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AGENDA  
COUNTY COUNCIL OF BEAUFORT COUNTY  
WORKSHOP

Thursday, November 17, 2016  
2:00 p.m.

Executive Conference Room, Administration Building  
Beaufort County Government Robert Smalls Complex  
100 Ribaut Road, Beaufort

1. CALL TO ORDER - 2:00 P.M.
2. PLEDGE OF ALLEGIANCE
3. COMPREHENSIVE FINANCIAL PLAN: REVENUES AND EXPENDITURES ([backup](#))
4. ADJOURNMENT



## COMPREHENSIVE FINANCIAL PLAN: REVENUE AND EXPENDITURES

### Financial Plan per Council Retreat of February 2016

At last year's retreat council asked for a comprehensive financial plan: Revenue and Expenditures. This task was assigned to the Finance Committee without any specifics and/or directions. However, my memory of the discussion as to what was actually requested was more along the lines of a 3-5 year projected budget.

Since it is the Administrators' responsibility to present an annual budget to council, are we then asking the administration to provide a 3-5 year projected budget? Or, are we asking council to take a more strategic approach and provide administration with a policy statement identifying specific goals and objectives that council wants to see implemented over this time period; i.e. ask the administration to develop a 3-5 year extended budget which includes Council's stated goals and objectives. I think the latter.

This strategic approach is somewhat consistent with current council actions. Over the past two years council has started moving in this direction by implementing several recommendations:

- Council recommended funding an additional \$1MM per year for 3 years to be reserved for facility maintenance; the first two years have been funded.
- Administration recommended and Council funded a salary review with an initial \$2MM approved for implementation.
- Administration recommended and Council funded a facilities review to identify needs for new facilities and establish a maintenance schedule for existing facilities; per above, a maintenance reserve has been established.
- Administration recommended and Council implemented a self-funding program for Health Insurance.

It should be noted that three of the four programs identified were initiated by the Administration. In my opinion, Council should not be so reliant on the Administration for suggestions; rather should be taking a more proactive role in setting policy goals.

Continuing with this strategic approach, I would like to suggest the follow procedure for developing a 3-5 year projected budget which is built around Council's strategic initiatives. I would like for initial discussions to begin independently in each of the standing committees and would encourage each committee to discuss/review programs and revenue resources in each of the areas under their purview. Initiate discussions with staff and reach out to advisory committee's for input wherever appropriate. Some thoughts as to areas for discussion:

- Are committee's satisfied with programs currently under their jurisdiction. Are there current programs that are underfunded/overfunded and/or should be discontinued? (All committees)
- Are there current programs (e.g. parks and recreation, etc.) that could be consolidated with the municipalities under a partnership to provide more of a metro type service and/or are there programs that should be transferred in part or entirety to other government entities; if so what would be the financial impact? (All committees)
- Are current reserve fund policy's appropriate and/or should they be modified? (Finance)

- What is the future of the Rural and Critical Lands program? Should Council support another referendum? (Natural Resources)
- What role should council play, if any, with respect to current and future facility needs at USCB and TCL? (Governmental)
- Are we providing adequate services/facilities for citizens with special needs? If not what changes are needed? (Community Services)
- How will capital projects be funded in the future; use 8% money vs. capital referendum? (Finance)
- How will economic development be paid for? (Governmental)
- Review fees and fee structure (e.g. codes enforcement, business license, PALS, etc.) (Committees' as appropriate)
- With increasing population what procedures need to be put in place to cope with the need for increasing services? (All Committees)
- What impact will the budgets of other county elected officials have on our budgets? What guidelines, if any, should be given to these elected officials? (Finance)

From these discussions each committee should develop a list of initiatives that they would like to see implemented over the next 3-5 years. Where necessary, any policy changes needed for implementation should be identified along with recommended timelines and evaluation points (milestones). Committee recommendations will be presented to the Executive Committee at its December meeting. The Executive Committee will review all recommendations and establish a priority list which will be presented to the Administration with the request that these initiatives be incorporated into a 3-5 year projected budget showing annual budget projections for each year within the 3-5 year period. This projected budget will be presented to Council at our next retreat so that detailed discussion and further considerations can begin at that time.

