



**2012 REFERENDUM TO CHANGE THE
FORM OF COUNTY GOVERNMENT
OF
BEAUFORT COUNTY,
SOUTH CAROLINA**

**FROM
COUNCIL-ADMINISTRATOR
TO
COUNCIL-MANAGER**

**County Council of Beaufort County
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COUNTY COUNCIL OF BEAUFORT COUNTY

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DEPUTY COUNTY ADMINISTRATOR

JOSHUA A. GRUBER
STAFF ATTORNEY

January 23, 2012

Chief, Voting Section
U. S. Department of Justice
Civil Rights Division
P. O. Box 66128
Washington, D. C. 20035-6128

Re: Beaufort County, South Carolina

Dear Sir or Madam:

I represent Beaufort County, South Carolina.

The Beaufort County Council is the local governing body of Beaufort County, South Carolina which currently operates under the Council-Administrator form of County Government as provided for in Section 4-9-610, *et seq.* of the Code of Laws of South Carolina.

Pursuant to Section 4-9-10 (c) of the South Carolina Code of Laws, the County Council has called for a referendum in conjunction with the November 6, 2012 general election to determine if the qualified electors desire to retain the present form of government or change that of the Council-Manger Form of Government as described in Section 4-9-810 *et seq.* of the Code.

I. SUBMITTED DOCUMENTS

In support of this pre-clearance request, Beaufort County submits the following documents:

1. Proposed Referendum Ordinance: Copy of Beaufort County Ordinance Number 2011/36 which contains the proposed language for the referendum as approved by the Beaufort County Council. **Exhibit 1.**
2. Enabling Legislation: Copy of South Carolina Code Section 4-9-10, with reference being invited to subsection (c) thereof. **Exhibit 2.**
3. South Carolina Statutory Law: Copy of South Carolina Code Section 4-9-20, which sets forth the five (5) permissible forms of County Government. It should be noted that the Board of Commissioners Form of County Government has been

held invalid by the South Carolina Supreme Court in the case of Duncan v. County of York, 267 SC 327, 228 SE2d 92 (1976). **Exhibit 3.**

Copy of South Carolina Code Sections 4-9-610 through 4-9-670 which describes the Council-Administrator Form of Government, the current form of government in Beaufort County. **Exhibit 4.**

Copy of South Carolina Code Section 4-9-810 through 4-9-870 which describes the Council-Manager Form of Government. **Exhibit 5.**

4. County Council Minutes: March, 15, 2010; May 24, 2010; July 26, 2010 September 12, 2011; September 26, 2011; October 10, 2011, October 24, 2011. **Exhibit 6.**
5. County Council Committee Minutes: July 19, 2010; August 16, 2011; September 6, 2011. **Exhibit 7.**
6. Periodicals. **Exhibit 8.**
7. DVDs of all pertinent County Council and County Council Committee Meetings. **Exhibit 9.**

II. SUBMITTED STATEMENT

In support of this pre-clearance request, Beaufort County affirmatively states and submits the following: (1) the referendum has not yet been held, enforced or administered; (2) there is no past or pending litigation regarding the referendum; and (3) the referendum question is authorized S.C. Code Ann. § 4-9-10 and Beaufort County Ordinance 2011/36.

III. SUBMITTED EXPLANATORY INFORMATION

The primary difference between the Council-Administrator Form of Government and the Council-Manager Form of Government is the County Treasurer and County Auditor may be elected or in the alternative appointed by the County Council. If the electorate votes to change the form of government to the Council Manager Form of Government, the County Council will elect to appoint the County Treasurer and County Auditor. Under the present form of government the County Treasurer and County Auditor are elected. Currently, the County Treasurer is a Caucasian male and the County Auditor is a Caucasian female.

IV. CONCLUSION

This information is provided to the United States Department of Justice pursuant to the necessary provisions of the Federal Voting Right Acts for pre-clearance by said agency. If there be any questions or if any additional information is desired, please contact me.

Chief, Voting Section
U. S. Department of Justice
January 12, 2012
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Thank you for your attention to this matter.

Very truly yours,



Joshua A. Gruber
Beaufort County Attorney

Enclosures: as stated

cc: Beaufort County Council Members
Beaufort County Board of Election and Voter Registration Members
Gary Kubic, Beaufort County Administrator
Bryan Hill, Deputy County Administrator
Mr. Scott Marshall, Executive Director,
Beaufort County Board of Elections and Voter Registration

Should the present form of government receive a majority favorable vote of those qualified electors voting, the present form shall continue without further action by the Beaufort County Council. Should the Council-Manager form of government receive a majority favorable vote of those qualified electors voting, then, in such event, the Beaufort County Council shall enact an Ordinance establishing the new form of government in accordance with the provisions of applicable law.

**APPROVED AND ADOPTED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA, ON THIS 24th DAY OF OCTOBER, 2011.**

COUNTY COUNCIL OF BEAUFORT COUNTY

By: Wm. Weston J. Newton
Wm. Weston J. Newton, Chairman

Approved as to Form:

Joshua A. Gruber
Joshua A. Gruber, Staff Attorney

Attest:

Suzanne M. Rainey
Suzanne M. Rainey, Clerk to Council

First Reading: September 12, 2011

Second Reading: September 26, 2011 and October 10, 2011

Public Hearing: October 10, 2011

Third and Final Reading: October 24, 2011

Title 4 - Counties

CHAPTER 9.

COUNTY GOVERNMENT

ARTICLE 1.

GENERAL PROVISIONS

SECTION 4-9-10. Referendum to determine form of county government; adoption of form of government selected; form of government when not otherwise determined by referendum; change in initial form; continuation of officials in office.

(a) Each county, after at least two public hearings which shall have been advertised in a newspaper of general circulation in the county and wherein the alternate forms of government provided for in this chapter are explained by the legislative delegation of the county, may prior to July 1, 1976, conduct a referendum to determine the wishes of the qualified electors as to the form of government to be selected or become subject to the provisions of subsection (b) of this section. The referendum may be called by an act of the General Assembly, resolution of the governing body, or upon petition of not less than ten percent of the registered electors of the county. The referendum shall be conducted by the county election commission. The question submitted shall be framed by the authority calling for the referendum and when called by petition such petition shall state the question to be proposed. All alternate forms of government provided for in this chapter shall appear on the ballot and unless one form receives a majority favorable vote in the initial referendum, a second or runoff referendum shall be held two weeks after the first referendum at which time the two forms which received the highest number of votes shall again be submitted to the qualified electors for final selection of the form to be adopted. A referendum may also be called to determine the wishes of the registered electors as to the question of whether the members of the governing body of the county shall be elected from defined single member election districts or at large from the county. Such referendum may be called by an act of the General Assembly, resolution of the governing body of the county or by petition of not less than ten percent of the registered electors. The governing body shall by resolution provide for adoption of the form of government selected in the referendum, which shall be filed in the office of the Secretary of State and be effective immediately upon such filing. All resolutions which adopt a form of county government shall be printed in the Code of Laws of South Carolina and remain a part thereof until amended or repealed. The General Assembly shall provide for the number of councilmen or commissioners. In the event that the members of the governing body are required to be elected from defined single member election districts, the General Assembly shall provide for the composition of such districts.

(b) Notwithstanding any other provisions of this chapter, unless otherwise determined by referendum prior to July 1, 1976, the county concerned shall, beginning on that date, have the form of government including the method of election, number, composition and terms of the governing body most nearly corresponding to the form in effect in the county immediately prior to that date, which the General Assembly hereby determines to be as follows:

For the counties of Abbeville, Allendale, Bamwell, Calhoun, Dillon, Georgetown, Greenwood, Horry, Laurens, Oconee and Saluda, the council form of government as prescribed in Article 3 of this chapter.

For the counties of Anderson, Bamberg, McCormick, Union and York, the council-supervisor form of government as prescribed in Article 5 of this chapter.

For the counties of Aiken, Beaufort, Charleston, Cherokee, Chester, Chesterfield, Clarendon, Darlington, Dorchester, Edgefield, Fairfield, Florence, Greenville, Hampton, Jasper, Kershaw, Lee, Lancaster, Lexington, Newberry, Pickens, Richland, Spartanburg and Sumter the council-administrator form of government as prescribed in Article 7 of this chapter.

For the counties of Berkeley, Colleton, Marion, Orangeburg, Marlboro and Williamsburg, the county board of commissioners form of government as prescribed in Article 11 of this chapter.

For those counties in which the county governing body, immediately prior to June 25, 1975, was appointed rather than elected, the members of the governing body shall be required to be elected from defined single member election districts, unless otherwise determined by a valid referendum prior to July 1, 1976. For the purpose of this section, such referendum shall be

deemed valid unless declared to be in violation of state or federal law by a court of competent jurisdiction.

(c) After the initial form of government and the number and method of election of county council including the chairman has been adopted and selected, the adopted form, number, and method of election shall not be changed for a period of two years from the date such form becomes effective and then only as a result of a referendum as hereinafter provided for. Referendums may be called by the governing body or upon petition of not less than ten percent of the registered electors of the county. Petitions shall be certified as valid or rejected by the county board of registration within sixty days after they have been delivered to the board and, if certified, shall be filed with the governing body which shall provide for a referendum not more than ninety days thereafter. If more than one petition is filed within the time allowed for such filing, the petition bearing the largest number of signatures of registered electors shall be the proposal presented, in the manner set forth hereinafter. Referendums shall be conducted by the county election commissioner and may be held in a general election or in a special election as determined by the governing body. No change to an alternate form of government, different number of council members, or method of election of council including the chairman as a result of a referendum shall become effective unless such proposed form receives a favorable vote of a majority of those persons voting in a referendum. In any referendum, the question voted upon, whether it be to change the form of government, number of council members, or methods of election, shall give the qualified electors an alternative to retain the existing form of government, number of council members, or method of election or change to one other designated form, number, or method of election. After a referendum has been held and whether or not a change in the form results therefrom, no additional referendums shall be held for a period of four years.

If the governing body of the county as initially or subsequently established pursuant to a referendum or otherwise shall be declared to be illegal and not in compliance with state and federal law by a court of competent jurisdiction, the General Assembly shall have the right to prescribe the form of government, the method of election, and the number and terms of council members but may submit to the qualified electors by referendum a question as to their wishes with respect to any element thereof which question shall include as an option the method of election in effect at the time of the referendum.

(d) Notwithstanding any other provision of this section, the council-manager form of government as provided for in Article 9 of this chapter shall be adopted only after receiving a favorable referendum vote.

(e) All members of the governing bodies of the respective counties serving terms of office on the date on which a particular form of county government becomes effective shall continue to serve the terms for which they were elected or appointed and until their successors are elected or appointed and have qualified.

Title 4 - Counties
CHAPTER 9.
COUNTY GOVERNMENT
ARTICLE 1.
GENERAL PROVISIONS

SECTION 4-9-20. Designation of permissible alternative forms of government.

The alternate forms of government which may be adopted pursuant to Section 4-9-10 shall be one of the following:

- (a) Council form as set forth in Article 3;
- (b) Council-supervisor form as set forth in Article 5;
- (c) Council-administrator form as set forth in Article 7;
- (d) Council-manager form as set forth in Article 9;
- (e) Board of commissioners form as set forth in Article 11.

Title 4 - Counties

CHAPTER 9.

COUNTY GOVERNMENT

ARTICLE 7.

COUNCIL-ADMINISTRATOR FORM OF COUNTY GOVERNMENT (FORM NO. 3)

SECTION 4-9-610. Membership of council; election and term of members.

The council in those counties adopting the council-administrator form of government provided for in this article shall consist of not less than three nor more than twelve members who are qualified electors of the county. Council members shall be elected in the general election for terms of two or four years commencing on the first of January next following their election.

SECTION 4-9-620. Employment and qualifications of administrator; compensation; term of employment; procedure for removal.

The council shall employ an administrator who shall be the administrative head of the county government and shall be responsible for the administration of all the departments of the county government which the council has the authority to control. He shall be employed with regard to his executive and administrative qualifications only, and need not be a resident of the county at the time of his employment. The term of employment of the administrator shall be at the pleasure of the council and he shall be entitled to such compensation for his services as the council may determine. The council may, in its discretion, employ the administrator for a definite term. If the council determines to remove the county administrator, he shall be given a written statement of the reasons alleged for the proposed removal and the right to a hearing thereon at a public meeting of the council. Within five days after the notice of removal is delivered to the administrator he may file with the council a written request for a public hearing. This hearing shall be held at a council meeting not earlier than twenty days nor later than thirty days after the request is filed. The administrator may file with the council a written reply not later than five days before the hearing. The removal shall be stayed pending the decision at the public hearing.

SECTION 4-9-630. Powers and duties of administrator.

The powers and duties of the administrator shall include, but not be limited to, the following:

- (1) to serve as the chief administrative officer of the county government;
- (2) to execute the policies, directives and legislative actions of the council;
- (3) to direct and coordinate operational agencies and administrative activities of the county government;
- (4) to prepare annual operating and capital improvement budgets for submission to the council and in the exercise of these responsibilities he shall be empowered to require such reports, estimates and statistics on an annual or periodic basis as he deems necessary from all county departments and agencies;
- (5) to supervise the expenditure of appropriated funds;
- (6) to prepare annual, monthly and other reports for council on finances and administrative activities of the county;
- (7) to be responsible for the administration of county personnel policies including salary and classification plans approved by council;
- (8) to be responsible for employment and discharge of personnel subject to the provisions of subsection (7) of Section 4-9-30 and subject to the appropriation of funds by the council for that purpose; and

(9) to perform such other duties as may be required by the council.

SECTION 4-9-640. Preparation and submission of budget and descriptive statement.

The county administrator shall prepare the proposed operating and capital budgets and submit them to the council at such time as the council determines. At the time of submitting the proposed budget, the county administrator shall submit to the council a statement describing the important features of the proposed budgets including all sources of anticipated revenue of the county government and the amount of tax revenue required to meet the financial requirements of the county.

SECTION 4-9-650. Authority of administrator over certain elected officials.

With the exception of organizational policies established by the governing body, the county administrator shall exercise no authority over any elected officials of the county whose offices were created either by the Constitution or by the general law of the State.

SECTION 4-9-660. Authority of council and its members over county officers and employees.

Except for the purposes of inquiries and investigations, the council shall deal with county officers and employees who are subject to the direction and supervision of the county administrator solely through the administrator, and neither the council nor its members shall give orders or instructions to any such officers or employees.

SECTION 4-9-670. Applicability of Article 1.

Except as specifically provided for in this article, the structure, organization, powers, duties, functions and responsibilities of county government under the council-administrator form shall be as prescribed in Article 1 of this chapter.

Title 4 - Counties

CHAPTER 9.

COUNTY GOVERNMENT

ARTICLE 9.

COUNCIL-MANAGER FORM OF COUNTY GOVERNMENT (FORM NO. 4)

SECTION 4-9-810. Membership of council; election and terms of members.

The council in those counties adopting the council-manager form of government provided for in this article shall consist of not less than five nor more than twelve members who are qualified electors of the county. Council members shall be elected in the general election for terms of two or four years commencing on the first of January next following their election.

SECTION 4-9-820. Employment and qualifications of manager; term of office; compensation; procedure for removal.

The council shall employ a manager who shall be the administrative head of the county government and shall be responsible for the administration of all the departments of the county government which the council has the authority to control. He shall be employed with regard to his executive and administrative qualifications only, and need not be a resident of the county at the time of his employment. The term of employment of the manager shall be at the pleasure of the council and he shall be entitled to such compensation for his services as the council may determine. The council may, in its discretion, employ the manager for a definite term. If the council determines to remove the county manager, he shall be given a written statement of the reasons alleged for the proposed removal and the right to a hearing thereon at a public meeting of the council.

Within five days after the notice of removal is delivered to the manager, he may file with the council a written request for a public hearing. This hearing shall be held at a council meeting not earlier than twenty days nor later than thirty days after the request is filed. The manager may file with the council a written reply not later than five days before the hearing. The removal shall be stayed pending the decision at the public hearing.

SECTION 4-9-830. Powers and duties of manager.

The powers and duties of the manager shall include, but not be limited to, the following:

- (1) to serve as the chief administrative officer of the county government;
- (2) to execute the policies, directives and legislative actions of the council;
- (3) to direct and coordinate operational agencies and administrative activities of the county government;
- (4) to prepare annual operating and capital improvement budgets for submission to the council and, in the exercise of that authority, he shall be empowered to require such reports, estimates and statistics on an annual or periodic basis as he deems necessary from all county departments and agencies for the performance of his duties in budget preparation;
- (5) to supervise the expenditure of appropriated funds;
- (6) to prepare annual, monthly and other reports for council on finances and administrative activities of the county;
- (7) to be responsible for the administration of county personnel policies including salary and classification plans approved by council;
- (8) to be responsible for employment and discharge of personnel subject to the provisions of subsection (7) of Section 4-9-30 and subject to the appropriation of funds by the council for that purpose; and

(9) to perform such other duties as may be required by the council.

SECTION 4-9-840. Preparation and submission of budget and descriptive statement.

The county manager shall prepare the proposed operating and capital budgets and submit them to the council at such time as the council determines. At the time of submitting the proposed budget, the county manager shall submit to the council a statement describing the important features of the proposed budgets including all sources of anticipated revenue of the county government and the amount of tax revenue required to meet the financial requirements of the county.

SECTION 4-9-850. Authority of county manager over elected officials; authority of council and its members over county officers and employees.

With the exception of organizational policies established by the governing body, the county manager shall exercise no authority over any elected officials of the county.

Except for the purposes of inquiries and investigations, neither the council nor its members shall give orders or instructions to county officers or employees.

SECTION 4-9-860. Election or appointment of county treasurer and auditor.

The county treasurer and county auditor, or their counterparts, by whatever terms those officials are designated may be elected or appointed by council as the council may determine by ordinance. If such officials are appointed, they shall be subject to control by council and the manager in the same manner as other appointed county department heads.

SECTION 4-9-870. Applicability of Article 1.

Except as specifically provided for in this article, the structure, organization, powers, duties, functions and responsibilities of county government under the council-manager form shall be as prescribed in Article 1 of this chapter.

Official Proceedings
County Council of Beaufort County
March 15, 2010

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

The regularly scheduled meeting of the County Council of Beaufort County was held at 4:00 p.m. on Monday, March 15, 2010, in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman William McBride gave the Invocation.

ANNOUNCEMENT / 2010 CENSUS QUESTIONNAIRES

The Chairman announced the Beaufort County Complete Count Committee (appointed by County Council) reminds everyone the 2010 Census questionnaires will start arriving at your home address in mid-March. Participating in the 2010 Census helps all of us. It insures we receive proper funding and representation. By law all private information is kept private and secure. So please participate. It's our future. It is 10 questions, takes 10 minutes and secures our fair share of state and federal funding for 10 years!

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD FEBRUARY 22, 2010

It was moved by Mr. Baer, seconded by Mr. Stewart, that Council approves the minutes of the regular meeting held February 22, 2010. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSTAIN – Mr. Newton. ABSENT – Mr. Caporale. The motion passed.

PROCLAMATION

The Chairman proclaimed March 2010 as Disabilities Awareness Month and encouraged our citizens to recognize the many contributions made by people with disabilities in their communities, and to work together to promote increased opportunities for people with disabilities. Ms. Liz Santagati, Board Chairman and members Ms. Beverly Smith-Dore, Mr. Jim Mathews and Mr. Jonathan Brown accepted the proclamation.

PUBLIC COMMENT

The Chairman recognized Mr. Jim Bequette, member of the Board of Education, who said he attended the Finance Committee where the business license ordinance was discussed. He found a conflict between pages 3 and 7 concerning the \$500 fine. In 2002 he, along with several other individuals, did an assessment on business license tax enforcement after it had been in effect two full years. The assessment occurred in August, long after the renewal period and found only 18% compliance, non-scientific. A year later a member of the Finance Oversight Committee did a 100% sampling of Sheraton Park and found only 48% compliance. In 2006, some members did a sample of unincorporated Lady's Island and found 36% compliance of the trucks going in and out of Dataw Island. After calling the Business License Office, Mr. Bequette found the company doing SCDOT tree trimming was not licensed. Using the 2006 sampling, Mr. Bequette selected ten companies that did not have a business license and found five did not have a license four years later. One of the five may be legitimate because they are no longer in business. One of the companies is a realty company with a New York City telephone number. There does not seem of be an awareness of County employees, who drive the roads, to pay attention to who has licenses. Enforcement is needed as well as the \$500 penalty.

COUNTY ADMINISTRATOR'S REPORT

Three-Week Progress Report

Mr. Gary Kubic, County Administrator, circulated copies of his Three-Week Progress Report, which summarized his activities from February 22, 2010 through March 12, 2010.

