

COUNTY COUNCIL OF BEAUFORT COUNTY
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2180
www.bcgov.net

D. PAUL SOMMERVILLE
CHAIRMAN

GERALD W. STEWART
VICE CHAIRMAN

COUNCIL MEMBERS

RICK CAPORALE
MICHAEL E. COVERT
GERALD DAWSON
BRIAN E. FLEWELLING
STEVEN G. FOBES
YORK GLOVER, SR.
ALICE G. HOWARD
STEWART H. RODMAN
ROBERTS "TABOR" VAUX

THOMAS J. KEAVENY, II
INTERIM COUNTY ADMINISTRATOR
COUNTY ATTORNEY

CONNIE L. SCHROYER
CLERK TO COUNCIL

AGENDA
FINANCE COMMITTEE
Monday, September 24, 2018
2:00 p.m.
Large Meeting Room, Bluffton Branch Library
120 Palmetto Way, Bluffton

Committee Members:
Jerry Stewart, Chairman
Michael Covert, Vice Chairman
Rick Caporale
Gerald Dawson
Brian Flewelling
Steven Fobes
Stu Rodman

Staff Support:
Suzanne Gregory, Employee Services Director
Alicia Holland, CPA, Assistant County Administrator, Finance
Chanel Lewis, CGFO, Controller

1. CALL TO ORDER – **2:00 P.M.**
2. PRESENTATIONS / CHAMBERS OF COMMERCE DESIGNATED MARKETING ORGANIZATION (DMO) FOR FISCAL YEAR 2018-2019 BUDGETS
 - A. Beaufort Regional Chamber of Commerce (backup)
 - B. Hilton Head Island – Bluffton Chamber of Commerce (backup)
3. DISCUSSION / POTENTIAL AMENDMENT OF EXISTING ORDINANCE REGARDING PRESENTATION OF ANNUAL BUDGETS AND EXPENDITURES OF DESIGNATED MARKETING ORGANIZATIONS
4. COUNCILMAN RODMAN REPORT / INDEPENDENT CONTRACTOR AGREEMENT WITH JOSHUA A. GRUBER
5. DISCUSSION / FUNDING ASSISTANCE IN DEVELOPING WRIGHT FAMILY PARK AND CALHOUN STREET DOCK (TOWN OF BLUFFTON) (backup)
6. DISCUSSION / MCIP AGREEMENT WITH JASPER COUNTY (PROJECT PEACH) (backup)
7. DISCUSSION / TIMELINE FOR BEAUFORT COUNTY’S FINANCIAL COMMITMENTS TO THE TECHNICAL COLLEGE OF THE LOWCOUNTRY CULINARY ARTS INSTITUTE (backup)
8. SUMMARY / LOCAL (3%) ACCOMMODATIONS TAX FUND AND LOCAL HOSPITALITY TAX FUND OBLIGATIONS (backup)
9. UPDATE / AVAILABLE 2018 ACCOMMODATIONS (2% STATE) TAX MONIES (backup)



10. STATUS OF YEAR-END CLOSING SCHEDULE FOR THE PERIOD ENDED JUNE 30, 2018 (FY2018) (backup)
11. DISCUSSION / DAUFUSKIE ISLAND FIRE STATION HARDENING GRANT AWARD (backup)
12. EXECUTIVE SESSION
 - A. Discussion of a potential intergovernmental agreement with Jasper County and the Jasper County School District regarding a joint shelter
 - B. Legal advice regarding acquisition of properties TMS# R100 025 000 050C 0000, TMS# R100 025 000 050A 0000 and TMS# R100 025 000 0323 0000
13. MATTERS ARISING OUT OF EXECUTIVE SESSION
14. CONSIDERATION OF REAPPOINTMENTS AND APPOINTMENTS
 - A. Accommodations (State 2%) Tax Board / One Vacancy (Hospitality Industry)
15. DISCUSSION / PROPOSED FINANCIAL POLICIES OF BEAUFORT COUNTY (backup)
16. ADJOURNMENT

2018 Strategic Plan Committee Assignments
Business License Fee: Direction
Economic Development Corporation: Next Steps
Sales Tax Referendum 2018
“One Stop” Shop for Business: Expansion
FEMA Reimbursement
CAFR – Financial Report for 2017
Employee Wellness Program

Memo to County Council Finance Committee

Date: September 10, 2018

RE: 2018/2019 Budget

Revenues

City and County DMO State 2% - We project a 5% increase in state accommodation tax revenue over 2017 budgeted numbers.

Grants - We anticipate a 19% increase based on 2017/2018 grant allocations from City, County and SCPRT.

Marketing Sales - This is the largest drop YoY and serves as a true correction to the current marketplace. We anticipate that this could be a larger return over budget if we pursue additional staffing.

Other Sales - Switching out inventory. Introducing Local artist, Visit Beaufort #innercoastal merchandise.

Expenses

The following are brief explanations of significant variances between budgeted items for 2018 County Finance Presentation (2018/2019 compared to 2017/2018.)

Personnel - Reallocating expense line items out of this section reduces personnel expense by 11%. We are increasing Part Time staff allocations to allow for Visitor Services Coordinator to be hired FY 2018/2019. Former Visitor Services Coordinator was promoted to Director of Destination Development. Health Insurance is the largest adjustment with the new insurance plan being offered through a partnership with the City of Beaufort. Personnel comprises 31% of the budget, significantly less than the industry average for our size DMO (38%-43%).

Advertising - A small reduction has been re-appropriated to other line items. Print advertising has been reduced 26% while Digital has increased 11%. Billboard spend was increased \$6,000 to reflect increase in cost of boards. Additional revenues will offset the drop when available. We have shifted the majority of our owned media and earned media tactics to be more proactive in producing and providing content to multiple sources.

Telephone/Internet/Utilities - Increase in these line items are a result of the transition into separate accounts from the Chamber of Commerce.

Contract Services - Line items more accurately reflect the changes in operational output. For better clarification and transparency, the operational allotment for financial services was added to this section. Website management as well as website plugs-ins, fulfillment services, and research, fall into this budget category.

BEAUFORT

PORT ROYAL  SEA ISLANDS

GBPRCVB TOTAL BUDGET 2018-2019		18-19 Budget
Ordinary Income/Expense		
Income		
40000 · REVENUES		
43000 · GOVERNMENT SUPPORT/GRANTS		
43200 · DMO FUNDING		
43205 · CITY DMO FUNDING		145,500.00
43210 · COUNTY DMO FUNDING		110,000
Total 43200 · DMO FUNDING		255,500.00
43300 · OTHER ATAX FUNDING		150,000.00
43400 · City of BFT HOSPITALITY FEES - (4.4%)		83,500.00
43100 · City of Bft HTAX - Additional 0.6%		12,000.00
Total 43500 · GRANTS		275,000.00
Total 43000 · GOVERNMENT SUPPORT/GRANTS		776,000.00
Total 44000 · MARKETING SALES		41,000.00
Total 45000 · OTHER SALES		29,200.00
Total 40000 · REVENUES		846,200.00
Total Income		846,200.00
Gross Profit		846,200.00
Expense		
50000 · PERSONNEL EXPENSES		
Total 50000 · PERSONNEL EXPENSES		258,350.00
60000 · NON-PERSONNEL EXPENSES		
Total 61000 · GENERAL EXPENSES		383,200.00
Total 62000 · OCCUPANCY EXPENSES		30,701.00
Total 63000 · EQUIPMENT		10,200.00
Total 64000 · WEBSITE/CONTRACT SERVICES/PROF. FEES		145,650.00
Total 69000 · OTHER EXPENSES		18,000.00
Total 60000 · NON-PERSONNEL EXPENSES		587,751.00
Total Expense		846,101.00
Net Ordinary Income		99.00
Personel		31%
General		69%
Advertising		38%

BEAUFORT COUNTY UPDATE

SEPTEMBER 24, 2018

VISIT

BEAUFORT

PORT ROYAL  SEA ISLANDS

inner coastal



Who We Are

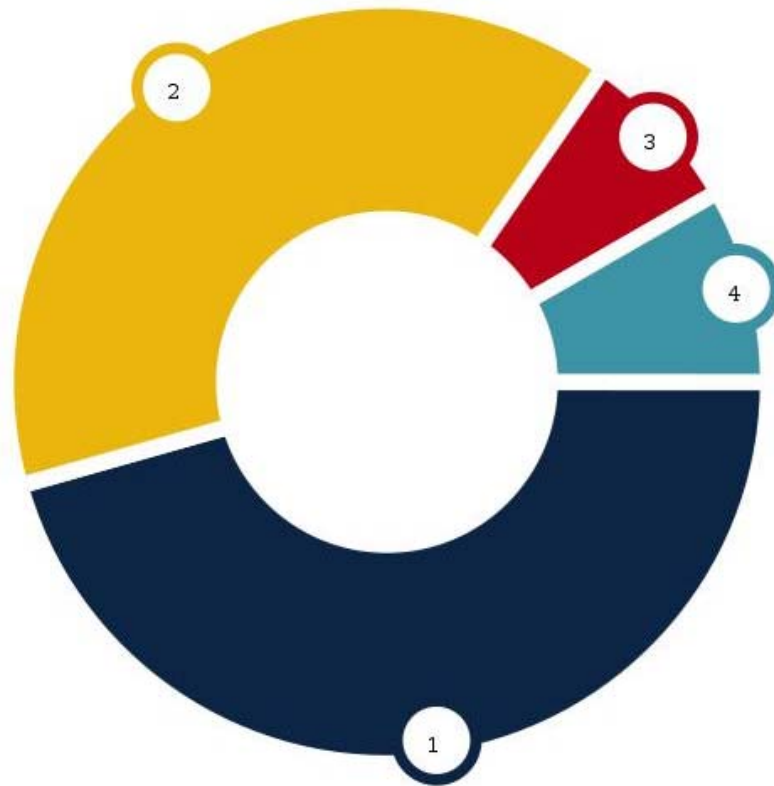
inner coastal

Greater Beaufort-Port Royal CVB is the Designated Marketing Organization (DMO) for the city of Beaufort, the town of Port Royal and the unincorporated Sea Island regions of northern Beaufort County. The CVB produces official travel and tourism information and implements a strategic tourism promotion program to increase awareness of Northern Beaufort County as an attractive vacation, group, meetings and/ or sports travel destination. The CVB also conducts research to measure the impact of travel and tourism on the

BEAUFORT
PORT ROYAL  SEA ISLANDS

Budget Breakdown by Investors

inner coastal



①	City of Beaufort	46%
②	Beaufort County	39%
③	South Carolina	7%
④	Private Investment	8%

\$846,200.00

Who We Are

inner coastal

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Who We Are



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Budget Breakdown by Expense

inner coastal

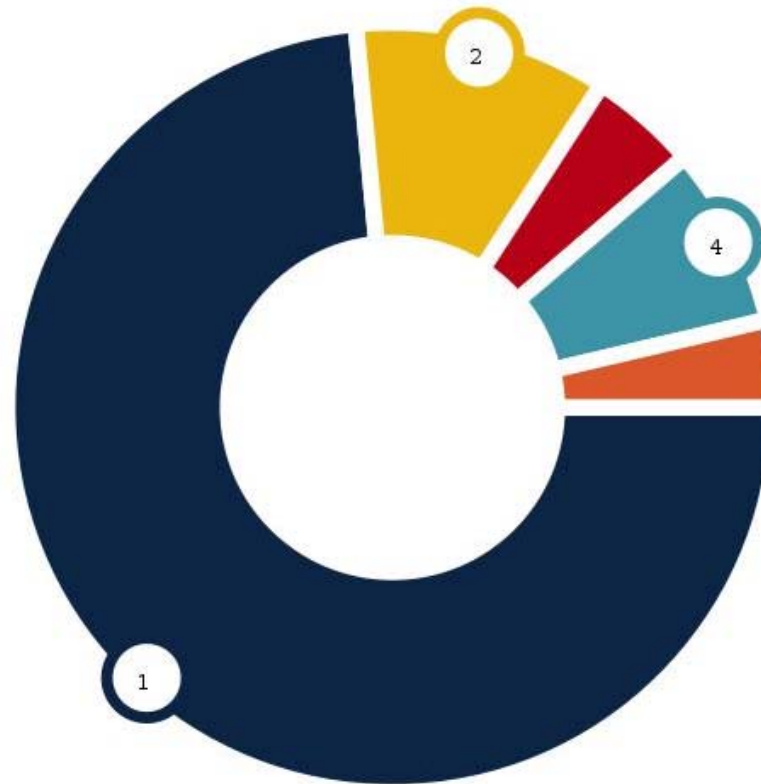


①	DMO Personnel	31%
②	Non-Personnel	69%

2 FT Staff / 7 PT Staff

Promotional Budget Breakdown

inner coastal



1	Media Placement	73%
2	Public Relations	11%
3	Email Marketing	5%
4	Social Media	8%
5	SEO	4%

\$328,000.00



Placement includes:

- 1/6 page ad in the Travel Planner—South Atlantic edition (GA, FL, SC) in April 2019
- Circulation of 629,000 in the South Atlantic editions (GA, FL, SC)
- Added value: Travel planner listing, online travel planner listing and hot deal listing



Placement includes:

- Estimated number of leads based on historical CPL of \$11: 480
- 1/3 page ad in the September issue, “Beach House Must-Haves/Idea House”
- Circulation of 440,000 in the Eastern United States region
- Includes print and digital listing

Estimated number of leads based on historical CPL of \$24.50: 449



Advertise in the Vacation Guide to reach our travel intender audience across the state of South Carolina, showcasing Beaufort as a nearby destination while the audience is reading about activities within the state.

- The guide is available in print, online, and through a mobile-friendly app version
- Includes listing on DiscoverSouthCarolina.com to collect leads
- Includes print and digital listing
- Estimated number of leads based on historical CPL of \$10: 722



Optimization placement:

- Targeting those within a five hour driving distance, with a focus on Charlotte and Atlanta, that are showing travel behavioral intent/interest to travel to Beaufort or a competitive destination.
- Targeting includes smart retargeting, prospect targeting, and contextual targeting those interested in arts and culture, history and outdoor experiences
- Total impressions: 3,546,099



Optimization placement:

- Flight dates of September-October and February-April
- Flight dates of September-October
- Added value: Sojern and Beaufort audience crossover and travel search and purchase analytics
- Estimated total clicks: 4,000



Optimization recommendation:

- 2018-2019 campaign would include a full audit to maximize dollars and capture all inquiries, with a goal to lower the cost per click and cost per conversion
 - Capitalizing on PR and Media mentions by bidding on article titles and key phrases, i.e.: “Best small town,” “best small southern town”
- 9-month campaign, flighted August-November and January-May according to keyword search volume and top travel planning times
- Estimated monthly clicks: 4,000
- Estimated total impressions: 540,000



Targeting:

- Targeting those within a four hour driving distance from Beaufort by DMA
- Targeting those with interests in travel ideas, destinations, items and tours, as well as those with interests in entertainment such as films, music, theater and books.
- Targeting those who attend cultural events, weekend getaways, fall vacation ideas, etc.
- Targeting those who are interested in history and participate in outdoor recreational activities.
- Targeting those within a four hour driving distance from Beaufort with a focus on the metro areas.





Advertise along Interstate 95 both North and South bound as

well as HWY 17 southbound to reach our travel intender

audience along major traffic arteries. showcasing Beaufort as

Placement includes:

a nearby destination while the audience is traveling within the

- 2 Billboards along I-95 (Northbound, Southbound)

state
Hwy 17 Southbound

- Hwy 21 into Beaufort

**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

Financial Statements
with Additional Information
Years Ended June 30, 2017 and 2016
and
Independent Auditors' Report



**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

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J. W. Hunt and Company, LLP

Certified Public Accountants

John C. Creech, Jr., CPA
Anne H. Ross, CPA
William T. Pouncey, CPA
M. Riley Creech, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members
of Hilton Head Island - Bluffton
Chamber of Commerce

We have audited the accompanying financial statements of Hilton Head Island - Bluffton Chamber of Commerce, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hilton Head Island - Bluffton Chamber of Commerce, as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

J.W. Hunt and Company, LLP.

September 19, 2017

**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

STATEMENTS OF FINANCIAL POSITION, JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets:		
Cash	\$ 1,347,870	\$ 1,438,937
Accounts receivable	37,176	28,438
Less, allowance for uncollectible accounts	(708)	(2,995)
Prepaid expenses	96,179	91,449
Other	<u>9,320</u>	<u>9,320</u>
Total current assets	1,489,837	1,565,149
Property and equipment - net	<u>929,662</u>	<u>925,928</u>
Total assets	<u><u>\$ 2,419,499</u></u>	<u><u>\$ 2,491,077</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 264,256	\$ 328,418
Deferred revenue	779,137	753,747
Current portion of long-term debt	61,116	57,171
Other liabilities	<u>135,981</u>	<u>122,857</u>
Total current liabilities	1,240,490	1,262,193
Long-term liabilities:		
Long-term debt, less current portion	<u>435,020</u>	<u>496,136</u>
Total liabilities	<u><u>1,675,510</u></u>	<u><u>1,758,329</u></u>
Unrestricted net assets	<u>743,989</u>	<u>732,748</u>
Total liabilities and net assets	<u><u>\$ 2,419,499</u></u>	<u><u>\$ 2,491,077</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

STATEMENTS OF ACTIVITIES, YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Unrestricted revenues and other support:		
Visitor and Convention Bureau projects	\$ 5,465,055	\$ 5,139,069
Membership dues	711,602	706,915
Membership projects	882,909	814,493
Brochure advertising	247,509	187,328
Building rent and common share	119,294	118,087
Interest income	<u>6,139</u>	<u>5,913</u>
Total unrestricted revenues and other support	<u>7,432,508</u>	<u>6,971,805</u>
Expenses:		
Visitor and Convention Bureau	4,247,564	3,901,398
Salaries and related benefits	2,159,792	2,104,505
General and administrative	371,492	362,552
Membership projects	397,235	362,168
Bluffton Office	29,095	41,109
Depreciation	72,469	67,759
Building	108,322	87,803
Interest	<u>35,298</u>	<u>39,088</u>
Total expenses	<u>7,421,267</u>	<u>6,966,382</u>
Change in unrestricted net assets	11,241	5,423
Unrestricted net assets at beginning of year	<u>732,748</u>	<u>727,325</u>
Unrestricted net assets at end of year	<u>\$ 743,989</u>	<u>\$ 732,748</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

STATEMENTS OF CASH FLOWS, YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in unrestricted net assets	\$ 11,241	\$ 5,423
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation	72,469	67,759
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(11,025)	99,318
(Increase) decrease in prepaid expenses and other assets	(4,730)	(23,597)
Increase (decrease) in accounts payable	(64,162)	(66,715)
Increase (decrease) in other liabilities	13,124	(21,510)
Increase (decrease) in deferred revenue	25,390	171,913
Net cash provided by operating activities	<u>42,306</u>	<u>232,591</u>
Cash flows from investing activities:		
Purchase of property and equipment	(33,275)	(16,647)
Purchase of capital improvements	<u>(42,928)</u>	<u>-</u>
Net cash used by investing activities	<u>(76,203)</u>	<u>(16,647)</u>
Cash flows from financing activities:		
Principal payments on notes payable	<u>(57,171)</u>	<u>(53,381)</u>
Net cash used by financing activities	<u>(57,171)</u>	<u>(53,381)</u>
Net increase (decrease) in cash	(91,067)	162,563
Cash at beginning year	<u>1,438,937</u>	<u>1,276,374</u>
Cash at end of year	<u><u>\$ 1,347,870</u></u>	<u><u>\$ 1,438,937</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u><u>\$ 35,298</u></u>	<u><u>\$ 39,088</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

NOTES TO FINANCIAL STATEMENTS, JUNE 30, 2017 AND 2016

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES:**

The Hilton Head Island - Bluffton Chamber of Commerce (the "Chamber") is a not-for-profit organization established February 5, 1957, to represent, serve and promote the common interests of its membership and the business community and to contribute to the preservation and prudent economic growth of southern Beaufort County of South Carolina area as a healthy place to live and do business.

Date of Management's Review:

Subsequent events were evaluated through September 19, 2017, which is the date the financial statements were available to be issued.

Basis of Presentation:

The Chamber prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The Chamber is required to report information regarding its financial position and activities according to three classes of net assets. Accordingly, net assets of the Chamber and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Chamber has no temporarily restricted net assets.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Chamber. Generally, earnings from endowed contributions and investments are restricted for specific purposes. The Chamber has no permanently restricted net assets.

The statement of activities presents expenses categorized in accordance with the overall mission of the Chamber.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Property and Equipment:

Land donated to the Chamber is recorded at fair value on the date of donation. All other property and equipment is recorded at cost, less accumulated depreciation, computed by using the straight-line method. Estimated useful lives range from three to ten years for furniture, equipment, and capital improvements, three years for computer software, and thirty years for the building.

The Chamber generally capitalizes all expenditures for property and equipment in excess of \$1,000.

Membership Dues:

Membership dues are recognized as revenue ratably over the periods which members are entitled to services.

Visitor and Convention Bureau (V&CB):

The V&CB is a division of the Chamber. Funding for the V&CB is provided by membership investment, the state of South Carolina, Beaufort County, the Town of Hilton Head Island and Town of Bluffton through accommodations taxes (ATAX) and the Department of Parks, Recreation and Tourism (PRT) funds. Revenue is recognized as services are performed.

Membership Projects:

The Chamber conducts various training, educational seminars and promotions for its members. Tickets and sponsorships are sold to cover the expenses of conducting these functions. Project revenue is recognized on an accrual basis as earned.

Advertising Revenue:

Advertising revenue is collected in advance and is deferred and recognized over the period the advertisement runs.

Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes:

The Chamber has received a determination letter from the Internal Revenue Service (IRS) indicating it is a not-for-profit corporation organized under Section 501(c)(6) of the Internal Revenue Code. However, income from certain activities not directly related to the Chamber's tax exempt purpose is subject to federal and state income tax as unrelated business income. Management has determined that the Chamber has no current obligations for unrelated business income tax. Accordingly, no provisions for federal and state income taxes are required. The Chamber is not classified as a private foundation.

GAAP require management to evaluate tax positions taken by the Chamber and recognize a tax liability (or asset) if the Chamber has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Chamber, and has concluded that as of June 30, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Chamber is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations prior to 2014.

NOTE 2 - BANK DEPOSITS:

During the year and at year end, the Chamber's bank balances were in excess of federal depository insurance coverage. Management believes the credit risk associated with exceeding the insurance coverage is balanced by the stability of the financial institution involved.