Jerry Stewart, Chairman  
 Finance Committee  
 September 30, 2016

# 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: Historical Property Taxes / Mil Rates / Taxes Contributed to TIF Districts  
Date Submitted: November 17, 2016  
Submitted By: Alicia Holland  
Venue: County Council Workshop

BEAUFORT COUNTY, SOUTH CAROLINA  
HISTORICAL AD VALOREM PROPERTY TAXES AND MIL RATES

FISCAL YEAR	AD VALOREM PROPERTY TAX REVENUE						MIL RATES			GROWTH/INFLATION		
	GENERAL FUND <sup>1</sup>	DEBT SERVICE	REAL PROPERTY	BLUFFTON AND NEW RIVER TIFS	MCIP	TOTAL COUNTY PROPERTY TAX REVENUE	GENERAL FUND <sup>1</sup>	DEBT SERVICE	REAL PROPERTY	ESTIMATED COUNTY POPULATION	POPULATION GROWTH	CPI FACTOR
2004	\$ 50,627,067	\$ 6,626,731	\$ 1,840,640	\$ 730,992	\$ -	\$ 59,825,430	54.80	7.20	2.00	130,260		
2005	\$ 60,277,356	\$ 7,791,248	\$ 2,164,735	\$ 1,624,429	\$ -	\$ 71,857,768	41.70	5.40	1.50	133,520	2.50%	
2006	\$ 62,582,270	\$ 7,871,337	\$ 2,186,835	\$ 2,052,313	\$ -	\$ 74,692,755	42.70	5.40	1.50	139,333	4.35%	
2007	\$ 62,598,081	\$ 8,123,407	\$ 3,683,612	\$ 5,163,326	\$ -	\$ 79,568,426	41.20	5.40	2.50	143,614	3.07%	3.20%
2008	\$ 67,464,993	\$ 9,107,612	\$ 4,148,939	\$ 7,188,021	\$ -	\$ 87,909,565	43.40	5.80	2.70	147,316	2.58%	2.85%
2009	\$ 74,183,107	\$ 6,671,181	\$ 3,893,415	\$ 7,636,845	\$ -	\$ 92,384,548	45.50	4.00	2.40	150,415	2.10%	3.84%
2010	\$ 72,781,606	\$ 6,461,363	\$ 3,802,558	\$ 8,159,402	\$ 23,809	\$ 91,228,738	40.21	3.62	2.13	155,215	3.19%	0.00%
2011	\$ 73,219,927	\$ 8,136,781	\$ 4,908,083	\$ 8,314,698	\$ 31,397	\$ 94,610,886	40.21	4.57	2.76	162,233	4.52%	1.64%
2012	\$ 72,841,399	\$ 8,178,159	\$ 4,938,538	\$ 7,359,666	\$ 32,391	\$ 93,350,153	40.21	4.57	2.76	164,684	1.51%	3.16%
2013	\$ 72,758,007	\$ 7,954,426	\$ 6,848,242	\$ 7,185,352	\$ 40,669	\$ 94,786,696	40.21	4.44	3.87	168,049	2.04%	2.07%
2014	\$ 75,970,366	\$ 8,849,801	\$ 7,031,468	\$ 573,107	\$ 76,572	\$ 92,501,314	46.48	5.48	4.34	171,838	2.25%	1.46%
2015	\$ 77,616,896	\$ 9,072,492	\$ 8,073,859	\$ 513,544	\$ 74,559	\$ 95,351,350	46.48	5.48	4.90	175,852	2.34%	1.62%
2016	\$ 83,368,185	\$ 9,311,633	\$ 8,322,109	\$ 597,354	\$ 77,061	\$ 101,676,342	48.77	5.48	4.90	179,589	2.13%	0.12%

**37.87%**

Indicates a Reassessment year.