Presentation / Department of Social Services

Mr. Keith Davis, Director of the Department of Social Services, announced his resignation effective April 2, 2010. Mr. Ronald Smith will serve as interim director. Mr. Benjamin Gillens will represent DSS during the disaster training event in Emmitsburg, Maryland.

The Food Stamp Program was renamed by Congress and is now the Supplemental Nutrition Assistance Program (SNAP Program). DSS has seen a 50% participation increase in SNPA statewide. Beaufort County has seen an increase, especially in the Bluffton area. Since June 2008 State DSS had a \$48.4 million budget cut, plus the loss in federal matching dollars. Most DSS programs are funded with federal dollars. When state dollars are cut \$1 we lose \$2 of

federal dollars. In September 2009, DSS was notified it was no longer eligible to apply for Temporary Assistance for Needy Families (TANF) Block Grant funds in the amount of \$16.2 million. DSS was also notified of the state-imposed hiring freeze and the elimination of vacant positions. A second reduction in force (RIF) is planned July 2010 to address an additional 15% cut in State DSS budget and additional loss in federal matching dollars.

SC DSS plans for addressing the challenge of meeting the need of South Carolina citizens in spite of these budget cuts include: working smarter, cancellation of state contract, universal caseload, pooling staff resources by reducing and/or eliminating satellite offices in most counties.

When recruiting people to serve on the Social Services Board, Mr. Davis encouraged Council to consider six principles: everyone deserves respect, everyone needs to be heard, everyone has strengths, judgment can wait, partners share power and partnership is a process.

Bond Sale Results / \$48,755 Million General Obligation Bond Anticipation Notes Refinancing 2010

Mr. David Starkey, Chief Financial Officer, informed Council during the prior year there was a \$48.755 million bond anticipation note (BAN) one-year borrowing, which included \$20 million of referendum Rural and Critical Lands borrowing and \$28.755 million of general obligation bond borrowing.

The process of borrowing started with Council approving a set list of items to fund, coordinating that list with the County's bond counsel (McNair Law Firm, PA) and the County's financial advisory (Ross Sinclair & Associates, LLC), interviewing with rating agencies (Standard & Poor's and Moody's), bidding and closing.

The initial \$48,755 million BAN, Series 2009 was considered a one-year borrowing. Major items to fund included: \$20 million Rural and Critical Lands (part of referendum), \$10 million new law enforcement center / detention center, \$8 million radio upgrade, \$3.4 million parks (Buckwalter and Burton Wells), \$2.3 million St. Helena Library, \$1 million land acquisition for law enforcement center and \$1 million Disabilities and Special Needs Adult Day Care Building. The initial AB had nine bidders. JP Morgan Securities, Inc. was the winning bidder of the one-year borrowing. Net interest cost was 0.642% which includes a \$540,205 bond premium at a 1.75% interest rate.

To refinance the \$48.755 million BAN, the County, in conjunction with its financial advisor, determined it was best to split the borrowing between General Obligation Bonds and Build America Bonds (the latter stimulus-related dollars) in order to get the best rates possible. Moody's and Standard & Poor's (S&P) kept the County's bond ratings at Aa2 and AA+, respectively. Those ratings are third from the top. Beaufort County was one of a few counties to remain stable. A lot of counties have been downgraded from Moody's and S&P due to the poor economy and the effect it had on many local governments. Needless to say, \$24,205,000 was

refinanced into General Obligation Bonds and \$24,550,000 was refinanced into Build America Bonds.

As to the \$24,205,000 General Obligation Bonds, there were eight bidders. Morgan Keegan & Co., Inc. was the winning bidder. The net interest cost was 2.41%, with a \$2,913,639 bond premium with interest rates from 2% to 5% ranging from 2001 to 2020. Another way these bonds were financed, in conjunction with the County financial advisor basically determined the GO bonds would be paid off first and the Build America Bonds would be paid off after that. That gave the County the best and most favorable interest rates. Other bids ranged from 2.41% to 2.62% net interest cost with premiums ranging from \$2,913,639 to \$6,852.

Regarding the \$24,550,000 Build America Bonds, there were four bidders. MBO Capital Markets GKST, Inc. was the winning bidder. The net interest cost was 3.31%. There were no bond premiums. The federal government discourages premiums to be handed out for these types of bonds. The interest rates between 2020 and 2029 are 3.01% to 3.66%. Other bids ranged from 3.31% to 3.59% net interest costs.

What was purchased? The County's return on investment includes: More efficiency with technology investment; Safety increased with law enforcement, emergency management and detention center investment; Prevention of overdevelopment with rural and critical land investment; Investment in citizens of Beaufort County with investments in libraries and parks. All of which is funded by low interest rates.

Mr. Kubic noted having nine bidders involved in this process is not something that just occurs. It comes through a great deal of effort. It speaks well of the overall economic condition of our County. Most people do not realize that Council is the Board of Directors for in excess of \$200 million in a variety of functions. It is not always general fund. It comes in a variety of forms and functions, but all of it has a bottom line. On the comprehensive plan if you want to see that in cash and investments, it is there. Our reporting capabilities and things we have done over the last ten years — from a \$4 million reserve to a \$24 million reserve and how we distribute that money in providing essential services — Council should be commended for that. Keep in mind, despite a horrendous economy, we made a \$1 million contribution into the reserve last year which means that we spent \$1 million less than we brought in and put it into the bank account.

Mr. Stewart asked for a progress report on library impact fees. Mr. Kubic replied the objective of the March 10 meeting with Beaufort City Manager Scott Dadson was to introduce the topic to have Mr. Dadson and his administrators aware the County is interested in developing a pathway to at least discuss with the two Councils, about that topic.

Disabilities and Special Needs Adult Day Care Center Ground Breaking

Mr. Kubic said the process a new Disabilities and Special Needs Adult Day Care Center began when he started here in 2004. He suggested at that time we, perhaps, visit the possibility of building a new facility for DSN and basically moving them out of a smaller area into an area that would better serve our clients. Mr. Kubic is happy to bring forward to Council today that on

February 24 at 9:00 a.m. Beaufort County took a giant step forward in serving our special needs citizens in our County. We broke ground for a new 10-acre campus to house DSN Day Care Program, as well as administrative officers. The \$6 million complex includes three buildings totaling a little more than 25,000 square feet. We received a grant from State DSN for \$800,000 and a second grant from the federal government of \$500,000 toward that effort. The rest was graciously Council's decision through CIP funds. Council viewed a short excerpt of video of the ground breaking.

2010 Annual Planning Meeting

Mr. Newton remarked on March 11 Council concluded its final day of a three-day retreat identifying its policy agenda for 2010, which consists of five topic priority items and five high priority items, as well as management targets both top and high priority.

Policy Agenda 2010 Targets for Action Top priority items: Complete the Airport Master Plan for the Hilton Head Island Airport, Rural and Critical Lands Program future bond direction and referendum, establishment of a Water-Quality Office, Countywide Form Based Code and County services review and prioritization.

High priority items: BMP Manual Update with regard to the stormwater ordinance modifications, a strategy and consideration with regard to a potential spec building at the Beaufort Commerce Park, reviewing alternative County revenues and fees update, analyzing and understanding the state budget regard the Mental Health and Disability and Special Needs Program and the Solid Waste Disposal and Recycling Program and strategy.

Management Agenda 2010 Target for Action Top Priority: County campus buildings renovations, proceeding with St. Helena Island Library, Smart Decline Contingency Plan and Financial Planning and Reporting.

Management Agenda 2010 Target for Action High Priority: Transportation Model update, refining and reviewing our financial policies, establishing a compliance officer for Small and Minority-Owned Business Program, proceeding with the Transfer of Development Rights Program, proceeding with the Daufuskie Island Plan and review of Emergency Medical Services.

Mr. Baer attended three days of the retreat and Council spent about 400 person hours at that retreat very carefully crafting the words of our top ten items, management objectives, etc. He was upset on Saturday morning when he read in *The Island Packet* the list of outputs. He was upset with one of them and sent an email to Council about it. He thought it was an error in the newspaper. However, Mr. Baer just heard Mr. Newton's paraphrasing of the total list again and that error cropped in again. He does not want to be specific, and will talk off line to the Chairman about it, but it is very important when the facilitator puts together the list that he pay attention to the words written on the easel charts because they were very carefully designed to constrain certain projects and get certain outputs before other outputs and before we spend a lot of money on them. It is very important the facilitator be instructed to use the words Council agreed to in the three days.

Point of Personal Privilege

Mr. Newton said he spoke to a couple of Council members who were in attendance at the Lowcountry Council of Governments (LCOG) meeting within the past couple of weeks. Mr. Newton understands at that meeting there were certain suggestions made in the Sembler discussion about continued discussions with Beaufort County including discussions with Mr. Newton and comments made by him with regard to the multi-county business park (this matter was tabled by Council.) Without getting into differences of opinion, Mr. Newton has obviously stated how he feels about the Sembler project and the challenges he believes it brings to bear on the citizens of Beaufort County, but he wants to be absolutely crystal clear as to his activities. Mr. Kubic and he met with the Mayor and Manager of the City of Hardeeville on one occasion. At that time this Council was entertaining the multi-county business park and that while the multi-county business park was being considered by committee and being advanced to County Council, there was a reinstating concern with regard to S.C. Highway 170 impacts and with regard to environmental impacts both of which led to County Council tabling the multi-county business park. Mr. Newton was troubled too, at the suggestion, that perhaps Beaufort County was more involved in discussions. He asserted that the Priority Investment Act is a failure in terms of communication between our governmental entities on that project and he will continue to do so. He wanted to clarify there were not ongoing discussions on his part and wanted to make sure Council, as well as anybody else who is involved and participates in LCOG, was fully apprised of that rather than hearing certain suggestions about ongoing discussion.

Investigations of County Employees of Constitutional Officers Not Subject to County Administration Purview

Mr. Gary Kubic, County Administrator, said his comments purposefully will be limited because the two referenced areas of ongoing reviews are being investigated as we speak. The first investigation involves the Clerk of Court Office. The review insofar as audits involves two processes. The first is complete and resulted in the necessity without a judgment to review a second more extensive area that is going to involve a little bit of time. We are carefully going through those accounts, one by one.

The second investigation involves the Treasurer's Office. One employee has been arrested. At present we have both ElliottDavis, conducting their responsibility as our external auditors, as well as a second forensic team, comprised primarily of four individuals, who are conducting various tests for both compliance procedures and wrongful enterprises if those are revealed as well. Mr. Kubic has been involved in several briefings and is monitoring the progress of each. Both investigations are being conducting under the auspicious of the Solicitor and as he deems fit the investigation takes certain pathways and he will advise all of us as to when the reviews will be concluded and the results of those reviews.

Mr. Newton inquired of the funding source to pay for these audits. Mr. Kubic replied the County asked for the State Insurance Fund so their attorneys and representatives were in our offices last week where we discussed the surety aspect of the bonds that are included in both offices. The

second source we have requested the state, since both officers are, in part, under some jurisdiction of a state authority. The third source could be the proceeds of the County general fund. The fourth could be administrative funds established within the normal conductivity or processes of each office where a derivative portion of a transaction is held for administration costs incurred by those two governmental units. Staff identified a five-source capability. What is important in some of these reviews is that there are separate accounts established for separate reasons and they involve residents of Beaufort County so they have to be checked and we are doing that.

Mr. Newton said collectively Council believes public creditability and confidence is tantamount to moving this County forward. At the third and final day of the 2010 annual planning meeting, Council confirmed breaches of the public's trust are totally unacceptable. It under minds our ability to be able to do the people's business. While these employees do not report to the County Administrator, these are two instances of employees not in direct authority of the County Administrator. County Council believes it was important to go on the record, and its expectation is, to the extent of County Administrator's office has any input whatsoever, that the individuals involved and the circumstances should be prosecuted to the fullest extent – criminally or civilly. These breaches of public trust challenge our ability to move this government forward. We stand united in saying that they are totally unacceptable and should be dealt with appropriately.

Mr. McBride remarked the employees in question with the missing funds do not answer/report to the County Administrator and are not under his jurisdiction. Is that correct? Mr. Kubic agreed in the affirmative. Mr. McBride said some people think County Council is responsible. He wants to make it clear these individuals are under the purview of other elected official, not County Council.

Mr. Rodman echoed the comments that a lot of people in the county are confused about whom the employees work for. He encouraged the County Administrator, as he goes forward, if there are differences he might want to suggest to the state and ought to consider legislatively. Mr. Rodman finds some of the ways we do things in South Carolina financially are a little archaic and perhaps there are some recommendations, conceptually, we may want to pass along to our Legislative Delegation for consideration. Sometimes this split responsibility may slip too far.

Mr. Kubic replied in other states where he worked the regulatory statutes are a little stronger than they are here in South Carolina. It is point well made. He talked about it with staff and spoke about it with certain members of the State Assembly and Solicitor. Mr. Kubic fully intends to reiterate some of his findings, observations and comments to state authorities as well, particularly, about audits and what is required to be reviewed in those audits as a matter of routine. Once you establish that routine you just keep building upon it. We really do not have a sound basis. He looks forward to carrying those forward to Council, review, acceptance and moving it forward to where it needs to go.

Ms. Von Harten inquired about changing the form of government. Mr. Kubic said that is not part of these audits. However, it is always interesting to look at things like that. As Mr. McBride said, sometimes the taxpayer does not understand or distinguish the difference between

departments or elected officeholders. Therefore, it becomes even more imperative that Mr. Kubic's staff, administration, the employees who report to him, become more involved with the community and more aware of what they do. Performance is the measure of what we try to achieve from our administration. We want to carry that message across the board because when one writes their check to the Treasurer for taxes it is one amount with a lot of different components within that bill.

DEPUTY COUNTY ADMINISTRATOR'S REPORT

Mr. Bryan Hill, Deputy County Administrator, circulated copies of his Three-Week Progress Report, which summarized his activities from February 22, 2010 through March 12, 2010. Regarding the upcoming budget cycle, the Finance Team prepared a short presentation regarding the current budget schedule, the assumptions staff gleaned from the three-day annual planning meeting, as well as what Chairman Newton has provided us. Personnel requests were due March 5 and 31 new positions were requested. The five-year budget submission was due March 12. Finance Committee meetings are scheduled March through April. The ultimate goal is to be two months ahead of the curve. First reading is March 10, second reading is March 24 and third and final reading is June 14. This leaves two weeks for a follow up third reading, if needed, from other entities. Mr. Hill feels the County is pushing the envelope and plans to work with the fire districts, school district and other entities.

Discussion items: millage increase, i.e., debt versus operations; employee salaries, merit/cost of living, benefits; projected increase; and employer provided benefits – group health [projected increase of \$433 per employee (not what the employee pays)], dental (preliminary discussions 9% increase), workers compensation, employer pension contribution for law enforcement (.5% increase) and fuel and utilities (2.5% to 5% increase).

New initiatives/future plans: Administration/courthouse renovations, investigated lease options with Beaufort City as it relates to the Arthur Horne Building, Sheriff's Office on Hilton Head Island (mid island), Human Services building renovations, development of the St. Helena Island Library, Lady's Island community park concept (including 2015 CIP), Burton Wells Phase 3, Bluffton Oyster Factory, Coroner office facility development, economic development (land purchase), solid waste facility development, external funding discussions, vehicle replacement programs, Ferry service partnerships, technology upgrades, funding environmental initiatives.

Mr. Kubic tasked Mr. Starkey and Mr. Hill with holding a capital projects workshop with Finance Committee and Council sometime during April.

Mr. Rodman said Council identified at the retreat state cutbacks in the human services areas that Council may have to address. He asked Mr. Hill to add that item to the list.

Mr. Newton inquired of budget guidance coming forward from Council to staff at the April meeting of the Finance Committee. Mr. Rodman replied the last two years held on the line on tax increases and that should be our going-in goal. But, we know we have certain approved

items in the debt area that may require a tax increase. We want to be more reactive to what staff is saying.

Mr. Sommerville understands the new bond issue will require a millage increase on the debt side. Mr. Hill replied in the affirmative.

Mr. Baer thinks Council owes staff three cases that ought to be studied in the budget review process – standing still millage case, maximum under the cap millage case and then something in between. Anytime Council reviews the forward-looking plans, they must include both capital and expense because in many of these projects, capital can be managed, especially through grants, but the expense will kill us. Two of the items that came out of the retreat were services and fees. We have to include opportunities for new revenue sources. Mr. Baer is going to make his annual pitch once again to see if we can capture \$300,000 to \$500,000 per year out of the Hilton Head Island Airport by charging landing fees for large aircraft (not small private planes), this would produce enough revenue to reverse the current large drains from the General Fund to the Airport. If we did that, there would be enough funds available in the General Fund to better fund other needed programs such as DSS.

Mr. Stewart referred to the state millage cap. It is his understanding the CIP is zero and growth is pretty close to it. There is not going to be much spread from where we are to where in the cap it going to step in. The sooner we hear something on that it will help a little bit as well.

Mr. Newton underscored two items: Council held the line for two years and Council returned \$1 million to fund balance and did not lay off any employees. Effectively, we have had no reduction in service. That is certainly a tribute your staff's good work. The problem is staff has now set the pace. In an era where most local governments have to enter into furloughs, reduction in force and layoffs, Beaufort County government has been very fortunate, through staff's hard work and sharpened pencils, not replacing employees as well as a operating a more efficient government. We are still deep in this recession. He suspects County government will be again with a no operational increase, and perhaps even looking at having to take up the slack in some areas where the state has unfortunately passed their cuts on to the least of these. Now we may have to prioritize the service we deliver in a way we have not done so in the past to make sure folks are not falling through the cracks yet recognizing the budget challenges and difficulties we all have.

RE-ROOFING FOR THE COUNTY MAIN BRANCH LIBRARY AND HUMAN SERVICES BUILDING

This item comes before Council under the Consent Agenda. It was discussed and approved at the February 23, 2010 Public Safety Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Baer, that Council awards a contract to CEI Group, LLC in the amount of \$225,500 to re-roof the Beaufort County Main Branch Library and Human Services Building. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr.

Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

ENGINEERING DESIGN SERVICES FOR BOUNDARY STREET STREETSCAPE

This item comes before Council under the Consent Agenda. It was discussed and approved at the February 23, 2010 Public Safety Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Baer, that Council awards a contract to Thomas & Hutton Engineering Co. for \$550,000 for engineering design services for Boundary Street Streetscape. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

C. C. HAIGH BOAT LANDING IMPROVEMENTS

Ms. Von Harten questioned the timing of these improvements. The Chairman replied he raised this very question during the agenda review meeting because of the timing of the year and closing this boat landing. However, there were assurances made Mr. Kubic and others that this could be accomplished expeditiously, finished prior to the summer and be confirmed prior to moving forward with the contract.

Mr. McFee, Deputy Director-Public Safety, said the contract completion date is June 1, 2010 which is the contractor's expedited date at no additional cost to the County. As you know, there are few times in Beaufort County when it is a good time to close a boat ramp. There is a penalty if the contractor fails to complete the performance date.

Mr. Rodman said given the proximity to the Memorial Day weekend and the importance of that, it seems Council ought to consider awarding this contract subject to the contractor finishing it for Memorial Day weekend. If the contractor cannot do it then, maybe we ought to hold off on it. Mr. Rodman would be surprised if the contractor cannot complete the project.

Mr. McFee remarked we can discuss a phased approach where the ramp portion is completed prior to that weekend and then the subsequent dockage work, piles and floating dock, take place afterwards. There is no floating dock there now on the landing side.

Mr. Newton's concern is that the ramp is closed for ten weeks and there is nowhere else to put a boat it. All Joy is overcrowded. Bluffton Oyster Factory is overcrowded. In terms of Mackay Creek and Calibogue Sound on this side of U.S. Highway 278 there is not another place.

Main motion.

It was moved by Mr. Flewelling, seconded by Mr. Glaze, that Council awards a contract to Alpha Construction Company in the amount of \$275,555 to improve the C.C. Haigh Boat Landing.

Motion to amend by addition.

It was moved by Mr. Flewelling, seconded by Mr. Glaze, that Council amends the motion to approve the contract subject to the Deputy Director-Public Safety negotiating a phasing so that this ramp will not be closed for ten weeks and that the work on that ramp gets done first and foremost of the activity in phasing before the dockage work, piles and floating dock. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

Mr. Newton said it is unacceptable to have this boat landing closed for ten weeks without another alternative. It underscores the fact that we do not have enough boat landings in the southern portion of the County.