NOTE 3 - PROPERTY AND EQUIPMENT:

Components of property and equipment were as follows:

	JUNE 30,	
	<u>2017</u>	<u>2016</u>
Land	\$ 364,230	\$ 364,230
Building	1,820,949	1,780,836
Furniture and equipment	439,068	405,842
Capital improvements	58,917	56,102
Computer software	52,713	52,713
Total	<u>2,735,877</u>	<u>2,659,723</u>
Less: Accumulated depreciation	<u>(1,806,215)</u>	<u>(1,733,795)</u>
Property and equipment, net	<u>\$ 929,662</u>	<u>\$ 925,928</u>

NOTE 4 - DEFERRED REVENUE:

Components of deferred revenue were as follows:

	JUNE 30,	
	<u>2017</u>	<u>2016</u>
Membership dues	\$ 289,282	\$ 280,322
Visitor and Convention Bureau revenue	183,323	229,512
Leadership Hilton Head revenue	9,474	14,368
Other	196,932	121,101
Internet sales	<u>100,125</u>	<u>108,444</u>
Totals	<u>\$ 779,137</u>	<u>\$ 753,747</u>

NOTE 5 - LONG-TERM DEBT:

Long-term debt consists of the following:

	JUNE 30,	
	<u>2017</u>	<u>2016</u>
Mortgage note payable, bank, secured by land and building, 6.6%, interest and fixed principal payment of \$7,706 due monthly, note matures February 20, 2024.	\$ 496,136	\$ 553,307
Less, current portion	<u>61,116</u>	<u>57,171</u>
Total, long-term portion	<u>\$ 435,020</u>	<u>\$ 496,136</u>

Maturities of long-term debt are as follows:

YEAR ENDING	AMOUNT
<u>JUNE 30,</u>	
2018	\$ 61,116
2019	65,334
2020	69,782
2021	74,657
2022	79,809
2023 and later	<u>145,438</u>
Total	<u>\$ 496,136</u>

The Chamber has an unused line of credit with a bank in the amount of \$3,200,000, collateralized by future expected revenues. The interest rate is the bank's prime rate plus 1% and expires on January 5, 2018.

NOTE 6 - LEASE COMMITMENTS:

The Chamber leases certain office equipment under noncancelable operating lease agreements. Lease expense charged to operations under lease agreements was \$3,792 and \$5,843 for the years ended June 30, 2017 and 2016, respectively. Future minimum lease payments under these leases are \$3,792 for the year ended June 30, 2018.

The Chamber's lease on the Bluffton office is on a month-to-month basis.

NOTE 7 - EMPLOYEE BENEFITS:

The Chamber is a participant in the American Chamber of Commerce 401(k) Retirement/Savings Plan (the Plan). The Chamber contributes a percentage of each eligible employee's salary and matches each employee's contribution to a fixed maximum percentage. The Plan covers employees who have one or more years of service with the Chamber. The Chamber contributed \$80,337 and \$77,164 to the Plan for the years ended June 30, 2017 and 2016, respectively.



J. W. Hunt and Company, LLP

Certified Public Accountants

John C. Creech, Jr., CPA
Anne H. Ross, CPA
William T. Pouncey, CPA
M. Riley Creech, CPA

**INDEPENDENT AUDITORS' REPORT ON
ADDITIONAL INFORMATION**

To the Board of Directors and Members
of Hilton Head Island – Bluffton
Chamber of Commerce

We have audited the financial statements of Hilton Head Island – Bluffton Chamber of Commerce as of and for the years ended June 30, 2017 and 2016, and our report thereon dated September 19, 2017, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying additional information presented on pages 13 through 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

J.W. Hunt and Company, LLP.

September 19, 2017

**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

DESTINATION MARKETING ORGANIZATION OF THE TOWN OF HILTON HEAD ISLAND

HILTON HEAD ISLAND VISITOR AND CONVENTION BUREAU
SCHEDULE OF REVENUES AND FUNCTIONAL EXPENSES,
YEAR ENDED JUNE 30, 2017

	TOWN OF HHI ACCOMMODATIONS TAX
Revenues - Town of Hilton Head Island - DMO	\$ 1,760,860
Town of Hilton Head Island - Supplemental Grant 2016-17	472,564
Town of Hilton Head Island - Crisis Fund	300,000
Total revenue	2,533,424
Expenses:	
Direct marketing:	
Leisure:	
Fulfillment	\$ 44,149
Vacation Planner	104,898
Print Media	99,509
Packaging Promotions	2,385
Supplemental Grant - Golf Marketing	238,944
Supplemental Grant - Leisure	133,398
Supplemental Grant - Tennis	17,802
Supplemental Grant - Crisis Fund	300,000
Destination Event Promotion	27,293
Destination Photography	9,798
800 Toll-free number	1,804
Digital Promotions	280,022
Social Media	52,059
Leisure Programs - Other	3,634
Total leisure	1,315,695
Meetings and group:	
Trade shows	43,125
Supplemental Grant - Meetings	84,620
Giveaways	3,849
Site Inspections	2,319
Lead Prospecting Program	22,762
Trade sponsorships	4,065
Trade Media	13,565
Meetings - Other	392
Total meetings and group	174,697

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE
 DESTINATION MARKETING ORGANIZATION OF THE TOWN OF HILTON HEAD ISLAND
 HILTON HEAD ISLAND VISITOR AND CONVENTION BUREAU
 SCHEDULE OF REVENUES AND FUNCTIONAL EXPENSES,
 YEAR ENDED JUNE 30, 2017

	TOWN OF HHI ACCOMMODATIONS <u>TAX</u>
Expenses (continued):	
Direct marketing (continued):	
Public relations:	
Public relations firm	\$ 123,130
Special projects/photography	51,107
Total public relations	<u>174,237</u>
Group tour marketing:	
Group tour trade shows	1,785
Total motorcoach marketing	<u>1,785</u>
International:	
Coastal South Carolina	28,830
International promotions	97,968
European sales mission(s)	603
Pow Wow International	11,730
Total international	<u>139,131</u>
Market research:	
Strategic planning and research	68,861
General contingency	7,500
Total research, planning and contingency	<u>76,361</u>
Total direct marketing expenses	<u>1,881,906</u>
Sales, marketing, visitor services and admin:	
Salaries	\$ 411,397
Payroll taxes	30,032
Employee benefits - 401K	20,570
Employee benefits - Insurance	43,279
Operations - Other	95,204
Operations - Building	51,036
Total sales, marketing, visitor services and admin	<u>651,518</u>
Total expenses	<u>2,533,424</u>
Excess of revenues over expenses	<u>\$ -</u>

**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

DESTINATION MARKETING ORGANIZATION OF THE TOWN OF BLUFFTON

HILTON HEAD ISLAND VISITOR AND CONVENTION BUREAU
SCHEDULE OF REVENUES AND FUNCTIONAL EXPENSES,
YEAR ENDED JUNE 30, 2017

	BLUFFTON ACCOMMODATIONS <u>TAX</u>
Revenues - Town of Bluffton DMO	\$ 122,443
Town of Bluffton Special Grant - Special	24,000
	<u>146,443</u>
Expenses:	
Bluffton Fulfillment	\$ 2,606
Vacation Planner	6,203
Bluffton Toll-Free Number	96
Digital Promotions	11,127
Leisure Marketing (Matador Ventures)	20,000
Leisure Marketing (Garden & Gun)	35,342
Leisure Marketing - Other	528
Town of Bluffton Grant - Special Projects	24,000
Trade Shows (ABA)	48
Bluffton Visitor Research	1,189
Total direct marketing expenses	<u>101,139</u>
Administrative:	
Salaries	28,608
Payroll taxes	2,088
Employee benefits - 401K	1,430
Employee benefits - Insurance	3,009
Operations - Other	6,620
Operations - Building expense	3,549
Total administrative	<u>45,304</u>
Total expenses	<u>146,443</u>
Excess of revenues over expenses	<u>\$ -</u>

**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

DESTINATION MARKETING ORGANIZATION OF SOUTHERN BEAUFORT COUNTY

HILTON HEAD ISLAND VISITOR AND CONVENTION BUREAU
SCHEDULE OF REVENUES AND FUNCTIONAL EXPENSES,
YEAR ENDED JUNE 30, 2017

	BEAUFORT COUNTY ACCOMMODATIONS <u>TAX</u>
Revenues - Southern Beaufort County DMO	\$ 240,717
Beaufort County Special Grant	21,000
	261,717
Expenses:	
Fulfillment	\$ 9,341
Vacation Planner	22,192
Packaging Promotions	10,500
Digital Promotions	25,962
Garden & Gun	25,342
Photography	19,227
Trade Shows (ABA)	2,990
Public Relations	12,822
Beaufort County Grant - Special Projects	21,000
Daufuskie Marketing	10,500
BC/Bluffton Visitor Research	12,775
Total leisure	172,651
Total direct marketing expenses	172,651
Administrative:	
Salaries	56,241
Payroll taxes	4,105
Employee benefits - 401K	2,812
Employee benefits - Insurance	5,916
Operations - Other	13,015
Operations - Building expense	6,977
Total administrative	89,066
Total expenses	261,717
Excess of revenues over expenses	\$ -

**HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE**

**HILTON HEAD ISLAND VISITOR AND CONVENTION BUREAU
SCHEDULE OF REVENUES AND FUNCTIONAL EXPENSES,
YEAR ENDED JUNE 30, 2017**

	ACCOMMODATIONS TAX			PARKS, RECREATION AND TOURISM	MARKETING	MEMBERSHIP	TOTAL
	TOWN OF HHI	BLUFFTON	B/C DMO				
Revenues:							
Town of Hilton Head Island DMO	\$ 1,760,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,760,860
Town of Hilton Head Isl. Supplmntl Grant	472,564	-	-	-	-	-	472,564
Town of Hilton Head Isl. Crisis Fund	300,000	-	-	-	-	-	300,000
Beaufort County DMO	-	-	240,717	-	-	-	240,717
Beaufort County DMO / Supl Grants	-	-	21,000	-	-	-	21,000
Town of Bluffton DMO	-	122,443	-	-	-	-	122,443
Town of Bluffton Supplemental Grants	-	24,000	-	-	-	-	24,000
SCPRT DMO Grants	-	-	-	750,000	-	-	750,000
SCPRT Co-op Grants	-	-	-	675,000	-	-	675,000
Member Funding	-	-	-	-	1,345,981	1,719,943	3,065,924
Total revenues	2,533,424	146,443	261,717	1,425,000	1,345,981	1,719,943	7,432,508
Expenses:							
Leisure	1,315,695	55,870	42,033	505,607	107,045	-	2,026,250
Town of Bluffton Marketing	-	44,080	-	-	-	-	44,080
Beaufort County Marketing - Bluffton	-	-	91,532	-	-	-	91,532
Beaufort County Marketing - Daufuskie	-	-	10,500	-	-	-	10,500
Meetings and group	174,697	-	-	72,879	20,722	-	268,298
Public relations	174,237	-	12,822	147,263	-	-	334,322
International	139,131	-	-	117,592	-	-	256,723
Group tour marketing	1,785	-	2,990	1,509	-	-	6,284
Market Planning & Research	68,861	1,189	12,775	24,620	-	-	107,445
Marketing Co-op Programs	-	-	-	341,780	693,918	-	1,035,698
Membership related expenses	-	-	-	-	-	426,330	426,330
General Contingency	7,500	-	-	-	58,933	-	66,433
Sales, Marketing & Administrative	651,518	45,304	89,065	213,750	465,363	1,282,372	2,747,372
Total expenses	2,533,424	146,443	261,717	1,425,000	1,345,981	1,708,702	7,421,267
Excess of revenues over expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,241	\$ 11,241

EXTENDED TO MAY 15, 2018

OMB No. 1545-0047

Form 990

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2016
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.
Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2016 calendar year, or tax year beginning JUL 1, 2016 and ending JUN 30, 2017

B Check if applicable: C Name of organization: HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE
D Employer identification number: 57-0375569
E Telephone number: (843) 785-3673
G Gross receipts \$: 7,432,506.
H(a) Is this a group return for subordinates?
H(b) Are all subordinates included?
I Tax-exempt status:
J Website: WWW.HILTONHEADISLAND.ORG
K Form of organization: Corporation
L Year of formation: 1957
M State of legal domicile: SC

Part I Summary

Table with 3 columns: Description, Prior Year, Current Year. Rows include: 1 Briefly describe the organization's mission... 2 Check this box... 3-7a Activities & Governance... 8-12 Revenue... 13-19 Expenses... 20-22 Net Assets or Fund Balances.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here: Signature of officer WILLIAM G MILES, PRESIDENT & CEO, Date 5-10-18
Paid Preparer: JOHN C. CREECH, JR., J. W. HUNT AND COMPANY, LLP, P.O. BOX 265, COLUMBIA, SC 29202

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [] No

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE

Form 990 (2016)

57-0375569 Page 2

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: THE PURPOSE OF THE HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE IS TO PROMOTE AND PERPETUATE THE BUSINESS, COMMERCIAL, ENVIRONMENTAL, INDUSTRY AND CIVIC INTERESTS OF HILTON HEAD ISLAND AND BLUFFTON, SOUTH CAROLINA.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 7,343,095. including grants of \$) (Revenue \$) THE CHAMBER OF COMMERCE PROGRAMS SERVE TO PROMOTE THE AREA THROUGH VARIOUS ACTIVITIES WHICH INCLUDE LARGE SCALE MARKETING AND ADVERTISING CAMPAIGNS. THE CHAMBER SEEKS TO ATTRACT BUSINESS AND INDUSTRY TO BENEFIT BOTH THE GREATER HILTON HEAD ISLAND AND BLUFFTON AREA AND ITS MEMBERSHIP.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 7,343,095.

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF
COMMERCE

Form 990 (2016)

57-0375569 Page 3

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Form 990 (2016)

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF
COMMERCE

Form 990 (2016)

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Part IV Checklist of Required Schedules (continued)

		Yes	No
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?		
Note. All Form 990 filers are required to complete Schedule O		X	

Form 990 (2016)

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF
COMMERCE

Form 990 (2016)

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Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	11	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	26	
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		X
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		X
9b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		X
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 1a 27 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b	Enter the number of voting members included in line 1a, above, who are independent 1b 26		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **SC**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **WILLIAM G. MILES - (843) 785-3673**
PO BOX 5647, HILTON HEAD ISLAND, SC 29938

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any. See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JAY WIENDL CHAIRMAN	5.00	X					0.	0.	0.	
(2) TOM UPSHAW IMMEDIATE PAST CHAIRMAN	2.00	X					0.	0.	0.	
(3) RONI ALLBRITTON BOARD MEMBER	2.00	X					0.	0.	0.	
(4) JEAN BECK BOARD MEMBER	2.00	X					0.	0.	0.	
(5) STEVE BIRDWELL BOARD MEMBER	2.00	X					0.	0.	0.	
(6) DRU BROWN BOARD MEMBER	2.00	X					0.	0.	0.	
(7) DAVID BURKE BOARD MEMBER	2.00	X					0.	0.	0.	
(8) JEREMY CLARK BOARD MEMBER	2.00	X					0.	0.	0.	
(9) SUSANA COOK BOARD MEMBER	2.00	X					0.	0.	0.	
(10) GRANT CULLY BOARD MEMBER	2.00	X					0.	0.	0.	
(11) TIM PREISEN BOARD MEMBER	2.00	X					0.	0.	0.	
(12) MARCUS JACKSON BOARD MEMBER	2.00	X					0.	0.	0.	
(13) GREG KELLY BOARD MEMBER	2.00	X					0.	0.	0.	
(14) JANICE MALAFRONTA BOARD MEMBER	2.00	X					0.	0.	0.	
(15) WALT NESTER BOARD MEMBER	2.00	X					0.	0.	0.	
(16) PATRICIA OWEN BOARD MEMBER	2.00	X					0.	0.	0.	
(17) JUSTIN RICE BOARD MEMBER	2.00	X					0.	0.	0.	

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) KAREN RYAN BOARD MEMBER	2.00	X						0.	0.	0.
(19) ANDREW SCHUMACHER BOARD MEMBER	2.00	X						0.	0.	0.
(20) STEVE STAUFFER BOARD MEMBER	2.00	X						0.	0.	0.
(21) TERRY TADLOCK BOARD MEMBER	2.00	X						0.	0.	0.
(22) CAROLYN VANAGEL BOARD MEMBER	2.00	X						0.	0.	0.
(23) RAY WARCO BOARD MEMBER	2.00	X						0.	0.	0.
(24) ROB WELCH BOARD MEMBER	2.00	X						0.	0.	0.
(25) BAKER WILKINS BOARD MEMBER	2.00	X						0.	0.	0.
(26) WARREN WOODARD BOARD MEMBER	2.00	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								667,225.	0.	24,072.
d Total (add lines 1b and 1c)								667,225.	0.	24,072.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **4**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

SEE PART VII, SECTION A CONTINUATION SHEETS

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514		
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f						
Program Service Revenue	2 a	VISITOR AND CONV. BURE	Business Code	5,465,054.	5,465,054.			
	b	MEMBERSHIP DUES & ASSE		711,602.		711,602.		
	c	MEMBERSHIP PROJECTS		582,233.	569,893.	12,340.		
	d	ADVERTISING		548,184.		548,184.		
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		7,307,073.				
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		6,139.		6,139.	
4		Income from investment of tax-exempt bond proceeds						
5		Royalties						
6 a		Gross rents	(i) Real	119,294.				
			(ii) Personal					
			b	Less: rental expenses	78,170.			
			c	Rental income or (loss)	41,124.			
d		Net rental income or (loss)		41,124.	41,124.			
7 a		Gross amount from sales of assets other than inventory	(i) Securities					
			(ii) Other					
			b	Less: cost or other basis and sales expenses				
			c	Gain or (loss)				
d		Net gain or (loss)						
8 a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
	b		Less: direct expenses					
	c		Net income or (loss) from fundraising events					
9 a	Gross income from gaming activities. See Part IV, line 19	a						
		b	Less: direct expenses					
		c	Net income or (loss) from gaming activities					
10 a	Gross sales of inventory, less returns and allowances	a						
		b	Less: cost of goods sold					
		c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue			Business Code					
11 a		a						
		b						
		c						
		d	All other revenue					
e	Total. Add lines 11a-11d							
12	Total revenue. See instructions.		7,354,336.	6,034,947.	601,648.	717,741.		

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	667,225.	667,225.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,101,636.	1,101,636.		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	80,337.	80,337.		
9 Other employee benefits	182,503.	182,503.		
10 Payroll taxes	128,090.	128,090.		
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion				
13 Office expenses	26,890.	26,890.		
14 Information technology				
15 Royalties				
16 Occupancy	143,620.	143,620.		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	72,469.	72,469.		
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a VISITOR & CONV BUREAU	4,169,393.	4,169,393.		
b MEMBERSHIP PROJECTS	426,330.	426,330.		
c OTHER OPERATING	208,804.	208,804.		
d EQUIPMENT LEASING	49,556.	49,556.		
e All other expenses	86,242.	86,242.		
25 Total functional expenses. Add lines 1 through 24e	7,343,095.	7,343,095.	0.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 956-720)

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	1,438,936.	1	1,347,871.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	34,736.	4	45,761.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	91,449.	9	96,179.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,735,876.		
	b	Less: accumulated depreciation	10b 1,806,215.	925,929.	10c 929,661.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	27.	15	27.
16	Total assets. Add lines 1 through 15 (must equal line 34)	2,491,077.	16	2,419,499.	
Liabilities	17	Accounts payable and accrued expenses	451,275.	17	400,237.
	18	Grants payable		18	
	19	Deferred revenue	753,747.	19	779,137.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	553,307.	23	496,136.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	Total liabilities. Add lines 17 through 25	1,758,329.	26	1,675,510.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	732,748.	27	743,989.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	732,748.	33	743,989.	
34	Total liabilities and net assets/fund balances	2,491,077.	34	2,419,499.	

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	7,354,336.
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,343,095.
3	Revenue less expenses. Subtract line 2 from line 1	3	11,241.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	732,748.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	743,989.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization **HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE**

Employer identification number
57-0375569

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply). <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) <input type="checkbox"/> Preservation of a historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶	
4 Number of states where property subject to conservation easement is located ▶	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶	
7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.	

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.	
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:	
(i) Revenue included on Form 990, Part VIII, line 1	▶ \$
(ii) Assets included in Form 990, Part X	▶ \$
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:	
a Revenue included on Form 990, Part VIII, line 1	▶ \$
b Assets included in Form 990, Part X	▶ \$

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Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Temporarily restricted endowment _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		364,230.		364,230.
b Buildings		1,879,866.	1,371,480.	508,386.
c Leasehold improvements				
d Equipment		491,780.	434,735.	57,045.
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) 929,661.

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE

Schedule D (Form 990) 2016

57-0375569 Page 3

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF
COMMERCE

Schedule D (Form 990) 2016

57-0375569 Page 4

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	7,432,506.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments	2a		
	b Donated services and use of facilities	2b		
	c Recoveries of prior year grants	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d		2e	0.
3	Subtract line 2e from line 1		3	7,432,506.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		-78,170.
	c Add lines 4a and 4b		4c	-78,170.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	7,354,336.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	7,421,265.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities	2a		
	b Prior year adjustments	2b		
	c Other losses	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d		2e	0.
3	Subtract line 2e from line 1		3	7,421,265.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		-78,170.
	c Add lines 4a and 4b		4c	-78,170.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	7,343,095.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

RENTAL EXPENSE

PART XII, LINE 4B - OTHER ADJUSTMENTS:

RENTAL EXPENSE

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2016

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization **HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE**

Employer identification number
57-0375569

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

1b

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

2

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?

4a

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

4b

c Participate in, or receive payment from, an equity-based compensation arrangement?

4c

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

5a

b Any related organization?

5b

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

6a

b Any related organization?

6b

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

7

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

8

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

9

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF
COMMERCE

57-0375569

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) WILLIAM G. MILES PRESIDENT & CEO	(i)	317,200.	0.	16,910.	0.	24,072.	358,182.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 1A:

CLUB DUES PAID BY THE CHAMBER

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF
COMMERCE

Employer identification number

57-0375569

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

THE BUSINESS, COMMERCIAL, ENVIRONMENTAL, INDUSTRY AND CIVIC INTERESTS
OF HILTON HEAD ISLAND AND BLUFFTON, SOUTH CAROLINA.

FORM 990, PART VI, SECTION A, LINE 6:

LINE 6 EXPLANATION - THE BOARD OF DIRECTORS IS COMPRISED OF INDIVIDUALS
REPRESENTING CHAMBER MEMBER ORGANIZATIONS OR INDIVIDUAL MEMBERS.

FORM 990, PART VI, SECTION B, LINE 11B:

THE CONTROLLER AND THE CHAMBER PRESIDENT REVIEW THE 990 BEFORE IT IS
SUBMITTED TO THE IRS. IN ADDITION, THE 990 IS REVIEWED BY THE FINANCE
COMMITTEE AND A COMPLETE COPY IS PROVIDED TO ALL MEMBERS OF THE BOARD OF
DIRECTORS PRIOR TO THE FILING OF THE RETURN.

FORM 990, PART VI, SECTION B, LINE 12C:

NEW BOARD MEMBERS RECEIVE A PACKET THAT INCLUDE THE BYLAWS AND CONFLICT OF
INTEREST FORM. EACH BOARD AND STAFF MEMBER IS REQUIRED ANNUALLY TO READ AND
SIGN THE CONFLICT OF INTEREST FORM. THE MANAGEMENT OF THE CHAMBER AND THE
INDIVIDUAL BOARD MEMBERS REMAIN INFORMED OF FIRMS INVOLVED IN THE CHAMBERS
BUSINESS AND LEGAL ISSUES. BOARD MEMBERS WILL RECUSE THEMSELVES FROM VOTING
IF/WHEN THERE IS A CONFLICT OF INTEREST.

FORM 990, PART VI, SECTION B, LINE 15:

THE CHAMBER HAS A COMPENSATION COMMITTEE WHICH REVIEWS THE PRESIDENT AND
CEO'S COMPENSATION BASED ON CHAMBER PERFORMANCE, 990'S OF OTHER
ORGANIZATIONS AND COMPENSATION SURVEYS.