Note 1: In Fiscal Years 2004 through 2008, there were individual mil rates for Operations, Solid Waste, Continuing Education and Indigent Health Care. For purposes of this report, the sum of these mil rates and related revenue are included within the General Fund for an accurate comparison over the 13 year time period. Beginning in Fiscal Year 2009, the Operations mil rate included Solid Waste, Continuing Education and Indigent Health Care - see below.

FISCAL YEAR	AD VALOREM PROPERTY TAX REVENUE			
	GENERAL FUND	SOLID WASTE & RECYCLING	INDIGENT HEALTH CARE	CONTINUING EDUCATION
2004	\$ 39,902,961	\$ 5,307,748	\$ 1,805,606	\$ 3,610,752
2005	\$ 47,419,184	\$ 6,483,870	\$ 2,125,121	\$ 4,249,181
2006	\$ 49,557,808	\$ 6,559,091	\$ 2,155,473	\$ 4,309,898
2007	\$ 55,872,654	\$ -	\$ 2,236,794	\$ 4,488,633
2008	\$ 60,474,820	\$ -	\$ 2,330,397	\$ 4,659,776

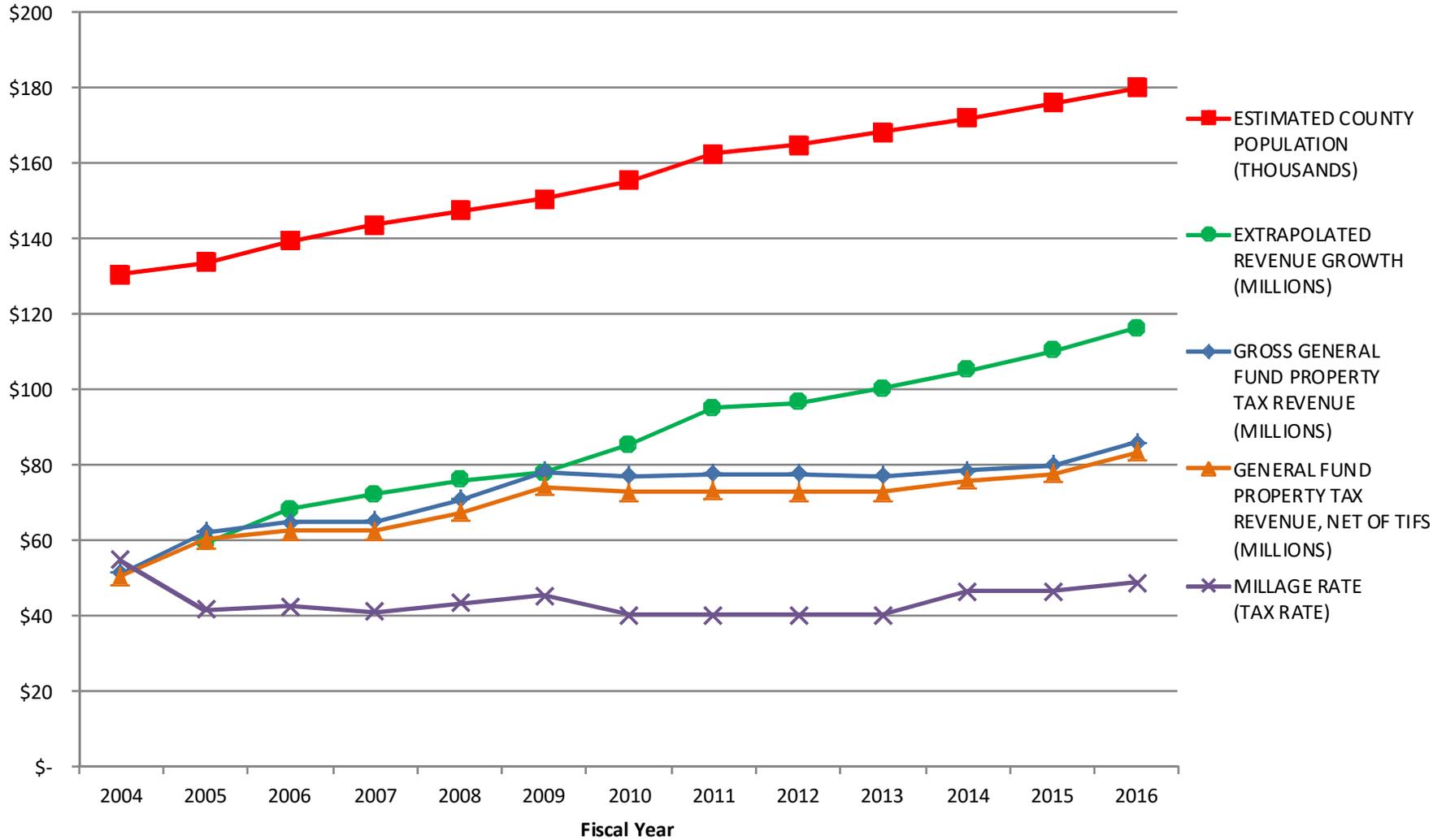
FISCAL YEAR	MIL RATES			
	GENERAL FUND	SOLID WASTE & RECYCLING	INDIGENT HEALTH CARE	CONTINUING EDUCATION
2004	42.90	5.90	2.00	4.00
2005	32.70	4.50	1.50	3.00
2006	33.70	4.50	1.50	3.00
2007	36.70	0.00	1.50	3.00
2008	38.90	0.00	1.50	3.00