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

Council awards of a contract to Alpha Construction Company in the amount of \$275,555 to improve the C.C. Haigh Boat Landing subject to the Deputy Director-Public Safety negotiating a phasing so that this ramp will not be closed for ten weeks and that the work on that ramp gets done first and foremost of the activity in phasing before the dockage work, piles and floating dock. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

HILTON HEAD ISLAND AIRPORT PARKING CONCESSION

This item comes before Council under the Consent Agenda. It was discussed and approved at the February 23, 2010 Public Safety Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Baer, that Council awards a contract to Republic Parking System to manage the public parking concession at the Hilton Head Island Airport. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

SOLE SOURCE CONTRACT FOR DESIGN SERVICES FOR COURTHOUSE, ADMINISTRATION BUILDING AND DETENTION CENTER REHABILITATION

Mr. Rodman supports the contract award, but has one concern and that is the courtyard area which is common to all three buildings and the disposition of Arthur Horne Building, which is on the CIP list. He is concerned about designing for two of the buildings, including the courtyard, and the fact this design should include what the courtyard is going to look like with what will happen where the Arthur Horne Building is. It is very logical to incorporate the Arthur

Horne Building in this contract. Would waiting two or three weeks to understand what we are going to do with the Arthur Horne Building harm us in any way?

Mr. Hill, Deputy County Administrator, replied Glick Boehm Architecture are going to do complete rendered of our entire complex, with and / or without the Arthur Horne Building. The County is in discussion with the City of Beaufort about leasing space. What we are going to do with the Arthur Horne Building is not an amendment to the contract.

It was moved by Mr. Glaze, as Public Facilities Committee Chairman (no second required), that Council awards a sole source contract award to Glick Boehm Architecture (GBA) for \$725,000 for design services for the Courthouse, the Administration Building and the Detention Center Rehabilitation. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

PROFESSIONAL SERVICES FOR SOLID WASTE TRANSFER STATION FATAL FLAW ANALYSIS

This item comes before Council under the Consent Agenda. It was discussed and approved at the February 23, 2010 Public Safety Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Baer, that Council awards a contract to R.W. Beck, Inc. in the amount of \$79,800 for solid waste consulting services to conduct a solid waste transfer station fatal flaw analysis for up to three sites, as well as to update the results of the previous R.W. Beck study. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

SIGNATURE FLIGHT SUPPORT HANGAR PROPOSAL

Mr. Baer said Council is being asked to approve a contract which puts the taxpayer at a disadvantage. First, Signature has done nothing wrong. They are acting in their own best financial interests. Coin Toss has done nothing wrong. In fact, Mr. Caporale and I wrote a memo to Mr. Kubic on November 18, 2009 that we should rent the land to them immediately at a fair rate. (A full copy of our November 18, 2009 memo is also contained in the Public Facilities Committee Minutes of February 23, 2010.) But someone has to look out for the County taxpayers' interests in this deal. Who is that? The land is valuable - likely one of the last hangar suitable parcels available at this airport. The rent we are stuck with in our initial contract severely undervalues it.

Signature realizes this. They will get the land from the County taxpayers for 12.48 cents per square foot per year. Then Signature will immediately turn around and rent it to Coin Toss for 26 cents per square foot per year - More than a 100% markup. We are stuck with this via a very bad contract. But Signature has not lived up to its side of that contract. It is trying to make us a land

bank - renting the land piecemeal only when needed to make a profit for itself, instead of taking it in 1.5 acre parcels as the contract clearly states. That deprives the County of revenue.

As Mr. Caporale and I wrote to Mr. Kubic in our November 18, 2009 letter: Instead of exercising its option on the full 3 acres per 3.1.6, (via options on 2 parcels of 1.5 acres each) and paying the County accordingly, Signature is trying to lease land ala-carte from the County as it needs it, and then sublease it at a profit to itself. This has deprived the County from receiving a cumulative \$61,000 through 2009, plus an additional \$14,000 in 2010 and years thereafter, and as much as \$22,000 in the last year (2028) of the lease. By taking only a small amount of the 1.5 acres, Signature may also be preventing the County from using the rest of the land for our best purposes.

The contract has renewal clauses to 2028 in Signature's favor, not the County's. The County's opportunity to renegotiate is 2028, not 2018 as some thought. So we are stuck with this bad deal for a very long time.

If Signature does not want to live up to all of its obligations in this contract, we should go out to bid for other users - such as a direct lease to Coin Toss. Mr. Andres stated on February 23, 2010, that as a publicly funded airport we would have to put out an open RFP process. That is exactly the point: (i) Why would we want to condone use of a third party like Signature to get around the spirit of a County or State rule requiring open bidding? (ii) This is public land. Why would we not want to get the public the best price for it, especially since we know it is a valuable parcel? (iii) Signature (via its transfer of the CACI contract) is already the beneficiary of a long term management contract for the County hangars provided by an unknown process. The 25% fee on rents in that contract is the primary reason our County hangars continue to lose money and require a taxpayer subsidy. (iv) Signature also has other long term contracts that appear disadvantageous to the County. We have asked these be reviewed. They have refused. I want to repeat that Signature has done nothing wrong - they are just acting in their own best interests. (v) But why would we want to now interpret this one opening in the contract in Signature's favor? Or to condone another such long term deal without a competitive process? It makes no sense.

Beaufort County was officially notified of the Signature - Coin Toss deal on January 6, 2009, over 14 months ago. Since then, due diligence was done by the airport administration on the issues that concerned them and the FAA. There was more than enough time during that period to also include the public's interest. Why was that interest ignored? Warning of this issue came up months ago in Airports Board discussions and minutes -- again the public's interest was ignored. The issue came up again in our November 18, 2009 letter to Mr. Kubic - ignored again. There still is ample time to use a proper public procedure without causing inordinate delay. Tonight, are we going to ignore the public's interest again?

In conclusion someone needs to look out for the financial interests of the taxpayers of Beaufort County. Who is doing that? It is not the airport administration. This Council is the last resort. The initial long term contracts were signed at a time when there was much less transparency in the airport processes. We are stuck with most of them. They contribute to the losses at this airport that must be made up by the general taxpayer. But in this instance we have the

opportunity to break away from one part of a bad contract. We have the responsibility to do a much better job protecting the public interest by negotiating a better deal for the taxpayer. We ought to seize that opportunity.

Mr. Sommerville said the duration of lease tracks the duration of our lease with Signature which expires in 2018 with a ten-year option which they may or may not be able to exercise. Assuming they can, this will be an 18-year lease. Assuming that they cannot, it would be an eight-year lease. Coin Toss is actually Mr. Don Ryan, who is the CEO of CareCore one of our best contributors in terms of economic development. Mr. Sommerville appreciates the fact that Mr. Ryan is willing to base his aircraft here given the fact that we have 10.5% aircraft tax. There is a lot to be gained here for Beaufort County by approving this contract. There is a lot to be lost by not approving this. Mr. Sommerville will enthusiastically support it.

Mr. Rodman stated a contract is a contract. If there is a portion of the contract that is not being addressed, that if useful for discussion.

Mr. Ladson Howell, Staff Attorney, has reviewed the contract thoroughly and is thoroughly familiar with the contract. He does not know if there is any part of the contract that had not been addressed.

Mr. Baer replied paragraph 3.1.6.1 says “Beginning in 2004 . . . Signature has the right to lease a site of 1.5 acres.” It does not say piecemeal. It does not say a square foot at a time. It says 1.5 acres and that is the heart of it. If they want it, lease all 1.5 acres and give us the full revenue. If they don’t want it, let us immediately lease it ourselves to Mr. Ryan to go out for public bid to get the most money for it. They have not lived up to the contract.

Mr. Rodman said he understands under the contract they should lease 1.5 acres. How much money is involved?

Mr. Baer replied probably another \$5,000 or \$6,000 a year. It is not a lot, but it is something. There is the question of back rent. A member of the Airports Board has suggested that we consider back rent – make them lease it the date of the option – subject to negotiation and legal review.

Mr. Rodman said that may be another question for the Staff Attorney.

Ms. Von Harten remarked sometimes there is just a reason for turning something over and that is so it can get done. Especially when there is not that much money involved.

Mr. Newton asked Mr. Howell if this was a proper exercise of the option. Mr. Howell replied Council has the ability to approve this contract under the option theory of the old contract with Signature.

Mr. Newton remarked the Airports Board favorable supports this proposal. Mr. Baer alluded to the fact that Council has know about this contract since January 2009. Mr. Ryan and his

company's contribution to the County and suggestions that there are other ways of doing it, if we cannot figure out a way to do something over the course of 12 months, then government is becoming more of an obstacle than it should be in terms of serving, ultimately the taxpayers.

Mr. Baer said it has been known for 14 months during which time the Airports management did due diligence for certain issues they were interested in. They were aware of this problem and they did not do due diligence on this problem. Secondly, Mr. Ryan's plane is hangared already in a Signature hangar so it is not going to be out in the hail. In November 2009, Mr. Caporale and he wrote a letter to Mr. Kubic in favor of immediately renting or providing an option under a suitable contract to Mr. Ryan. This matter could have been concluded in November 2009 per our recommendation. It is nothing we did that slows this thing down. Someone has to look out for the interest of the taxpayer of Beaufort County. He cannot figure out who that is. Council is the last resort here.

Mr. Stewart pointed out this issue was discussed in committee. We had the same comments in committee. We listened to them. We voted in committee to move it forward. The taxes we will gain having this here in Beaufort County far outweigh what we are talking about here. He understands the principle and we should adhere to it.

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

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE, ARTICLE XV, SECTION 106-3176(2). SIGNAGE REQUIREMENTS FOR CORRIDOR OVERLAY DISTRICT (ADDS SCHOOL AND HOUSE OF WORSHIP SIGNS AS ALLOWABLE CHANGEABLE SIGNS)

This item comes before Council under the Consent Agenda. It was discussed and approved at the March 1, 2010 Natural Resources Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Baer, that Council approves on first reading a text amendment to the Zoning and Development Standards Ordinance (ZDSO), Appendix I, Division 5, Section 5.8.e (signage – special conditions) (allows additional signs for single occupancy buildings designed with a multiple storefront façade in Lady's Island Village Center). The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE, APPENDIX I, DIVISION 5, SECTION 5.8.E (SIGNAGE – SPECIAL CONDITIONS) (ALLOWS ADDITIONAL SIGNS FOR SINGLE OCCUPANCY BUILDINGS

DESIGNED WITH A MULTIPLE STOREFRONT FACADE IN LADY'S ISLAND VILLAGE CENTER)

This item comes before Council under the Consent Agenda. It was discussed and approved at the March 1, 2010 Natural Resources Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Baer, that Council approves on first reading text amendments to the Zoning and Development Standards Ordinance (ZDSO), Article XV, Section 106-3176(2) Signage Requirements for Corridor Overlay District (add School and House of Worship Signs as Allowable Changeable Signs). The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

PRIORITIZATION OF 2010 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM PROJECTS

This item comes before Council under the Consent Agenda. It was discussed and approved at the March 1, 2010 Community Services Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Baer, that Council approves the prioritization of 2010 Community Development Block Grant Program Projects as follows: infrastructure, community facilities, housing and economic development. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

TEXT AMENDMENTS TO CHAPTER 14, ARTICLE II, ANIMAL CONTROL ORDINANCE (Rewrite of Ordinance)

This item comes before Council under the Consent Agenda. It was discussed and approved at the March 15, 2010 Public Safety Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Baer, that Council approves on first reading text amendments to Chapter 14, Article II, Animal Control Ordinance (rewrite of ordinance). The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

PUBLIC HEARINGS

TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE XIII, SEC. 106-2729. STREET DESIGN STANDARDS (TO ESTABLISH CONSTRUCTION STANDARDS FOR UNPAVED ROADS AND TO PERMIT ACCEPTANCE OF UNPAVED ROADS BY THE COUNTY FOR MAINTENANCE OR OWNERSHIP FOR AFFORDABLE HOUSING DEVELOPMENTS WHEN APPROVED BY COUNTY COUNCIL)

The Chairman opened a public hearing at 6:04 p.m. for the purpose of receiving information from the public regarding a text amendment to the Zoning and Development Standards Ordinance (ZDSO), Article XIII, Sec. 106-2729. Street Design Standards (to establish construction standards for unpaved roads and to permit acceptance of unpaved roads by the county for maintenance or ownership for affordable housing developments when approved by County Council). After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:50 p.m.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approves on third and final reading a text amendment to the Zoning and Development Standards Ordinance (ZDSO), Article III, Section 106-2729. Street Design Standards (to establish construction standards for unpaved roads and to permit acceptance of unpaved roads by the county for maintenance or ownership for affordable housing when approved by County Council). The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

TEXT AMENDMENTS TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO) THAT REPLACES ALL THE COMMUNITY OPTIONS WITH A TRADITIONAL NEIGHBORHOOD DEVELOPMENT OPTION: ARTICLE V, DIVISION 1, TABLE 106-1098 USE TABLE; ARTICLE VI, DIVISION 2, TABLE 106-1526 OPEN SPACE AND DENSITY STANDARDS; ARTICLE VI, DIVISION 3, TABLE 106-1556 LOT AND BUILDING STANDARDS; ARTICLE VI, DIVISION 4, TABLE 106-1617 BUFFERYARD AND LANDSCAPING STANDARDS; ARTICLE XI, DIVISIONS 1 AND 2

The Chairman opened a public hearing at 6:06 p.m. for the purpose of receiving information from the public regarding text amendments to the Beaufort County Zoning and Development Standards Ordinance (ZDSO) that replaces all the community options with a Traditional Neighborhood Development Option: Article V, Division 1, Table 106-1098 Use Table; Article VI, Division 2, Table 106-1526 Open Space and Density Standards; Article VI, Division 3, Table 106-1556 Lot and Building Standards; Article VI, Division 4, Table 106-1617 Bufferyard and Landscaping Standards; Article XI, Divisions 1 and 2.

Mr. Jim Bequette, representing the School Capital Construction Fee Committee, said somebody referred to him the December 30 supposed fiscal analysis, prepared by the Planning Department, that it only dealt with schools and indicated the school would receive more than \$6,000 development fee within 10 years. Looking at it and one of the statements, Mr. Bequette said he knew it was completely wrong. Eventually he established a meeting with the Planning Department to find out how they arrived at this. When he was talking to the administrative assistant to the Planning Department, Mr. Bequette said to her he wanted to make sure the person who developed the numbers was at the meeting. She replied, “Oh that is the developer.” That developer has 105 acres on the front burner in this switch to traditional neighborhood development. Mr. Bequette met with employees of the Planning Department, who had a little

troubling explaining it, but he did get them to admit they used not only debt service millage, but operations millage to show it was going to get more than \$6,000. You cannot use the operations millage which is around 90 mills and debt service is around 25 mills. They should not have used more than 25 mills. Staff did admit they had help from that developer. It seems to him the Planning Department could have gone to Mr. Starkey, Chief Financial Officer, who is well aware of school funding millage. They could have discussed it with Councilmen Rodman or Sommerville who worked with Mr. Bequette on the \$6,000 school capital construction fees or they could have come to the Board of Education. Mr. Bequette cannot figure out why the Planning Department would go to a consultant, who is involved with this very development change rather than Council or the Board of Education. County Council needs to get some answers as to why the developer is a consultant that led to the development of this document which is totally incorrect and false.

Mr. Reed Armstrong, representing the Beaufort Office of the Coastal Conservation League, who expresses support for this proposed traditional neighborhood district TND option to replace the community option in the Zoning and Development Standards Ordinance. Council received a letter from Mr. Garrett Budds, Executive Director, detailing our reasons for this support. Highlights of some of the major points in that argument: the City of Beaufort and the Town of Port Royal have endorsed the proposal. The option encourages development of walkable communities adjacent to existing public amenities and infrastructure. It follows the intent of the Northern Regional Plan which calls for new development to be in the form of mixed use neighborhoods. It represents what will be called for in any iteration of the form based code which we are moving toward. Finally, traditional neighborhoods represent the sustainable alternative to our typical sprawl pattern of growth.

Mr. George Wilson, a member of the Board of Education and a member of the School Capital Construction Fees Committee, is a little confused. We all talk about losing control. For many years we talked about the municipalities expanding their growth. They were annexing land and putting in higher density. Many people in this community did not like it. He was not a member of the Board of Education at that time, but saw where it was going to affect his taxes because with more density there are more students going to school. We look now at this structure and what concerns him is we are still again looking at density. County Council loses its effectiveness in being able to control development fees and impact fees. It is bad for this County. County Council gives up control.

After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 6:15 p.m.

Mr. Sommerville, as Natural Resources Committee Chairman, said this proposed text amendments is one of those contentious issues hotly debated for several months at this Council, Committee and at the staff level as well. A summary of it is this. We have had what is called a Planned Community Option on the Zoning and Development Standards books for at least ten years. Unfortunately the Planned Community Option never worked for a lot of different reasons. It is written in a way that was unclear. It was just unworkable. It was appealed to the Zoning Board of Appeals by a particular developer who tried to make it work and could not make it

work. The Zoning Board of Appeals looked at it, deemed it unworkable; it did not make any sense. The Zoning Board of Appeals ordered / instructed the Planning staff to rewrite it in a way that it was workable. The Planning staff has done that and the result of that is the TND. That is the history of how it came about. It only affects an area in Burton where there is Urban and Suburban zoning. It is a small area of the County. It is a forerunner to form based code and this is sort of an interim step to form based code. Regarding the comments from the Board of Education members, nobody is more interested in obtaining school fees than Mr. Sommerville. He does not believe the TND, Council is going to vote on, is going to have a negative impact on our ability to collect school fees. That is an honest difference of opinion. He does intend to support the text amendment.

Mr. Flewelling inquired of vacancies in Shanklin Elementary, Broad River Elementary, Battery Creek High School, Robert Smalls Middle School and the new high school. Mr. Wilson replied there are vacancies / empty seats in all these schools.

Mr. Baer voted against this text amendment twice before and was hoping to hear something different that would cause him to change his mind. But he said he will vote against it again. Just briefly summarizing, Mr. Baer loves TND. He tried to move into a TND. He looked at TNDs all over the Southeast. They are great things. This is the right thing in the wrong place. Exactly like Okatie Village. He said, "Cute development; get into a car to go somewhere. You may walk to your neighbor, but you have to get into the car to go to the mall, etc." TNDs need to be built immediately adjacent to or within our large municipalities like, Bluffton or Beaufort or, perhaps Hilton Head Island. At the last Council meeting we gave a homework assignment to the people pushing this. The specific homework assignment was check with the Board of Education. Mr. Baer hoped they would come back with new calculations, but does not see that. They went to the Board of Education with some numbers that the developer who is going to benefit from this conjured up. He has not heard anything to change his mind. It is unfortunate. He will continue to vote against this.

Mr. Stewart said it is interesting to hear the comments of Mr. Bequette. In discussions, at least those he was a party to, with the Planning Department he did have some questions about the numbers and concerns. Other than the initial presentation, he does not think the numbers have been looked at again or used in the discussion. Most of us, or at least some of us, were aware there was difficulty with the numbers. He has not heard anything about a development having helped arrive at those numbers. He is also concerned about the fact that we are looking at two different things here. We are looking at TND and looking at that as the transition to form base code. Although he is very much in favor of form based code, he thinks Council rushed into this TND activity. In the form based code we are going to have extensive time to think about it, discuss it, get much more information, hire consultants to work on it and help develop it, etc. In the TND we are just trying to put a Band-aid on. It seems to him we are doing this in a neighborhood that does not really want this to happen, the Burton area. We are also talking about a specific developer and to solve a problem for a developer who could not or would not function under the PUD and providing the School development fees we are asking for. Mr. Stewart is having a lot of difficulty with this. He has gone along with it on the first two readings, but is not confident he is going to vote for it this evening. He has heard nothing to the contrary to make him feel

good about this. He is concerned if we were to vote it down that would have some kind of a negative impact on form based code, which he does not want it to do. At the same time, he does not see these necessarily should be tied together. These are two independent issues. He is still not convinced the TND under these circumstances is the right thing to be doing.

Mr. Glaze said Burton has been identified as a growth area. When looking at the 10-year CIP, Phase III of the Burton Wells Regional Park includes a new branch library. Mr. Glaze will vote against the motion tonight. It is the wrong thing and the wrong time.

