year 2008) = \$116.6 Million
 - ❖ FY 2010 (Tax Year 2009) = \$112.2 Million
- ❖ County General Fund Ad Valorem Taxes (from CAFRs)
 - ❖ FY 2009 (Tax Year 2008) = \$72.8 Million
 - ❖ FY 2010 (Tax Year 2009) = \$71.3 Million



Questions?