TIF - Tax Increment Financing

MCIP - Multi-County Industrial Park

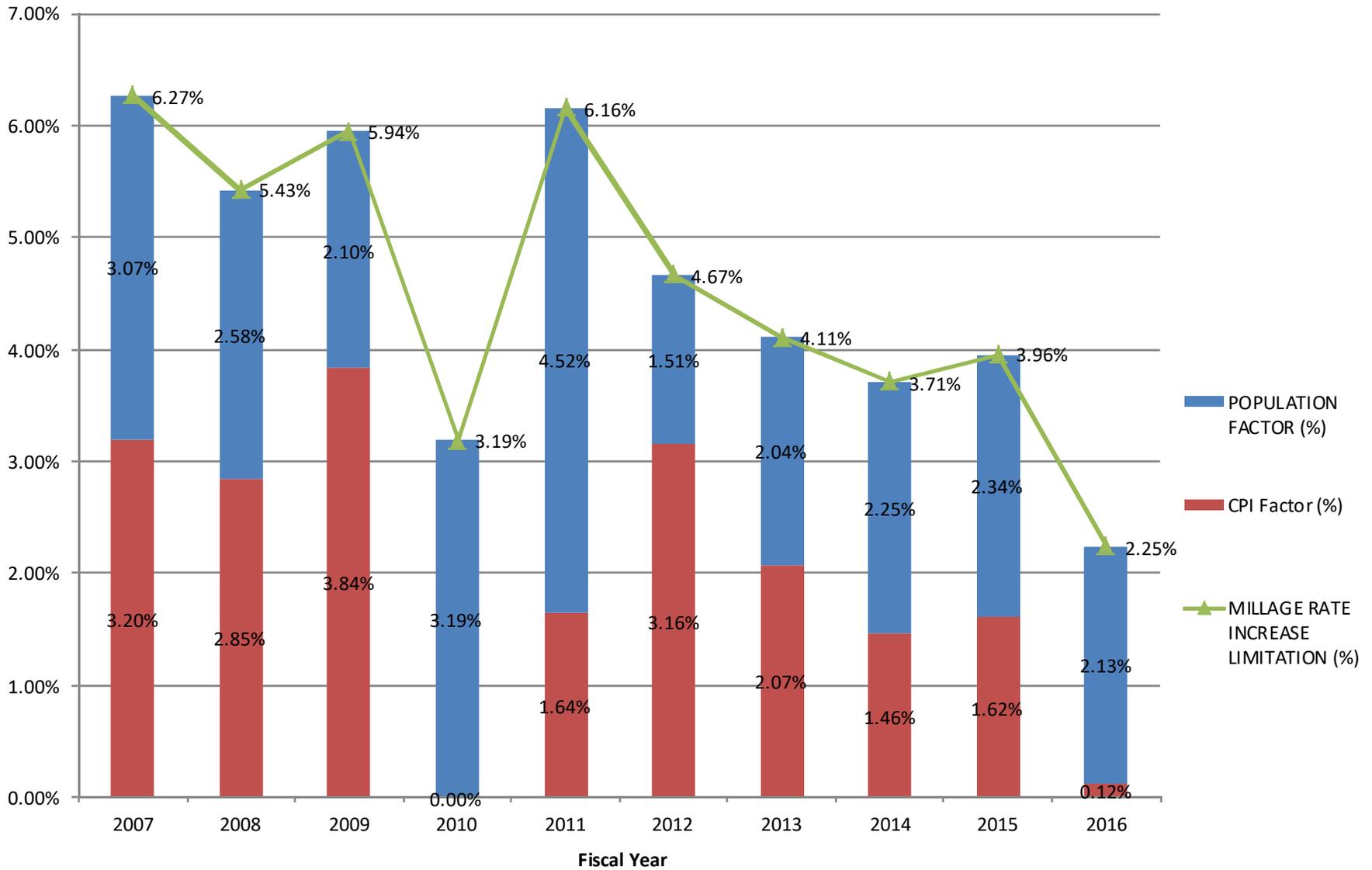
CPI - Consumer Price Index

## BEAUFORT COUNTY HISTORICAL TREND OF ESTIMATED COUNTY POPULATION, GENERAL FUND PROPERTY TAX REVENUE, AND MILLAGE RATES



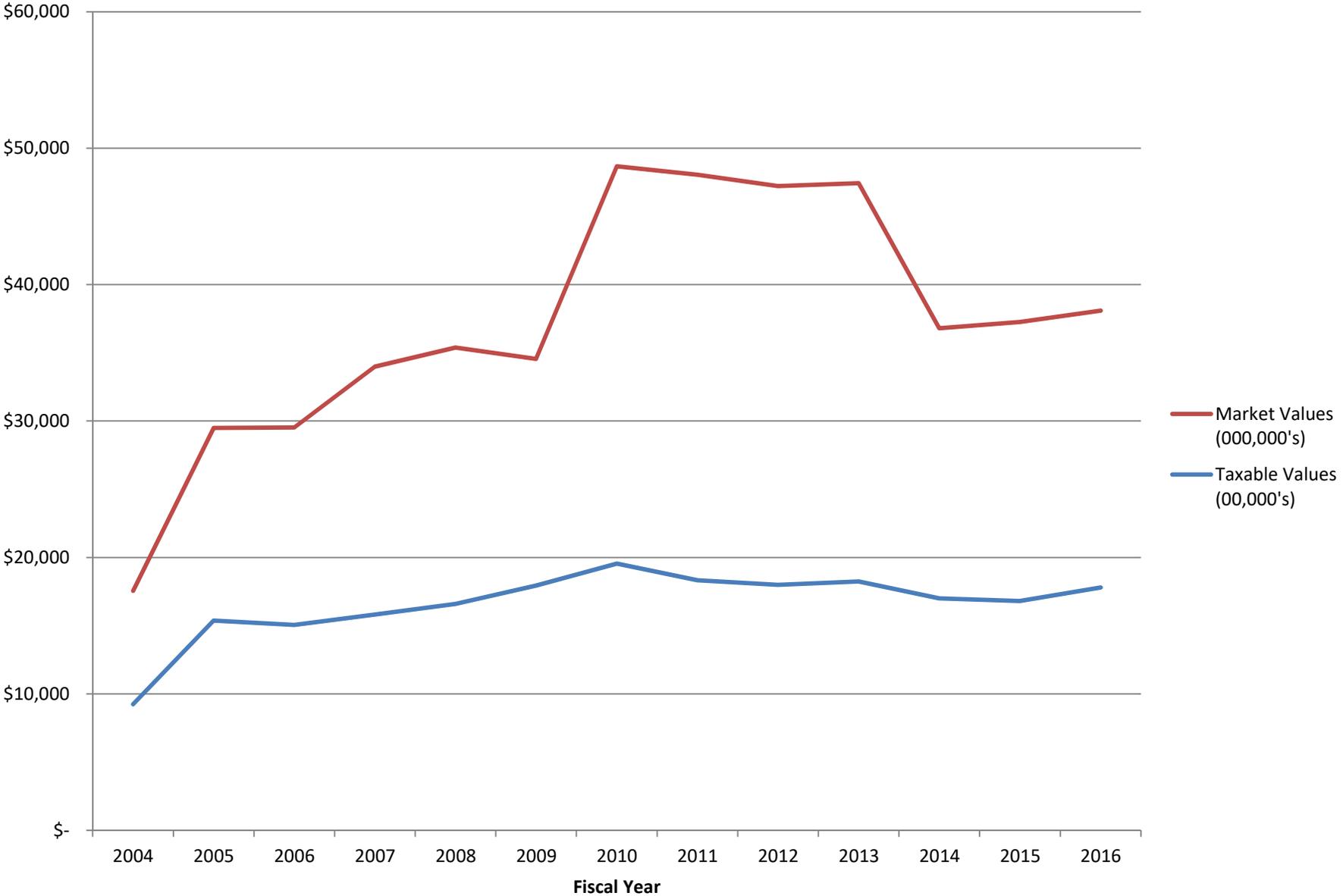
Note: The extrapolated revenue growth is based on the linear population growth over the same time period.

## Beaufort County Population Factor, CPI Factor and Millage Rate Increase Limitation



Note: The data reflected for each fiscal year is the millage rate increase limitation allowed for the immediately following fiscal year budget preparation.