Mr. Flewelling remarked contrary to what has been said, one half of the districts marked for TND are located within his District, which is also Burton. The majority of his constituents support TNDs. The reason for it is there are already vacancies in the schools there. We have talked about this being built in a vacuum. It is not. They are designed to be around schools, shopping and to serve as a locus for development. You want tighter development around existing schools and existing commercial space. This would be a jump-start for development in our area, which is already suffering from high unemployment. The City of Beaufort and Town of Port Royal recommend approval. All of these properties, all of these ten properties marked for TND, are within the growth areas already identified by the Northern Regional Plan. This is a precursor for form based code. This is exactly the kind of thing we will get with form based code. When that comes back, you are likely to see as a recommendation in form based code. If we deny it here that is the same kind of thing they are going to recommend for that same particular area. Whether we do it now or later, it does not matter. Mr. Flewelling recommends approval. He, too, represents Burton. It affects his district as well – five in Mr. Glaze's district and five in his.

Mr. Dawson voted against this text amendment twice before. He is having a hard time determining how to vote tonight. He said it bothers him because he serves as a member on the Northern Regional Plan Steering Committee. Yes, Mr. Glaze's and Mr. Flewelling's districts are designated the growth area for the municipalities. However, the growth area for the most part is under Urban and Suburban zoning designation. To change that now from urban and suburban to TND doubles the density; that is why he has a problem. If we let the municipalities have those designated areas under the current zoning, Urban and suburban, he can live with that. He does not see the need to double the density by changing it to TNDs. He is going to vote against it again tonight. It is not the right thing to do.

Ms. Von Harten said we hear the word, "smart growth" used a lot and TND is the step in the right direction. She said she cannot wait to get to form based codes. She will be happy when we get to that day. This is an interim measure. We need people in our towns and our cities. Those are our population centers. That is where we should give options to move. We do not want them to move out into rural areas and create sprawl. This is the antidote for sprawl. It may not be the perfect location. It is not something that is going to last forever because hopefully within the next five to ten years, at the latest, have form based code. This is not going to be forever.

Mr. Glaze was born and reared in Burton. Districts 8 and 9 are separated by S.C. Highway 170, a four-lane road. District 9 consists of Picket Fences and many multi-family developments

which are coming toward District 8 which has Habersham and Cherokee Farms. The residents of District 8 are being impacted and have spoken with regard to what they want in that area. The proposed TND doubles the density. Where is the traffic analysis? The TND will infuse more traffic on Joe Frazier Road, a two-lane road.

Mr. Sommerville noted density with TND is not more, it is actually less.

Mr. Rodman said the TND spans two different Council districts and each of the Councilmen has a different opinion on it. It seems the primary argument is these areas fall within the growth boundaries. The growth boundaries are the areas to become part of the municipalities and the density will increase if and when they are annexed. Mr. Rodman said Council already agreed those are areas where the density should increase. He will support the motion. Relative to the open capacity at the schools, it varies by schools north of the Broad River. On average across the northern portion of the county there is roughly one-third to one-quarter open seats. Lastly, relative to the development fee, Mr. Rodman is still laboring under the assumption that we have an agreement to come back at some point in time and revisit that issue because time has passed and referendums have been passed and we need to revisit that particular item.

Mr. McBride added growth boundaries were not something set by Council or the Northern Regional Plan Steering Committee. They were set by the municipalities.

Mr. Newton said he believes this is an example of regional planning. Whether Council picked those growth boundaries beyond the municipalities our collective effort is trying to address, to prevent sprawl and to reduce the impact of sprawl in a sustainable way. In fact, we all recognize that in an expressed desire to move forward with a transect-oriented form based code. Given those parameters, TNDs are a step in that direction. He will support the motion.

Mr. Stewart is all for growth in the municipalities in the City of Beaufort and where we should have the higher densities. However, there is ample room right now for growth in the City in the areas where the municipalities have the control. He does not see any need to rush into this because there just is not that much going on right now. He does not see other than the one development discussed whether we do this today or a year from now or two years from now that this is going to make any real difference. He is also not convinced that as we go forward and start figuring out where the transects are, understanding where and how we are going to move forward with form based if it will be clear how those areas we are talking about this evening will look or in what growth pattern they will fit into. Again, we are looking at this is a piecemeal fashion as opposed to the big picture. He sees no reason to rush into it. We have ample time when we go forward to look at form based code. There is plenty of room for infill and growth currently based upon the growth pattern and the amount of growth we see. He is opposed sprawl. A piecemeal approach is not the solution and the way Council should go. He will vote against the motion.

Mr. Baer remarked Mr. Stewart is correct, we do not know where transects will wind up under form based code. This transect may not be as dense as in an inner city transect. By rushing into this now, we may actually be putting a TND version of transect in exactly the wrong place.

There is no need to rush into it. Density belongs in cities. If you take the density and put it outside the cities, even if it is in the so called “wider growth zone,” you are sucking the life or the potential life from the cities. That is a mistake. This is premature. Council should not be rushing into it. We should wait to see where the form based code takes this particular area.

Mr. Rodman acknowledged the municipalities put forward the growth boundaries, but Council did incorporate them in the Comprehensive Plan. If they are not satisfactory, then we should go back on revisit those.

Mr. Newton mentioned this only applies in the Urban and Suburban areas. In keeping with the designation of growth boundaries we have already designated these areas as our denser areas under our current zoning. We perhaps seem to get lost in that discussion and being fearful of increased density. This is just shifting a different kind of approach with the TND.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on third and final reading text amendments to the Beaufort County Zoning and Development Standards Ordinance (ZDSO) that replaces all the community options with a Traditional Neighborhood Development Option: Article V, Division 1, Table 106-1098 Use Table; Article VI, Division 2, Table 106-1526 Open Space and Density Standards; Article VI, Division 3, Table 106-1556 Lot and Building Standards; Article VI, Division 4, Table 106-1617 Bufferyard and Landscaping Standards; Article XI, Divisions 1 and 2. The vote was: FOR – Mr. Flewelling, Mr. Newton, Mr. Rodman, Mr. Sommerville and Ms. Von Harten. OPPOSED – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. McBride and Mr. Stewart. ABSENT – Mr. Caporale. The motion failed for lack of a majority.

TEXT AMENDMENT TO THE BEAUFORT COUNTY COMPREHENSIVE PLAN, POPULATION AND DEMOGRAPHICS, CHAPTER 2 (REPLACES IN-KIND)

This matter is before Council for a public hearing only.

The Chairman opened a public hearing at 6:44 p.m. for the purpose of receiving information from the public regarding a text amendment to the Beaufort County Comprehensive Plan, Population and Demographics, Chapter 2 (replaces in-kind). After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:45 p.m.

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

COMMITTEE REPORTS

Natural Resources Committee

Zoning Board of Appeals

Mr. Sommerville, as Natural Resources Committee Chairman, nominated Mr. Chester Williams, representing the at large position in southern Beaufort County, for reappointment to serve as a member of the Zoning Board of Appeals.

Public Safety Committee

Land Acquisition / Beaufort Commerce Park from Lowcountry Economic Network Development

Main motion.

It was moved by Mr. Stewart, as Public Safety Committee Chairman (no second required), that Council authorizes the County Administrator to enter into negotiations to acquire the Lowcountry Economic Network's development property at the Beaufort Commerce Park at the best negotiated price. Concurrently, to encourage the Beaufort County Administration to seek help from various utilities in developing spec buildings and to ask the Lowcountry Economic Network to go forward with the RFP process for spec buildings.

Mr. Stewart reported since the March 1 Public Safety Committee meeting there were discussions with the bank. Those doing the negotiations advise they would like to see, and the Lowcountry Economic Network fully agrees and the executive committee concurs, instead of having the County Administrator seek the best negotiated price we would like to have him negotiate a price up \$1.5 million.

Motion to amend by substitution.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, to amend the motion by asking the County Administrator to enter into negotiations with the Lowcountry Economic Network to potentially acquire their property (Beaufort Commerce Park) for an amount up to, but not in excess of \$1.5 million and to return to Council for final approval.

Mr. Baer said this issue was discussed at the March 1 Public Safety Committee meeting. At that meeting both Mr. Rodman and he had the same comments. Before we go forward with this we wanted to see a business plan. We wanted to see how much it would cost. How it impacted our taxation. How we would raise the money. How we would recover the money. Mr. Baer thought over the weekend he would have had that business plan to read. We did not. He supports the proposal going forward as long as it is agreed the permission we are giving the County Administrator is really to gather input data for a business plan, to understand what the price might be. It is not a commitment to buy the property, or movement forward on it until we have a business plan understood and approved. The business plan will show the impact on taxes and county finances of how we are going to finance it.

Mr. Stewart explained the land was purchased in March 2006. It was purchased by the Network at that time for a little more than \$2.9 million. The current loan balance is approximately \$2.4 million. The pay down of interest and principle has been accomplished through the sale of land

and through proceeds coming from the sale of assets of the property over that period of time. It is currently appraised at a value of \$3.75 million. Council is asking to negotiate a price of \$1.5 million, which is a significant reduction in what the current loan value is outstanding and significantly below the \$3.75million value, which was the appraised value the bank used in renegotiating its loan with the Network. The reason for this coming forward is very simply because of the economic times, the situation with banks lending money for this type of deal. They have at the end of the loan period to renegotiate. The banks significantly changed the terms of the loan making it very onerous and virtually impossible for the Network to go forward beyond the next couple of months. We feel this is valuable land. We think it is something that is very important to the County for economic development. We think it is a very good situation and purchase opportunity for the County. There is a possibility of using some of the needs the County has as well as for the economic development activities, etc.

Mr. Rodman reminded everyone the appraisal on all of our houses is a certain number, just like the appraisal on this land was. None of us in Beaufort County can sell our homes or property for the appraised value.

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

Mr. Newton remarked on the items discussed during the 2010 annual planning meeting — solid waste and the potential of this site, or the opportunity for this county to develop a transfer station. That being said, it is not a bottomless pit. One of his fundamental inquires was and remains, “Where does the money come from?” It is \$1.5 million. Does it mean St. Helena Library does not move forward? Does it mean Burton Wells Regional Park Phase III does not move forward? Do we take it from the reserve fund? Does it mean we bump something off the CIP list? Does it mean we increase taxes in addition to the increase the voters passed with the Rural and Critical Lands Program borrowing?

Mr. Kubic stated it is his understanding the goal today from the Public Safety Committee was to give him the authorization to go affect a potential purchase and then come back to Council with that report. Everything Mr. Newton suggested about millage increase, etc. is part of that same process. Obviously short of saying we are going to take the \$1.5 million from the reserve fund, which is available, there would not be any subsequent change other than the reserve moving from where it is to something less by \$1.5 million. To answer the question about a millage increase, it may not require a millage increase. Council can make an allowance for it in the general fund without raising taxes to the sacrifice of some other unit equivalent amount to the cash purchase of the property. Council can take it from the general fund. Council can take it from a reallocation of the current CIP. Council can include it is a future CIP which increases principal and interest assuming that it is not the only project on a CIP list. It is a combination of all of the above. Obviously, if we maintain the *status quo* you have to have a way to raise revenue.

Mr. Newton noted we are not a bottomless pit. When we take on the additional expenditures like this it has ramifications. Either it is less money in the reserve, increased taxes, or contemplated projects get delayed or postponed to a subsequent date.

Ms. Von Harten inquired about the deadline. Mr. Stewart replied mid May to June is when the Network will no longer have money in the funds coming the sale of lands or assets of the Park to continue with the process under the current banking situation.

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

Council authorizes the County Administrator to enter into negotiations with the Lowcountry Economic Network to potentially acquire their property (Beaufort Commerce Park) for an amount up to, but not in excess of \$1.5 million and to return to Council for final approval. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale and Mr. Rodman. The motion passed.

The Vice Chairman passed the gavel back to Chairman in order to continue the meeting.

PUBLIC COMMENT

There were no requests to speak during public comment.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Sommerville, seconded by Mr. Stewart, that Council goes immediately in executive session for the purpose of receiving information regarding a current status of litigation and a briefing regarding investigative proceedings with regard to allegations of criminal misconduct in two offices of elected officials. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale and Mr. Rodman. The motion passed.

EXECUTIVE SESSION

ADJOURNMENT

Council adjourned at 7:55 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST: _____
Suzanne M. Rainey, Clerk to Council
Ratified: March 29, 2010

Official Proceedings
County Council of Beaufort County
May 24, 2010

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

The regularly scheduled meeting of the County Council of Beaufort County was held at 4:00 p.m. on Monday, May 24, 2010, in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman William McBride gave the Invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD APRIL 26, 2010

It was moved by Mr. Glaze, seconded by Mr. Caporale, that Council approves the minutes of the regular meeting held April 26, 2010. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Stewart and Mr. Sommerville. ABSENT – Ms. Von Harten. The motion passed.

PUBLIC COMMENT

The Chairman recognized Mrs. Maria Walls, who said she read an article with comments by Councilman Jerry Stewart about “an influx of additional citizens that would cause...additional expenses.” She said these citizens pay taxes, and asked why additional revenue does not cover the expense of having the additional residents. She also said she was unclear what warranted a potential tax increase other than those items covered in Councilman Stewart’s article and a brief overview of past council minutes. She does not want to pay additional taxes, and is concerned Council sees increasing taxes as the only way to cover additional funding for county needs.

Mr. Newton replied a 6:00 p.m. public hearing is scheduled specifically on the budget tonight with budget presentations from both County government and Board of Education, which will address some of Mrs. Walls’ questions, not specifically speaking to the article written by

Councilman Stewart. At this time County staff is recommending a budget that includes a zero increase on the operating side of the ledger. It does include some increases on the debt service side one, to pay for rural and critical lands purchases that were the subject of a 2006 voter approved referendum in Beaufort County and two, to buy all new radios for law enforcement and emergency personnel throughout the entire county regardless of whether they were city police officers or otherwise. County government, because of the need for a coordinated communications system, paid for those items. That is one of the topics being discussed. We are continuing to try to modulate the best we can. We share your concerns about increases in taxes and folks' ability to cover that.

Mr. Aaron Crosby, speaking as Chairman of the newly formed Daufuskie Island Council, thanked Council for making it possible to communicate telephonically rather than spending five hours travelling to the Council meeting. He encouraged the county not to spend funds for a new convenience center on Daufuskie Island. The new Daufuskie Island Community Preservation Plan (Plan) sets the tone for a new way of thinking and doing things on Daufuskie Island. The Plan proposes linking and consolidating services on the island to account for the fact that everything arrives and departs the island by boat. There are costs you just do not incur in the normal course of business in the rest of Beaufort County. One issue is waste removal and recycling. We have a subcommittee of the Daufuskie Island Council, whose members have been working very hard, for quite some time, addressing waste removal and recycling on a consolidated comprehensive basis that includes the county and private components on the island. We think it can be a much better use of public and private funds to follow that path. Mr. Crosby requests an opportunity to sit down with Chairman Newton, County Administrator Gary Kubic and whomever else might be appropriate in the next couple of days, if at all possible, to let you see the work we have done over the year and understand why we think it is such a compelling reason to do things a little bit differently and to keep the County from having to spend some money right now.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

Mr. Gary Kubic, County Administrator, presented Coastal Kingdom. This episode is called Salt Marsh, and it is terrific. Once again it features our production partner, Mr. Tony Mills, a naturalist with the Lowcountry Institute. The series is available on Streamline, free services for teachers that provide educational videos for the classroom. The entire Coastal Kingdom series is being considered for a prestigious National Telly Award in several different categories. Congratulations to Scott Grooms and Rob Lewis of Broadcast Services. Council viewed the Salt Marsh video.

Mr. Rodman understands *spartina* grass, when it is dead, at high tides is actually swept out into the ocean. It is then deposited on the beaches and that is what actually rebuilds the beaches, because they are generally washing and blowing away. Without this recycle process, beaches would not renourish themselves.

Report / Current Criminal Activities in the Treasurer's Office

Mr. Ladson Howell, staff attorney, stated Council requested somewhat of an official report regarding the current criminal activities in the Treasurer's Office. Therefore, he consulted with the Solicitor's Office and would like to give Council the following information. Much of this has been published beforehand in the print media, but perhaps an official explanation would be in order. There have been two arrests as a result of the embezzlement in the Treasurer's Office of \$210,000. One of those arrested is a former County employee, who is no longer employed by Beaufort County. The Grand Jury will meet in June for all of the arrests made in May. Currently, there continues a criminal investigation. That is the limited amount of information available at this point in time.

Mr. Newton understands from the media accounts regarding Cassandra White that there was a dollar amount apparently that was embezzled. Ms. White was an employee. There was a \$600 episode paid back. Then, Ms. White resigned her position and was later reemployed. There is another episode of more than \$100,000. Is that sequence correct?

Mr. Howell said the sequence is correct. Mr. Newton understands it is in the indictment that way. Mr. Howell understands the Solicitor made that sort of comment at the bond hearing.

Mr. Rodman said we must keep in mind the Treasurer is a separately elected position and probably many people in the county do not understand that position does not report to either Council or to the County Administrator. He commended the County Administrator for taking an aggressive approach. If it had not been taken, he does not believe this would ever have been uncovered. It defies comprehension for the Treasurer rehire a person who stole money, and to then not report it to authorities. Secondly, we know for quite a bit of time staff has been trying to sort out the TIFs. It turns out there was a significant amount of money, in excess of \$10 million, distributed to the wrong places. You may remember the City of Beaufort raised the concern about a year ago and wanted to get everybody together to try to understand that. There were internal audits a couple of years back that suggested there were problems. He said he does not believe any of those were ever corrected. There was mention of the fact there were a significant number of transactions where the money has actually been deposited perhaps a month late. It makes you wonder what happened to the money during that period of time and whether it was protected. We then come to the 2009 audit wherein three significant discrepancies were identified. To the best of Mr. Rodman's knowledge those have not been taken care of in any kind of orderly fashion by the Treasurer's Office. In fact, for all practical purposes, one would have to reach the conclusion the office is out-of-control. Of course, the Sheriff was quoted as saying, "The records are so scrambled that we may never know exactly the extent of the money that certainly appears to be embezzled." As a practical matter, we are some place between \$250,000 and \$500,000 out of pocket, as a county, including the cost of the forensic audit. He pointed out there are two kinds of audits. We have our regular audits which verify the transactions that took place. When it is suspected there may have been criminal activity, a forensic audit goes in and tries to figure out what actually happened. Sometimes it is a very difficult thing to do because many times you are dealing with people, who can cover their tracks fairly well. To some extent the Treasurer stands condemned by her own words. She is quoted as

saying, “It was a random transaction. If they had not picked that account [the random check] they might not have found it.” She also said, “Little could have prevented White from stealing from the county. Embezzlements happen every day and happen all over this country . . . Nobody is perfect.” Certainly, nobody is perfect, but Mr. Rodman believes it was her job to prevent this kind of thing from happening. He suggested there are two things Council ought to do. One is to consider a resolution to ask Mrs. Logan to step down. Second, is to come back later, after some of the audits coming forth are completed, with a resolution including the appropriate whereas clauses, that council would formally execute.

It was moved by Mr. Rodman, seconded by Mr. Baer, that Council adopts a resolution requesting Joy Logan step down as Treasurer of Beaufort County.

Mr. Caporale thinks the resolution is appropriate, but does not want to comment beyond that.

Mr. Newton, trying to make sure the newspaper has clarification, said the audits have now apparently confirmed and identified in the warrants approximately \$100,000 was taken. Then, this particular employee was caught taking \$600 that was not reported, yet she still kept her job. Then she subsequently quit, was rehired and on the second go-round stole \$125,000. Combined with the cost of the audits, it appears perhaps it could have been prevented. If, in our private lives, we decide we want to forgive somebody for taking \$600 that may be one thing, but he is not sure whether private employers keep people who take money even if they offer to pay it back. Certainly, we should expect no less from the employees who work for Mr. Kubic and ultimately are accountable to him and Council. And no less from anyone who touches any taxpayer dollars or has anything to do with, affiliated with or associated with this organization.

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

Two-Week Progress Report

Mr. Gary Kubic, County Administrator, circulated copies of his Two-Week Progress Report, which summarized his activities from May 10, 2010 through May 21, 2010.

DEPUTY COUNTY ADMINISTRATOR’S REPORT

Two-Week Progress Report

Mr. Bryan Hill, Deputy County Administrator, circulated copies of his Two-Week Progress Report, which summarized his activities from May 10, 2010 through May 21, 2010. Within his report, Mr. Hill outlined this year’s expenditures to date as well as provided a four-year recap. All this information is posted on the County webpage under the Finance tab. Also posted online is audited enterprise through April 2010. The County line-item budget is available online as well as Mr. Hill’s budget presentations dated May 10, 2010 and May 24, 2010.

U.S. Highway 17 Widening

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the U.S. Highway 17 project is a design-build contract for the widening of six miles of divided highway and major intersection in Beaufort County. The contractor is Phillips and Jordan of Knoxville, Tennessee. The project cost is \$100,471,305. The contract completion date is October 1, 2010. The project is 80% complete. The contractor continues work on the existing roadway overlay, ramp embankment and Gardens Corner bridge improvements.