Name of the organization HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE

Employer identification number 57-0375569

FORM 990, PART VI, SECTION C, LINE 19:

THE LAST FIVE YEARS OF AUDIT REPORTS ARE AVAILABLE AT

WWW.THINKHILTONHEADISLAND.ORG.



HILTON HEAD ISLAND-BLUFFTON
CHAMBER OF COMMERCE



2017
PROGRESS REPORT

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“Within the first six months of being a chamber member, I conducted business in excess of \$26,000 through chamber of commerce connections and referrals.”

–David Cook, owner of Lowcountry Finishes Painting & Carpentry

“At a Conversation & Cocktails last year, I met someone whose company ended up being one of our largest advertisers in 2017. Networking at the Hilton Head Island-Bluffton Chamber events pays off big time, time after time.”

–BJ Frazier, publisher of the Bluffton & Hilton Head Sun

“I am frequently asked by business owners if my involvement with the Hilton Head Island-Bluffton Chamber of Commerce is of benefit to my company. The answer is always the same: ABSOLUTELY!”

–Terry Tadlock, president of Coastal Plains Insurance

HILTON HEAD ISLAND LOCATION

1 Chamber of Commerce Drive
PO Box 5647
Hilton Head Island, SC 29938
Phone: 843.785.3673



HHIBChamber

BLUFFTON LOCATION

216 Bluffton Road
Bluffton, SC 29910
Phone: 843.757.3673
Fax: 843.757.6021

MISSION

To advance the common interest of our membership, stimulate the expanding regional economy and enhance the quality of life for all.

VALUES

The Hilton Head Island-Bluffton Chamber of Commerce is dedicated to serving as a professional, accountable and innovative business-oriented organization. The Chamber is pragmatic in its approach while also being visionary, fair-minded and ethical in all of its dealings with the community and its members.

“Hargray Communications has been part of the Lowcountry for nearly 70 years. We are grateful for the many opportunities presented by Hilton Head Island-Bluffton Chamber of Commerce to connect with fellow community leaders and actively engage in making our community the best place to call home. All of us at Hargray are truly proud to be Chamber Champions.”

**–Patti DiSilvestre,
Hargray Communications**

GUIDING PRINCIPLES

DEVELOP and **IMPLEMENT** programs and services that benefit the economic well-being and common interests of our members.

INITIATE programs for which there is funding and staffing resources.

MAKE decisions based on long-term perspective.

MAINTAIN the highest ethical standards in all we do.

WORK to preserve and enhance the prudent growth, quality of life and character of our region.

DEVELOP collaborative partnerships only in areas where partnerships can accomplish that which our organization cannot do alone.

SERVE as a voice and advocate for the business community.



CHAMBER CHAMPIONS 2017-2018

Pinnacle



Platinum



Gold



Silver

Beaufort Memorial Hospital
Engel & Völkers
Hub International

McNair Law Firm
MLS of Hilton Head Island, Inc.
Prudential Financial - Christopher Corkern

Sam's Club and Walmart
SunTrust Bank
WSAV-TV

Bronze

Ace Hardware Hilton Head

Riedel Computers

RMC Your Destination Connection

Copper

Andy Twisdale, Realtor
Court Atkins Group
Dixon Schwabl
Hilton Head Area Association of Realtors
Hilton Head Island Motoring Festival &
Concours d'Elegance

NAI Carolina Charter
Sign D' Sign
Sun City Hilton Head Community Association, Inc.
Technical College of the Lowcountry
United Community Bank
Wood+Partners

2017 LEADERSHIP MESSAGE

There continues to be so much positive momentum in our Lowcountry business community. Momentum demands movement. It's not a sedentary process, as anyone in business will tell you.

We continue to see such encouraging economic growth both in Bluffton and on Hilton Head Island. One component that's always been a hallmark of our business community is that we're fearless when it comes to tackling the tough challenges like workforce issues and managing growth, while staying true to our Lowcountry quality of life.

2017 is full of examples:

The world takes notice – It's been a year of outstanding recognition being named the #1 island in the U.S. by not one, but two illustrious publications in their readers' choice awards—*Conde Nast Traveler* and *Travel + Leisure*. Bluffton was also recognized as one of the top places in the country to retire and for its burgeoning and vibrant downtown scene.

When the going gets tough, the tough get going – You talked, we listened and we put your collective ideas into action. We hosted our Unite Summit this spring to shine a light on the biggest challenges in our community: the availability of a qualified workforce, housing that's affordable, and transportation and traffic. Why did we do it? Because we can learn from others who have successfully tackled the workforce challenge.

We've also formed our Business Workforce Coalition in 2017. It's made up of leaders from virtually every segment of our business community as well as government leadership. It's a partnership that will pay great dividends in the workforce arena into 2018 and beyond.

“There continues to be so much positive momentum in our Lowcountry business community. Momentum demands movement. It's not a sedentary process...”

We've proven Mother Nature can't keep a good community down – While Irma was a tropical storm as it impacted our area, the mandatory evacuation of our island and subsequent loss of visitors had a negative, multi-million dollar impact on our community. It's why we quickly infused over \$174,000 into an immediate marketing effort designed to let the world know that we are open for business. Even with the storm's impact, tourism remained strong and numbers were positive for 2017.

Getting here is easier than ever before - Air traffic is up 13 percent at the Savannah/Hilton Head International Airport. Air Canada made its inaugural flight from Toronto to the Lowcountry, and was pleased with the success of the route that they will extend their daily service in 2018. Again, partnership played the starring role in making it happen with efforts by your chamber, the airport commission and our colleagues in Savannah. Construction of the runway extension for the Hilton Head Airport will be completed in June of 2018. That's good news for residents as well as visitors.

These are just a few of the highlights from 2017. In the pages to come, you'll see more success stories from your chamber that aren't ours and ours alone...they're yours as well. We're only as strong as our collective momentum and that momentum doesn't happen without your involvement.

It's been said that in business and beyond your “why” must be bigger than their “no,” and we couldn't agree more. Our “why” is you. Your success is why we work hard each and every day to bring positive momentum to your business and to our entire region.

We appreciate your partnership. It's the momentum that drives our organization and our community.



WILLIAM G. MILES, IOM, CCE
President & CEO
Hilton Head Island - Bluffton COC



JAY WIENDL
Chairman of the Board
GM, Sonesta Resort and
Spa Hilton Head Island

BOARD EXECUTIVE COMMITTEE 2017



CHAIRMAN

JAY WIENDL

Sonesta Resort
Hilton Head Island



IMMEDIATE PAST CHAIRMAN

TOM UPSHAW

Palmetto Electric
Cooperative - Retired



**VICE CHAIRMAN, BLUFFTON
REGIONAL BUSINESS COUNCIL**

JUSTIN RICE

First Citizens Bank



**VICE CHAIRMAN,
FINANCE**

RAY WARCO

Webster Rogers



**VICE CHAIRMAN,
GOVERNMENT RELATIONS**

WALT NESTER

McNair Law Firm



**VICE CHAIRMAN,
MEMBERSHIP**

PATRICIA OWEN

FACES Day Spa & Boutique



VICE CHAIRMAN, SMALL BUSINESS

GRANT CULLY

Harbour Health
Insurance Solutions



**VICE CHAIRMAN,
WORKFORCE & EDUCATION**

WARREN WOODARD

Omni Hilton Head
Oceanfront Resort



**VICE CHAIRMAN, VISITOR &
CONVENTION BUREAU**

GREG KELLY

Savannah/HiltonHead
International Airport



GENERAL COUNSEL

DAVID TIGGES

McNair Law Firm



PRESIDENT & CEO

BILL MILES, IOM, CCE

Hilton Head Island -
Bluffton COC

BOARD OF DIRECTORS 2017



RONI ALLBRITTON
Shelter Cove
Towne Centre



JEAN BECK
Hilton Head Area
Association of Realtors



STEVE BIRDWELL
The Sea Pines Resort



DRU BROWN
The Vacation Company



DAVID BURKE
Burke's Main Street
Pharmacy



JEREMY CLARK
Hilton Head Hospital



SUSANA COOK
Park Lane Hotel
& Suites



TIM FREISEN
The Westin Hilton Head
Island Resort & Spa



MARCUS JACKSON
Montage Palmetto Bluff



JANICE MALAFRENTE
Companions,
Nurses & Nannies



KAREN RYAN
Weichert Realtors
Coastal Properties



ANDREW SCHUMACHER
Palmetto Dunes POA



STEVE STAUFFER
BB&T Carswell
Insurance Services



TERRY TADLOCK
Coastal Plains
Insurance



CAROLYN VANAGEL
HHI Motoring Festival
& Concours d'Elegance



ROB WELCH
Marriott Vacations
Worldwide



BAKER WILKINS
NAI Carolina
Charter

PROFESSIONAL STAFF

EXECUTIVE



BILL MILES, IOM, CCE
President & CEO



CONNIE KILLMAR
Assistant to the
President

COMMUNICATIONS



CHARLIE CLARK, IOM
Vice President,
Communications



HALLIE MARTIN
Communications
Manager



KELLY SCANLIN
Public Relations
Manager

FINANCE & ADMINISTRATION



RAY DEAL
Controller



KELLY MCCALLISTER
Assistant Controller

MEMBERSHIP, WORKFORCE & EDUCATION



MICHELLE WYCOFF
Vice President
Partner Advancement
& Strategic Development



GREG ALEXANDER
Director of Public Policy
& Small Business



CATHY HAVENS
Special Projects
Manager

VISITOR INFORMATION



RAKENYA SIDORS
Information Specialist



DEBBIE STRACENER
Online Concierge/
Information Specialist



BEVERLY MALONEY
Senior Account
Executive



DOROTHY GUSCIO, IOM
Events
Manager



JOAN DELOZIER
Membership
Coordinator

VISITOR & CONVENTION BUREAU



ARIANA PERNICE
Vice President, Visitor
& Convention Bureau



LINDSY BENTZ
Digital Marketing
Manager



KAYLA BOYTER
Content & Creative
Services Manager



KELLI BRUNSON
Research &
Marketing Analyst



BRENDA CIAPANNA
Marketing
Manager



WES KITASHIMA
Senior Sales
Manager



KIM NELSON
Sales Manager



JACK REED
Director of Sales



KATHY WININGS
Partnership
Marketing Manager

Simply the best.



Congratulations to
Hilton Head Island
businesses and residents!

Travel + Leisure Magazine has once again named Hilton Head Island the #1 island in the Continental United States and one of the top 10 in the world in the 2017 World's Best Awards.

Thanks to the thousands of Travel + Leisure readers who chose Hilton Head Island. We're proud to welcome our millions of guests and fortunate to call the island our home.



HILTON HEAD ISLAND-BLUFFTON
CHAMBER OF COMMERCE

SO NICE. NAMED #1 TWICE.

Hilton Head Island was internationally recognized as the #1 Island in the U.S. in both *Conde Nast Traveler* and *Travel + Leisure* magazines' 2017 readers' choice awards. We were also named #2 in the world (*yes, the world*) in the *Travel + Leisure* awards.

More than 60 times, the Lowcountry landed on "best of" lists in 2017, applauding our lifestyle, cuisine, scenery and more. Here are the highlights:

HILTON HEAD ISLAND NAMED AMONG
**HAPPIEST
SEASIDE TOWNS**

- *Coastal Living*

HILTON HEAD ISLAND NAMED AMONG
**TOP ADULT
SPRING BREAK
DESTINATIONS**

- *TripAdvisor*

BLUFFTON AMONG
**MOST BEAUTIFUL
TOWNS**

IN ALL 50 STATES

- *Expedia*

DAUFUSKIE NAMED TO
**DOMESTIC BLISS: 9 VACATION-
WORTHY AMERICAN ISLANDS**

- *Men's Journal*

COLIGNY BEACH HILTON HEAD AMONG
**30 BEST BEACHES
FOR FAMILIES**

- *TravelChannel.com*

HILTON HEAD ISLAND NAMED
**TRENDING SPOTS
FOR SUMMER**

VACATION RENTALS

- *TripAdvisor*

MONTAGE PALMETTO BLUFF NAMED
**BEST SPORTING
SCENE IN**

WHERE TO LIVE

- *Coastal Living*

HILTON HEAD ISLAND NAMED AMONG
**BEST BEACHES
IN S.C.**

- *Coastal Living*

HILTON HEAD ISLAND NAMED AMONG
**BEST BEACHES
IN S.C.**

- *USA Today*

HILTON HEAD ISLAND NAMED AMONG
**50 TRENDING
SPOTS FOR**

SUMMER TRAVEL

- *TripAdvisor*

HARBOUR TOWN ON
**100 BEST
PUBLIC COURSES**

- *Golf Digest*



#1 Island in the Continental U.S.

*#1 Island in the Continental U.S.
#2 Island in the World*

HILTON HEAD ISLAND NAMED AMONG
**SOUTH'S
BEST ISLANDS**

- *Southern Living*

HILTON HEAD ISLAND NAMED AMONG
**BEST ISLANDS
IN THE U.S.**

- *MSN*

HILTON HEAD ISLAND NAMED AMONG
**BEST WEEKEND
GETAWAYS**

- *Atlanta Thrillist*

HARBOUR TOWN & LONG COVE COURSES
AMONG **TOP 100
U.S. COURSES**

- *Golfweek*

BEAUFORT COUNTY NAMED #3
**25 MOST
POPULAR PLACES
TO RETIRE**

- *Southern Living*

BLUFFTON NAMED AMONG
**12 CHARMING
COASTAL TOWNS
TO VISIT THIS SUMMER**

- *Tasting Table*

SEA PINES RESORT NAMED TO
**EDITOR'S
CHOICE AWARDS**

- *Golf Digest*

HILTON HEAD ISLAND NAMED AMONG
**10 LUXURY
HONEYMOON
DESTINATIONS**

- *TheKnot.com*

HUDSON OYSTERS NAMED TO
**THE BEST
FOOD IN S.C.**

- *FoodNetwork.com*

HILTON HEAD ISLAND NAMED AMONG
**50 BEST PLACES
IN THE U.S. TO
TRAVEL THIS SUMMER**

- *MSN*

HILTON HEAD ISLAND NAMED AMONG
**50 BEST BEACHES
IN AMERICA**

- *Yahoo*

BEST HEALTH & WELLNESS RESORT
**HILTON HEAD
HEALTH**

- *USA 10 Best*

SO NICE. NAMED #1 TWICE.

MAY RIVER GOLF CLUB & HARBOUR TOWN GOLF LINKS ON
**BEST 100 GOLF COURSES
YOU CAN PLAY**

- *Golf Magazine*

INN & CLUB AT HARBOUR TOWN
**91ST IN TOP 100 HOTELS
IN THE WORLD**

- *Travel+Leisure World's Best Awards*

HILTON HEAD ISLAND IS NAMED
**SOUTH CAROLINA'S TOP
BEACH IN BEST BEACHES
IN EVERY STATE**

- *Yahoo Style*

DISNEY RESORT HILTON HEAD IS NAMED
**SOUTH CAROLINA'S
BEST HOTEL/RESORT IN
EVERY STATE**

- *Conde Naste Traveler*

MONTAGE PALMETTO BLUFF (#10) AND INN & CLUB
AT HARBOUR TOWN (#5) NAMED TO
**10 BEST RESORT HOTELS
IN THE SOUTH**

- *Travel+Leisure World's Best Awards*

BLUFFTON NAMED AMONG
**COAST BUSTERS: BEST
SMALL BEACH TOWNS**

- *Tasting Table*

HILTON HEAD NAMED TO
**15 BEST FAMILY BEACH
VACATIONS IN THE U.S.**

- *US News & World Report*

SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT
**#8 ON 10 BEST
DOMESTIC AIRPORTS**

- *Travel+Leisure World's Best Awards*

HILTON HEAD ISLAND NAMED AMONG
**8 BEST U.S.
CITIES TO VISIT**

THIS SPRING

- *Marie Claire*

HILTON HEAD ISLAND NAMED
AMONG **BEST U.S.
BEACHES**

- *Insider.com*

HILTON HEAD ISLAND NAMED
AMONG **10 BUDGET
FRIENDLY GIRLFRIEND**

GETAWAYS FOR FALL

- *Southern Living*

SMALL BUSINESS & MEMBERSHIP SERVICES

The membership team is focused on providing benefits, programs and services that support and enhance the business community, with a focus on small business. This division implements the programs and initiatives that serve our membership. They also play a leadership role in the area's business education partnership.

SUCCESS IN 2017

Launched the **Lowcountry Jobs Now** platform. Powered by Indeed, the job search engine allows local businesses to connect with local job seekers and includes a roommate finder feature.



Convened the **Business Workforce Coalition**, a group of business and government representatives from **20 Lowcountry industries**, to advocate for a stable and secure workforce through affordable housing.



Held the first-ever **UNITE Workforce Summit**, bringing in national experts on affordable housing, transportation, and other workforce issues.



Tech Tuesday classes covered topics such as preparing your business for a natural disaster, social media marketing, protecting yourself from ransom ware and more.



Launched the first-ever **Chamber Fashion Week**, which highlighted local retail members.



Partnered with **SCORE** for the 27th year in providing free business counseling for entrepreneurs, small businesses, non-profits and education institutions.

Hosted over **80+** Chamber events to **connect, educate** and **empower** the business community.

Welcomed **258** new members to the chamber and held **75** ribbon cuttings, celebrating new business openings. Our semi-annual member event welcomed **103** new businesses to our membership fold.

Working to **find solutions** to the area's **workforce issues**, including **affordable housing**, **transportation** and **skills gap**.

Introduced the **Thrive - Lowcountry Women's Conference** in partnership with **SCORE**. The day-long conference launched a women's professional development series.



Expanded our **Shop Local Campaign** and successful Small Business Saturday in partnership with the U.S. Chamber of Commerce and American Express by highlighting 12 locally-owned businesses. We also hosted a week-long Small Business Celebration during Small Business Week in May.



The chamber's **Leadership and Junior Leadership programs** continue to groom the Lowcountry's emerging leaders. The Leadership 2017 class project **planted Matthew's Oak** in Shelter Cove Community Park, replacing a tree lost to Hurricane Matthew and installing a plaque honoring first responders.



COMMUNICATIONS

The communications division facilitates all internal and external communications for the chamber. The department also serves as the liaison for our public relations firm to garner national media coverage with visiting journalists and broadcast crews.

SUCCESS IN 2017



“A two hour ad” for Hilton Head Island and Bluffton:
The Bachelorette created a Hollywood-like buzz in the Lowcountry as the crew filmed an episode this spring. It aired more than two episodes over the summer, reaching **19.3 million** in viewers.



Welcoming warm weather:
On the first day of spring, **9 million** viewers tuned in as the **Weather Channel** broadcast its morning segments live from Hilton Head Island.

There were over **2,100** stories and mentions about Hilton Head Island in national print, social, broadcast and online media in outlets such as **Trip Advisor, Southern Living, Toronto Star** and more.

The millions of viewer impressions amounted to **\$33.7million**



Hosted visiting journalists from media outlets such as **The Globe and Mail, Toronto Sun, Scary Mommy, Charlotte Observer, Paula Deen Magazine** and more.



Produced multiple communications for Chamber events and marketing campaigns such as the **Chamber Business Monthly**, **Taste of the Season**, **Chamber Restaurant Week**, **State of the Region**, **Tech Tuesdays**, **Project Connect** and many more.



Garnered awards for Communications, including:

Communications Excellence for the “We Call it Home” campaign - **CACCE**

Retention: Members and New Members - **ACCE**

Strategic Alliance Partner of the Year - **Lowcountry SCORE Chapter**

Launched the **Lowcountry Connect Calendar**

a comprehensive community calendar for events happening in the Lowcountry.



Continue to engage members and the community on social media:

@HHIBChamber Social

f **6,100** FOLLOWERS
UP 46.3% Over Last Year
Engagement UP 67.2% Over Last Year

i **1,280** FOLLOWERS
UP 81.6% Over Last Year
Engagement UP 367.3% Over Last Year

t **4,834** FOLLOWERS
UP 13.4% Over Last Year
Engagement UP 24.4% Over Last Year

VISITOR & CONVENTION BUREAU

The Visitor and Convention Bureau is the destination marketing division of the chamber. This division works to increase tourism through marketing efforts cultivating leisure as well as meeting and group business throughout the Lowcountry. The VCB also strives to improve awareness and understanding of the positive economic impact of tourism to the region.

SUCCESS IN 2017

The chamber once again earned accreditation by **Destinations International** (DI), one of less than **200** accredited DMOs in the world.



Delivered trustworthy and impactful destination trip planning content and customer service with a **43%** conversion rate of link out referrals to area travel and tourism partners. Conversions are up **12%** compared to last year.

DMO marketing helped deliver **2 MILLION** consumers to the destination's website from January through October 2017.



Air Canada service took off between Savannah/Hilton Head International Airport and Toronto. The successful service is expanding in 2018.





HSMIA Gold Adrian Awards for the **Weather Channel integration** (public relations) and **Bachelorette** social media campaign (digital marketing).

The lodging industry's leading benchmark, RevPar increased **6.6%** (YTD January through October).

MEASURING SUCCESS

(YTD January through October)

AVERAGE DAILY RATE

+6.5%

OCCUPANCY

+4.5%

Source: 2017 STR Inc.

WEBSITE VISITORS

2 MILLION

WEBSITE CONVERSION RATE

43%



@VISITHILTONHEAD SOCIAL

20K Followers

+58% in followers from previous year

+121% in engagement from previous year

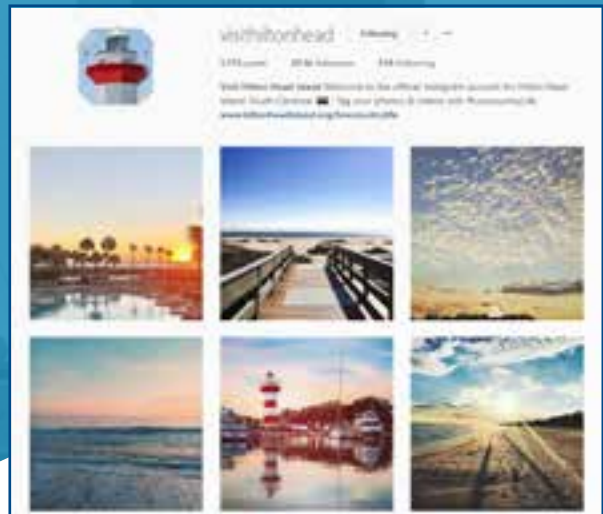
+31% increase in referrals from previous year

184K Followers

+39.2% from previous year

18K Followers

Up +13.4% from previous year



Tourism summit was hosted with Erin Francis-Cummings of **Destination Analysts** as well as Scott Caufield of **TripAdvisor**. Erin provided an update on the Hilton Head Island brand and the leisure traveler, while Scott provided tips and tricks to ensure best practices for TripAdvisor accounts.

Sources: DestiMetrics / STR Two Source Report / USCB / Net Conversion

VISITOR & CONVENTION BUREAU (CONTINUED)



Helped deliver
3,596 consumed group
 nights with an estimated
 economic impact of
\$1.25 million and
 serviced **211** groups with
 estimated destination spending
 impact of **\$6.75 million.**

\$1.4 BILLION total
 visitor spend in 2016;
\$21.26 Town of Hilton
 Head Island return on tax
 investment received for every
 direct marketing dollar spent.