# Beaufort County Property Values



BEAUFORT COUNTY, SOUTH CAROLINA  
HISTORICAL PROPERTY TAXES CONTRIBUTED TO TIF DISTRICTS

FISCAL YEAR	TIF DISTRICT	GENERAL FUND	DEBT SERVICE	REAL PROPERTY	TOTAL
2004	BEAUFORT	152,961	22,832	6,342	<b>182,135</b>
2004	BLUFFTON	227,204	33,557	9,321	<b>270,082</b>
2004	HILTON HEAD	320,163	49,451	13,736	<b>383,350</b>
2004	NEW RIVER	-	-	-	-
2004	PORT ROYAL	<u>33,972</u>	<u>5,012</u>	<u>1,392</u>	<b>40,377</b>
		734,301	110,852	30,792	<b>875,945</b>
2005	BEAUFORT	318,376	46,383	12,884	<b>377,644</b>
2005	BLUFFTON	444,224	64,497	17,916	<b>526,637</b>
2005	HILTON HEAD	1,090,065	157,490	43,747	<b>1,291,302</b>
2005	NEW RIVER	-	-	-	-
2005	PORT ROYAL	<u>103,718</u>	<u>9,600</u>	<u>2,667</u>	<b>115,985</b>
		1,956,383	277,970	77,214	<b>2,311,567</b>
2006	BEAUFORT	334,986	47,530	13,203	<b>395,719</b>
2006	BLUFFTON	692,726	98,066	27,241	<b>818,033</b>
2006	HILTON HEAD	1,212,710	171,596	47,665	<b>1,431,971</b>
2006	NEW RIVER	-	-	-	-
2006	PORT ROYAL	<u>84,020</u>	<u>11,981</u>	<u>3,329</u>	<b>99,331</b>
		2,324,442	329,174	91,438	<b>2,745,054</b>
2007	BEAUFORT	315,292	45,845	21,579	<b>382,716</b>
2007	BLUFFTON	949,639	137,917	76,535	<b>1,164,092</b>
2007	HILTON HEAD	982,934	143,252	65,565	<b>1,191,751</b>
2007	NEW RIVER	-	-	-	-
2007	PORT ROYAL	<u>216,799</u>	<u>31,910</u>	<u>14,877</u>	<b>263,585</b>
		2,464,664	358,924	178,556	<b>3,002,144</b>
2008	BEAUFORT	134,369	21,834	12,547	<b>168,750</b>
2008	BLUFFTON	311,320	42,926	23,715	<b>377,961</b>
2008	HILTON HEAD	981,727	149,367	75,439	<b>1,206,533</b>
2008	NEW RIVER	1,954,986	286,664	114,568	<b>2,356,218</b>
2008	PORT ROYAL	<u>(134,058)</u>	<u>(14,189)</u>	<u>(6,180)</u>	<b>(154,427)</b>
		3,248,343	486,603	220,089	<b>3,955,035</b>
2009	BEAUFORT	377,851	33,937	20,127	<b>431,915</b>
2009	BLUFFTON	276,351	24,296	14,578	<b>315,225</b>
2009	HILTON HEAD	1,570,703	143,297	84,270	<b>1,798,270</b>
2009	NEW RIVER	1,584,659	141,026	84,052	<b>1,809,737</b>
2009	PORT ROYAL	<u>106,796</u>	<u>9,662</u>	<u>5,708</u>	<b>122,166</b>
		3,916,360	352,218	208,735	<b>4,477,313</b>
2010	BEAUFORT	447,276	40,226	23,688	<b>511,190</b>