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

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the new bridge over the Beaufort River will be a 4,200-foot bridge. The contractor is United Contractors, Inc. of Great Falls, South Carolina. The cost is \$34,573,368. The completion date is August 2011. The project is 30% complete. The contractor finished with pile foundations, 84" drilled shafts and flat slab decks and is moving forward into girder spans.

S.C. Highway 802 Roadway Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, provided an update on the status of S.C. Highway 802 roadway improvements.

Mr. Baer asked if staff is still on schedule for August to receive the overall accounting of how much money is left and required to finish the project Council wanted finished.

Mr. McFee replied the spreadsheet, with regard to how the money is programmed and contained in the Monthly Progress Report, dated May 24, 2010, estimates the contingency at \$232,305.

Mr. Baer remarked the question members of the Transportation Advisory Group (BTAG) asked in January 2010 was, "Assuming we built U.S. Highway 278 all the way out to S.C. Highway 170, including stormwater work, assuming we stopped the 5A bridge, but did everything else in 5A, and assuming we continued with the bypass roads on U.S. Highway 278 and continued with projects like Highway 802 and the \$550,000 engineering of Boundary Street and S.C. Highway 170-Phase I, how much money would be left?"

Mr. McFee replied, \$232,305.

Mr. Baer asked if all bids are in hand to come up with that number. Mr. McFee replied as he reported at the May 10, 2010 Council meeting, staff is waiting on the U.S. Highway 278 bid, due August, and once that hard number, that certainly will firm up all these forecasts.

Mr. Baer referred to Project 3, S.C. Highway 170 widening, which in an important project. Is there any extra money needed beyond what is shown on page 2? Mr. McFee replied there are not based on what we know right now. Of course, we are looking for donation of right-of-way through development agreements, through the Town of Bluffton. That facility is designed.

Mr. Stewart followed up on Mr. Baer's comments regarding S.C. Highway 170. In addition to the right-of-way, we need to have resolution of the Town of Bluffton's suggested changes brought forward (rotary / roundabout at Bluffton Parkway, slower speeds, etc.) all of which Mr. Stewart understands was done after the project was designed. Mr. McFee agreed.

Mr. Stewart asked several questions. "Where do we stand on that aspect? Are there changes? Are those monies included? Where will those monies come from, etc.?"

Mr. McFee replied the Town of Bluffton (Town) wrote to SCDOT Executive Director Buck Limehouse, directly, advocating for these changes. Mr. McFec does not believe SCDOT answered that letter from the Town. The County has been working with the Town to try to refine as best we can exactly what they want. In regards to the changes, the existing program budget would have to support the changes insofar as the additional cost for a rotary or anything like that.

Mr. Stewart asked if we understood what the final design would be, with respect to those potential changes, and if we had the right-of-ways in hand, would we be prepared to go forward with construction now or out for bid construction.

Mr. McFee replied at this time the right-of-way is the largest issue. But if that were solved (in Mr. Stewart's hypothetical), then we would still have the form issues with the Town (roundabouts).

AN ORDINANCE AUTHORIZING THE PLACEMENT OF A PUBLIC QUESTION ON THE OFFICIAL BALLOT FOR THE GENERAL ELECTION OF NOVEMBER 2, 2010 CONCERNING A PROPOSITION AUTHORIZING BEAUFORT COUNTY TO ISSUE NOT TO EXCEED \$40,000,000 GENERAL OBLIGATION BONDS TO ACQUIRE LANDS FOR PRESERVATION AND TO PAY CERTAIN COSTS AND DEBT SERVICE RELATED THERETO

Mr. Newton said this issue is before Council with a Natural Resources Committee recommendation to move forward, placing the question of rural and critical lands on the November 2, 2010 ballot. There were five members of Council in attendance at the June 7, 2010 Natural Resources Committee. In conversations over the last week with Mr. Sommerville, Mr. Budds, Mrs. Bluntzer and others connected with the Open Land Trust, there are a couple of observations. One, is we have a significant amount of money left in the Rural and Critical Lands Program (Program) today. Given our average expenditures, it would carry us until the general election in November 2012. Tied back in with the potential contract award to the Open Land Trust for consulting services of the Program, causes Mr. Newton to suggest perhaps, it is appropriate to refer this matter back to Natural Resources Committee, without Council's objection and Mr. Sommerville's concurrence, to receive comment from representatives of the Open Land Trust and Coastal Conservation League and others who have been watching. Clearly, in this economic time we find ourselves (and if we have the money today that exceeds our average expenditures), do we bring the referendum question forward this November and potentially saddle or strap taxpayers with an additional increase or wait and carry this matter to

the following general election November 2012? We all believe this is a successful Program and it may just be appropriate we do not need to burden our taxpayers with that at this point in time.

Mr. Sommerville is happy to take the issue back to Committee. This is a balancing act. On one hand we do not want to lose momentum or enthusiasm for what has been, by most accounts, one of the most successful programs we have in this County. We preserved thousands and thousands of acres of rural and / or critical land that would have or might have been developed in a way that would have been detrimental to the County. We have a large inventory of land at this point most of which have public access. As funds become available, we will make this available to the public in a form of passive parks and other ways. We do not want the Program to lose momentum. The last thing we want to do is give anyone the impression we are losing interest or enthusiasm in the Program. That is absolutely not true. What we are trying to do is balance it against the need to ask the taxpayers for an additional tax increase. We believe, as the Chairman pointed out, we have enough money in the Program today to last us until 2012. Obviously, land prices are low now or lower than they were in the past. This is a great time to make some good deals. We have and will continue to do that over the next year or so. There is \$10 million not yet bonded from the 2006 voter-approved \$40 million bond referendum. Mr. Sommerville believes the prudent approach is to not ask the taxpayers in November 2, 2010 to vote themselves what will amount to a tax increase, but to allow us to prudently proceed with the Program, under the leadership of the Open Land Trust through 2012, and in November 2012 perhaps come forward with a request for another referendum of additional funding.

The Chairman referred this item back to Natural Resources Committee, without objection by members of Council, for additional conversation or input from Open Land Trust and Coastal Conservation League representatives.

RURAL AND CRITICAL LANDS PRESERVATION PROGRAM CONSULTING SERVICES FOR BEAUFORT COUNTY

Main motion.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approves the contract award to Beaufort County Open Land Trust for Rural and Critical Lands Preservation services with the anticipated cost per year of \$144,000 for an initial contract term of one year with four additional one-year contract renewal periods all subject to the approval of Beaufort County.

Mr. Rodman said this item relates to changing the outside professional consulting services to provide staff support and assistance with the acquisition of land and conservation easements pursuant to the Rural and Critical Lands Program (Program). At the time we were looking at that, we anticipated having \$10 million bond remaining from the 2006 \$40 million referendum and going forward with the \$40 million, which would have entitled a certain amount of effort both in preparing for the referendum and the execution of the money if approved by the taxpayers. If we are now going to go at a slower rate for a couple of years and then come back and consider a referendum two and half years from now, does that influence the amount of

money we need to pay to the outside consultant? Mr. Rodman said it seems, perhaps, this item ought to have some kind of a review based on whatever the committee decides to do with placing the Rural and Critical Lands referendum question on the November 2010 ballot.

Mr. Newton replied we are prohibited by law to advance the outcome of a referendum question. He does not believe the dollars would be any different with or without the referendum question. They are separate items.

Mr. Rodman understands we cannot spend taxpayer money on the referendum. Whenever we move forward with the referendum, it becomes more heavily a referendum on whether we did well with the first \$90 million taxpayers gave us than what we are going to do in the future. Therefore, it seems to Mr. Rodman part of the outside consulting services in some form, since they are most familiar with it, would have to be identifying what it is we did regardless of how you work out the money. Mr. Rodman believes when the question goes before the voters, it will be heavily a referendum on what we did. Mr. Rodman agrees with sending consideration of the referendum question back to Committee. He is not quite sure Council has the right dollar amount. It seems that decision might be different after the committee looks at the referendum question.

Mr. Baer supports the committee recommendation. It is time to redo the Greenprint Map. Several Council members expressed concerns about the price we paid for land and where the land is purchased. Even though the level of spending may be going down in purchasing properties, the level of study is going to go up for a while in doing this new Greenprint Map. It is appropriate to leave the recommendation as it stands.

Mr. Sommerville commented The Trust for Public Land administered the Rural and Critical Lands Program until 2009. The contract then transferred to Conservation Consulting Company. During that time, the amount we paid to The Trust for Public Land at one point was decreased by one-third. If and when it is transferred to the Open Land Trust will decrease again by another 50%. From \$30,000 to \$21,000, and then to \$12,000, it plummeted in terms of monthly costs. Mr. Sommerville certainly would not want to leave the impression that Council has not looked at the monthly costs and taken that into consideration when bringing forward the committee recommendation to employ Open Land Trust, as outside professional consulting services for the Program.

Mr. Rodman said his point was if Council delayed the referendum has the level of effort gone down.

Mr. Caporale said Mr. Rodman's comments raised sufficient concern in his mind. He, too, would think this item probably ought to go back to committee. It appears the level of spending is going to fall to less than one-half annually of what we have been spending.

Mr. Newton replied the \$18.5 million is remaining (\$10 million bond remaining from the 2006 \$40 million referendum) not a ratcheting down of the Program. Initially, the Nature Conservancy was the first Program consultant. The Program was restructured and The Trust for Public Lands

became the second Program consultant and introduced the Greenprint Map. Conservation Consulting Services become Program consultant three.

Mr. Caporale said it is not a question about the value of the Program. It is not a question of the people who managed it or what dollars the voters approved. It is solely a question in Mr. Caporale's mind about spending in general.

Mr. Newton remarked all he was trying to do was highlight there have been three or four different consultants over time. The dollar amount to run the Program is down. This is in response to a County initiated Request for Qualifications (RFQ).

Motion to amend by substitution.

It was moved by Mr. Rodman, seconded by Mr. Caporale, to refer this issue to the Natural Resources Committee to be looked at in coordination with the proposed referendum question that too, was referred to the Natural Resources Committee.

Mr. Stewart agrees with wanting to get the best deal for the County. If the numbers are not appropriate, we need to review them. The only question Mr. Stewart has with sending the issue back to committee is that there are some negotiations in the pipeline, which need to be dealt with. If we send this back to Committee, will we have anyone under contract between now and when we do bring it back and bring it back to Council.

Mr. Sommerville replied if we postpone approving staff's recommendation to award this contract to Open Land Trust, Conservation Consulting will continue to run the Program at approximately \$22,000 per month. Conservation Consulting has very graciously agreed to not leave us in the lurch under any circumstances. Mr. Stewart is absolutely right. They have established relationship with the property owners who are in the pipeline. That transition is going to be seamless and smooth no matter how it comes out.

Mr. Stewart wants to make sure Council understands that is the case. He would not want to see a period of time when things drop out and not continue forward.

Mr. Sommerville will vote against the motion to amend. He understands the concern. The concern has to do with the relative amount we might spend per year during the next two years absent a referendum. If that is the case, since 2000 we spent about \$83 million. That equates to about \$8 million per year. If we have \$18.5 million for the next two years, he does not really see that as an issue. He would like to see this transition take place as soon as possible because there is a lot Open Land Trust brings to the table. He would like to get their resources and work on the Program and that includes seeking grants, matching grants and other funding for the Program. He does not really see any reason to postpone that unless for some reason somebody objects to Open Land Trust and that is a whole other matter.

Mr. Flewelling said this issue already went through Committee. It went through significant debate. There was a proper RFQ and everybody had a chance to respond to the RFQ who was

interested in providing these services for us. He does not think anything can be gained by delaying the vote beyond tonight. It should be voted on favorably.

Mr. Caporale wants to make it is absolutely clear this is not about the Program. It is not about the people who manage it. It is about his concern with spending in general. It is interesting to note the assumption is we are going to keep spending at the same pace we have over the last nine years. That is an assumption he does not necessarily applaud. If it is acceptable, he will withdraw his second to the motion. Again, Mr. Caporale wants to make it clear it is not about the Program. It is not about the people. It is about spending in general — indebtedness.

Mr. Caporale withdrew his second to the motion to amend by substitution.

The motion to amend by substitution died for lack of a second.

Mr. Newton pointed out this contract award was in response to a Beaufort County issued Request for Qualifications. The evaluation committee consisted of Mr. Ladson Howell, staff attorney; Mr. Ed Hughes, Assessor; Mr. Dan Morgan, GIS Director; and Mr. Dave Thomas, Purchasing Director. They ranked the various respondents and determined Beaufort County Open Land Trust, a local firm, provided the best approach at a fair and reasonable price. He noted the recommendation, absent referendum consideration in this ranking, is \$144,000 for an initial term of one year with four additional one-year renewal periods. Even if we were going forward with a referendum in 2010, puts us off into the future for those considerations at that time.

Mr. Rodman's point was if the RFQ went forward and we were all under the assumption we would move forward with a referendum (now there is a good probably we will not), so under any circumstances, no matter how you cut it, there is a lower level of effort. He is not totally convinced if we were back doing it again, with the lower level of effort in front of us, we might come up with a different price. He was only questioning the level of effort and whether that relates to fees.

Mr. Caporale said even the assumption we would go to the voters in 2012 for money, is a very optimistic projection. He said he is not sure on what that optimism is based.

Mr. Newton said we may not go to the voters in 2012. As Mr. Sommerville noted, today we are spending \$20,000 a month. We have an opportunity and a request from our evaluation committee to only spend \$12,000. It is only a one-year contract. He does not know of any given month were we may have spent \$18.5 million. If we do and we spend it all, at the end of next year we are not going to renew this contract. We will see if we go to another referendum. He, too, thought the issue was pretty well vetted at committee. His concern is simply this – the more we toil around with this, it begins to look like we are, perhaps, indecisive. Mr. Rodman raised very valid points tied to the referendum. But, if we separate those two issues, realize this is a one-year contract and our staff recommended it. Mr. Newton said he is not sure what we gain from going back to committee unless we are willing to rebid and throw out all of the responses to the RFQ and start the process over.

The vote on the main motion was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Sommerville and Mr. Stewart. OPPOSED – Mr. Caporale and Mr. Rodman. ABSENT – Ms. Von Harten. The motion passed.

AN ORDINANCE FINDING THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA MAY ISSUE NOT EXCEEDING \$4,000,000 GENERAL OBLIGATION BONDS AND TO PROVIDE FOR THE PUBLICATION OF NOTICE OF THE SAID FINDING AND AUTHORIZATION

This item comes before Council under the Consent Agenda. It was discussed and approved at the May 3, 2010 Finance Committee meeting.

Mr. Rodman stated Hilton Head No. 1 Public Service District is located on the north end of Hilton Head Island. As many of you know, the aquifer underneath the island has saltwater intrusion. This particular method, which has been used in other places, including Beaufort/Jasper Water and Sewer Authority, is to actually take fresh water and insert it back into the ground and then recall it when needed. This is the money to do that. Their Board of Directors has approved it. Their board members are elected officials. Council's role is more of a formality to approve this unless we see something wrong with it.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approves on second reading an ordinance finding that the Hilton Head No. 1 Public Service District, South Carolina may issue not exceeding \$4,000,000 general obligation bonds and to provide for the publication of notice of said finding and authorization. The vote was: FOR - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT - Ms. Von Harten. The motion passed.

The Chairman announced a public hearing on this issue would be held Monday, June 14, 2010 beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Beaufort, South Carolina.

TEXT AMENDMENTS TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO) THAT REPLACES ALL THE COMMUNITY OPTIONS WITH A TRADITIONAL NEIGHBORHOOD DEVELOPMENT OPTION: ARTICLE V, DIVISION 1, TABLE 106-1098 USE TABLE; ARTICLE VI, DIVISION 2, TABLE 106-1526 OPEN SPACE AND DENSITY STANDARDS; ARTICLE VI, DIVISION 3, TABLE 106-1556 LOT AND BUILDING STANDARDS; ARTICLE VI, DIVISION 4, TABLE 106-1617 BUFFERYARD AND LANDSCAPING STANDARDS; ARTICLE XI, DIVISIONS 1 AND 2

The Chairman announced a public hearing on this issue would be held Monday, June 28, 2010 beginning at 6:00 p.m. in Council Chambers of the Administration Building, Beaufort, South Carolina.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Sommerville, seconded by Mr. Baer, that Council goes immediately into executive session for the purpose of receiving purpose receiving information regarding negotiations incident to proposed contractual arrangements and proposed purchase of property. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT - Ms. Von Harten. The motion passed.

EXECUTIVE SESSION

Ms. Von Harten arrived at 6:15 p.m.

RECONVENE OF REGULAR SESSION

PRESENTATION / FY 2010 / 2011 SCHOOL DISTRICT BUDGET PROPOSAL

The Chairman stated County Council's function and role related to the School District (District) is approval of its total budget. Contrary to what was said, Council does not have the authority to exercise adjustments in the individual items within the District's budget. Council has no line item authority over the District's budget. Council appropriates a total number of dollars. Any particular program cut and any particular types of activities that may or may not be funded, all that responsibly lies exclusively with the Board of Education. He knows there was an internet posting on the District website indicating all of Council's activity took place in closed door session and Council only came out for this one opportunity for the public to address Council. Please let me assure you, as you see all the cameras in this room, as well as in the room next door, the County invested a substantial sum of money in making sure County government and every one of its deliberative process sessions are absolutely open. Every one of Council's meetings are posted on the internet and video streamed live. They are all rebroadcast on television and there are no budget discussions behind closed doors. It is against the law. It does not happen.

Mr. Rodman said he will comment on both the County and District at the same time because the paths are similar and it may be useful in terms of understanding what the open issues are. We have capital budgets and operating budgets. In the case of capital, we are talking about buildings. In the case of the County we will look at and refine as we go forward. In the case of the District, Council does not actually have a say in the capital budget except for converting the amount of money the District wants to spend into an actual tax levy. As part of Council's overall view of what happens countywide and its impact on the taxpayers, Council certainly wants to understand what that capital number is and perhaps converse a little bit with the District. Council literally does not have a say in that issue.

That leaves the operating budget, which runs from July through June. The target is to try to get those wrapped up in the month of June. Today is second reading consideration and a third and final reading is required. August is when tax levies are finalized.

As Council went through both the District budget and County budget, it is fair to say they both did a lot of hard work, a lot of good work and a lot of comprehensive work in terms of putting together budgets in a very difficult time. Part of what Council goes through is to understand and ask questions about what the issues are. As Mr. Newton said, the most Council can do is vote something up or down. Council does not want to micro-manage the County budget and so we look heavily to the Administrator and we talk on a conceptual level about whether certain items should be in or out. In both cases, good budgets, comprehensive budgets, and relatively small number of questions from Council relative to the depth and the amount of money involved in the budgets.

The only issue still on the table and one talked about in the print media a little bit and emails, is step increases (not to say we are going to decide this tonight but so the public is aware what the issue is). From the County perspective for some period of time employees have not had cost of living increases. It is in its third year of an effort to hold the line on taxes. There is one agency Council actually funds, not from the District standpoint, that has a similar type of step increase and we have asked the County Administrator to go back and to take a look at that. On the County side we have relatively few issues left, not to say some more might not rise up.

On the District side the one piece probably on the table is the fact the District asked for a tax increase and it does include step increases for teachers. As Mr. Newton said, that is not within Council's purview. The most it can do is vote something up or down. In the case of step increases, the number of steps relate to the number of service years teachers have and at some point, in the low 20's, there are no more steps beyond that. If you think about older, more experienced teachers, they would not receive a step increase if the budget held. In the case of younger teachers they would see some step increase. It is not an across-the-board type of thing.

What happens in the August timeframe when a lot more information is available, representatives of the County and District sit down and figure out the tax levy because there are a lot of moving pieces. There is some legislation in Columbia that probably won't pass, but perhaps will generate some money for the District. We always end up seeing what the fund balances are and there may be continuing discussion on how many dollars will actually roll in from the mills. Both County and District are doing a continuing good job to cut expenses where they can.

What we have before us today is second reading of both the County and District budgets. In the case of the District budget, Mr. Rodman does not anticipate too much controversy. With the County budget, there are some Council members who are very concerned about a tax increase and not having a level cost of living between the County and District. They may influence some people as they vote and go forward. Some of that discussion will become clearer in August, but in any event we still have to do the best we can to finalize these budgets during the month of June because the fiscal year starts July 1.

Mr. Fred Washington, Board of Education Chairman, requested an opportunity to make comment after the public hearing, specifically in reference to step increases. He read a prepared statement dated May 24, 2010 from Mr. Robert Arundell, Vice Chairman, to County Council:

I write this letter today because there is no greater need than that of the education of all our children and there is no more important place to address that need than at the site where its funding is at stake.