This is Condé cool!

For the second time this year, Hilton Head Island has been named the #1 Island in the United State, topping Condé Nast Traveller's 2017 Reader's Choice Awards list.



In July, Hilton Head Island was named #1 Island in the continental U.S. for the second year in a row in Travel + Leisure World's Best Awards, and this month, we took the Condé Nast Traveler's top spot.

300,000 readers submitted millions of ratings and tens of thousands of comments, sharing their recent travel experiences of the world's cities, islands, hotels, resorts, cruise lines, airlines, and airports, and Hilton Head Island came out on top, proving not once, but twice in 2017 what we've known all along.

There really is no place like home.



**HILTON HEAD ISLAND-BLUFFTON
CHAMBER OF COMMERCE**

www.HiltonHeadIsland.org

GOVERNMENT AFFAIRS & PUBLIC POLICY

This division of the chamber serves as the voice and policy advocate for our Lowcountry business community. Our goal is to be a proactive voice for business and facilitate communication between government and the business community and encourage participation in the public policy realm at the local, state and federal level.

SUCCESS IN 2017

Held local meetings and focus groups and developed the annual legislative agenda focused on **18 Key Areas** areas including **transportation, economic development, water, expanding air service, education and workforce.**



Educated members via **Government Affairs Committee Meetings** with special guest speakers such as **Rep. Mark Sanford, State Sen. Tom Davis, State Rep. Jeff Bradley, and Beaufort County Councilman Stu Rodman.**

Advocate for the business community at multiple **SC State House Meetings** on various issues concerning our region such as tourism funding, infrastructure and education.

Continued work with our **Federal Delegation** to urge the immediate re-issuing of **H2B visas** for seasonal workers following visa litigation, small business healthcare relief and entitlement reform.

Partnered with **South Carolina Restaurant & Lodging Association** and supported and advocated for the **University of South Carolina Beaufort** hospitality campus on Hilton Head Island.

Hosted the annual **State of the Region Luncheon** with **Sen. Lindsey Graham**



- Advocated for the Hilton Head Island Town Council to continue financial support for the USCB Island Ambassador program.
- Advocated against the Hilton Head Island Town Council in opposition to the increase in business license fees.
- Urged the Beaufort County Council to support joining the Southern Carolina (Economic) Alliance for the purpose of recruiting new businesses and employees to our county.
- Encouraged the Beaufort County Council in support of funding of the Technical College of the Lowcountry's Culinary Institute, which will train and enable local workers to fill critical hospitality jobs within our community.
- Encouraged our U.S. representatives to support legal reform bill (H.R. 725 and H.R. 720) putting an end to baseless class actions and mass tort litigation that cost American businesses millions of dollars each year.
- Urged our federal representatives to defend privately-funded exchange programs such as J-1 and Summer Work Travel, which supports our \$2.6 Million hospitality and tourism economy

FINANCIAL OVERVIEW

INDEPENDENT AUDIT REPORT

The accounting firm of J.W. Hunt and Company, performed the chamber's annual independent audit in August 2017 and presented the results of the fiscal year 2016-17 findings at the September 19, 2017 board of directors meeting. The chamber again received an unqualified (clean) opinion from J.W. Hunt, which reported that the audit complied with generally accepted accounting principles and revealed no material misstatements, no reportable conditions, no disagreements with management and no management letter.

FINANCIAL RESULT RECAP: JUNE 30, 2017

The Change in Unrestricted Net Assets at fiscal year-end show revenue more than expense of **\$11,241** compared to a budgeted gain of **\$1,115**, or **\$10,126** favorable to plan.

FINANCIAL STABILITY

Over the past 10 years, cash-on-hand at fiscal year-end has increased **384%** while long-term debt decreased **51.7%**.

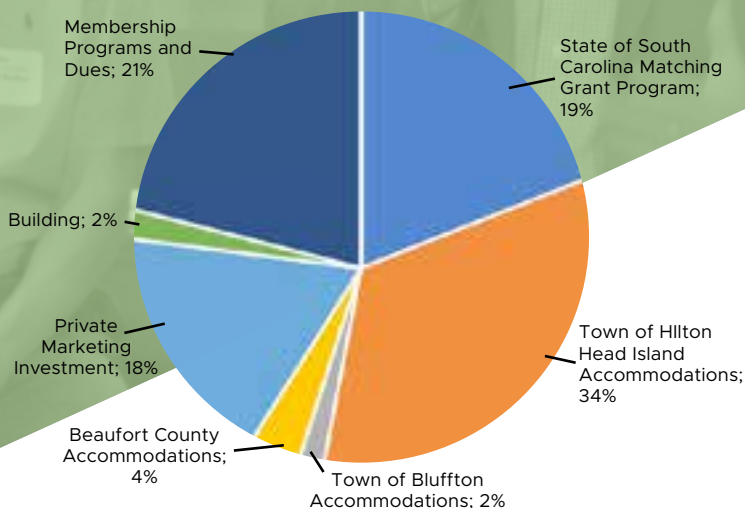
FY 2017 BUDGET

Budgeted for fiscal year 2017 revenues are **\$7,060,205** and expenses are **\$7,059,063**, representing a change in unrestricted net assets of **\$1,142**.

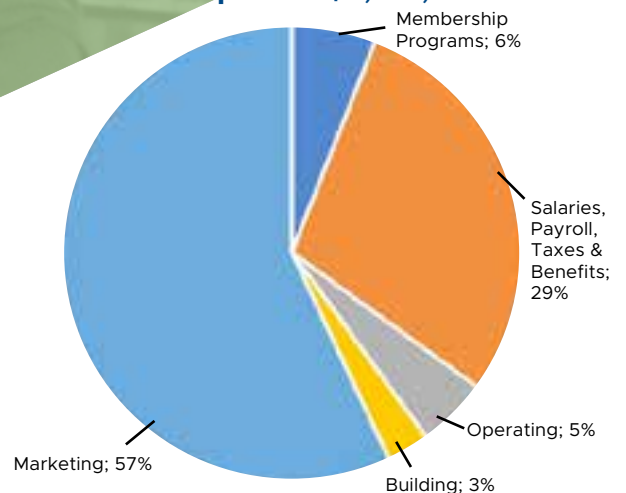
TRANSPARENCY

Your chamber is committed to continuing to provide information about its mission, operations, revenue generation, and plans and accomplishments in a completely transparent manner. This information, including independent financial audits for the past ten years, is posted on our website, thinkhiltonheadisland.org.

Fiscal Year 2016-17 Actual Review
Total Revenue **\$7,432,508**



Fiscal Year 2016-17 Expenses
Total Expenses **\$7,421,267**



Financial information is provided to town, county and state officials on an annual basis. Marketing plans are submitted for review and results are reported annually.

Detail as to how accommodations tax dollars are spent is provided each year to elected officials, thus further demonstrating our long-term track record of accountability.



HHIBChamber

One Chamber of Commerce Drive
Hilton Head Island, South Carolina 29928

HiltonHeadIslandBlufftonChamber.org

Lisa Sulka
Mayor

Larry Toomer
Mayor Pro Tempore

Marc Orlando
Town Manager



Council Members
Fred Hamilton
Dan Wood
Harry Lutz

Kimberly Chapman
Town Clerk

August 30, 2018

The Honorable Jerry Stewart
Chairman, Beaufort County Council Finance Committee
100 Ribaut Road
Beaufort, SC 29901

Dear Mr. Stewart:

In May, 2017, the Town of Bluffton partnered with the Beaufort County Rural and Critical Lands Program to acquire 1.27 acres of waterfront property located at 111 Calhoun Street. This property, also known as the Wright Family Property, features 188 feet of river frontage which is adjacent to the Calhoun Street Public Dock. Other features of the property include the Squire Pope Carriage House, an Antebellum structure built circa 1850.

As the operating partner for this property, the Town has master planned its future development into a passive park for public use. Improvements to the property as part of this project consist of creating passive open space on the May River, natural gardens and river access for the public to enjoy. A copy of the Wright Family Park Master Plan is enclosed. We estimate the cost of this project to be approximately \$1.2 million. The purpose of this communication is to request consideration for assistance in funding the development of this park in the amount of \$350,000.

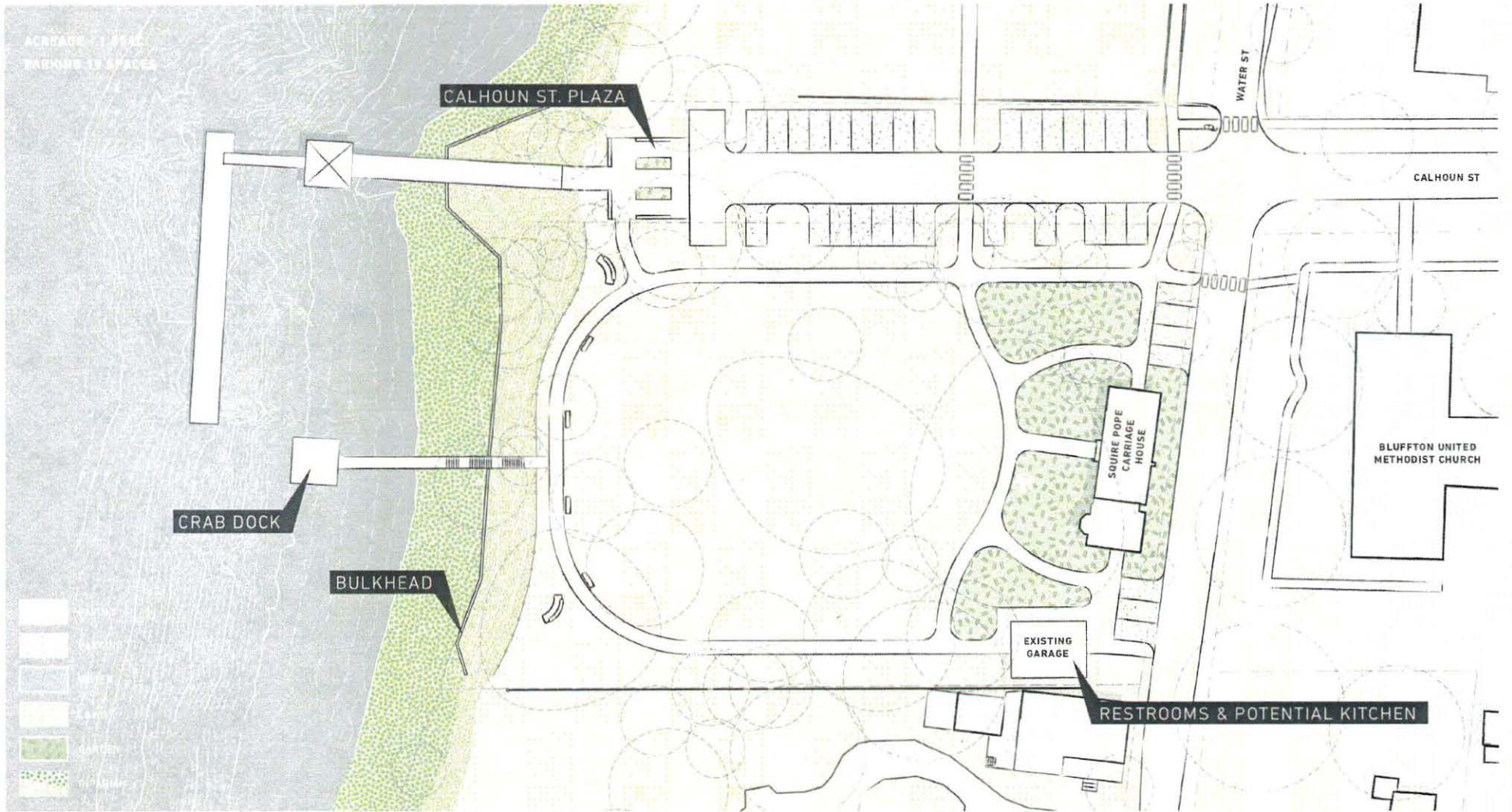
We would welcome an opportunity to formally share plans for the property and answer any questions that members of the Beaufort County Council Finance Committee may have. Please call me at 843-706-4511 if you would like to discuss this request. Thank you for your consideration.

Sincerely,

Marc Orlando, IACP, ICMA-CM
Town Manager

Enclosure

Cc: Members of the Town of Bluffton Town Council (email only)
Thomas J. Keaveny, II, Beaufort County Interim Administrator (email only)
Michael Mathews, Chairman, Rural and Critical Lands Preservation Board (email only)



WRIGHT FAMILY PARK

MASTER PLAN

BLUFFTON, SOUTH CAROLINA | JULY 2018
SUBJECT TO CHANGE



bluffton
HEART OF THE LOWCOUNTRY

MKSK

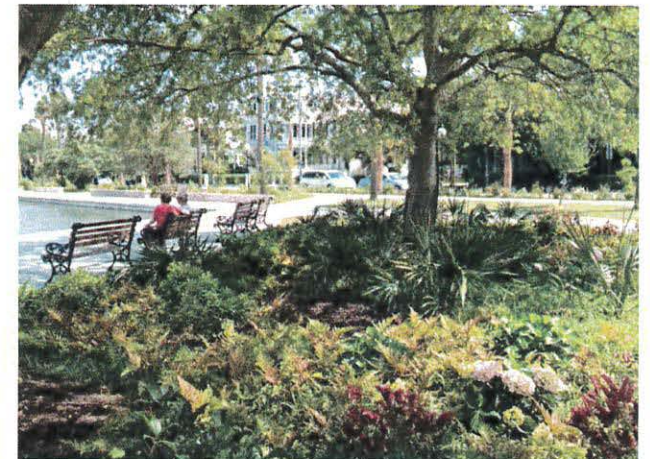
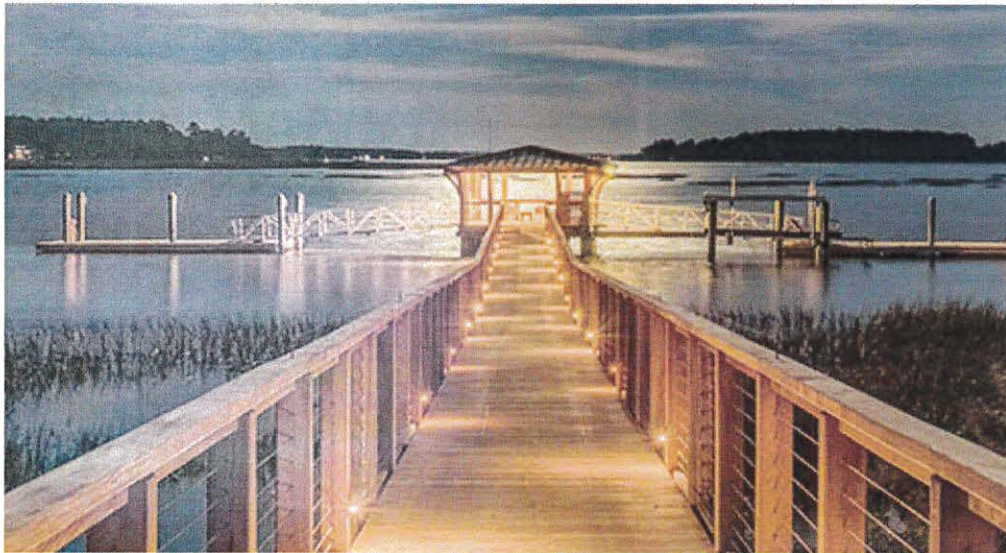
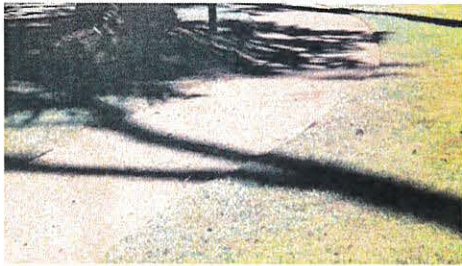




BIRDSEYE PERSPECTIVE

WRIGHT FAMILY PARK MASTER PLAN

SUBJECT TO CHANGE



INSPIRATION

WRIGHT FAMILY PARK MASTER PLAN

Lisa Sulka
Mayor

Larry Toomer
Mayor Pro Tempore

Marc Orlando
Town Manager



Council Members
Fred Hamilton
Dan Wood
Harry Lutz

Kimberly Chapman
Town Clerk

July 16, 2018

Joshua A. Gruber (*via email only*)
Beaufort County Interim County Administrator
100 Ribaut Road
Beaufort, SC 29901

Dear Mr. ~~Gruber~~ *Josh*:

The purpose of this communication is to provide an update to Beaufort County leadership about the Calhoun Street Regional Dock and Wright Family Park capital improvement projects. We would also like to establish an initial dialogue to seek additional partnership opportunities, to include financial investment toward the development of the Wright Family Park. A copy of the approved master plans for each project are enclosed.

The Calhoun Street Regional Dock project includes removal of the existing public dock and replacement with a larger and more accessible regional dock. The dock will include a bulkhead, 10'x130' boardwalk, 20'x20' covered pier head and larger floating dock (12'x125'). This project is in the design and permitting phase with construction expected to begin this summer with completion in early 2019. Town Council authorized a contract for construction on July 9, 2018.

Improvements incorporated in the Calhoun Street Regional Dock project support an alternative regional transportation connection among Beaufort-Port Royal-Bluffton-Hilton Head Island to Savannah, supports economic development for Ecotourism, and contributes to the quality of life for Beaufort County residents. The improvements will also allow Palmetto Bluff to provide ferry service between the Palmetto Bluff docks and the Historic District.

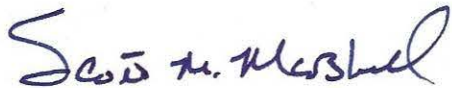
The Wright Family Park project is located on the banks of the May River, adjacent to the Calhoun Street public dock, at 111 Calhoun Street which is also commonly referred to as the Wright Family Property. The Town partnered with the County to jointly pursue this project which will benefit Bluffton, as well as Southern Beaufort County as a whole. The property, acquired with the assistance of the Beaufort County Rural and Critical Lands Program, is 1.27 acres and features 188 feet of water frontage. Features of the property also include the Antebellum Structure Squire Pope Carriage House, built circa 1850.

Improvements to the Wright Family property as part of this project consist of creating passive open space on the May River, natural gardens and river access for the public to enjoy. We also envision the rehabilitation of the Squire Pope Carriage House, preserving the structure in a manner to conform to Historic Preservation Commission guidelines and making it available to the public. Having had recent success with the rehabilitation of the Garvin-Garvey House at Oyster Factory

Park, we believe we have a good model in place to help guide this part of the project. On July 9, 2018, Bluffton Town Council approved a master plan for the Wright Family Park project.

As we begin to enter into the design and construction phase of the Wright Family Park project, we would like to meet with you, or your representative, as soon as possible to discuss opportunities for continued partnership and financial assistance in developing this property, which is jointly owned by the Town and the County. Realizing that the County is in a state of transition with administrative leadership I have courtesy copied Tom Keaveny for continuity purposes. We look forward to your response regarding this matter. Please call me at (843) 706-4523 if you have questions. Thank you for your consideration.

Sincerely,



Scott M. Marshall, MPA, ICMA-CM
Deputy Town Manager

Enclosures

Cc: Members of the Town of Bluffton Town Council (email only)
Members of Beaufort County Council (email only)
Michael Mathews, Chairman, Rural and Critical Lands Preservation Board (email only)
Marc Orlando, Town Manager (email only)
Thomas J. Keaveny, II, Beaufort County Attorney (email only)



Extended property lines

Calhoun Street Dock
Revised Permit Alignment



LEGEND:

- Extended property lines
- Existing dock
- Proposed dock

SUBJECT TO CHANGE



WRIGHT FAMILY PARK MASTER PLAN

ACREAGE - 1.35AC
PARKING 19 SPACES



-  PAVING
-  PARKING
-  WATER
-  LAWN
-  GARDEN
-  RIPARIAN

CRAB DOCK

BULKHEAD

CALHOUN ST. PLAZA

CHURCH OF THE CROSS

WATER ST

CALHOUN ST

SQUIRE POPE CARRIAGE HOUSE

BLUFFTON UNITED METHODIST CHURCH

EXISTING GARAGE

RESTROOMS & POTENTIAL KITCHEN

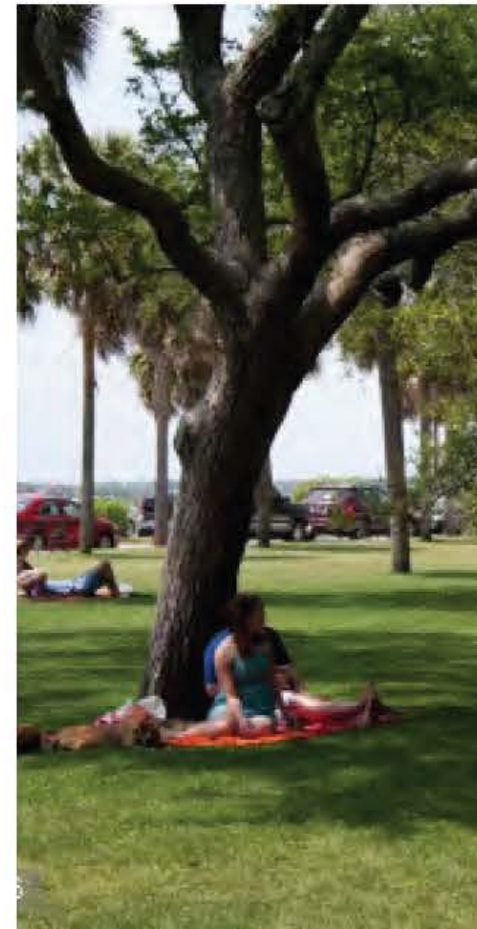




BIRDSEYE PERSPECTIVE

WRIGHT FAMILY PARK MASTER PLAN

SUBJECT TO CHANGE



INSPIRATION

WRIGHT FAMILY PARK MASTER PLAN

SUBJECT TO CHANGE

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) **AGREEMENT BETWEEN BEAUFORT
) COUNTY AND TOWN OF BLUFFTON**

This Agreement (hereinafter "Agreement") is made and entered into this 21st day of March, 2017 by and between Beaufort County, a political subdivision of the State of South Carolina (hereinafter the "County"), and the Town of Bluffton, South Carolina, a South Carolina municipal corporation (hereinafter the "Town").

WHEREAS, the Town, a political subdivision of the State of South Carolina, has contracted to purchase 1.27 acres described as 111 Calhoun Street, Bluffton, South Carolina, Tax Map No. R610-039-00A-0111-000 (hereinafter the "Property") for the total Purchase Price of One Million, Five Hundred Thousand and No/100 (\$1,500,000.00) Dollars (the "Purchase Price"); and

WHEREAS, on March 13, 2017, the County Council unanimously agreed to contribute Fifty (50%) percent of the Purchase Price for the Town and County's acquisition of the Property; and.

WHEREAS, the parties will, after closing, each own an undivided Fifty (50%) percent interest in the Property; and

WHEREAS, the County and the Town desired to enter into this Agreement to define responsibility for the acquisition, maintenance, liability and operation of the Property.