2010	BLUFFTON	514,092	46,005	27,203	<b>587,300</b>
2010	HILTON HEAD	1,736,906	156,165	91,986	<b>1,985,057</b>
2010	NEW RIVER	1,613,110	145,157	85,443	<b>1,843,710</b>
2010	PORT ROYAL	<u>103,199</u>	<u>9,286</u>	<u>5,466</u>	<b>117,951</b>
		4,414,583	396,839	233,786	<b>5,045,208</b>

BEAUFORT COUNTY, SOUTH CAROLINA  
HISTORICAL PROPERTY TAXES CONTRIBUTED TO TIF DISTRICTS

FISCAL YEAR	TIF DISTRICT	GENERAL FUND	DEBT SERVICE	REAL PROPERTY	TOTAL
2011	BEAUFORT	561,870	63,017	38,010	662,897
2011	BLUFFTON	385,579	43,748	26,414	455,741
2011	HILTON HEAD	1,702,219	190,905	115,183	2,008,307
2011	NEW RIVER	1,630,924	184,694	111,506	1,927,124
2011	PORT ROYAL	99,705	11,299	6,822	117,826
		<u>4,380,297</u>	<u>493,663</u>	<u>297,935</u>	<u>5,171,895</u>
2012	BEAUFORT	551,901	62,724	37,882	652,507
2012	BLUFFTON	392,794	44,642	26,960	464,396
2012	HILTON HEAD	1,871,240	212,671	128,442	2,212,353
2012	NEW RIVER	1,982,644	225,333	136,087	2,344,064
2012	PORT ROYAL	110,476	12,557	7,584	130,617
		<u>4,909,055</u>	<u>557,927</u>	<u>336,955</u>	<u>5,803,937</u>
2013	BEAUFORT	399,381	44,157	37,953	481,491
2013	BLUFFTON	328,986	36,345	31,512	396,843
2013	HILTON HEAD	1,744,066	192,898	165,155	2,102,119
2013	NEW RIVER	1,662,430	183,648	159,304	2,005,382
2013	PORT ROYAL	109,806	12,138	10,455	132,399
		<u>4,244,669</u>	<u>469,186</u>	<u>404,379</u>	<u>5,118,234</u>
2014	BEAUFORT	426,883	50,314	39,865	517,062
2014	BLUFFTON	334,067	39,326	31,216	404,609
2014	HILTON HEAD	1,731,285	204,064	161,678	2,097,027
2014	NEW RIVER	11,333	1,251	1,091	13,675
2014	PORT ROYAL	101,936	12,013	9,520	123,469
		<u>2,605,504</u>	<u>306,968</u>	<u>243,370</u>	<u>3,155,842</u>
2015	BEAUFORT	156,967	18,506	16,507	191,980
2015	BLUFFTON	576,966	68,025	60,957	705,948
2015	HILTON HEAD	1,672,529	197,191	175,995	2,045,715
2015	NEW RIVER	-	-	-	-
2015	PORT ROYAL	-	-	-	-
		<u>2,406,462</u>	<u>283,722</u>	<u>253,459</u>	<u>2,943,643</u>
2016	BEAUFORT	456,477	51,319	45,887	553,683
2016	BLUFFTON	351,999	39,571	35,345	426,915
2016	HILTON HEAD	1,828,658	205,688	183,918	2,218,264
2016	NEW RIVER	-	-	-	-
2016	PORT ROYAL	-	-	-	-
		<u>2,637,134</u>	<u>296,578</u>	<u>265,150</u>	<u>3,198,862</u>