A few days ago, I underwent surgery at about 4:00 a.m. As I was resting in one of the ICU recovery rooms, I had the opportunity to watch the community channel. A rerun of the County Council's Natural Resources Committee meeting of May 14 was being aired. At that meeting, the committee voted in favor of supporting a referendum to spend an additional \$40 million for land purchase at will preserve the natural beauty that abounds in Beaufort County. The vote was 4:1 in favor of the motion. The lone dissenter had mentioned concern about bringing such a spending measure before the public at this time of economic recession. No one questioned the need to preserve our natural environment. No one objected to the added mills such a measure would bring to the taxpayers if it passes. Like me, I suspect all concerned knew the value of our land preservation efforts.

I then asked myself another question. For whom are we really preserving this nature wonder land? Our children, of course.

Last year, both County Council and the School Board held the line and did not raise property taxes. However, there is one thing that County Council did not hold the line on last year: the fees it charges the School District.

It is critical that members of Council [are] very mindful that they have control over many more wells from which to draw their water than we do. For each of the past three years, County Council has raised the amount they charge the School for stormwater fees. For each of the past three years, County council has approved increases in what the County Sheriff charges the school District for the [school resource officers] SROs [who] ensure the safety of our children. For each of the past three years, County Council has approved other increases charged to the School District. I do not question that members of Council only did so because they determined that the increase were justified. Now, for the upcoming budget, Council once again will be raised all of these different fees it charges the School District. There are two problems with this: One, you raise what you charge us for various services, but then you ask us not to raise taxes to pay for those increases. Two: we do not have different wells from which to draw water. Our operations budget is all we have. County Council can avoid a property tax increase but still draw more water by raising the cost of business licenses (up over 200% in the past five years) and raising stormwater fees, recreation fees, and the list goes on. We do not have the same luxury. Is Council prepared to pass a motion that prevents an increase to any fee we are charged by the County or any county agency over whose budget the Council has oversight?

The School District has held the line on staffing; we have held the line on overhead costs; we have held the line on energy costs. The 2% increase has nothing to do with holding the line on expenses. We have not raised the line on expenses. The 2% increase is because we refuse to lower the line on the quality of our public education. We are a growing school district, growing in numbers; growing in diversity; growing in the demands of our gifted and talented students; growing in the rage of special needs we must supply.

I support the Committee's desire to spend an additional \$40 million so that nature can continue to grow; I ask that Council support the \$2.4 million we need so that our children can continue to grow as well. Thank you.

Dr. Valerie Truesdale, Superintendent, thanked Council for the opportunity to be here tonight and to answer the many questions Council posed to us.

Mrs. Phyllis White, Chief Operations Services Officer, summarized the FY 2011 budget proposal. The total expenditure budget is \$175,300,000. The budget includes increases for teachers who experience step (about \$1.3 million), Riverview Charter School (allows expansion to grade 6), opening new schools (\$3.8 million), and other contractual items (\$2.4 million). The District decreased the base budget again for 2011 — Almost \$7 million in the last two years. There were 74 positions in 2010 (about \$4.5 million) and we now have another \$3.1 million decrease for 2011 (elimination of 15 positions, reduction in pay for some positions, reductions by District Office). The allowable increase under Act 388 cap is 2%. The District requests a 1.8 mill increase associated with the 2%.

Dr. Truesdale went through the questions posed by Council.

Question 1 – Provide a demographic breakdown by school. Answer – Typically, Council reviews District data as a whole while school data is examined by the Board of Education. However, detailed District and school data pupil enrollment trends were provided by Finance Committee of Council earlier in May. The total number of students is 19,778. The Hispanic population increased by 236 students in 2009/2010 and makes up 19% of the total enrollment. Enrollment increased in a five-year period by 740 children and in a six-year period increase by more than 1,200 children. The rate of increase declined significantly the last several years. The District is being very fiscally conservative this year and is not going to project an additional 109 students even though projections show these additional students nor add the five additional teachers. The only increase used in the budget proposal is the increase already approved two years ago for Riverview Charter School to increase by 56 students.

Question 2 – How many Limited English Proficient (LEP) students are served? Answer – The District serves 19% Hispanic learners, many of whom are LEP. The District also serves 4% LEP students, whose native language is not Spanish. For instance 55 LEP students are Asian. A designation of LEP does not mean students cannot speak any English. It means they qualify for additional services for English as a Second Language (ESOL) to support them as they learn. There are 3,038 students who receive additional support as LEP children.

Question 3 – What is the cost of ESOL teachers? Answer – The District employs 39 ESOL teachers, 24.5 from the General of Fund and 14.5 from Special Revenue Funds (Lottery and At-Risk) for a support cost of \$2,518.013. These support costs are in addition to services provided to all students. Interestingly, the percentage of ESOL students' services in Bluffton and Hilton Head Island schools increased from 92% to 87% [*sic*]. The ESOL students served in schools in northern Beaufort County increased. Shanklin Elementary and Battery Creek High School in particular increased ESOL populations. Tremendous progress has been made in increasing English proficiency for ESOL students in Beaufort County in the last two years. English proficiency scores for ESOL students are the fourth highest in the state. In 2008, no elementary or middle school made federal Adequate Yearly Progress (AYP) for LEP learners. In 2009, all elementary schools and all middle schools made AYP for LEP in English and in math. Only Hilton Head Island High School and Bluffton High School did not make AYP in 2009. In the FY 2009-2010 budget the District reduced the budget by eight ESOL teachers while opening three new schools, one of which is more than 50% Hispanic, and while the limited English proficient population grew from 14% to 15.4%, an increase of 312 students. By increasing targeted instruction, amplified with software and Extended Learning Time, the District is making gains. The state recommends one teacher to serve every 60 ESOL students which would be 50 teachers. The District ratio is one ESOL teacher for every 50 student, yet it is making strides and recently was complimented by the State Department of Education for making tremendous progress.

Question 4 – Provide pupil enrollment over time. Answer – The District grew by 744 students, or 3.9% in the past five years. The District opened four new schools, including Riverview Charter School and will open three more schools in fall 2010.

Question 5 – Provide revenue and expenditures trend. Answer – In 2009/10, the District opened four new schools, including Riverview Charter School, reduced staff by 74 positions (a total reduction in budget of \$4.5 million) and brought in a no tax increase budget. For 2010-11, the District requests a 2% increase budget and three more schools will open with an additional decrease of 15 staff. In a two-year period, the District will open seven new schools with a net reduction of 89 staff members. It is important to note each time the State mandates a teacher salary increase, 1% equates to approximately \$1 million. This does not include any other increases the State may mandate such as retirement matches and insurances costs. Therefore, in order for the District not to have a tax increase (hold the line); it would need to cut costs or have sufficient growth in the assessed value to cover the mandated costs. The District cut more than \$7 million in the past two years to minimize impact on taxpayers of costs due to State mandates and opening of new schools.

Question 6 – Provide information on collections. Answer – The District has not received 100% in collections. In developing the 2010/11 budget, the District uses an estimate of 98% for collections for it is clear collections are short every year.

Question 7 – Provide expenditures by student. Answer – The State Department of Education Insite report, which is the audited record of school district general fund expenditures per student

(average daily membership, not enrollment) in 2009, was \$10,505 per student. According to the Budget and Control Board, this is the only official data on expenditures by student.

Question 8 – Explain the per-Kindergarten Pupil data. Answer – Three- and four-year olds are served in Beaufort County Schools if they qualify for special needs. Service for these students is funded by federal Individuals with Disabilities Education Act (IDEA) allocation. In 2008/09, 107 students, and in 2009/10, 44 special needs pre-schoolers were served. Four-year olds in Beaufort County are served only if they qualify as “at risk,” as defined by the South Carolina State Board of Education. Tight controls are in place to ensure all four-year olds who are served qualify under “at risk” criteria. In 2008/09, 723 students were served. By changing the model to half-day programs and serving full day only in Title I schools, the District was able to serve more at risk students on the waiting list. The District was able to serve 825 4K students in 2009-10, without adding teachers. The 4K program costs approximately \$2.4 million. In 2009/10 the District partnered with Head Start for a grant using stimulus funds, and 13 additional classes of children ages 0-3 are now served in Whale Branch and St. Helena communities.

Question 9 – What would you cut if Council does not fund the requested budget? Answer – In preparation for the 2009/10 budget, the Board of Education directed the District to break down services into categories. Tier I includes those services required by law or regulation. Tier II are services supporting the classroom. Tier III are those services needed but could be cut if the budget were not supported. Tier III items include safety items such as school resource officers and hall monitors and early childhood services such as pre-Kindergarten teachers and assistants. There is also an insurance item paid by the District for all staff for several years which, if cut, would be a reduction in salary for every District employee. There has been a stated goal of preserving class sizes. Currently, there are 154 classes larger than 30 students in the District middle and high schools, 21 of which are larger than 25. With staffing as tight as it is, further cuts would mean we cannot add teachers if enrollment increases. Although we are projected to grow by 109 students for next year, staffing held flat (except for Riverview Charter School increase of 56 students). The District developed a budget which means schools will have to absorb the estimated 109 additional students in 2010-11.

Question 10 – The General Assembly is considering allowing school districts to freeze the step increase on the teacher salary schedule and mandating furloughs for school and district administrators. What would that mean to the District? Answer – In South Carolina the General Assembly sets teachers’ salaries in a statewide teacher salary scale. Each year, the scale increases by an average of 2% up to the 23rd year of service. In addition to step increases, the General Assembly typically legislates a cost of living increase. There was no cost of living increase for teachers in 2009-10 and there will be none in 2010-11. The step increase in the teacher salary scale has not been frozen before. In Beaufort County, if schools froze the step increase and furloughed all school and district administrators for two days, the savings would be \$1.3 million. Each teacher would lose approximately 2% of his / her salary and every assistant principal, principal, athletic director, coordinators director and all administrators would lose two days of pay. Concerns about this course of action are immense. The cost of living in Beaufort County is highest in the state. Eighty-nine staff positions have been cut in two years while seven new schools will be opened and student achievement data trends solidly in a positive direction.

Teachers and instructional leaders are being asked to do much more with less. To reduce their pay further would lose additional funds to the local economy. This course of action is not recommended by the District and is not approved by the Board of Education.

Question 11 – With the low enrollment on Daufuskie Island, would it not be more cost effective to close the school and ferry students to Hilton Head? Answer – It would be cost efficient to close the Daufuskie School. The District currently transports students to the middle and high schools. The District and Board of Education do not support transportation of children ages 5 through 10 across to Hilton Head Island. The District was able to increase efficiency in 2009 /10 by employing a teacher who moved to live on Daufuskie. Daufuskie Elementary made federal Adequate Yearly Progress (APY) in 2009 for the first time.

Question 12 – What are all sources of funds? Answer – Education Improvement (EIA) funding decreased due to State cuts. Between FY 2006 and FY 2007 \$12.9 million was lost from the State and \$15.8 million has been lost from the state since FY 2005.

Question 13 – Is the District making academic progress? Answer – There is a positive trend toward increasing academic achievement in Beaufort County. Our goal is to meet or exceed the state and national averages in all grade levels and subject areas on state assessments (PASS< EOCEP and HSAP) in addition to increasing our students' scores on the ACT, SAT and MAP tests. The positive momentum has been building. The District celebrates the academic achievement of its students: (i) 128 eighth grade students were recognized as Junior Scholars 2009, (ii) 12 schools made Adequate Yearly Progress in 2009 compared to 4 in 2008, (iii) The number of schools deemed "at-risk" on SC School Report Card reduced from 4 schools in 2008 to just 1 school in 2009, (iv) Six schools received an Absolute Rating of "good" on SC School Report Card in 2009, compared to only 2 schools in 2008, (v) The 2010 Spring MAP (measure of Academic Progress) tests scores exceeded the 2009 Spring MAP scores in every tested area. Sixteen of 18 tested areas met or exceeded the national average. (vi) On the 2009 PASS, 7 of 30 measures met or exceeded the state average compared with 1 of 24 on the 2008 PACT measures. Student achievement results continue to show the District moves forward toward meeting 2001-12 Strategic Plan goals.

Question 12 – What are all sources of funds? Answer – Education Improvement Act (EIA) funding decreased due to State cuts. Between FY 2006 and FY 2007 the District lost \$12.9 million in Education Finance Act (EFA) and \$15.8 million has been lost from the state since FY 2005.

The Chairman opened a public hearing at 6:52 p.m. and recognized Mr. Michael Allen, who was chosen as teacher of the year in 2008-2009 and has chosen to advocate for teachers. He asked Council to fund the budget as requested. He cited statements by John Adams and Thomas Jefferson. He asked Council not to lose the progress made.

Ms. Renata Booth, a teacher at Mossy Oaks Elementary, represented her fellow faculty members. She asked that Council fund the budget. Teachers have been fighting an erosion of their support system. 12 schools made AYP this year because of hard work in the classroom.

Teachers have to maintain their licenses through continuing education to ensure best practices in their specialties and more. This has led to the trend of improvement. Tier III cuts would be a devastating blow to their trend of progression. She said putting the burden of the tax problem on teachers is unfair.

Ms. Susan Prekop, a first grade teacher at Mossy Oaks Elementary, said she and most teachers rarely work an 8-hour day owing to preparation time. They work without lunches and breaks, in addition to spending time attaining professional development. They also research, write grants and fund materials, etc. from their own pockets. They mentor co-workers, serve on committees, and attend various events with parents such as the PTO. They must attend frequent meetings, be technology-proficient, and submit regular reports, all of which is time consuming. Every teacher plays many roles beyond their work in instruction in the classroom.

Ms. Constance Higginbotham, a retired teacher, said the School District has not provided cost of living raises to its employees and has delayed hirings, etc., yet there has been a 200% increase in the number of schools which made AYP as well as other district-wide accomplishments. She is concerned about reductions in income and benefits, and the impact the absence of raises has on the community and the schools' students. She went on to identify other possible cuts and reductions that will also affect teachers and their students. She feels this is unjust and that the \$4 million must be found to fund public education.

Ms. Susan Dee said she has seen a tremendous change in the school system in the last few years in terms of safety and curriculum through the efforts of teachers. Pulling back on their salaries will not let them finish and truly win the race they are currently pulling ahead in. She feels morale is low and teachers need to be rewarded for hard work.

Ms. Karinanne Koenig worked in the School District 17 years. When she first came to the school district, she was "shocked and appalled," but Dr. Truesdale's arrival made a huge difference. She no longer needs to leave the state to continue her own education. She asked Council not just approve the budget but fund it in order to continue to attract excellent educators.

Mr. Jim Bequette, a Board of Education member, said council quadrupled the business license rates, not doubled them as previously stated. He presented information from the state about revenue projections per student. He feels people have been misled by the state legislature's "revenue guesstimate." He said this is hurting the reputation of the school board. 24 other districts have higher costs per student than Beaufort County does, not 2 as previously stated. He feels the actual amount per student is \$10,505.

Mr. Eric Gnau said he believes all citizens should be provided the best education systems available, but he is opposed to the way this increase is funded. Teachers are his heroes, and he believes they deserve a large increase, but in times of economic uncertainty, a tax increase will be very difficult. As a realtor, he is aware of the potential difficulties for second-home buyers and small businesses. He believes the Council should seek other ways to fund the salary increases.

Mr. Brad Smith, a science teacher at Beaufort High, said he left a job in management to teach high school and to bring what he could to students from his experience in the work place. He loves his job. Other teachers left businesses to move into the classroom and take children to the next level. He feels education is about investment, not taxes. He went on to describe the benefits of this investment.

Mr. Jim Olsen, a retired Marine turned teacher, said he encourages Marines leaving active duty to go into teaching. He often hears that people do not want to go into teaching because they feel they will not make enough money to support their families. He spent \$1,000 of his own money this year to provide “stuff” to his students. He asked Council to support the increase.

Ms. Sharon Brown said she is uncertain why they should have to come before council to plead to keep the quality teachers they have in the school district currently. She works in the school system and knows how hard the teachers work. She feels the Council needs to “have a heart for our students” to get a quality education and go on to good post-secondary schools.

Ms. Marion Shumake is a retired teacher. She is a child advocate and in favor of education. She said it is “so much cheaper to educate a child than to keep them in prison.” She said she assumes that council is educated and professional, which they obtained from teachers.

Mr. George Wilson, Board of Education member, said 45 years ago he thought about being a teacher but chose not to because of economic reasons. He feels teachers are social workers and are sometimes more loving and understanding than parents. They wear many other hats as well. He sometimes feels he would have enjoyed being a teacher. He believes in public education and believes the children need a better education for the United States to continue to be a competitive world power.

Mr. Dan Durbin, principal of Beaufort High School, said Council is hearing what they already know, but he feels transparency from the school district is not accepted. They “cut to the nitty gritty” about what they want and need, and this allowed the county to look closely at their request. They have not heard from the principals who watch what happens in classrooms; the teachers interacting with students are what make the difference. The average teacher will pay \$1,100 a year “for the right to teach our children.”

Mr. Kevin Sandusky, a physics teacher at Bluffton High, shared some specifics about the effects of the budget cut if there is no tax increase. The number of students in the AP program at his school increased, and they are adding honors sections in science, all while “running on half an engine.” It is easier to find better-paying jobs elsewhere, so there are expenses when people leave to make more money and staff has to be replaced and retrained. He said a lot is at stake with this decision.

Ms. Beth Fox has been a teacher for 32 years. She is concerned Beaufort County will fall further behind in education, particularly in regard to replacing retiring teachers. Beaufort County is a wealthy county and once prided itself on the competitive salaries it offered teachers to give children a world-class education. This is no longer the case and she feels Beaufort County is

“handicapping itself.” The current, bare-bones budget will keep them from falling even further behind and allow them to be “at least average.”

Ms. Colleen Wynn taught in Beaufort County schools for 26 years and is the current teacher of the year in the district. She urged the council to fund the School District budget as proposed. Many programs could be in jeopardy if this budget is not funded. Losing funding in preschool will have a huge impact on some students. Businesses will suffer, too, because the staffs will have fewer disposable dollars.

Ms. Adrienne Sutton, principal of Hilton Head Island Early Childhood Center, brought her staff and said they all support the budget presented to council. She said she feels many difficult decisions were made, “but the integrity of our work still stands.” She asked Council support the work of all of those who created the budget.

Ms. Debra Clark is a parent. Her children are in Beaufort County schools and feels that this should not even be up for question; the budget should be funded. She invited Council to spend one day with a teacher and said that if they did, there would be no question of funding this budget.

Mr. Bill Weiss said he has children in the School District and while he does not know where the money will come from, he implored Council to find the money to pay the teachers who educate the children.

After call twice more for public comment and receiving none, the Chairman declared the hearing closed at 7:42 p.m.

Mr. Washington said the District is not where it wants to be, but it is trending in the right direction. The District is making progress academically, in student behavior, parental involvement, and community partnerships. Mr. Washington served on two BRAC (Base Realignment Closure) committees. One of the factors seriously considered by the federal government is the quality of public education. That carries great weight in whether this area retains those bases. According to Mr. Donald Schunk, Research Economist at Coastal Carolina University, the military impact on the local economy is \$1.2 billion annually. More than \$615 million of it is at MCAS Beaufort. There will be another BRAC. In the meantime we need to position ourselves to ensure our public education system meets the needs of the Department of Defense and enhances our position to retaining the military installations in this community. Teachers are a critical part of that process and teacher step increases are critical to retaining teachers. Teachers are the primary educators of our children. We need to do something to ensure we have the very best teachers in our District. Not only did Mr. Washington say he believes in raising the salaries of teachers he also believes in holding them accountable. If they do not perform, he is a supporter of removing folks who do not produce. We have to pay teachers well. We have to demonstrate being the teacher, not an administrator, pays off. Council and Board of Education worked well the past three years and hopefully, we will continue to work well into the future.