NOW, THEREFORE, for due and valuable consideration, the parties agree as follows:

1. The Property shall be jointly owned by the Town and the County and maintained as open space, as a passive park, and open gateway to scenic vistas and accesses to the May River. The Town has plans to make future improvements to the passive park, said improvements to be subject to the applicable ordinances of the Town.
2. Operation and improvements of the Property are under the supervisory authority of the Town.
3. Any advertisement, promotion or signage shall include both the Town of Bluffton and Beaufort County Rural and Critical Program as co-sponsors.
4. The terms of this paragraph may be amended, changed, modified or altered by the Town if doing so, in its discretion, is in the public's best interests.
 - a. **Hours of Operation:** The Property shall be open to the general public daily, during daylight hours, and at such other times as may be approved by the Town as provided herein.

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- b. **Special Events:** A Special Event means the congregation of persons on the Property premises, at a function hosted or approved by the Town, and where food, beverages, events, entertainment or a concert are provided.
 - c. **Process of Handling of Special Events:** Special Events at the Property will be procedurally and substantively handled like all other Special Events in the Town.
 - d. **Disposition of Fees from Special Events:** The gross receipts from Special Events shall inure to the benefit of the Property unless prior approval has been given to host a Special Event as a "fundraiser" for a public or charitable purpose. Other than permitted public purpose or charitable "fundraisers," the gross receipts from Special Events shall be remitted to the Town. These Special Event funds shall be expended solely for the general upkeep, maintenance and improvement of the Property.
5. **Use of Alcoholic Beverages.** Town owned recreation facilities are publicly funded and for the purpose of carrying on leisure, recreation and sporting events. As such, the Town shall regulate the Property in a manner that shall provide for the greatest public use. Alcoholic beverages may be permitted for family outings, social events, fundraising events and Special Events provided that its use is not in conflict with any other County or Town ordinance or state law.
 6. The Town shall provide, at least weekly, regular refuse, litter and garbage pick-up for the Property. Additionally, the Town shall be responsible for providing all maintenance and cleaning of any facilities located on the Property.
 7. The County and the Town shall notify their respective property and liability insurers, which provide the County and the Town general liability insurance now and in the future of the modifications to the initial undertaking. As the party responsible for the operation, maintenance, use and condition of the Property and all related facilities, the Town agrees to be the primary responsible party for any and all liability resulting from the use of the Property to the extent that immunity has been waived under State of South Carolina law.
 8. Capital improvements shall be planned and implemented by the Town. The Town and County agree to cooperate to secure funds for capital improvement from any available source. Funds collected from grants and/or non-profit/private entities for capital improvements may be received on terms acceptable to the Town. The County is not obligated to contribute to capital improvements, but the County's assistance will not be unreasonably withheld.
 9. The County and the Town acknowledge the presence of a structure on the Property with historic significance. Any improvements or renovations to the

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structure shall conform to the Town's Historic Preservation Commission guidelines. The Town shall set reasonable guidelines for the use of the structure.

10. Signage and associated lighting shall be guided by the Town's sign ordinance and lighting standards.

11. The Town shall provide law enforcement for the Property.

12. Each party shall have the right of first refusal to purchase the interest of the other party in the event either party desires to sell or transfer its interest to a third party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers this day and year as aforesaid.

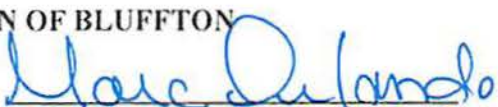
BEAUFORT COUNTY COUNCIL

By: _____


Gary Kubic
County Administrator

TOWN OF BLUFFTON

By: _____


Marc Orlando
Town Manager

ORDINANCE NO. _____

AN ORDINANCE ACKNOWLEDGING THE TERMINATION OF AN EXISTING MULTI-COUNTY INDUSTRIAL/BUSINESS PARK (RIVERPORT) PURSUANT TO SECTION 4-1-170 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND AUTHORIZING AND APPROVING (1) DEVELOPMENT OF A NEW JOINT COUNTY INDUSTRIAL AND BUSINESS PARK PURSUANT TO SECTION 4-1-170 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, IN CONJUNCTION WITH JASPER COUNTY (THE "PARK"), SUCH PARK TO BE GEOGRAPHICALLY LOCATED IN JASPER COUNTY; (2) THE EXECUTION AND DELIVERY OF A WRITTEN PARK AGREEMENT WITH JASPER COUNTY AS TO THE REQUIREMENT OF PAYMENTS OF FEE IN LIEU OF *AD VALOREM* TAXES WITH RESPECT TO PARK PROPERTY AND THE SHARING OF THE REVENUES AND EXPENSES OF THE PARK; (3) THE DISTRIBUTION OF REVENUES FROM THE PARK WITHIN BEAUFORT COUNTY; AND (4) OTHER MATTERS RELATED THERETO.

WHEREAS, pursuant to Article VIII, Section 13(D) of the South Carolina Constitution and Section 4-1-170 of the Code of Laws of South Carolina, 1976, as amended (collectively, the "Multi-County Park Act"), Beaufort County, South Carolina ("Beaufort County") and Jasper County, South Carolina ("Jasper County"), effective as of August 5, 2011, entered into a multi-county business/industrial park established in accordance with the Multi-County Park Act pursuant to the terms of that certain Agreement for the Establishment of Multi-County Industrial/Business Park (RiverPort) (the "RiverPort Multi-County Park Agreement"), which included certain property in Jasper County in the RiverPort Park (the "RiverPort Multi-County Park Property"); and

WHEREAS, Jasper County Council has advised Beaufort County Council of the termination of the RiverPort Multi-County Park Agreement, effective as of March 2, 2018, as the result of the termination of the related fee-in-lieu of tax agreement and the special source credits thereunder as provided by Jasper County Council; and

WHEREAS, in order to promote economic development and thus encourage investment and provide additional employment opportunities, Jasper County and Beaufort County, as authorized under the Multi-County Park Act, now propose to establish jointly a multi-county industrial/business park with respect to property which is more particularly described in Exhibit A hereto (the "NSC Real Estate LLC Property"), shall be included, and which property will be owned and/or hereafter operated by NSC Real Estate LLC, one or more affiliates and/or other project sponsors (the "RiverPort II Multi-County Park"); and

WHEREAS, Beaufort County and Jasper County have agreed to the specific terms and conditions of such arrangement as set forth in that certain Agreement for the Establishment of a Multi-County Industrial/Business Park (RiverPort II) proposed to be entered into by and between

Beaufort County and Jasper County as of such date as may be agreed to by Beaufort County and Jasper County (the “RiverPort II Multi-County Park Agreement”), a form of which Riverport II Multi-County Park Agreement has been presented to this meeting; and

WHEREAS, it appears that the RiverPort II Multi-County Park Agreement now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered by Beaufort County for the purposes intended;

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

Section 1. Acknowledgment of Termination of RiverPort Multi-County Park.

Based upon the representations made to Beaufort County by Jasper County, Beaufort County hereby acknowledges termination of the RiverPort Multi-County Park.

Section 2. Establishment of RiverPort II Multi-County Park; Approval of the RiverPort II Multi-County Park Agreement.

There is hereby authorized to be established, in conjunction with Jasper County, a multi-county industrial/business park to be known as the RiverPort II Multi-County Park and to include therein the NSC Real Estate LLC Property. The form, provisions, terms, and conditions of the RiverPort II Multi-County Park Agreement now before this meeting and filed with the Clerk to Beaufort County Council be and they are hereby approved, and all of the provisions, terms, and conditions thereof are hereby incorporated herein by reference as if the RiverPort II Multi-County Park Agreement were set out in this Ordinance in its entirety. The Chairman of Beaufort County Council is hereby authorized, directed, and empowered to execute the RiverPort II Multi-County Park Agreement in the name and on behalf of Beaufort County; the Clerk to Beaufort County Council is hereby authorized, directed, and empowered to attest the same; and the Chairman of Beaufort County Council is further authorized, directed, and empowered to deliver the RiverPort II Multi-County Park Agreement to Jasper County.

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

The Chairman of Beaufort County Council, the County Administrator of Beaufort County, and the Clerk to the Beaufort County Council, for and on behalf of Beaufort County, are hereby each authorized and empowered to do any and all things necessary or proper to effect the development of the RiverPort II Multi-County Park and the performance of all obligations of Beaufort County under and pursuant to the RiverPort II Multi-County Park Agreement and to carry out the transactions contemplated thereby and by this Ordinance.

Section 3. Payment of Fee in Lieu of Tax.

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

The provisions of Section 12-2-90 of the Code of Laws of South Carolina 1976, as amended, or any successor statutes or provisions, apply to the collection and enforcement of the fee in lieu of *ad valorem* taxes.

Section 4. Sharing of Expenses and Revenues.

Sharing of expenses and revenues of the RiverPort II Multi-County Park by Beaufort County and Jasper County shall be as set forth in the RiverPort II Multi-County Park Agreement.

Section 5. Distribution of Revenues within Beaufort County.

Revenues generated from industries and other businesses located in the RiverPort II Multi-County Park and received by Beaufort County shall be distributed by Beaufort County in accordance with an ordinance to be enacted by Beaufort County Council, as may be amended from time to time by Beaufort County Council.

Section 6. Governing Laws and Regulations.

The ordinances of the City of Hardeeville, South Carolina (the “City”) and Jasper County, as applicable, concerning zoning, health, and safety regulations, and building code requirements will apply for the entire RiverPort II Multi-County Park. Henceforth, in order to avoid any conflicts of law or ordinances, the City Code of Ordinances and the Jasper County Code of Ordinances, as applicable, will be the reference for regulation or laws in connection with the RiverPort II Multi-County Park. The Beaufort County Code of Ordinances shall in no way apply to the RiverPort II Multi-County Park.

Section 7. Applicable Ordinances and Regulations. Any applicable ordinances and regulations of Jasper County including those concerning zoning, health, and safety, and building code requirements shall apply to the RiverPort II Multi-County Park properties located in Jasper County unless the properties are within the boundaries of a municipality in which case, the municipality's applicable ordinances and regulations shall apply.

Section 8. Law Enforcement Jurisdiction.

Jurisdiction to make arrests and exercise all authority and power within the boundaries of the RiverPort II Multi-County Park properties is vested with the Sheriff's Department of Jasper County. If any of the RiverPort II Multi-County Park properties are within the boundaries of a municipality, then jurisdiction to make arrests and exercise law enforcement jurisdiction is vested with the law enforcement officials of the municipality.

Section 9. Conflicting Provisions.

To the extent this Ordinance contains provisions that conflict with provisions contained elsewhere in the Beaufort County Code or other Beaufort County ordinances, the provisions contained in this Ordinance supersede all other provisions and this Ordinance is controlling.

Section 10. Severability.

If any section of this Ordinance is, for any reason, determined to be void or invalid by a court of competent jurisdiction, it shall not affect the validity of any other section of this Ordinance which is not itself void or invalid.

Section 11. Effectiveness.

This Ordinance shall be effective upon approval following third reading.

[End of Ordinance - Signature page to follow]

Enacted and approved, in meeting duly assembled, this ____ day of _____, 2018.

BEAUFORT COUNTY, SOUTH CAROLINA

By: _____
D. Paul Sommerville, Chairman, County Council
Beaufort County, South Carolina

[SEAL]

Attest:

By: _____
Connie L. Schroyer, County Council Clerk
Beaufort County, South Carolina

First Reading: _____, 2018
Second Reading: _____, 2018
Public Hearing: _____, 2018
Third Reading: _____, 2018

Exhibit A

PARK PROPERTY

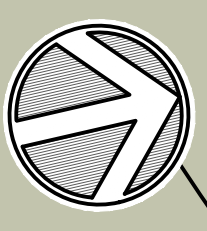
Phase 1 and Phase 2

Approximately 400.7 upland acres lying and being situated in the City of Hardeeville, in Jasper County, South Carolina, being all of Jasper County Tax Map Parcel 031-00-00-019 and being portions of Jasper County Tax Map Parcels 031-00-00-015 and 031-00-00-016, within the planned development commonly known as RiverPort Business Park, and generally shown as “Phase 1” and “Phase 2” on the rendering attached hereto.

Phase 3

Land lying and being situated in the City of Hardeeville, in Jasper County, South Carolina, being portions of Jasper County Tax Map Parcels 031-00-00-014, 031-00-00-015 and 031-00-00-016, within the planned development commonly known as RiverPort Business Park, and generally shown as the highlighted parcel on the rendering attached hereto.

X:\Stafford\Horseville\20239\Drawings\Exhibits\North Signal Ph I Masterplan\Riverport Phase I Master plan 8-6-18 - Utilities.dwg - Aug 7, 2018 - 11:56:16 AM



SAVANNAH
WILDLIFE REFUGE
AREA

100' SCE&G
EASEMENT
(TYP.)

WETLAND
BUFFER
(TYP.)

PROPOSED GAS MAIN TO
SERVE PARCEL UNDER
DEVELOPMENT

PARCEL #1 - 44.0 AC
± 465,000 SF

PARCEL #4A - 49.9 AC
± 800,000 SF

PARCEL #4B - 50.3 AC
± 800,000 SF

PARCEL #3 - 54.0 AC
± 807,000 SF

LAGOON

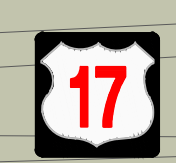
LAGOON

LAGOON

LAGOON

RIVERPORT PHASE 1 - OVERALL BOUNDARY
± 337.5 AC
± 232.5 AC UPLAND PARCELS
± 48.4 AC WETLAND
± 24.2 WETLAND BUFFER
± 32.4 AC MASTER LAGOON AREA
(20.8 AC CURRENTLY UNDER DEVELOPMENT)

BUILDING SUMMARY -			
PARCEL #1 -	300'	1550'	465,000 SF
PARCEL #2 -	180'	410'	73,800 SF
PARCEL #3 -	600'	1345'	807,000 SF
PARCEL #4A -	600'	1333.33'	800,000 SF
PARCEL #4B -	600'	1333.33'	800,000 SF
TOTAL -			2,945,800 SF

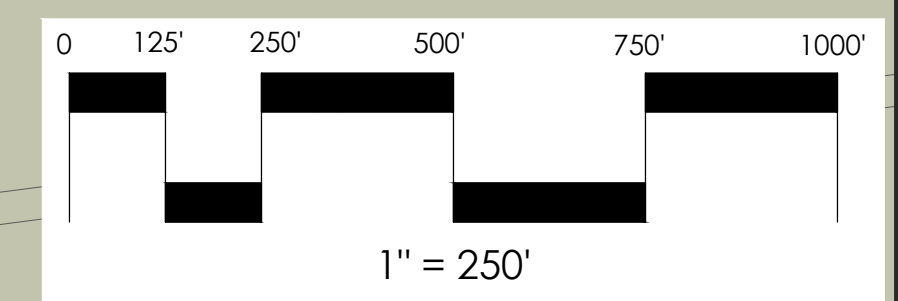


ENTRANCE
COMMON AREA -
±3.3 AC

PARCEL #2 -
9.9 AC
± 73,800 SF

JURISDICTIONAL
WETLANDS
(TYP.)

PARCEL CURRENTLY
UNDER DEVELOPMENT
- 20.8 AC



PREPARED FOR:



CONCEPTUAL MASTER PLAN EXHIBIT
RIVERPORT PHASE 1 - OPTION A
JASPER COUNTY, SC

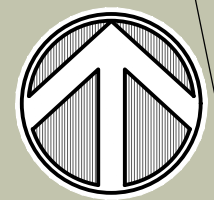
8/6/18



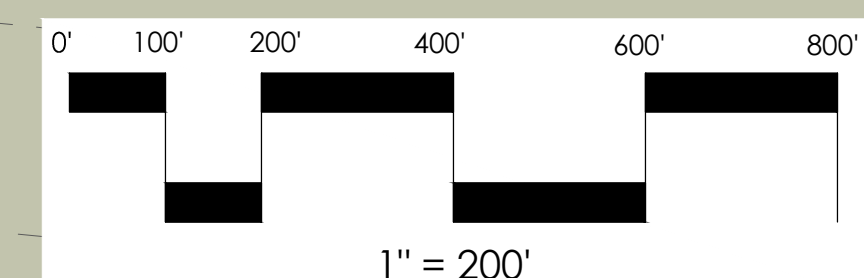
50 PARK OF COMMERCE WAY
SAVANNAH, GA 31405 • 912.234.5300
www.thomasandhutton.com

This map illustrates a general plan of the development which is for discussion purposes only. Does not limit or bind the owner and is subject to change and position locations are for illustrative purposes only and are subject to an accurate survey and property description. The producer assumes no legal responsibility for the appreciation or depreciation of any premises, commercial or otherwise, by reason of their inclusion or exclusion from this map. The information contained in this map is subject to change with out notice and is for illustrative purposes only. Unit counts shown above are approximate and may change. Values were provided by outside sources and have not been verified.

X:\Spartan\Harderville\22560\Drawings\Exhibits\North_Signal_Master_Plan - 8-6-18.dwg - Sep 4, 2018 - 5:42:14 PM



BUILDING SUMMARY -			
SITE #1A -	150'	500'	75,000 SF
SITE #1C -	200'	415'	83,000 SF
SITE #2A -	220'	677.27'	149,000 SF
SITE #2B -	220'	677.27'	149,000 SF
SITE #2C -	250'	900'	225,000 SF
SITE #2D -	425'	1411'	600,000 SF
SITE #2E -	280'	1128'	316,000 SF
SITE #2F -	200'	500'	100,000 SF
TOTAL -			1,697,000 SF



PREPARED FOR:



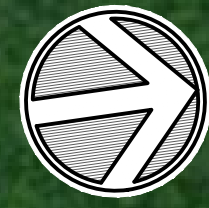
CONCEPTUAL MASTER PLAN EXHIBIT
 RIVERPORT PHASE 2
 JASPER COUNTY, SC

9/4/18



50 PARK OF COMMERCE WAY
 SAVANNAH, GA 31405 • 912.234.5300
 www.thomasandhutton.com

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CSX RAIL ROAD (100' R/W)

PHASE 1

FUTURE DEVELOPMENT

50' PDD BUFFER

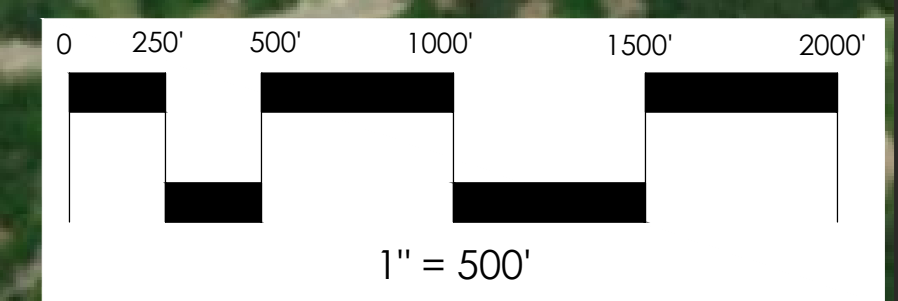
FUTURE RIVERPORT PARKWAY

100' SCE&G
ELECTRIC & GAS
TRANSMISSION
MAIN EASEMENT

PARCEL
CURRENTLY
UNDER
DEVELOPMENT

PHASE 2

PROPOSED PHASE 1
PRIMARY ENTRANCE



PREPARED FOR:



SITE EXHIBIT
RIVERPORT PH 1 & PH 2
JASPER COUNTY, SC

8/8/18



50 PARK OF COMMERCE WAY
SAVANNAH, GA 31405 • 912.234.5300

www.thomasandhutton.com

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1. RIVERPORT PHASE I
2. RIVERPORT PHASE II
3. RIVERPORT PHASE III
4. SHERWOOD TRACT
5. SAVANNAH TRACT
6. DELTA PLANTATION
7. JOHN CONSTANTINE
8. WILLIAM J MONROE
9. REBECCA MORRIS HADWIN
10. HARDEVILLE COMMERCE PARK-2
11. LAWTON FAMILY, LLC
12. PRITCHARD FARM, LLC
13. MAURENE PLANTATION

INTERSTATE 95

HIGHWAY 17

	NORTH SIGNAL CONTROLLED
	NORTH SIGNAL DISCUSSING OPTION PURCHASE WITH CURRENT OWNER
	NEW MARKETS TAX CREDIT QUALIFIED SITE
	CONSERVATION EASEMENT
	UNDER DEVELOPMENT FOR NON-INDUSTRIAL USE

ORDINANCE NO. 2018 / ____

A SUPPLEMENTAL ORDINANCE CLARIFYING A TIMELINE FOR FUNDS FROM THE COUNTY TO THE TECHNICAL COLLEGE OF THE LOWCOUNTRY FOR THE CONSTRUCTION OF THE LOWCOUNTRY CULINARY INSTITUTE AND TOURISM CENTER.

WHEREAS, Beaufort County Council previously adopted Ordinance 2018/3 committing \$3,243,000 in Hospitality Tax funds for the construction of a culinary art institute and tourism center by the Technical College of the Lowcountry (TCL); and

WHEREAS, Beaufort County Council previously adopted Ordinance 2018/2 committing \$5,000,000 from revenues generated from the Buckwalter MCIP and from revenues generated from ad valorem taxes collected from properties within the MCIP after the expiration of the MCIP Agreement; and

WHEREAS, the Buckwalter MCIP Agreement (Ordinance 2008/15 and 2008/22) is expected to expire in 2028; and

WHEREAS, Beaufort County, the Town of Bluffton, and the Beaufort County School District entered into a Memorandum of Understanding dated February 15, 2018 whereby each entity provides a financial commitment to TCL for the construction of the culinary art institute and tourism center; and

WHEREAS, the Town of Bluffton has committed \$500,000 from the Buckwalter MCIP funds from now until the expiration of the MCIP agreement in 2028; and

WHEREAS, the Beaufort County School District commits \$125,000 per year for 20 years from revenues generated from properties within the Buckwalter MCIP for a total of \$2.5 million; and

WHEREAS, Beaufort County, in addition to \$3,243,000 from Hospitality Tax funds, has committed \$5,000,000 from revenues generated by the properties in the Buckwalter MCIP through the expiration of the MCIP and if necessary from ad valorem taxes generated from properties within the Buckwalter MCIP after its expiration in 2028; and

WHEREAS, TCL is in the process of issuing the necessary Revenue Bonds to finance the construction of the culinary art institute and tourism center; and

WHEREAS, in order to issue the Revenue Bonds, it is evident that clarifying the timeline for the County's \$5,000,000 commitment from the Buckwalter MCIP and ad valorem taxes from properties within the MCIP after its expiration is necessary; and

WHEREAS, because the School District's commitment is over a period of 20 years, it is necessary to clarify whether the County will provide funds for years 11-20 with reimbursement from the School District MCIP and ad valorem revenues; and

WHEREAS, it is evident that the Buckwalter MCIP revenues will not reach the \$5,000,000 before the expiration in 2028 thereby necessitating supplemental funds or an extended financing period; and

WHEREAS, TCL desires a ten year commitment from the county in an effort to keep the cost of the Revenue Bonds at a minimum and not extend the financing period; and

WHEREAS, there have been discussions outlying a ten year period for the County's \$5,000,000 commitment wherein the School District revenues would be collected to reimburse the County in years 11-20 of the School District's Commitment; and

WHEREAS, the projections for the Buckwalter MCIP funds are unknown at this time; however, it appears the Buckwalter MCIP funds will not provide on its own the \$5,000,000 commitment, thereby necessitating supplemental funds from the General Fund to meet the \$5,000,000 County commitment within 10 years; and

WHEREAS, Beaufort County acts as the fiscal agent for collection of Buckwalter MCIP revenues and ad valorem taxes for both the Beaufort County School District and the Town of Bluffton.