**TOTAL TIF CONTRIBUTIONS BY BEAUFORT COUNTY (FY 2004-2016)**

TIF DISTRICT	GENERAL FUND	DEBT SERVICE	REAL PROPERTY	TOTAL
BEAUFORT	4,634,590	548,624	326,474	5,509,688
BLUFFTON	5,785,946	718,923	408,913	6,913,782
HILTON HEAD	18,445,206	2,174,034	1,352,779	21,972,020
NEW RIVER	10,440,086	1,167,773	692,051	12,299,910
PORT ROYAL	936,369	111,270	61,640	1,109,279
	<u>\$ 40,242,197</u>	<u>\$ 4,720,624</u>	<u>\$ 2,841,858</u>	<u>\$ 47,804,679</u>

Topic: Hurricane Matthew Expected Sources and Uses of Funds  
Date Submitted: November 17, 2016  
Submitted By: Alicia Holland  
Venue: County Council Workshop

**Beaufort County, South Carolina**  
**Hurricane Matthew Expected Sources and Uses of Funds**  
**Preliminary Estimate as of November 17, 2016**

	<u>Total Expected Costs</u>	<u>Expected Federal Funding (75%)</u>	<u>Expected Local Match (25%)</u>
Debris Removal and Monitoring	\$ 10,000,000	\$ 7,500,000	\$ 2,500,000
Force Account Labor <i>(employee compensation, not contract labor)</i>	3,000,000	2,250,000	750,000
Public Facilities - Infrastructure	3,000,000	2,250,000	750,000
Other Costs including Mosquito Control	1,000,000	750,000	250,000
Contingency	<u>500,000</u>	<u>375,000</u>	<u>125,000</u>
Subtotal	17,500,000	13,125,000	4,375,000
Estimated disallowed federal costs (10%)	<u>-</u>	<u>(1,312,500)</u>	<u>1,312,500</u>
<b>Estimated Total Costs</b>	<b><u>\$ 17,500,000</u></b>	<b><u>\$ 11,812,500</u></b>	<b><u>\$ 5,687,500</u></b>
General Fund Reserves (Fund Balance) <i>Preliminary/Unaudited June 30, 2016</i>			
Total General Fund Balance			<b><u>\$ 28,576,084</u></b>
Nonspendable			1,198,811
Committed			388,449
Assigned			418,080
Unassigned			\$ 26,570,744

Note: All of the above costs are estimates and rounded at this time. As staff progresses through the disaster recovery process more accurate information will be provided.