Mr. Newton applauded the audience for attending today's public hearing. He is a little concerned because some of what he hears suggests there has been a rumor started that somehow Council set in motion certain cuts in the District budget, which is not true. It was said we are in a partnership and Mr. Newton highlighted that just a little bit, but not specifically regarding this operating budget. Dr. Truesdale talked about the loss in state funds and she knows that it is near and dear to Mr. Newton's heart — the amount of state funding or the lack of state funding we receive in Beaufort County. Ms. Higginbotham spoke in excess of \$100 million collected in Beaufort County and the fact zero, zero dollars come back to Beaufort County. Mr. Newton asked this question, "How many of you all in this room have written to your Senator or Legislator this year and every year since 2005?" He asked for a show of hands. It ought to be everyone raising their hand. Separate and apart from our discussion about this budget and local tax dollars, it is an absolute disgrace the State of South Carolina funds the children in Beaufort County, the District and your organization to the level it does. Mr. Newton challenge, "Thank you for coming here tonight. We are glad you are here and hope to see you again June 14. But, between now and then send an email to your House member, send an email to your Senator, that says 'you want to know what they are going to do this year and what they are going to next year about fixing the education funding problems in Beaufort.'" For too long it has not been the number one topic on their minds. Out of 87 school districts in South Carolina, Beaufort County receives less money than any other school district. In fact, we are the only school district in the entire state to receive zero dollars from the primary education funding formula. While Mr. Newton is delighted with those in attendance today and hopes to see twice as big a turnout on June 14, each of you has an opportunity to reach out to your Senators and House members. Mr. Newton said he wishes every member of the Legislative Delegation was in attendance today because Council goes through this exercise, to some degree, every year it receives the budget. In large part the folks in Columbia do not hear from teachers about what the needs are in the school system. Otherwise, we would not continuously be at the bottom of the rung of funding state education.

Mr. Rodman stated Council does not get into any individual line items. The more experienced teachers, those who have been in the system long enough, no longer qualify for step increases. They are not impacted either way. If step increases go forward, what that means is administrators would stay level (they would not get an increase) and the only people who would get the increase would be the more junior teachers, who would still qualify for the step those below 23 years. It is not as if it is all or nothing. We are basically talking about teachers who are at the bottom end. Having served as a member of Board of Education, Mr. Rodman believes they do, in fact, have a difficult time.

Mr. Rodman remarked it is also fair to say looking over the past five years, some of the comments might have inferred Council did not fund those budgets, but he believes Council funded those budgets in full, as requested. In prior years when there were disagreements, discussion centered around maintenance of local efforts where there were not agreement, then you had to go back and look at what the enrollment increase was and what the inflation rate was. That calculation did not take in account Beaufort County was losing all that money from the state. To some extent, we have all been playing catch up in the last couple of years given the underfunding by the state. It is a bit of a long shot but Senator Davis was a leader in getting

some money into the Senate budget which we understand is in jeopardy, certainly in the House budget, but we will see what comes out of that. Perhaps there is a little bit bigger dip into the fund balance that has built up and administration would continue its projectory of continuing to take some money out. Mr. Rodman's personal feeling is Council should approve the budget, recognize there is still a lot of hard work to do, target a no tax increase and see if we can make that come together in the next three months.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approves on second reading the School District FY 2010 / 2011 budget tax levy of 92.07 mills for school operations and 26.33 mills for school debt service.

Mr. Rodman said Council will potentially revisit the mills as we work through the next three months. The critical number is \$175,270,150 the amount to be appropriated, the maximum the District can spend without coming back to Council for additional approval.

Mr. Caporale clarified the metaphor of Rural and Critical Lands Program and preserving land used. Council had earlier discussion today and the referendum question has been sent back to committee. That is a measure of how Council is viewing these years economically and financially. It is very difficult for everyone, not just teachers. Everyone.

Mr. Baer is going to vote for the District budget. The Board of Education did a very good job at putting together data and answering Council questions. Mr. Baer said he attended an intercity school, which Beaufort County School District would consider decrepit and condemned. We had 25 to 30 students per class. We did not have student parking lots, football stadiums, and we still learned. Although the District has some different problems, the District efficiency is about 13 certified, about half of the efficiency from the school systems that he came from as a kid. Over the years the District is going to have to work on that. One way to keep salaries up is to raise classroom size. It creates other problems, but probably 70% of the District budget is in salaries. It is a tough pill to swallow, but everyone has to tighten their belts. He is going to vote for the budget at second reading, but that is a goal the District will have to look at in future years.

Mr. Sommerville will vote for the District budget at second reading. He complimented the Board of Education with whom Council has had an excellent working relationship since he has served on Council. The administration did an excellent job and most of all the principals and the teachers who made all of this happen. Mr. Sommerville has two children enrolled in the school system and is very impressed with the product he sees. The people of Beaufort County are no different from people in any other county. They want three things from the schools – results, security / safety, and financial stewardship. Tonight we are talking about financial stewardship. He would not, however, feel right unless he commented on the other two. On the security issue, do not reduce the number of hall monitors or school resources officers. He does think anybody intends to do that, but there are always problems and we need that support. Insofar as how his budget is going to be funded, because of the screwy system the Legislature gave us for funding schools (we do not have a choice on how to do it), we either do it the way it is prescribed or we don't do it. We cannot pick A, B or C. There is no A or B, only C. That C for operations is what we call 6% properties. He heard 6% properties referred to as second homes. There is no

question they are second homes. Mr. Sommerville owns six of them and they are not second homes. By voting for this budget, he is voting for a tax increase on six homes. It is very significant to him, but it is well worth it, not just because he has children in the system, if he did not have two children in the system or any children in the system, he would say exactly the same thing and feel exactly the same way. He is happy to vote for the budget proposed.

Mr. Newton noted any tax increase is not just on the 6% properties. It is everything taxed other than 4% properties. It is every car, boat, business, airplane, every type of personal property. It is everything, but primary residence. The distinction between resident and non-resident somehow sort of gets blurred and really does not appropriately or clearly convey what is subject to an increase.

Mr. Flewelling said he intends to vote for the budget tonight, but still has some unresolved issues. One of the issues is the number of students. Dr. Truesdale, having anticipated Mr. Flewelling's question, contacted the State Department of Education today. The question is, "Are 4K students counted as a half-day or a full-day kid"? Several years ago the State Department of Education made the decision that all children count as one unit whether they are taught half day or full day. So they are counted in enrollment as a whole kid. However, the District staff as a half kid.

Mr. Caporale replied that also impacts the total enrollment in a different way. Dr. Truesdale replied the District challenged the State Department of Education (DoE) on that and said should we not adjust the 4K numbers to half FTE for each of the students? Across the state it is reported exactly that way. Their suggestion was: do not change it for Beaufort County because you will be downgrading if we ever do get EFA.

Mr. Caporale remarked DoE likes uniformity because it makes creative thought easier for them.

Mr. Flewelling said if you count full time equivalency, the District change from 2010 to 2011 projection is flat.

Mrs. Truesdale stated the DoE has used this accounting method for several years. 2008 to 2009 was the same accounting. The District had half-day students for a long time. In Beaufort County just a few years ago, schools had half days or full days depending on whether they had students on their waiting list and how persuasive they were in arguing their case for their budget. What the District did two years ago, in light of the economic downturn and Board of Education request, was to bring in a zero tax increase budget and to look at shifting all full day programs in Title I schools to the second or first half of the day to Title I dollars, and all of the other programs in all of the other schools were reduced to a half day. The District had half-day programs for years and years. Mr. Flewelling thanked Dr. Truesdale for answering his question.

Ms. Von Harten reminded everyone Beaufort County is considered a wealthy county. The assessed value per pupil in 2006 in Beaufort County was approximately \$85,000 while in Clarendon County it was \$6,000 per student. Mr. Newton implored the teachers to please contact their Legislators. But the Legislators, who represent Beaufort County, get it. They know. The

problem is there are Legislators in other counties who do not want to change the system because the way the present system ensures their school districts receive plenty of money. Areas like Greenville receive tons of money. There are several different factors that play into that. One is the economic development effort. They put a lot of land into *fee-in-lieu* of taxes arrangements. What that means is all that very valuable industrial land is not included in their assessment. That puts Beaufort County at a real disadvantage. The only way we are going to be able to change that is, not by communicating with Senator Tom Davis or Representative Shannon Erickson or Representative Bill Herbkersman or Representative Richard Chalk, but by talking to your relatives who live in other counties, the grandparents of your children, your neighbors who have relatives in other places. Get them to write letters to their Legislators, because it is the other Legislators in South Carolina who are holding back reform. Thank you for your interest and the hard work you do for our children.

Mr. Stewart encouraged teachers to write not only Beaufort County Legislators, but certainly the leaders in the House and Senate, as well as any Legislative members because they do have a vote. Our Legislators have only one vote and they cannot sway the consensus of the state. Going back to what we heard here this evening, a lot of emphasis was placed on step increases. We talked about step increases. Mr. Rodman mentioned it. As we also indicated, Council only looks at the bottom line number. Council is not looking at line item issues. The House and Senator passed it. It is on the Governor's desk. He will apparently sign it and it will be a reality that one can take advantage of. Council asks the District to reduce (it is up to the District where they reduce the money) the overall bottom line. When we talk about salaries and that is the issue here tonight, Council has to look at the entire County, not only school teachers and administrators, but firefighters, EMS, and all county government employees. Before serving on Council there was a great concern county employees, as a whole, were underpaid. Council has not been able to raise those salaries to the level they should be. Council held their line with no pay increases and no cost of living adjustments for the entire four years he served on Council. As an example, firefighters were underpaid and Council agreed to a five-year program to increase one-fifth each year for five years to bring them up to where they should be to be competitive. This year as well as last year, Council has had to tell them they would not be getting that step increase. Firefighters agreed, accepted that, and dealt with it. Teachers are not the only ones being asked to consider a freeze in step increase. Council has to look at that across the County to all employees. When Council raises its millage, it has to raise it across the board for all citizens -- primary homeowners, secondary homeowners, etc. Whereas if the District increases its millage, it does not include the primary homeowner, but it certainly does include a lot of people who rent and who do not own homes because they will get that passed down to them through increased rents, etc. It does affect other people. It does affect people who are not primary homeowners. It is a very complex issue. Council has to look at it, not just as the District, but countywide, all employees, everyone working in the county. That has to be taken into consideration and thinking about it from a bigger picture, broader perspective when you think about what Council is trying to decide and what it is trying to do.

Mr. Glaze commented on the statement made Council is holding the line on taxes. That is a good statement, but what was the effect of holding the line of taxes. Council should not approve the District budget on third and final reading if it is not going to fund the budget in August when the

millage is set. You educate the child or you jail the adult. If an education budget is difficult to fund, try educating ignorance and see how much that costs. Our students are an investment. Council needs to do what is necessary. What is more expensive preserving land or preserving a mind? Mr. Glaze does not want to pay more taxes, but sometimes it is necessary to improve the education system. Do what is necessary, not for the teachers, but the students of Beaufort County as a whole. We can find the money to fund the District budget at the requested level.

Mr. Newton said Council finds itself in a situation where there is record double digit unemployment in Beaufort County. We will have the largest number of foreclosed properties in Beaufort County next month ever. More than 2,000 homes were foreclosed in Beaufort County last year. A decision to increase taxes is not made lightly, nor is it one that can simply be dismissed as “something we must do.” It is a balancing act. Board of Education member Jim Bequette mentioned earlier the County business license fees increased exponentially four times. If Mr. Bequette will recall, it was at the time the state cut \$16 million from public education that Council reduced its budget and raised business license fees so the District budget was fully funded. Council worked in partnership with the District. We recognize the significance and importance of public education to the point we reduced County operations very dramatically over the years especially in years when there were big state cuts in order to keep the District whole or as close to whole as possible. Mr. Newton intends to vote in favor of the budget tonight. He is hopeful Senator Davis’ \$4 million he was able to include on the House version, remains in the budget proviso. However, House members today passed a version of the budget that did not include the \$4 million. Maybe the question ought to be, “Why not?” “What do you intend to do out it?” Or send an email to our Legislative Delegation and each member of the General Assembly to ask them, “Why aren’t the children in Beaufort County important enough to receive \$1 of EFA funding?” This is a question that needs to be asked. The strain and burden placed on property owners in Beaufort County, of all kinds of property, is significant because we allowed the state to get away with what they have done. Mr. Newton cannot underscore that need enough. Board of Education Chairman Fred Washington and Mr. Newton have talked on a number of occasions and probably will continue to talk whether we think we have viable lawsuit against the State of South Carolina for treating Beaufort County differently than any other county or any other school district in the state. For the moment we are not yet convinced that is the best deployment of your dollars.

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

MOTION OF EXTEND

It was moved by Mr. Baer, seconded by Mr. Dawson, that Council extends beyond 8:00 p.m. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Stewart and Mr. Sommerville. ABSENT – Ms. Von Harten. The motion passed.

PRESENTATION / FY 2010 / 2011 COUNTY BUDGET PROPOSAL

Mr. Bryan Hill, Deputy County Administrator, reviewed the budget FY 2011 chronology: completed departments' goals and objectives, completed descriptions of services, reviewed all personnel requests, submitted five-year budget and participated in six Finance Committee meetings between April and May. Consideration of first reading approval was May 10. Second reading approval is scheduled for today, May 25 and third and final reading is June 14.

The FY 2011 County budget proposal requires a total fund allocation in the amount of \$104,192,036. Expenditures by division: general government \$20,969,337, public safety \$43,008,695, public works \$16,396,265, public health \$5,235,861, public welfare \$938,259, cultural and recreation \$8,940,171, fund transfers \$3,987,148 and education allocation \$4,716,300. The State of South Carolina requires the County have a balanced budget. To get there the various revenue sources are: Taxes \$79,985,015, license and permits \$2,501,000, inter-government \$7,686,826, charges for services \$10,637,150, fines and forfeitures \$1,035,650, interest \$190,000, miscellaneous \$760,000 and other financing sources \$1,396,395.

FY 2011 Achievements and Goals: Maintained 30 vacancies during FY 2010. Project maintaining 40 to 60 vacancies in FY 2011. Implemented a semi-hiring freeze. Eliminated the Airport contribution from general fund budget. Combined the Ecology initiatives in FY 2010 and FY 2011. Continue pursuing federal and state grant opportunities. EMS Study is included in this budget as well the Form-Based Code Study, the latter which is a \$450,000 to \$500,000 initiative over three years coupled with partnering with the City of Beaufort and Town of Port Royal and hopefully the Town of Bluffton and Hilton Head Island going forward. Transportation analysis / Ferry Services options include money to have an expert opine of the best course of action going forward. The discounted millage value assumption is \$1,742,286 (97% collection rate). The School District is discounted 98%. Staff started with a one-year budget, moved to a three-year budget and now has a five-year budget. FY 2011 requested budget was \$112 million and after staff reviewed every single line item the proposed budget is \$104,192,036. This achieves Council's goal of a no mill increase. In FY 2012, the \$113,893,042 requested budget, depending on growth and a millage increase (if there is one), may include service cuts but hopefully growth will allow a budget with a cost of living adjustment.

County debt service general obligation and referendum. The debt service payment in FY 2011 is \$17.3 million and was \$1.36 million in FY 2001. This is an approximate \$3.7 million increase this year due to a FY 2010 (FY 2009 Bond Anticipate Note) borrowing of \$48,755,000 million payments just coming due in FY 2011. A breakdown of the \$1.3 million debt service payments are \$11.6 million for general obligation debt and \$5.7 million for rural and critical land (voted referendum) debt. FY 2009 bond anticipation note borrowing in the amount of \$48,755,000 includes: \$20 million rural and critical lands (voter approved), \$19.4 million countywide public safety improvements (\$16 million was spent on radios of which the municipalities, fire districts and everybody who uses an emergency radio was a beneficiary) system and mobile data units interlinked with public safety vehicles, \$3.4 million parks and leisure services (Buckwalter and Burton Wells), \$2.255 million St. Helena Library at Penn Center (restored funds), \$1.5 million public works boat landings at Port Royal Sands and C.C. Haigh, \$1 million Adult Day Care Center, \$800,000 Manatron tax system upgrade and \$400,000 general government.

Administration achievements include no operational millage increase. This budget proposal does not include any growth in the millage, no use of general fund balance and no cost of living allowance for the third consecutive year. The maintenance of 40 to 60 vacancies might be a little steeper going forward. The operation millage FY 2011 is 40.21 the same as in FY 2010. The budget change is .07% of \$83,000.

Administration Budget Assumptions. First reading proposal on May 10 debt structure FY 2011 (tax year 2010) included a voter-approved Rural and Critical Lands Program debt increase to 3.45 mills or approximately \$6.2 million. Non-voted county issued debt (buildings and such) was 6.43 mills or approximately \$11.5 million. The total proposed debt millage was 9.88 mills or approximately \$17.7 million. Council asked staff to go back and find ways to reduce debt service FY 2011. Staff proposes at second reading today, May 24, debt structure FY 2011 (tax year 2010) a voter-approved Rural and Critical Lands Program debt increase to 3.57 mills or approximately \$5.7 million. Non-voted county issued debt (buildings and such) 5.90 mills or approximately \$11.6 million. The total proposed debt millage is 9.47 mills or approximately \$17.3 million. This is a slight decrease by using a retainage of all funds. Staff is going to continue researching how it can decrease that millage further.

Other potential millage reduction sources include a payroll analysis, potential use of fund balance, privatization and reorganization.

Mr. Caporale was told when the first Rural and Critical Lands Program (Program) referendum passed, the millage was levied right away on that debt and the suggestion was delaying the levy of the millage may have accounted in some fashion for what we are now looking now with this increase. Mr. Hill replied the county would not levy the debt until we borrow the money. Every time we borrow money we levy the millage that year.

Mr. Newton stated when the Program was first put in place, before there was a borrowing, it was a pay-as-you-go Program. When the Program was first put in place, a number of mills were levied and that is all there was to spend. Then, Council went to the voters with the first referendum and borrowed \$40 million and the debt millage came on and the debt service had to be paid back. The referendum question was do you authorize the borrowing of \$40 million and the corresponding tax levy that has to pay back that \$40 million, not the adding of 2 mills on the tax bills here on out. If someone went back to 1998, there was one mill on the tax rolls, but it was simply a pay-as-you-go Program.

Mr. Baer asked why Rural and Critical Lands millage went up from 3.45 to 3.75. Non-voted county debt went from 6.43 to 5.90 (about half of a mill), but our calculation of retainage showed it should have been closer to .07 of a mill. Mr. Hill replied staff was using a \$1.8 mill rate when we first started this process. When the Chief Financial Officer and he looked at collection rates and we discounted by 3%, that went from 1.8 down to 1.742.

Mr. Baer stated the answer to his question is the assumed dollars per mill went down.

Mr. Hill replied every week Mr. Starkey provides a description of where the mill rate is. Mr. Hill is using the most conservative model as of right now hoping on August 15 or when the mill rate is certified, we have higher mill rate and we can readjust again.

The Chairman opened a public hearing at 8:33 p.m. for the purpose of receiving information from the public on the FY 2010 / 2011 County budget proposal. After calling three times for public hearing and receiving none, the Chairman declared the hearing closed at 8:34 p.m.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approves on second reading the proposed FY 2010 / 2011 budget at 40.21 mills County Operations, 3.45 mills Purchase of Real Property Program, and 6.43 mills County Debt Service. Additionally, Bluffton Fire District at 19.67 mills operating and .37 mills debt service, Burton Fire District at 55.87 mills operating and 5.53 mills debt service, Daufuskie Island Fire District at 30.11 mills operating and 2.25 mills debt service, Lady's Island/St. Helena Island Fire District 30.39 mills operating and 1.50 mills debt service, and Sheldon Fire District 32.09 mills operating and 2.14 mills debt service.

Mr. Rodman remarked Mr. Stewart brought up one of the things Council ought to do is take county operations millage up to the maximum allowable under Act 388 in order to protect future years and then take a corresponding equal amount down.

Mr. Newton said Council needs to be clear because the perception will be the County had an increase on both the operating and debt side because all those millages will increase from the previous year.

Mr. Baer voted against the budget on first reading approval, but will support the budget on second reading tonight with reservations simply because of the spirit of answering of the questions from Mr. Hill was good. He pointed out using staff's latest data as of May 21 from his district, in an average house taxes are going to go up by 7.95% on an owner-occupied house and 4.91% for a non-owner occupied house. To be fair that includes the stormwater utility fee increase as well. One of the largest causes of this percentage increase is County debt. He knows there are things we bought in the past and we cannot change that and will have a hard time undoing it, but as he looks ahead to Council sessions between now and August he sees a lot of things that worry him. He sees a large CIP list with questions about projects on the list. We have still not solved our Airport financing problem; they owe us \$2.1 million. Their budget is unbalanced so somehow or other that money has to come from somewhere. He said he is afraid it will wind up coming from the operating budget. A bunch of other things he will not enumerate tonight. There are worrisome things in the budget that we owe it to the taxpayers to solve before we sent the final millage. They will not tolerate us **wasting** money or spending money on anything we have not measured three times before we write the check. In previous years we could get away with that, this year we simply cannot. Someone pointed out foreclosures. Mr. Baer lives in a modestly well-off neighborhood and there are three foreclosures within walking distance of his house. He shudders to think how many there are elsewhere within a short drive from his home. People are really strapped and any increase in taxes like 7.95% is going to hurt

them. It is up to Council to really manage this budget in the next few months. Mr. Baer will become very hardnosed over that period.