NOW, THEREFORE, BE IT ORDAINED that Beaufort County Council commits Beaufort County's portion of revenues generated from the Buckwalter MCIP and other general fund revenues, up to a total of \$5,000,000.00 to the TCL Culinary Art Institute and Tourism Center. It is further ordained, that County Council will meet its \$5,000,000 financial commitment within 10 years or the end of calendar year 2028. Furthermore, the County will provide the funds for the School District's commitment from years 11-20 during the period 2018-2028. The School District's commitment will reimburse the County for years 11-20 from the School District ad valorem tax revenues from properties within the Buckwalter MCIP after its expiration in 2028. Beaufort County, acting as fiscal agent, will ensure the financial commitments of the Town of Bluffton and the School District are met as provided for in the February 15, 2018 Memorandum of Understanding. Therefore, the County will make \$800,000 payments annually for a period of ten years, as fiscal agent for the County, the Town of Bluffton and the School District's commitments in addition to the Hospitality tax funds provided by separate ordinance.

DONE this ___ day of _____, 2018.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II
Interim County Administrator
Beaufort County Attorney

ATTEST:

Connie L. Schroyer, Clerk to Council

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

DRAFT

Beaufort County
Local Accommodations Tax (3%) (Ordinance 2009/15)
Fiscal Year 2018 (July 1, 2017 - June 30, 2018)
Preliminary and Unaudited

	County-Wide	Tourism	River/Beach			
	Operations	Advertising	Infrastructure	Access	Reserve Fund	
	Total					
Revenues						
Local Accommodations Tax	\$ 99,896	\$ 350,000	\$ 479,282	\$ 159,761	\$ 159,761	\$ 1,248,700
Total Revenues	99,896	350,000	479,282	159,761	159,761	1,248,700
Expenditures						
Personnel	52,538	-	-	-	-	52,538
Purchased Services	9,832	-	-	-	-	9,832
Supplies	884	-	-	-	-	884
	<u>63,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	63,254
County-Wide Advertising (Ordinance 2009/15)						
Beaufort County Black Chamber of Commerce	-	50,000	-	-	-	50,000
Beaufort Regional Chamber of Commerce	-	150,000	-	-	-	150,000
Hilton Head Island-Bluffton Chamber of Commerce	-	150,000	-	-	-	150,000
	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	350,000
Tourism Infrastructure						
Spanish Moss Trail (Phase/Segment 7; Ordinance 2017/26)	-	-	250,000	-	-	250,000
	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	250,000
River/Beach Access						
County Dock and Pier Repairs (Hurricane Matthew; Ordinance 2017/8)	-	-	-	-	47,624	47,624
South Carolina State Park Service (lifeguards)	-	-	-	25,817	-	25,817
Broad River Fishing Pier (Ordinances 2015/13 and 2016/1)	-	-	-	23,500	-	23,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,317</u>	<u>47,624</u>	96,941
Other Subsidies						
Parks and Leisure Services						
Dixie Boys World Series Baseball Tournament (Ordinance 2017/27)	-	-	-	-	88,350	88,350
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,350</u>	88,350
Total Expenditures	63,254	350,000	250,000	49,317	135,974	848,545
Excess (deficiency) of revenues over expenditures	36,642	-	229,282	110,444	23,787	400,155
Other Financing Sources						
Federal and State Emergency Management (Disaster Reimbursements)	-	-	-	-	118,067	118,067
Insurance Reimbursements	-	-	-	-	156,479	156,479
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,546</u>	274,546
Net Change in Fund Balance	36,642	-	229,282	110,444	298,333	674,701
Fund Balance, beginning	251,904	-	947,621	334,541	962,909	2,496,974
Fund Balance, ending	\$ 288,546	\$ -	\$ 1,176,903	\$ 444,985	\$ 1,261,242	\$ 3,171,675
Encumbrances						
Broad River Fishing Pier (Ordinances 2015/13 and 2016/1)	-	-	-	(552,780)	-	(552,780)
City of Beaufort, Whitehall Development (Ordinance 2018/13)	-	-	-	(300,000)	-	(300,000)
Santa Elena parking lot lease (Federal Courthouse; Ordinance 2018/19)	-	-	(50,000)	-	-	(50,000)
Projected Fund Balance after Encumbrances	\$ 288,546	\$ -	\$ 1,126,903	\$ (407,795)	\$ 1,261,242	\$ 2,268,896

Beaufort County
Local Accommodations Tax (3%) (Ordinance 2009/15)
Fiscal Year 2017 (July 1, 2016 - June 30, 2017)

	Operations	County-Wide Advertising	Tourism Infrastructure	River/Beach Access	Reserve Fund	Total
Revenues						
Local Accommodations Tax & Interest	\$ 105,714	\$ 350,000	\$ 519,425	\$ 173,142	\$ 173,142	\$ 1,321,423
Total Revenues	105,714	350,000	519,425	173,142	173,142	1,321,423
Expenditures						
Personnel	47,212	-	-	-	-	47,212
Purchased Services	5,750	-	-	-	-	5,750
Supplies	4,643	-	-	-	-	4,643
	57,605	-	-	-	-	57,605
County-Wide Advertising (Ordinance 2009/15)						
Beaufort County Black Chamber of Commerce	-	50,000	-	-	-	50,000
Beaufort Regional Chamber of Commerce	-	150,000	-	-	-	150,000
Hilton Head Island-Bluffton Chamber of Commerce	-	150,000	-	-	-	150,000
	-	350,000	-	-	-	350,000
Tourism Infrastructure						
Spanish Moss Trail (Phase/Segment 7; Ordinance 2017/4)	-	-	250,000	-	-	250,000
Spanish Moss Trail (Hurricane Matthew repair; Ordinance 2017/3)	-	-	-	-	109,287	109,287
Santa Elena Project Foundation facility maintenance (Ordinance 2016/25)	-	-	30,000	-	-	30,000
Santa Elena Project Foundation parking lot lease (Ordinance 2016/25)	-	-	145,000	-	-	145,000
	-	-	425,000	-	109,287	534,287
River/Beach Access						
County Dock and Pier Repairs (Hurricane Matthew; Ordinance 2017/8)	-	-	-	-	175,130	175,130
South Carolina State Park Service (lifeguards)	-	-	-	23,424	-	23,424
Broad River Fishing Pier (Ordinances 2015/13 and 2016/1)	-	-	-	29,000	-	29,000
	-	-	-	52,424	175,130	227,554
Total Expenditures	57,605	350,000	425,000	52,424	284,417	1,169,446
Excess (deficiency) of revenues over expenditures	48,109	-	94,425	120,718	(111,275)	151,977
Fund Balance, beginning	203,795	-	853,196	213,823	1,074,184	2,344,997
Fund Balance, ending	\$ 251,904	\$ -	\$ 947,621	\$ 334,541	\$ 962,909	\$ 2,496,974
Encumbrances						
Broad River Fishing Pier (Ordinances 2015/13 and 2016/1)	-	-	-	(576,280)	-	(576,280)
Projected Fund Balance after Encumbrances	\$ 251,904	\$ -	\$ 947,621	\$ (241,739)	\$ 962,909	\$ 1,920,695

Beaufort County
Local Accommodations Tax (3%) (Ordinance 2009/15)
Fiscal Year 2016 (July 1, 2015 - June 30, 2016)

	Operations	County-Wide Advertising	Tourism Infrastructure	River/Beach Access	Reserve Fund	Total
Revenues						
Local Accommodations Tax & Interest Revenue	\$ 104,743	\$ 350,000	\$ 512,725	\$ 170,908	\$ 170,908	\$ 1,309,285
Total Revenues	104,743	350,000	512,725	170,908	170,908	1,309,285
Expenditures						
Personnel	49,114	-	-	-	-	49,114
Purchased Services	5,371	-	-	-	-	5,371
Supplies	1,428	-	-	-	-	1,428
	55,913	-	-	-	-	55,913
County-Wide Advertising (Ordinance 2009/15)						
Beaufort County Black Chamber of Commerce	-	50,000	-	-	-	50,000
Beaufort Regional Chamber of Commerce	-	150,000	-	-	-	150,000
Hilton Head Island-Bluffton Chamber of Commerce	-	150,000	-	-	-	150,000
	-	350,000	-	-	-	350,000
Tourism Infrastructure						
Spanish Moss Trail (Segment 7; Ordinance 2016/8)	-	-	250,000	-	-	250,000
River/Beach Access						
South Carolina State Park Service (lifeguards)	-	-	-	34,796	-	34,796
Broad River Fishing Pier (Ordinances 2015/13 and 2016/1)	-	-	-	45,603	-	45,603
Daufuskie Island Pier (Ordinance 2015/29)	-	-	-	420,451	-	420,451
	-	-	-	500,851	-	500,851
Total Expenditures	55,913	350,000	250,000	500,851	-	1,156,764
Excess (deficiency) of revenues over expenditures	48,830	-	262,725	(329,942)	170,908	152,521
Fund Balance, beginning	154,965	-	590,471	543,765	903,275	2,192,476
Fund Balance, ending	\$ 203,795	\$ -	\$ 853,196	\$ 213,823	\$ 1,074,184	\$ 2,344,997
Encumbrances						
Broad River Fishing Pier (Ordinances 2015/13 and 2016/1)	-	-	-	(605,280)	-	(605,280)
Projected Fund Balance after Encumbrances	\$ 203,795	\$ -	\$ 853,196	\$ (391,457)	\$ 1,074,184	\$ 1,739,718

Beaufort County
Local Accommodations Tax (3%) (Ordinance 2009/15)
Fiscal Year 2015 (July 1, 2014 - June 30, 2015)

	Operations	County-Wide Advertising	Tourism Infrastructure	River/Beach Access	Reserve Fund	Total
Revenues						
Local Accommodations Tax & Interest Revenue	\$ 91,307	\$ 350,000	\$ 420,019	\$ 140,006	\$ 140,006	\$ 1,141,338
Total Revenues	91,307	350,000	420,019	140,006	140,006	1,141,338
Expenditures						
Personnel	45,399	-	-	-	-	45,399
Purchased Services	6,548	-	-	-	-	6,548
Supplies	216	-	-	-	-	216
	52,163	-	-	-	-	52,163
County-Wide Advertising (Ordinance 2009/15)						
Beaufort County Black Chamber of Commerce	-	50,000	-	-	-	50,000
Beaufort Regional Chamber of Commerce	-	150,000	-	-	-	150,000
Hilton Head Island-Bluffton Chamber of Commerce	-	150,000	-	-	-	150,000
	-	350,000	-	-	-	350,000
Tourism Infrastructure						
Spanish Moss Trail (Segment 7; Ordinance 2015/9)	-	-	806,727	-	-	806,727
Santa Elena Project (Ordinances 2014/13 and 2015/11)	-	-	225,000	-	-	225,000
	-	-	1,031,727	-	-	1,031,727
River/Beach Access						
South Carolina State Park Service (lifeguards)	-	-	-	23,574	-	23,574
Broad River Fishing Pier (Ordinances 2015/13 and 2016/1)	-	-	-	51,207	-	51,207
	-	-	-	74,781	-	74,781
Total Expenditures	52,163	350,000	1,031,727	74,781	-	1,508,671
Excess (deficiency) of revenues over expenditures	39,144	-	(611,708)	65,225	140,006	(367,333)
Fund Balance, beginning	115,821	-	1,202,179	478,540	763,269	2,559,809
Fund Balance, ending	\$ 154,965	\$ -	\$ 590,471	\$ 543,765	\$ 903,275	\$ 2,192,476
Encumbrances						
Broad River Fishing Pier (Ordinances 2015/13 and 2016/1)	-	-	-	(650,883)	-	(650,883)
Projected Fund Balance after Encumbrances	\$ 154,965	\$ -	\$ 590,471	\$ (107,118)	\$ 903,275	\$ 1,541,593

**Beaufort County
Local Hospitality Tax
Preliminary and Unaudited**

Fiscal Year Ending June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues									
Local Hospitality Tax Revenues	\$ 1,153,119	\$ 1,338,394	\$ 1,691,725	\$ 1,645,383	\$ 1,839,836	\$ 1,839,574	\$ 1,869,290	\$ 2,241,842	\$ 2,305,879
Interest Revenue	-	6,222	37,308	-	3,561	1,298	10,907	20,295	-
Total Revenues	1,153,119	1,344,616	1,729,033	1,645,383	1,843,397	1,840,872	1,880,197	2,262,137	2,305,879
Expenditures									
Personnel	42,861	43,366	45,461	45,946	44,895	45,399	49,114	46,296	50,171
Purchased Services	2,224	2,416	2,944	2,948	3,697	5,803	5,370	6,369	9,777
Supplies	483	704	397	374	324	274	1,370	4,667	869
Capital	53,702	885	-	-	-	-	-	-	158,591
Subsidies (see details on following page)	-	211,000	-	-	-	500,000	-	-	-
Total Expenditures	99,270	258,371	48,802	49,268	48,916	551,476	55,854	57,332	219,408
Excess (deficiency) of revenues over expenditures	1,053,849	1,086,245	1,680,231	1,596,115	1,794,481	1,289,396	1,824,343	2,204,805	2,086,471
Other Financing Sources (Uses)									
Transfers from State Accommodations Tax (2%) Fund ²	-	-	-	-	-	50,000	50,000	50,000	50,000
Transfers to General Fund ¹	(1,224,337)	(1,100,000)	(1,100,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,500,000)	(1,500,000)
Transfers to State Accommodations Tax (2%) Fund ²	-	-	-	-	-	(200,000)	-	-	-
Transfers to PARD Fund (Daufuskie Island Park Improvements)	-	-	-	-	-	-	(40,000)	(85,369)	-
Total Other Financing Sources (Uses)	(1,224,337)	(1,100,000)	(1,100,000)	(1,200,000)	(1,200,000)	(1,350,000)	(1,190,000)	(1,535,369)	(1,450,000)
Net Change in Fund Balance	(170,488)	(13,755)	580,231	396,115	594,481	(60,604)	634,343	669,436	636,471
Fund Balance, beginning	2,686,043	2,515,555	2,501,800	3,082,031	3,478,146	4,072,627	4,012,023	4,646,366	5,315,802
Fund Balance, ending	\$ 2,515,555	\$ 2,501,800	\$ 3,082,031	\$ 3,478,146	\$ 4,072,627	\$ 4,012,023	\$ 4,646,366	\$ 5,315,802	\$ 5,952,273
Encumbrances									
Technical College of the Lowcountry Culinary Institute									(3,243,000)
Factory Creek Boat Ramp (Whitehall) ³									(471,409)
Pinckney Island Access Design Services									(250,000)
Santa Elena parking lot lease (Federal Courthouse)									(50,000)
									<u>(4,014,409)</u>
Projected Fund Balance after Encumbrances									<u>\$ 1,937,864</u>

Note 1: The general fund provides for law enforcement and other public safety services, in which police protection of tourist facilities is one of the purposes of the local hospitality tax.

Note 2: County Council approved a transfer of \$200,000 from the local hospitality tax fund to the state accommodation tax (2%) fund on October 27, 2014. This transfer was repaid in four (4) equal annual installments of \$50,000 in fiscal years 2015, 2016, 2017, and 2018.

Note 3: Appropriation request in process of three readings for an ordinance to appropriate additional funds for Factory Creek/Whitehall Boat Ramp Improvements Project in the amount of \$1,027,757.

Local Hospitality Tax
Subsidies

FISCAL YEAR	VENDOR/PAYEE	AMOUNT	COMMENT
2011	HILTON HEAD ISLAND-B	\$ 35,000.00	DESTINATION MKTG-S. BFT COUNTY
2011	BEAUFORT REGIONAL	\$ 28,000.00	TOURISM MARKETING FY 2011
2011	HILTON HEAD ISLAND-B	\$ 10,000.00	DESTINATION MARKETING SO.BFT C
2011	BEAUFORT REGIONAL	\$ 10,000.00	CONFERENCE CTR FEASIBILITY STU
2011	PENN CENTER	\$ 10,000.00	OPERATION OF PENN CENTER
2011	INDEPENDENCE FUND	\$ 10,000.00	2011 LT. DAN WEEKEND-HOSPITALI
2011	THE ORIGINAL GULLAH	\$ 8,000.00	THE ORIGINAL GULLAH FESTIVAL
2011	MITCHELVILLE PRESERV	\$ 8,000.00	MITCHELVILLE FREEDOM PARK
2011	BLUFFTON HISTORICAL	\$ 7,000.00	HEYWARD HOUSE
2011	ARTS CENTER OF COAST	\$ 7,000.00	FACILITY SUPPORT
2011	PENN CENTER	\$ 5,000.00	2% ACCOMMODATION/H-TAX
2011	BLUFFTON HISTORICAL	\$ 5,000.00	BLUFFTON WELCOME CTR/HEYWARD H
2011	BEAUFORT COUNTY	\$ 5,000.00	CULTURAL TOURISM MARKETING
2011	ARTS CENTER OF COAST	\$ 5,000.00	TOURISM MKTG-S. BFT COUNTY
2011	BEAUFORT COUNTY	\$ 5,000.00	FLAVORS OF GULLAH
2011	FRIENDS OF HUNTING I	\$ 5,000.00	ADA-COMPLIANT CAMPSITES NEAR B
2011	LITERACY VOLUNTEERS	\$ 5,000.00	LOWCOUNTRY STORYTELLING FESTIV
2011	HERITAGE LIBRARY	\$ 4,500.00	FORT MITCHELL-REFURBISHMENTS
2011	FRIENDS OF FORT FREM	\$ 4,000.00	FT. FREMONT SIGNAGE
2011	LOWCOUNTRY RESORT AN	\$ 4,000.00	PROMOTION OF BFT CO & LOWCOUNT
2011	HILTON HEAD ISLAND	\$ 3,500.00	INTERACTIVE MARKETING CONCOURS
2011	MAIN STREET BEAUFORT	\$ 3,000.00	2% ACCOMMODATION/H-TAX
2011	HILTON HEAD ISLAND C	\$ 3,000.00	HH CDE/MOTORING FESTIVAL
2011	MAIN STREET BEAUFORT	\$ 3,000.00	TOURISM ADVERTISING CAMPAIGN
2011	HILTON HEAD SYMPHONY	\$ 2,500.00	2011 HH INT'L PIANO COMPETITIO
2011	BEAUFORT ARTS COUNC	\$ 2,500.00	ARTSEENSC.ORG NAT.MARKETING
2011	COASTAL DISCOVERY	\$ 2,000.00	CULTURAL & ECO TOURISM
2011	BEAUFORT COUNTY HIST	\$ 2,000.00	HISTORIC MARKERS-BEAUFORT COUN
2011	COASTAL DISCOVERY	\$ 2,000.00	CULTURAL/ECO-TOURISM PROGRAMS
2011	DAUFUSKIE ISLAND	\$ 2,000.00	BROTHERS/SISTERS OYSTER RESTOR
2011	HILTON HEAD SYMPHONY	\$ 1,000.00	5 PICNIC/POPS EVENTS SUMMER 20
2011	LOWCOUNTRY ESTUARIUM	\$ 1,000.00	MAINTAINING PORT ROYALS TOURIS
2011	THE SANDBOX	\$ 1,000.00	SUMMER PROGRAMS
2011	MAIN STREET YOUTH	\$ 1,000.00	TOM SAWYER, BROADWAY MUSICAL
2011	HISTORIC BEAUFORT FO	\$ 1,000.00	VERDIER HOUSE RACK CARDS
2011 Total		\$ 211,000.00	
2015	USCB	\$ 500,000.00	USCB CENTER FOR THE ARTS APPRO
2015 Total		\$ 500,000.00	

Beaufort County
State Accommodations Tax (2%)
Preliminary and Unaudited

	Fiscal Year ending June 30,									<i>Projected</i>
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
State Accommodations Tax Revenue	\$ 456,652	\$ 770,038	\$ 939,935	\$ 724,235	\$ 516,780	\$ 668,774	\$ 715,101	\$ 767,057	\$ 755,903	\$ 760,000
City of Beaufort Revenue (2017 Air Show contribution)	-	-	-	-	-	-	-	15,000	-	-
Interest Revenue	-	73	551	496	138	102	357	215	-	-
Total Revenues	456,652	770,111	940,486	724,731	516,918	668,876	715,458	782,272	755,903	760,000
Expenditures										
Direct Subsidies										
via State Accommodations Tax Board	280,000	207,000	252,000	463,100	497,000	490,000	499,500	546,000	550,000	490,000
Other Subsidies (2017 Air Show LEO services)	-	-	-	-	-	-	-	30,000	-	-
HHI - Bluffton Chamber of Commerce ¹	64,748	111,756	137,240	104,885	127,931	96,566	103,515	111,309	109,635	110,200
Beaufort Regional Chamber of Commerce ¹	64,748	111,756	137,240	104,885	127,931	96,566	103,515	111,309	109,635	110,200
Total Expenditures	409,496	430,512	526,480	672,871	752,861	683,132	706,530	798,617	769,270	710,400
Excess (deficiency) of revenues over expenditures	47,156	339,599	414,006	51,860	(235,943)	(14,256)	8,928	(16,345)	(13,367)	49,600
Other Financing Sources (Uses)										
Transfer from Hospitality Tax Fund ²	-	-	-	-	-	200,000	-	-	-	-
Transfer to General Fund ¹	(46,583)	(62,252)	(70,747)	(59,962)	(49,589)	(57,189)	(59,505)	(62,103)	(61,545)	(60,800)
Transfer to Hospitality Tax Fund ²	-	-	-	-	-	(50,000)	(50,000)	(50,000)	(50,000)	-
Transfer to Rural and Critical Lands Program ³	-	-	-	-	-	(10,000)	-	-	-	-
Total Other Financing Sources (Uses)	(46,583)	(62,252)	(70,747)	(59,962)	(49,589)	82,811	(109,505)	(112,103)	(111,545)	(60,800)
Net Change in Fund Balance	573	277,347	343,259	(8,102)	(285,532)	68,555	(100,577)	(128,448)	(124,912)	(11,200)
Fund Balance (Deficit), beginning	(26,108)	(25,535)	251,812	595,071	586,969	301,437	369,992	269,415	140,967	16,055
Fund Balance (Deficit), ending	\$ (25,535)	\$ 251,812	\$ 595,071	\$ 586,969	\$ 301,437	\$ 369,992	\$ 269,415	\$ 140,967	\$ 16,055	\$ 4,855

Note 1: Distributions made in accordance with Beaufort County Ordinance 2009/15.

Based on Beaufort County Ordinance 2009/15, approximately 38% of State Accommodations Tax is disbursed three ways: 1) County General Fund, 2) HHI-Bluffton Chamber of Commerce, and 3) Beaufort Regional Chamber of Commerce. This results is approximately 62% of State Accommodations Tax Revenue being available for the State Accommodations Tax Board each year.

Note 2: County Council approved a \$200,000 transfer from the local hospitality tax fund to the State Accommodation Tax (2%) Fund on October 27, 2014. This amount was repaid in four equal annual installments of \$50,000 from fiscal year 2015, 2016, 2017, and 2018.

Note 3: The transfer to the Rural and Critical Lands Program was for the Fort Fremont project.

2018 State (2%) Accommodations Tax Grant Recommendations
November 6, 2017 Finance Committee Meeting

- Arts Center of Coastal Carolina - \$10,000
- Beaufort Art Association - \$1,000
- Beaufort County Black Chamber of Commerce - \$81,000
- Beaufort Film Society - \$15,000
- Beaufort History Museum - \$30,000
- Beaufort History Museum, Project 2 - \$8,000
- Beaufort Regional Chamber of Commerce - \$100,000
- Bluffton Historical Preservation Society - \$15,000
- Coastal Discovery Museum - \$20,000
- Community Foundation of the Lowcountry - \$5,000
- Daufuskie Island Foundation - \$5,500
- Daufuskie Island Historical Foundation - \$4,000
- David M. Carmines Foundation - \$10,000
- Exchange Club and Child Abuse Prevention Association (CAPA) - \$500
- Farmers Market of Bluffton - \$2,000
- Friends of Fort Freemont - \$7,000
- Friends of the Spanish Moss Trail - \$3,750
- Greater Bluffton Chamber of Commerce - \$10,000
- Gullah Festival, Main Street Beaufort - \$31,150
- Gullah Museum of Hilton Head Island - \$8,000
- Hilton Head Choral Society - \$3,000
- Hilton Head Hospitality Association - \$6,000
- Hilton Head Island – Bluffton Chamber of Commerce and Visitor and Convention Bureau - \$21,000
- Hilton Head Island Motoring Festival and Concours d'Elegance - \$26,000
- Hilton Head Symphony Orchestra - \$7,000
- Historic Bluffton Arts and Seafood Festival, Inc. - \$10,000
- Lean Ensemble Theater - \$1,800
- Lowcountry Golf Course Owners Association - \$10,000
- Mitchelville Preservation Project - \$27,500
- Native Island Business and Community Affairs Association (NIBCAA) - \$23,000
- Santa Elena Foundation, History Center - \$1,800
- SC Lowcountry and Resort Island Tourism Commission - \$35,000
- The First Tee of the Lowcountry - \$11,000

Maietta, Linda

From: Bennett, Ashley
Sent: Tuesday, November 14, 2017 9:42 AM
To: Maietta, Linda
Cc: Holland, Alicia
Subject: Accommodation Tax Grant Approvals
Attachments: 111317-item8a-ATAX.pdf

Linda,

At the November 13, 2017 Council Meeting, Council approved grant appropriations in a cumulative amount of \$550,000. Attached you will find the appropriations which is essentially the recommendation provided by the Accommodations Tax Board, plus a \$10,000 allocation for the Greater Bluffton Chamber of Commerce. Please ensure I get a copy of the letters.

Thank you
Ashley



Ashley Bennett
Clerk to Council
COUNTY COUNCIL

(843) 255-2183 Work
abennett@bcgov.net

P.O. Drawer 1228
Beaufort, SC 29901

County Departments
Committee/Council meeting
Treasurer's office

**BEAUFORT COUNTY FINANCE
FISCAL YEAR END CLOSING SCHEDULE
FOR THE PERIOD ENDED JUNE 30, 2018**

DATE DUE	EVENT	RESPONSIBLE PERSONNEL	DATE COMPLETED
Friday, June 29	Deadline to submit Fiscal Year 2018 purchase requisitions	PURCHASING	8/1/2018
Friday, July 6	Deadline for departmental review, allocation and approval of Pcard transactions charged as of June 30	LORI	7/17/2018
Wednesday, July 18	Inventory - Lady's Island Airport year end adjustments posted	AIRPORT PERSONNEL & MIKE	7/11/2018
Wednesday, July 18	Inventory - Stormwater Utility year end adjustments posted	STORMWATER UTILITY PERSONNEL & ALICIA	7/26/2018
Monday, July 23	Finance Committee - CAFR Proposed Timeline/Schedule	ALICIA	7/23/2018
Wednesday, July 25	Group Health, Dental & Workers Comp allocations	ALICIA	7/11/2018, 7/25/2018
Wednesday, July 25	Group Health, Dental & Workers Comp liability accruals based on claim lag reports	ALICIA	*
*Note: The claims administrators for the County's self-insured health, workers compensation and dental policies are expected to provide lag reports by 8/31/2018.			
Wednesday, July 25	Accrued Compensated Absences - reports and rollforward schedule	ALICIA	7/25/2018
Wednesday, July 25	Meeting with Mauldin & Jenkins to share CAFR preparation information	ALICIA	7/26/2018
Friday, July 27	Deadline for departments to submit invoices to Accounts Payable for services, goods, etc. provided by June 30	COUNTY DEPARTMENTS	8/23/2018
Tuesday, July 31	Fiscal Year 2019 Budget posted in Munis	ALICIA/CHANEL	8/5/2018
Wednesday, August 1	Deadline for all Fiscal Year 2018 AP invoices to be posted Deadline for all Fiscal Year 2018 Purchase Orders to be closed	AP/PURCHASING	8/23/2018
Wednesday, August 1	Deadline for all Prepaid Expenses to be recorded/posted	ALICIA/CHANEL	7/28/2018
Friday, August 10	Deadline for all Fiscal Year 2018 Capital Assets activity to be posted in Munis (additions, transfers, disposals/deletions)	CHANEL	8/10/2018
Friday, August 17	Deadline for Fiscal Year 2018 Capital Asset Rollforward Schedule preparation	CHANEL	8/17/2018
Friday, August 17	Cash and investments - departmental receipts (PCRs) and outstanding reconciliation items	TREASURER'S OFFICE	8/13/2018
Friday, August 24	Fiscal Year Capital Asset Rollforward review completion and depreciation expense run	ALICIA	

County Departments
 Committee/Council meeting
 Treasurer's office

**BEAUFORT COUNTY FINANCE
 FISCAL YEAR END CLOSING SCHEDULE
 FOR THE PERIOD ENDED JUNE 30, 2018**

DATE DUE	EVENT	RESPONSIBLE PERSONNEL	DATE COMPLETED
Monday, August 27	Finance Committee Progress Update - CAFR and Pooled Cash discussion	ALICIA	
Friday, August 31	Cash and Investment GL Accounts - Finance reconciliations and review completed	FINANCE STAFF	
Friday, August 31	Deadline for all Fiscal Year 2018 revenue to be accrued/invoiced in Munis	ALICIA/MIKE/JANET	
Friday, August 31	Purchasing to provide excel file of Purchase Orders carried over from FY 2018 into FY 2019 - should include GL Accounts	PURCHASING	
Week of September 3	Debt Rollforward	ALICIA/CHANEL	
Friday, September 7	60 day accrual deadline of property tax revenue (property tax revenues paid/received in July and August)	ALICIA/CHANEL	
Monday, September 10	Finance Committee Progress Update - CAFR	ALICIA	
Week of September 10	SEFA Preparation	ALICIA/CHANEL	
Week of September 17	Pension Liability, deferred inflows/outflows	ALICIA/M&J	
Prior to month of October 2018	DSN & PFC special audits (AUP) can be completed	DSN - BETH CODY PFC - MIKE DUNN	
Begins: Thursday, October 4 (5:00 pm) Ends: Saturday, October 6 (11:59 pm)	** FINAL SYSTEM CLOSE ** (Users off GL system, Munis, by 10/4/2018, 5:00 pm) Munis will NOT be available on Friday, 10/5/2018	ALICIA	
During October 2018	SEFA/Single Audit can be completed (see above week of 9/10/2018)	FINANCE STAFF	
During October 2018	Information provided to External Financial Auditors throughout the month of October 2018	FINANCE STAFF	
Wednesday, October 31	Final Trial Balances and all supporting documentation provided to External Financial Auditors	FINANCE STAFF	
During November 2018	Audit fieldwork/testing - Finance staff working with auditors to provide all information requested for testing	FINANCE STAFF	
Monday, December 17	Tentative Date to present FY 2018 CAFR/Audit to Finance Committee/Council		



BEAUFORT COUNTY PUBLIC WORKS/ DISASTER RECOVERY
120 Shanklin Road
Beaufort, South Carolina 29906
Voice (843) 255-2930
abowers@bcgov.net

TO: Jerry Stewart, Chairman, Finance Committee

FROM: Angel Bowers, Assistant Disaster Recovery Coordinator

SUBJECT: Award for Daufuskie Island Fire Department Retrofit Grant Project

DATE: August 10, 2018

The Daufuskie Island Fire Department Retrofit Project has been awarded by South Carolina Emergency Management Division. This project is awarded under the 2017 Pre-Disaster Mitigation Grant Program. This project will install protective shutters to the Daufuskie Island Fire Station and auxiliary building's windows, doors and bay doors. The roll-down shutter tracks will be able to be securely attached to the concrete block walls, not the existing window frames, ensuring that the structure will withstand the forces transferred from the shutters to the building in hurricane conditions. With the shutter system installed, not only will Daufuskie Island Fire personnel and Beaufort County EMS personnel be able to shelter-in-place, but in the event a disaster befalls the island and does not allow islanders and visitors to evacuate by ferry, the Fire Station will be the safest place for people to shelter, and could therefore result in preservation of human lives.

The cost of the project is \$82,787.41 with a Federal share of \$62,090.56 and a non-federal share of \$20,696.85. The non-federal share will be split between the Daufuskie Island Fire Department and Beaufort County. The Daufuskie Island Fire Department will cover 70% (\$14,488) of the share and Beaufort County will cover 30% (\$6,209) of the share. It is recommended the Beaufort County 30% portion of the grant match come from the County Council's general fund. The project must be completed within a 26 weeks' time period and completed no later than March 22, 2021.



Shutter System

Strong

Qcompact combines premium design with unparalleled strength. The single-walled, extruded slats withstand sledge hammer impacts and hurricane impact tests.

In head-to-head tests, Qcompact outperformed its foam-filled competitors every single time.



In impact testing, Qcompact withstood 82 punches, 5 kicks, and 80 hits with a sledge hammer. The foam-filled shutter was destroyed in seconds.

End Retention

End retention screws (shown below) keep the curtain captive in the rails. Qcompact curtains can't be pried out with crowbars or pushed out of the rails due to high winds.

Note: Qcompact can also be made without end retention where smaller siderails are sufficient.



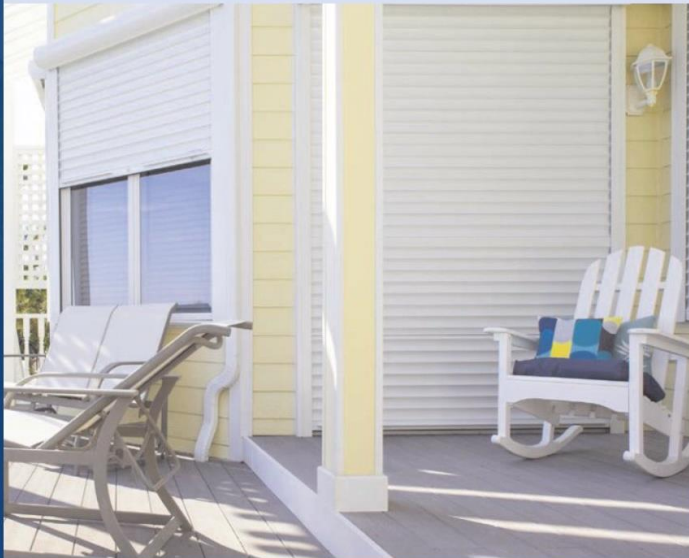
Qcompact's end retention prohibits the curtain from being pushed out of the rails. Without end retention, the 40mm foam-filled curtain was easily compromised.

Hinge Strength

The improved slat design is 27-times stronger than a perforated 40mm slip hinge, making a Qcompact shutter impenetrable by comparison.



*Pull-Apart Strength Test with 152mm (6in.) Sample. Qcompact Pull Apart at 8050 kg/m
40mm Pull Apart at 296 kg/m*





Hurricane Tested

Qcompact shutters meet the strict standards for U.S. Florida (FBC) hurricane approvals. In fact, Qcompact passed with 330 km/h (200 mph) winds up to 6000mm (19.5 ft) wide.

Elegant Design and Engineered Excellence

What makes the Qcompact shutter system unique is the 10 different slat sizes that have been ingeniously engineered to allow the slats to nest tightly with each other. The nesting allows for virtually zero space between the slats, creating a compact roll and the smallest box housing required. Each slat grouping has a specific radius designed to accommodate the ever increasing roll diameter. This proprietary design means that each slat rolls together - perfectly.

Residential Shutters

Home owners will love the quiet operation, elegant design, and security of Qcompact.

In addition to privacy and sun shading, Qcompact uniquely provides security and hurricane protection.



Commercial Shutters

Qcompact can be built both wider and taller than foam-filled shutters, making it the perfect choice for commercial applications.

These shutters are widely used in the United States for their loss prevention and design benefits. Commercial shutters can be perforated for night time merchandising.



Nesting Innovation

The Qcompact Innovation is based on **10** slats that gradually get taller



Custom Applications

Residential Shutters



Commercial Shutters



Garage Doors (Europe Only)



Strong and Compact

Traditional roll shutters require large 10"-12" (250 mm - 300 mm) housings, ruining the style and look of your home. Now, with the Qompact shutter system, an 84" (2.1 m) tall opening will require only a compact 6" (150 mm) housing. That is 40-50% smaller, creating a much more appealing installation.



Sustainable

The World's First Sustainable Residential Roller Shutter

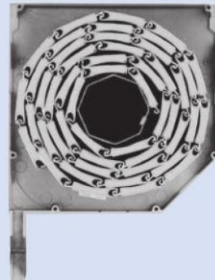
- Qompact curtain is 100% Recyclable
- Qompact shutter is 99% Recyclable
- Qompact has No Foam Filling
- Qompact is 99% Aluminum
- Qompact is 60% Recycled
- Qompact has No Waste



40-50% Smaller Shutter Box

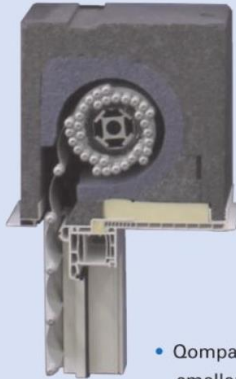


QCOMPACT
VS.
TRADITIONAL



QCOMPACT IS 40-50% SMALLER THAN TRADITIONAL

(Europe Only)



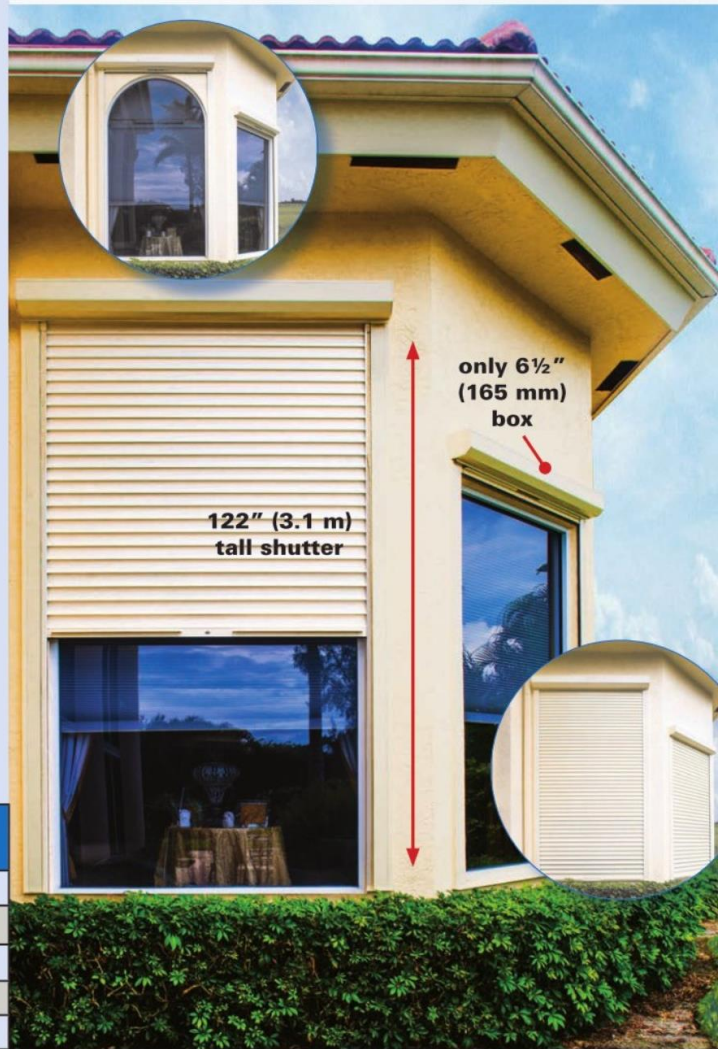
- Built in wall applications can have 30-40% more shutter box foam insulation
- Qcompact slat hinges are strong enough to have curtains up to 6 m wide (20') and 5 m high (15')
- Qcompact rolls are 40-50% smaller with hinges 27-times stronger* than foam-filled (*see pull apart test)

Note: Widths >12' may require a larger box size.

Shutter Height	Qcompact Box Size	Other Shutters Box Size
69" (1753 mm)	5.5" (140 mm)	8" (200 mm)
84" (2188 mm)	6" (150 mm)	10" (250 mm)
122" (3099 mm)	6.5" (165 mm)	12" (300 mm)
149" (3785 mm)	7" (180 mm)	12" (300 mm)
184" (4674 mm)	8" (205 mm)	14" (350 mm)

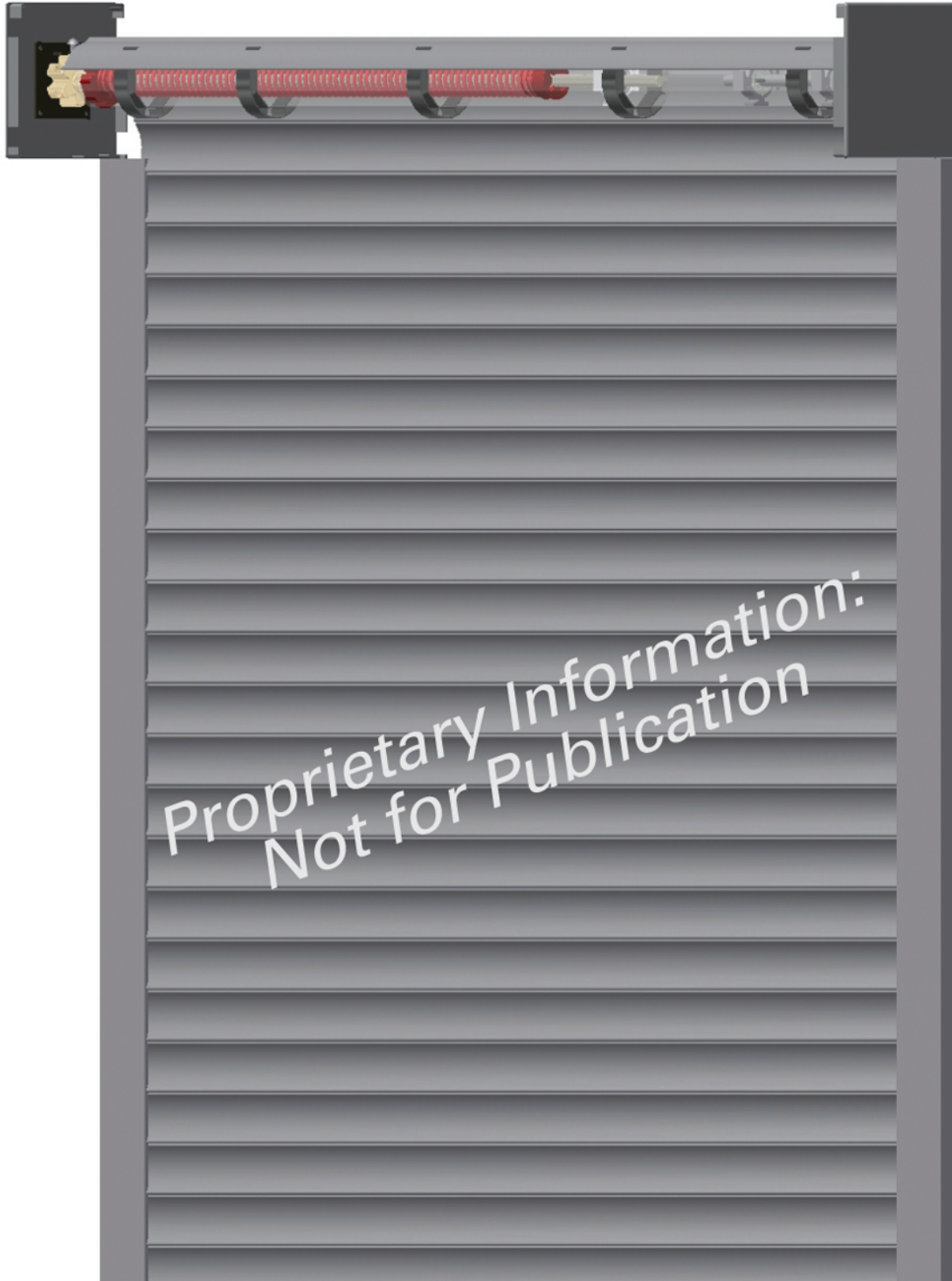
Smooth and Quiet

The Qcompact® shutter system is available in manual and automatic operation. Using the patented nested design, the Qcompact shutter system rolls smoothly and quietly. 6/6 nylon bushings allow the shutter to glide smoothly through the security guides.



Qompact Shutter Spring Assist System

Enables Manual Push Up/Pull Down operation up to 68 kg (150 lbs)





Financial Policy Guidelines

For:

Beaufort County, South Carolina

Authority:	South Carolina Statutes and other Public Finance Law
Supersedes:	Financial policies existing prior to date of adoption
Review Responsibility:	Financial Services
Review Scheduled:	Annually or as needed
Approval Needed:	County Council (Resolution # 2018/___)

Adopted: the ___ day of _____, 2018

Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August __, 2018

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Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August __, 2018

1. OBJECTIVES

This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practices of Beaufort County, South Carolina. A fiscal policy that is adopted, adhered to, and regularly reviewed is the cornerstone of sound financial management. Effective fiscal policy:

- Contributes significantly to the County's ability to insulate itself from fiscal crisis,
- Enhances short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the County rather than single issue areas,
- Promotes the view of linking long-term financial planning with day to day operations, and
- Provides the County Council, citizens and the County professional management team a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

This comprehensive Financial Policy Guideline combines existing policies with new policies. Existing policies were reviewed for accuracy and completeness. Additionally, numerous other jurisdictions financial policies were studied to identify new policy guidelines that are appropriate for Beaufort County. With the above objectives as a guide, the following fiscal policy guideline is presented.

Financial Policy Guidelines

Beaufort County, South Carolina

Adopted August __, 2018

2. OPERATING BUDGET

1. The County will develop the Budget in conjunction with a stated program of performance objectives and measures in which to gauge progress toward meeting those objectives.
2. The Financial Services Department will maintain a system for monitoring the County's budget during the fiscal year. This system will provide opportunity for departments and management to monitor and evaluate monthly financial information on expenditures and performance at both the department and fund level. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of South Carolina budgetary statutes.
3. The County shall continue to focus on using one-time, non-recurring, or other special revenues for funding special one-time projects.
4. The County will continue to pursue an aggressive policy seeking the collection of delinquent rescue collections, permits and other fees due to the County.
5. For services that benefit specific users, the County shall establish and collect fees to recover the costs of those services. The County Council shall determine the appropriate cost recovery level when establishing user fees. Where feasible and desirable, the County shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery attainment levels, to compare them to the current fee structure, and to recommend adjustments where necessary.
6. The County shall endeavor to reduce its reliance on property tax revenues by revenue diversification, implementation of user fees, and economic development. The County shall also strive to minimize the property tax burden on Beaufort County residents.
7. In order to maintain a stable level of services, the County shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and resulting impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling

Financial Policy Guidelines

Beaufort County, South Carolina

Adopted August __, 2018

OPERATING BUDGET (cont.)

- short of budget estimates during the year and should help avoid the need for mid-year service reductions.
8. The County shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue updates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, furloughs, lay-offs, forced days off, expenditure reductions, fee increases, or use of fund balance. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget for recurring expenditures.
 9. The tax rate will be set each year in accordance with state law and based on the cost of providing general governmental services and paying debt service. Consideration will be given to future net revenue requirements for capital improvement projects, operational expenditure impacts and programmed debt service.
 10. Expenditure budgets are reviewed by staff, the County Administrator, and County Council prior to adoption and are continually monitored throughout the budget year. Budgeted funds will be spent for the categorical purposes for which they were intended. The annual operating budget ordinance defines staff authorization for operating budget adjustments. No appropriations of the proceeds of a debt instrument will be made except for the purpose for which such debt instrument was issued. Donations will be spent only toward the intent for which they were given.
 11. Annually, the County will update a five-year period forecast (for both revenues and expenditures). This forecast will assist in taking a long-term view of the financial planning of the General Fund and will assist with the preparation of the County's strategic biennial budget.

Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August ____, 2018

3. CAPITAL IMPROVEMENT BUDGET POLICY

1. The County will prioritize all capital improvements in accordance with an adopted capital improvement program (CIP) and South Carolina law.
2. The County will develop a five-year plan for capital improvements and review and update the plan at least every two years. The County conducts a needs assessment and projects are ranked according to priority. The estimated costs and potential funding sources for each capital project proposal will be identified before it is submitted for approval within the Capital Improvement Program (CIP) budget. The estimated costs will include consideration for inflation; the inflation rate to be determined annually in the budget process and disclosed in the capital budget. Additional projects can be added to the CIP without ranking, but funding for projects added in this manner are subject to normal operating budget constraints.
3. The County will enact a capital budget at least every two years based on the five-year capital improvement plan. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections.
4. In general, effective maintenance and operations of capital facilities should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. In addition, state or federal mandates or new service demands may require acquisition of new facilities even when maintenance needs are not fully met. The County shall have an on-going 10-year facilities improvement plan to respond to maintenance and operational needs timely.
5. The County will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
6. The County will seek intergovernmental assistance to finance those capital improvements that are consistent with the capital improvement plan and County priorities, and whose operating and maintenance costs have been included in operating budget forecasts.
7. The County will maintain all its assets at a level adequate to protect the County's capital investment and to minimize future maintenance and replacement costs. The County will maintain accurate information on the condition, lifespan and estimated replacement cost of its major physical assets to assist in long term planning.

Financial Policy Guidelines

Beaufort County, South Carolina

Adopted August __, 2018

CAPITAL IMPROVEMENT BUDGET (cont.)

8. The County will identify the estimated costs and potential funding sources for each capital project proposed before it is submitted for approval.
9. The County will attempt to determine the most cost effective and flexible financing method for all new projects.
10. The County will match the financing of major capital assets to the debt schedules that closely assign payments with the expected major asset life span to insure intergenerational equity.
11. The capitalization for fixed assets resulting from purchases shall be \$5,000. Fixed assets will only be capitalized if they have a useful life of at least two years following the date of acquisition.

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Financial Policy Guidelines

Beaufort County, South Carolina

Adopted August ____, 2018

4. FINANCIAL RESERVES POLICIES

In 2014 the County adopted a General Fund Balance Policy. It is found in Beaufort County's Code of Ordinances Section 2-403 through 2-405.

A. General Fund Reserve Policy

1. The County will establish and maintain a General Fund Reserve to pay for needs caused by unforeseen emergencies. This reserve will be maintained within a range of fifteen percent (15%) and thirty percent (30%) of the total General Fund expenditures for the previous fiscal year and be held in the General Fund account.
2. The General Fund Reserve balance should only be used in certain limited situations such as to stabilize revenues, mitigate a projected deficit in the current operating period, retire or defease outstanding bonds or notes of the County, fund one-time or unanticipated expenditures, and pay judgments or otherwise settle legal disputes and claims.
3. Any action that results in reducing the General Fund Reserve balance below the fifteen percent (15%) threshold shall contain a provision specifically authorizing the use of such funds.
4. The County Administrator or Finance Director shall inform the Council, with as much advance time as may be practical under the circumstances, whenever the County has obligations that would reasonably be expected to result in the General Fund balance to decline below the minimum fifteen percent (15%) threshold.
5. At any time that the Council determines that the use of the General Fund Reserve balance within the fifteen (15%) to thirty percent (30%) range is needed for one or more of the reasons provided for in this section, the Council shall, by resolution, authorize the use of such reserves.
6. At no time shall County Council take action which shall have the effect of reducing the General Fund balance to an amount below an average of two (2) months' worth of total General Fund expenditures for the previous fiscal year without first declaring that an emergency exists within the County thereby necessitating the use of such funds.
7. Beaufort County shall, during the August through October hurricane season, maintain a fund balance of unrestricted and available cash equal to a minimum of fifteen (15%) of the General Fund Appropriation. Funding sources may include, but are not limited to, credit instruments, bond anticipation notes and tax anticipation notes.
8. The General Fund Reserve balance should be reported to County Council quarterly and be reviewed annually or as needed.

Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August ____, 2018

B. Debt Service Fund Policy

1. The County will confine long-term borrowing to capital improvement or projects that cannot be paid for from current revenues or fund balance except where approved justification is provided.
2. The County will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances in excess of policy targets, and current-year (pay-as-you-go) appropriations.
3. When the County finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project. Target debt ratios will be calculated at least every two years and included in the review of financial trends.
4. Where feasible, the County will explore the usage of special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.
5. Prior to the issuance of new General Obligation (GO) debt, consideration shall be given to forecasted tax rate requirements, ratio of net GO debt to assessed taxable value, net GO debt per capita, and debt service payments to General Fund operating budget.
6. Direct net debt as a percentage of total assessed value of taxable property should not exceed 2.5%. Direct net debt is defined as any and all debt that is tax-supported.
7. The ratio of direct debt service expenditures as a percent of total governmental fund expenditures will be targeted to remain at or below 10.0% but in any case should not exceed 12.0% with an aggregate direct debt ten-year principal payout ratio target of 60.0% or better.
8. The County recognizes the importance of underlying and overlapping debt in analyzing financial condition. The County will regularly analyze total indebtedness including underlying and overlapping debt.
9. The County may employ municipal finance professionals to assist in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors.

DEBT SERVICE FUND (cont.)

Financial Policy Guidelines

Beaufort County, South Carolina

Adopted August __, 2018

10. The County shall use the Comprehensive Annual Financial Report (the "CAFR") as the disclosure document for meeting its financial reporting obligations.
11. The County will use fixed rate debt in most cases to finance its capital needs; however, the County may issue variable rate debt when necessary if deemed in the best interest of the County.
12. Debt structures that result in significant "back loading" of debt should be avoided.
13. The Chief Financial Officer will maintain good communications with bond rating agencies:
 - a. The CFO will provide periodic updates on the County's financial condition.
 - b. Required disclosures on every financial report and bond prospectus will be followed.
 - c. The County may request ratings prior to the sale of securities from the major rating agencies for bond issues.
14. The County will strive to achieve and maintain the highest credit rating awarded by the bond rating agencies.
15. The County may undertake refinancing of outstanding debt:
 - a. When such refinancing allows the County to realize significant debt service savings (net present value savings equal to at least 2.0 percent of the refunded par amount) without lengthening the term of refinanced debt and without increasing debt service in any subsequent year; or
 - b. When the public policy benefits outweigh the costs associated with the issuance of new debt and any increase in annual debt service; or
 - c. When a restrictive covenant is removed to the benefit of the County.
16. The CFO shall maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements for the federal tax code.
17. The County will maintain enough fund balance, net of any potential incoming revenue, within its Debt Service Fund and County Purchase Property Fund to cover the County's interest-only payments occurring on August 1 and September 1 of every fiscal year. The additional revenues required to grow

Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August ____, 2018

the fund balance may be achieved by maintaining all borrowing premium revenues. (Ordinance No. 2014/7)

V. CASH MANAGEMENT AND INVESTMENT POLICY

The Treasurer serves as the County's chief banker and investment officer, charged with the responsibility of investing funds that are not needed for immediate expenditures. The Following is the investment policy of the Beaufort County and the Beaufort County Treasurer's Office. The scope of this investment policy applies to all moneys and other financial resources available for deposit and investment by the Beaufort County Treasurer's Office on behalf of Beaufort County and on behalf of any other agency.

1. The primary objectives of the Treasurer's Office investment activities are, in priority order:
 - a. To conform with all applicable federal, state and other legal requirements (legality);
 - b. Adequately safeguard principal (safety);
 - c. To provide sufficient liquidity to meet all operating requirements (liquidity) and;
 - d. To obtain a reasonable rate of return (yield).
2. To appropriately meet these objectives, the Treasurer's Office will make investment decisions based on current and ongoing cash flow needs.
3. All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence. Investments shall be made with prudence, diligence, skill, judgment and care, under circumstances then prevailing, which knowledge and prudent persons acting in like capacity would use, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.
4. All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.
5. It is the policy of Beaufort County and the Treasurer's Office to diversify its deposits and investments by financial institution, by investment instrument, and by maturity schedule. Diversification of deposit and investment assets should be determined with the utmost care, with safety and liquidity being the primary

Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August __, 2018

objectives. As portfolios may range in size by account and purpose, depositories and investment managers should seek to invest as prudently as possible, with no investment representing more than 5% of the total portfolio value; including all accounts.

As some accounts may be smaller in size, 5% of the total portfolio value may not be prudent from a diversification standpoint. With these types of accounts special care must be taken to ensure liquidity and safety. Under no circumstance should any investment in smaller accounts represent more than 20% of its portfolio value.

6. It is the policy of Beaufort County and the Treasurer's Office for all moneys collected by any officer or employee of Beaufort County, with the exception of certain special revenues and funds maintained by certain countywide elected officials, to transfer those funds to the Treasurer's Office, or the financial institution designated by the Treasurer's Office, within two (2) business days of deposit, or within the time period specified in law, whichever is shorter.

The Treasurer is responsible for establishing and maintaining internal control procedures to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, properly recorded, and managed in compliance with applicable laws and regulations.

Except as may otherwise be provided in a contract with bondholders or noteholders, any moneys invested may be commingled for investment purposes, provided that any investment of commingled moneys shall be payable or redeemable at the time the proceeds are needed to meet expenditures for which such moneys were obtained. The separate identity of the sources of these funds shall be maintained at all times through the general ledger and any income received shall be credited on a pro rata basis to the general ledger fund or account from which the moneys were invested.

7. The Treasurer may utilize the services of any bank, trust company, or savings and loan association authorized to do business within the State of South Carolina.
8. All deposits and investments at a bank, trust company, or savings and loan association (hereinafter, collectively referred to as "depository"), including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively referred to as "deposits") made by the Treasurer's Office that are in excess of the amount of insured under the provisions of the Federal Deposit

Financial Policy Guidelines

Beaufort County, South Carolina

Adopted August ___, 2018

Insurance Act, including pursuant to a Deposit Placement Program in accordance with law, shall be secured by the depository in accordance with South Carolina State Statute 6-5-15, which dictates the securing and collateralization of public funds.

9. As provided by the State of South Carolina Code of Laws Section 6, the Treasurer will invest moneys not required for immediate expenditure, for terms not to exceed its projected cash flow needs, in investments that adhere with South Carolina State Statutes 6-5-10 and 12-45-220.

The Beaufort County Treasurer may also deposit public monies in excess of current needs into the South Carolina State Treasurer's Local Government Investment Pool.

Repurchase agreements (referred to as REPOs) are complex transactions that can expose the investing local government to significant risks. If utilized, the Treasurer must submit the agreement to Beaufort County's legal counsel for review and approval; have the resources to negotiate the agreement with trading partners and custodial banks or trust companies, and monitor the investment daily. At a minimum, any repurchase agreement must comply with the requirements listed in Appendix A.

10. Some investments, although in conformity with South Carolina Code of Laws, may be in conflict with the County and the Treasurer's primary objectives of safety and liquidity. As such, the following investments are not permitted:
 - a. Interest-only Mortgage Securities
 - b. Principal-only Mortgage Securities
 - c. Z-Traunch Collateralized Mortgage Obligations (CMO's)
 - d. Floating Rate CMO's, including Inverse Floaters

11. All financial institutions and dealers with which the Treasurer's Office transacts business shall be creditworthy, and have an appropriate level of experience, capitalization, size and other factors that make the financial institution or the dealer capable and qualified to transact business with and hold public funds. The Treasurer shall evaluate the financial position and maintain a listing of proposed depositories, trading partners, and custodians.

If the Treasurer elects to utilize the services of a financial advisor, that advisor should have at least ten (10) years of experience managing public funds, five (5) years of which should be experience in managing funds within the State of South Carolina, and, at a minimum, should be a registered investment advisor.

Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August __, 2018

At least annually, the advisor must provide to the Treasurer their ADV forms, part I and II, filed with the Securities and Exchange Commission.

The Treasurer shall maintain a list of financial institutions and dealers approved for investment purposes. To maximize safety, the Treasurer's Office could purchase through, deliver to and hold in custody of a bank or trust company all obligations, unless registered or inscribed in the name of the applicable government agency.

12. The Treasurer shall review this investment policy annually, or as needed, and shall have the power to amend this policy at any time. County Council shall regularly request reporting from the Treasurer regarding the status of investments and changes in investment policy.

Investment performance should be evaluated at least semi-annually and be taken into consideration when reviewing the investment policy. Investment performance benchmarks may include time weighed return, net of fees, on individual accounts as well as the overall portfolio.

13. The State Treasurer is authorized to assist the Treasurer's Office in investing funds that are temporarily in excess of operating. This can be accomplished by explaining investment opportunities through publication and other appropriate means; acquainting the Treasurer's Office with the State's practice and experience in investing short-term funds; and providing technical assistance in investment of idle funds when such assistance is requested.

Appendix A- Repurchase Agreements

At a minimum, a repurchase agreement must comply with the following:

1. Trading partners should be limited to creditworthy banks or trust companies located and authorized to do business in the State of South Carolina or to registered primary dealers.

Financial Policy Guidelines

Beaufort County, South Carolina

Adopted August ___, 2018

2. Unless the obligations that are purchased pursuant to the repurchase agreement are registered or inscribed in the name of the local government, obligations must be purchase through, delivered to and held in the custody of a bank or trust company located and authorized to do business in the State of South Carolina. The custodial bank or trust company may not be the seller of the obligations that are the subject of the repurchase agreement.
3. A Master Repurchase Agreement must be entered into, outlining the basic responsibilities and liabilities of the buyer and seller and a written agreement with the custodial bank or trust company, outlining the basic responsibilities and liabilities of the buyer, seller and custodian.
4. The custodial agreement should provide that the custodian takes possession and maintains custody of the obligations exclusively for the local government, that the obligations are free of any claims against the trading partner, and that any claims by the custodian are subordinate to the local government's claims or rights to those obligations.
5. The obligations must be credited to Beaufort County, or the applicable agency, on the records of the custodial bank or trust company, and the transaction must be confirmed in writing to the local government by the custodial bank or trust company.
6. The obligations purchased may only be sold or presented for redemption of payment by the custodian upon written instructions of the Treasurer.
7. A perfected security interest must be obtained in the obligation.
8. Agreements may be for no more than 30 days.
9. Agreements must specify whether to include margin requirements.
10. No substitution of obligations is permitted.
11. Payment for the purchased obligations should not be made by the custodial bank or trust company until the obligations are actually received, preferably done simultaneously.
12. Obligations that are purchased to a repurchase agreement are deemed to be payable or redeemable, for purposes of the **GML**, on the on which the purchased obligations are scheduled to be repurchased by the seller.

Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August __, 2018

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ADD-ONS

The document(s) herein were provided to Council for information and/or discussion after release of the official agenda and backup items.

Topic: Fiscal Year Closing Schedule
Date Submitted: September 24, 2018
Submitted By: Alicia Holland
Venue: Finance Committee

County Departments

Committee/Council meeting

Treasurer's office

**BEAUFORT COUNTY FINANCE
FISCAL YEAR END CLOSING SCHEDULE
FOR THE PERIOD ENDED JUNE 30, 2018**

DATE DUE	EVENT	RESPONSIBLE PERSONNEL	DATE COMPLETED
Friday, June 29	Deadline to submit Fiscal Year 2018 purchase requisitions	PURCHASING	8/1/2018
Friday, July 6	Deadline for departmental review, allocation and approval of Pcard transactions charged as of June 30	LORI	7/17/2018
Wednesday, July 18	Inventory - Lady's Island Airport year end adjustments posted	AIRPORT PERSONNEL & MIKE	7/11/2018
Wednesday, July 18	Inventory - Stormwater Utility year end adjustments posted	STORMWATER UTILITY PERSONNEL & ALICIA	7/26/2018
Monday, July 23	Finance Committee - CAFR Proposed Timeline/Schedule	ALICIA	7/23/2018
Wednesday, July 25	Group Health, Dental & Workers Comp allocations	ALICIA	7/11/2018, 7/25/2018
Wednesday, July 25	Group Health, Dental & Workers Comp liability accruals based on claim lag reports	ALICIA	9/7/2018
*Note: The claims administrators for the County's self-insured health, workers compensation and dental policies provided lag reports through 8/31/2018.			
Wednesday, July 25	Accrued Compensated Absences - reports and rollforward schedule	ALICIA	7/25/2018
Wednesday, July 25	Meeting with Mauldin & Jenkins to share CAFR preparation information	ALICIA	7/26/2018
Friday, July 27	Deadline for departments to submit invoices to Accounts Payable for services, goods, etc. provided by June 30	COUNTY DEPARTMENTS	8/24/2018
Tuesday, July 31	Fiscal Year 2019 Budget posted in Munis	ALICIA/CHANEL	8/5/2018
Wednesday, August 1	Deadline for all Fiscal Year 2018 AP invoices to be posted Deadline for all Fiscal Year 2018 Purchase Orders to be closed	AP/PURCHASING	8/24/2018
Wednesday, August 1	Deadline for all Prepaid Expenses to be recorded/posted	ALICIA/CHANEL	7/28/2018
Friday, August 10	Deadline for all Fiscal Year 2018 Capital Assets activity to be posted in Munis (additions, transfers, disposals/deletions)	CHANEL	8/10/2018
Friday, August 17	Deadline for Fiscal Year 2018 Capital Asset Rollforward Schedule preparation	CHANEL	8/17/2018
Friday, August 17	Cash and investments - departmental receipts (PCRs) and outstanding reconciliation items	TREASURER'S OFFICE	8/13/2018
Friday, August 24	Fiscal Year Capital Asset Rollforward review completion and depreciation expense run	ALICIA	9/14/2018

Topic: Fiscal Year Closing Schedule
Date Submitted: September 24, 2018
Submitted By: Alicia Holland
Venue: Financial Committee

County Departments
Committee/Council meeting
Treasurer's office

**BEAUFORT COUNTY FINANCE
FISCAL YEAR END CLOSING SCHEDULE
FOR THE PERIOD ENDED JUNE 30, 2018**

DATE DUE	EVENT	RESPONSIBLE PERSONNEL	DATE COMPLETED
Monday, August 27	Finance Committee Progress Update - CAFR and Pooled Cash discussion	ALICIA	8/27/2018
Friday, August 31	Cash and Investment GL Accounts - Finance reconciliations and review completed	FINANCE STAFF	9/19/2018
Friday, August 31	Deadline for all Fiscal Year 2018 revenue to be accrued/invoiced in Munis	ALICIA/MIKE/JANET	IN PROGRESS
Note: This item is substantially complete. There are a few items related to federal grants under review and this review affects the SEFA (Schedule of Expenditures of Federal Awards). The final date will not be indicated until the review of information is completed.			
Friday, August 31	Purchasing to provide excel file of Purchase Orders carried over from FY 2018 into FY 2019 - should include GL Accounts	PURCHASING	9/4/2018
Week of September 3	Debt Rollforward	ALICIA/CHANEL	9/14/2018
Friday, September 7	60 day accrual deadline of property tax revenue (property tax revenues paid/received in July and August)	ALICIA/CHANEL	9/21/2018
Monday, September 10	Finance Committee Progress Update - CAFR	ALICIA	HURRICANE FLORENCE
Week of September 10	SEFA Preparation	ALICIA/CHANEL	IN PROGRESS
See note above with regards to FY 2018 revenue related to federal grants.			
Week of September 17	Pension Liability, deferred inflows/outflows	ALICIA/M&J	IN PROGRESS
Prior to month of October 2018	Disabilities and Special Needs (DSN) Agreed Upon Procedures (AUP) Passenger Facility Charge (PFC) special audit	DSN - BETH CODY PFC - MIKE DUNN	IN PROGRESS
Begins: Thursday, October 4 (5:00 pm)	** FINAL SYSTEM CLOSE ** (Users off GL system, Munis, by 10/4/2018, 5:00 pm) Munis will NOT be available on Friday, 10/5/2018	ALICIA	
Ends: Saturday, October 6 (11:59 pm)			
During October 2018	SEFA/Single Audit can be completed (see above week of 9/10/2018)	FINANCE STAFF	
During October 2018	Information provided to External Financial Auditors throughout the month of October 2018	FINANCE STAFF	
Wednesday, October 31	Final Trial Balances and all supporting documentation provided to External Financial Auditors	FINANCE STAFF	
During November 2018	Audit fieldwork/testing - Finance staff working with auditors to provide all information requested for testing	FINANCE STAFF	
Monday, December 17	Tentative Date to present FY 2018 CAFR/Audit to Finance Committee/Council		

Topic: Findings / Personal Services Contract / Joshua Gruber

Date Submitted: September 24, 2018

Submitted By: Stu Rodman

Venue: Finance Committee

STU's FINDINGS

PERSONAL SERVICE CONTRACT

IN GENERAL it is appropriate, as issues arise in the course of day to day business of the County, for Council to:

1. Insert its authority where and when appropriate.
2. Review County Policies to discharge its elected responsibilities.

WAS THE CONTRACT APPROPRIATE?

YES - given Tom's expanded responsibilities:

1. Interim County Administrator:
 - Wellbeing of a 250,000 service population
 - Management of 1,000+ employees
2. Interim Deputy County Administrator
3. County Attorney

YES - given that Josh was uniquely qualified to provide this service.

YES - as it was timely given the advent of hurricane season.

WAS THE CONTRACT PROPERLY EXECUTED?

YES - Tom acted correctly within his authority.

YES - His Staff discharged their duties correctly.

AT ISSUE – Should Tom have advised Council of the contract?

NOT NECESSARY - He acted within his authority to initiate & execute.

PERHAPS - given recent history and Josh having worked for Council.

CONCLUSIONS: NO HARM, NO FOUL

1. Council has created a challenging situation with no Administrator.
2. Tom continues to professionally lead the County.