Mr. Newton remarked the FY 2009 Bond Anticipate Note borrowing of \$48,755,000 includes \$16 million for the purchase of radios countywide of which the municipalities were the beneficiary, as well as the fire districts and everybody who uses an emergency radio Beaufort County. These radios were bought and paid for in this CIP budget. Otherwise, every one of those entities would be having an increase or add onto their budget to pay for those emergency communications equipment. We all made that decision collectively, and it was the right decision. He too, like Mr. Baer, is concerned about double digit unemployment and 300 homes on June's foreclosure list. It is remarkable and just off the chart given the fact that a big month before this recession started there were less than 20 homes. That is 300 people, not all of whom are primary residents, who are being placed out of their homes. The cumulative effect of all the different increases amounts to real money and has real impact on folks. Mr. Newton is very pleased with the budget as presented so far. Hopefully we can continue to make some progress in the direction of modulating what is a tax increase. We are heading in the right direction --- down. He applauded staff for its efforts.

Mr. Caporale inquired when the decision was made to purchase the radios. Mr. Newton, replied 2007.

Mr. Caporale said that was his point about optimism. Council should have learned something.

Mr. Newton replied we had a radio system and an Emergency Management Director who said it was non-supportive. We had a rebanding issue with Nextel that they were taking over the bandwidth and our radios would not work. Unfortunately, the price of ensuring the public safety with a population growing 40% from 1990 to 2000 and 25% from 2000 until now, it is difficult often times to keep up with the infrastructure. Mr. Newton will support the budget tonight.

Mr. Rodman commented staff did what professionals do in a very difficult situation — figure out where you need to be and then manage to that particular desired outcome as opposed to talking about what you need. The only place where the County is different from School District is step increases. About half of the school employees (excluding senior teachers who are already past the step and excluding all the non-teachers) about 50% would get the 2% and everybody else, including senior administrators, would get nothing. Mr. Rodman does not know how to bridge that but that is the one kind of inequity Council talked about. If there was a way to figure out how to keep everybody equal that would be great, but he is not so sure what that is. He complimented staff for the very professional way they approached a very difficult budget in difficult times and actually decided two or three years ago that this was looming and actually started to do it then rather than now.

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

Mr. Kubic said, listening to the Mr. Rodman, as Finance Committee Chairman, outline the committee recommendation to exercise the limits of the operating budget, it is uncertain if that is a full recommendation of Council. Therefore, staff will prepare its budgetary documents with operations going up and debt service going down and present both views so Council will have a choice. He believes that is the direction Council is to follow. Mr. Newton agreed in the affirmative.

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

COMMITTEE REPORTS

Community Services Committee

Foster Care Review Board

Mr. McBride, as Community Services Committee Chairman, nominated Mrs. Linda Cecil for reappointment to serve as a member on the Foster Care Review Board.

Natural Resources Committee

Rural and Critical Lands Board

George Johnston

The vote was: FOR - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT - Ms. Von Harten. Mr. Johnson garnered the six votes required to serve as a member of the Rural and Critical Lands Board. The motion passed.

B/J Water and Sewer Authority

There are two candidates to fill one board vacancy. This is the first of two votes. Council members can vote for either Mr. Jim Carlen or Mr. W.R. Von Harten.

Jim Carlen

The vote was: FOR - Mr. Caporale, Mr. McBride, Mr. Newton and Mr. Rodman. ABSENT - Ms. Von Harten. Mr. Dawson did not vote. Mr. Carlen failed to garner the ten votes required to reappoint.

W.R. Skeet Von Harten

The vote was: FOR - Mr. Baer, Mr. Flewelling, Mr. Glaze, Mr. Sommerville and Mr. Stewart. ABSENT - Ms. Von Harten. Mr. Dawson did not vote. Mr. Von Harten failed to garner the six votes required to appoint.

Since one of the two candidates has been eliminated because he, Mr. Carlen, did not receive the necessary number of votes, leaves Mr. Von Harten. The second vote on Mr. Von Harten follows.

W.R. Skeet Von Harten

The vote was: FOR - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT - Ms. Von Harten. Mr. W.R. Von Harten garnered the six votes required to serve as a member of the B/J Water and Sewer Authority (Governor approves Council's recommendation).

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

PUBLIC COMMENT

There were no requests to speak during public comment.

RECONVENE OF EXECUTIVE SESSION

EXECUTIVE SESSION

ADJOURNMENT

Council adjourned at 9:40 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST: _____
Suzanne M. Rainey, Clerk to Council
Ratified:

Audit Motion

That an independent firm be retained to review the Treasurer's Office, including management practices and the conclusions arising from various audits, so that Council can make an informed decision as to whether to request that the Treasurer be removed from office by the Governor.

County Government Referendum Motion

That the form of government be considered by Referendum no later than November, 2012, the question being:

Effective January, 2015 that the County Form of Government be:

- A. The current Council-Administrator Form (#3) whereby the County Treasure and County Auditor are elected.**
- B. The proposed Council-Manager Form (#4 as authorized by the State of South Carolina), the only significant difference being that the County Treasurer and County Auditor, at the discretion of County Council, are elected or appointed.**

School District Fiscal Autonomy Referendum Motion

That fiscal autonomy be considered by Referendum in 2011 or 2012 the question being:

Effective January, 2015 that Beaufort County School District Expenditures be appropriated by and the School Taxes levied by either:

- A. Beaufort County Council or**
- B. Beaufort County Board of Education**

Note: The 2015 date allows all BoE members to stand for election (2012 or 2014) prior to the Referendum action taking effect.

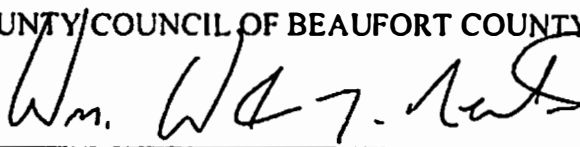
RESOLUTION

BE IT RESOLVED, that Beaufort County Council hereby adopts a resolution requesting Joy Logan step down as Treasurer of Beaufort County. The resolution was unanimously passed by all of the County Council members present at the meeting.

Adopted this 24th day May, 2010.


COUNTY COUNCIL OF BEAUFORT COUNTY

By:



Wm. Weston J. Newton, Chairman

ATTEST:


Suzanne M. Rainey, Clerk to Council

Official Proceedings
County Council of Beaufort County
July 26, 2010

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

The regularly scheduled meeting of the County Council of Beaufort County was held at 4:00 p.m. on Monday, July 26, 2010, in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman Herbert Glaze gave the Invocation.

MOMENT OF SILENCE

The Chairman called for a moment of silence in remembrance of Mrs. Sharon Flewelling, mother of Councilman Brian Flewelling, who died July 16, 2010 in Corinth, New York.

The Chairman called for Council's prayers for Capt. John Keough, a deputy with nearly 20 years of service with the Sheriff's Office and retired Marine, who was hospitalized after an off-duty motorcycle collision with a log truck in Jasper County left him seriously injured.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD JUNE 28, 2010

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Council approve the minutes of the regular meeting held June 28, 2010. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC COMMENT

The Chairman recognized Mr. Aaron Crosby, Chairman of the Daufuskie Island Council, who said Council will be discussing tonight the proposed Community Preservation Plan for Daufuskie

Island. It has been a long journey to get there. It has been more than five years since a committee was formed by the County to look at zoning issues on Daufuskie Island. The Committee has done a fantastic job guided by Mr. Brian Herrmann and Mr. Tony Criscitiello in putting together a plan that truly captures the essence of what Daufuskie Island residents think and believe Daufuskie Island can evolve into -- ultimately the jewel for all of Beaufort County. As Council is giving the Plan consideration today, please know that it is something that has the full support from Daufuskie Island. The Plan pointed out a number of things that we all recognize need to be addressed and this gives us, at least, a platform to slowly work our way through those issues and an appropriate time as things become available for us to battle them. This is a wonderful document. It reflects a great bit of collaboration between the people of the Island, the county and staff. He commended all of them this evening. He hopes Council will find favorable for this report as it considers it this evening.

Mr. Bill Greenwood, Co-Vice Chairman of the Daufuskie Island Council, gave a history of the Daufuskie Island Council (hereinafter DI Council). Members of the DI Council were elected earlier this year by members and stakeholders of Daufuskie Island. It is the first vote of this kind in a very long time. The DI Council is tasked with representing its citizenry and hopes Council finds this Plan favorable. Members of the DI Council look forward to working with Council in the future as this Plan is realized.

The Chairman commented recently there have been some articles in the newspaper about the convenience center on Daufuskie Island. The DI Council has taken a recent position that perhaps an alternative location on the Island would be more appropriate. Mr. Crosby was on the telephone conference with Mr. Kubic, the county engineering staff and others with regard to the County's determination to move forward at the site, but also with the commitment to work for a comprehensive solution including the opportunity for perhaps a public-private partnership for recycling efforts the residents want for the existing site. The expansion of the existing drop-off center going from the unmanned, *a.k.a.*, boxes in the woods, to a more modern facility is fitting if we are going to have that service provided in Beaufort County. In Chapter 2 of the Plan on page 116 the expansion of that very site is included in the Plan with the commitment that it is time to comprehensively examine waste disposal across the entire Island.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

Mr. Gary Kubic, County Administrator, said The County Channel has now won a few awards on the *Coastal Kingdom* series. Broadcast Services is now in production of *Creatures of the Night* which features horseshoe crabs, alligators, bugs and snakes. The episode will air in August. *Coastal Kingdom* stars Mr. Tony Miles, who is a naturalists and an educator with the Lowcountry Institute. Messrs. Scott Grooms, Rob Lewis and Jake Krielcamp do the shooting and editing which is superb. They have been working nights to capture these critters on camera. The next upcoming production is *Beaufort County's Forensics Lab*. It is a documentary. Most people think of the Beaufort County Forensics Lab as the DNA Lab. Through our documentary process we have learned the Forensic Lab, under Sheriff P.J. Tanner, has the capacity to conduct

drug and chemical analysis and arson investigations, as well as DNA analysis. Messrs. Scott Grooms, Rob Lewis and Jake Kriecamp have been working with the Sheriff and lab specialists to bring you the complete story on this new and valuable law enforcement tool. A new programming schedule is in effect to accommodate our new partnership with MCAS Beaufort. We now feature *Grill Sergeants*, a cooking show produced by the Pentagon. It airs Monday, Tuesday and Thursday at 11:00 a.m. on The County Channel.

Sun City Veterans Association

Mr. Gary Kubic, County Administrator, reported he and Councilman Jerry Stewart last week had the pleasure of attending a Sun City Veterans Association meeting at the invitation of Mr. Ed Ray, Beaufort County Veterans Affairs Officer. We were there to recognize members of the Association who have provided an essential and great service to our local disabled veterans by transporting them back and forth from Beaufort to the Charleston VA Medical Center. Disabled America Veterans (DAV) volunteers Charles Carney, David Casperson, Von Gates (corridor for the DAV van volunteer drivers), James Gilliard, Charles MacDonald, Ronald Mitrook, Frank Rahilly, Tom Smith and Gordon Waterworth have put in thousands of miles performing this invaluable service every Tuesday and Thursday. The project began in 1999 and the number of total hours amounts to 940 and the number of miles total 15,353. Our heartfelt appreciation and gratitude goes out to all Sun City veterans and their Commander Jim Quirk.

Beaufort County Water Festival Raft Race Team *Something Ferocious*

Mr. Gary Kubic, County Administrator, said there are more than 1,200 employees in our organization and it is always important to recognize special service especially when employees band together for the honor and pride of representing all of their colleagues in Beaufort County government. *Something Ferocious* raft team members Stephanie Coccaro, Alexis Garrobo, Dominique Sansotta, Andres Dalkos, Ted Anderson, Joanne Romine, Ashley Moore, Corey Ellis, Scott Grooms, Sonya Grooms, Beth Lewis and Rob Lewis competed in the 55th Beaufort County Water Festival raft race on Saturday, July 17, 2010. Mr. Kubic displayed several photographs from the race. *Something Ferocious* placed second in the heat and was very proud to represent Beaufort County. Each member was given a team photograph as well as a ping-pong paddle to commemorate the event.

Four-Week Progress Report

Mr. Gary Kubic, County Administrator, circulated copies of his Four-Week Progress Report, which summarized his activities from June 28, 2010 through July 23, 2010.

State Legislative Update

Mr. Kent Lesesne and Mr. Joshua Rhodes, staff attorneys with the South Carolina Association of Counties (SCAC), gave a Legislative Session update.

SCAC is the only organization dedicated to the statewide representation of county government in South Carolina. Located in the state's capital of Columbia, SCAC is a non-partisan, non-profit association that strives to build stronger counties for tomorrow by working with county officials to provide education and training, legislative reporting, research and technical assistance. SCAC has a warehouse of research information. SCAC offers Workers Compensation, Insurance Trust Program, Set-Off Debt Program, and throughout the year offers various training opportunities through the Institute of Government. SCAC prepares a *Friday Report*, which is a snapshot from a County perspective, of the various bills moving through the Legislature that affect counties. Throughout the term of the Legislative Session, SCAC will send out Legislative Alerts drawing special attention to a particular piece of legislation for action.

Mr. Lesesne highlighted Workers Compensation. Because member contributions (premiums) are based upon both the accident histories of the individual counties (experience modifiers) and on the membership as a whole, both Trusts (S.C. Counties Workers' Compensation Trust and S.C. Counties Property & Liability Trust) employ very aggressive risk management strategies. The philosophy adopted by the Trusts is that it is cheaper to prevent accidents than pay claims. Accordingly, the Trusts risk management staff conducts seminars, safety audits and other activities designed to reduce the probability of accidents and liability exposure for members. The benefits are lower premiums and a safer working environment. For the last three years Beaufort County's premiums have decreased approximately \$900,000 which is attributed to its successful risk management programs.

SCAC has been assisting counties and other public entities with debt collection since 1992 through the Set-off Debt Collection Program. Through this Program Beaufort County (EMS, Beaufort Memorial Hospital and other public entities) has collected approximately \$2.5 million between January 2010 and June 2010.

This particular Legislative Session has been a difficult year. Section 86, Local Government Fund, funding level is \$202.7 million. This represents a cut of \$27.6 million from FY 09-10 and a cut of \$46.8 million from the statutory amount of \$249.5 million. This is below FY 98-99 levels. Because much of the budget this year contains one-time (stimulus) money, it is anticipated next year's budget will require cuts of at least \$1 billion. Talk has already begun of the possibility of a supplemental budget in January should the federal government not pass an extension of the increased Federal Medical Assistance Percentages, which represented around \$170 million in this year's budget.

Proviso 86.8 allows a political subdivision receiving aid from the Local Government Fund to reduce its support to any state mandated program or requirement, for which a specific level or amount of support or funding is not provided by law, by up to a percentage equal to the percentage reduction in the actual amount appropriated to the Local Government Fund as competed to the last completed fiscal year.

R.4247, H.4838, effective May 28, 2010, states that for FY 2010-2011 a local school district is not required to pay teachers STEP increases. This decision must be voted on by the local school district board of trustees in a public school board meeting with public notice posted on the school

district website. If a school district chooses to not pay the increase there will not be a negative impact result to teacher experience credit. A local school district board of trustees, choosing to not pay the STEP increase, may provide for an increase in salary for district administrators and school administrators and their compensation may not be higher than the actual amount received in FY 2009-2010. School districts are to continue to pay teachers and school and district administrators for changes in their education level.

Next year the General Assembly is starting out with between \$1.1 billion and \$1.4 billion deficit.

Collective Bargaining Bill. The U.S. House of Representatives attached the contents of the Public Safety Employer-Employee Cooperation Act, which is federally mandated collective bargaining with police, fire and EMS unions, to H.R.4899. H.R.4899 is the Iraq-Afghanistan War Supplemental Appropriations legislation, and it is in a conference committee to iron out differences between the House and Senate versions of the bill. The Public Safety Employer-Employee Cooperation Act would pre-empt South Carolina's public policy of prohibiting collective bargaining for public employees and require, at a minimum that: (i) Police, fire and EMS workers have the right to form and join a union that is the exclusive bargaining representative of the employees; (ii) State and local governments recognize and bargain with those unions; (iii) Bargaining would cover hours, wages, and terms and conditions of employment; and (iv) Enforcement would be through state courts of the rights, responsibilities and protections under state law.

The Federal Labor Relations Authority (FLRA) would review state laws to determine if those laws meet federal minimum bargaining standards. Any state standards failing to meet federal standards would have to change their laws to come into compliance or be subject to regulation of collective bargaining agreements by the FLRA. The FLRA would have considerable authority to determine the appropriateness of collective bargaining units, conduct hearings to resolve disputes involving unfair labor practices, and supervise and conduct elections, among other things.

Mr. Flewelling remarked Beaufort County is faced with problems created with the inequities of the EFA funding formula for school district budgets. County Council again solicits SCAC support and active participation in trying to get that funding normalized so that Beaufort County would not be the only county in the state that receives zero dollars from the EFA funding formula. We need your help to get that fixed.

Mr. Rodman spoke to the State \$1.1 billion to \$1.3 billion deficit. Is that next year versus what the state settled on this year? Is it out of the total budget or out of the general fund budget? Mr. Lesesne replied, "Next year's budget because much of the budget this year contains one-time stimulus money." Mr. Rhodes Josh replied, "It is out of the general fund. This year was approximately \$5.155 million. It will be \$1.1 million to \$1.2 million with the Federal Medical Assistance Percentages money off that \$5.155 million. It is about a 25% decrease from this year. In 2007 when the general fund balance was at its peak, it was between \$7 billion and \$8 billion. We are looking at about \$4 billion next year.

Mr. Rodman said several years ago the state budget was about \$18 billion and was split one-third between what came from the federal government, fees and general fund. Two things have happened. South Carolina outspent the next closest state by double over a couple years on the general fund. We are talking about coming off close to 40% of that peak. Education funding is 45% of that budget. If we were to hold education funding, we would be talking about a 30% or 40% decrease in the rest of the services. It is extremely serious. Another interesting piece, if you look at the percentage shift, is the general fund was historically about one-third, this year would put it at about 25% and if the general fund is decreasing, we are going to be down about 15% to 20% of the total state budget. There are a lot of critical services that are passing through the general fund which is running out of money. Fees are staying somewhat level. And the federal piece has probably gone from about one third to about 40%. The budget is getting more and more out of whack and we are in for an extremely difficult time at the county level.

Ms. Von Harten said our nation is engaged in two wars. What can counties do to provide the services people need without federal money? We are spending tons of money on federal defense and there are things that are no longer getting funded. Mr. Lesesne replied consolidation of services is one possibility.

RFP Response to Railway Tourist Train Services for Beaufort County

Mr. Gary Kubic, County Administrator, reported on the RFP process that began as a result of the May 3, 2010 Natural Resources Committee wherein the Purchasing Director was asked to develop and solicit a request for proposal (RFP) for a Tourist Train Service from capital tourist train companies. This was a result of several meetings that were held prior to May 3, 2010 that involved Mr. Franzen and the Northern Regional Implementation Committee. On May 19, 2010 the RFP was advertised in the *Island Packet* and *Beaufort Gazette*. Staff mailed directly to 11 potential vendors and kept B/J Water and Sewer Authority informed of all the information. The RFP was emailed to the Association of American Railroads, Tourist Railroad Association, Great American Station Foundation, American Shoreline & Regional Railroad Association, SC Department of Commerce, SC Railways Organization, The SC Association of Railway, CSX Transportation and Norfolk Southern Railroad. The original bid opening date was June 23, 2010 at 3:00 p.m. At the request of Mr. Franzen it was extended to July 20, 2010. At the June 20, 2010 pre-bid conference, in attendance were Councilman Sommerville, purchasing staff, planning staff and potential vendors Mr. Franzen, Mr. Logan (Port Royal R/R), and Mr. Vint (R.G. Vint, Inc.) reviewed the document and requirements and bids were extended to July 20, 2010. That formal addendum was mailed out, changing the RFP closing date to July 20, 2010 at 3:00 p.m. Four days prior to the bid opening, July 8, 2010, the county received a letter from The Great Walton Railroad Company stating they would put in a proposal for the railway use and then contacted Mr. Franzen. The Great Walton Railroad Company and Mr. Franzen did not participate in the RFP process. It is important to recognize that in the course of those dates, B/JWSA let and received bids from the value of the railroad equipment and the ballast. Their bid numbers are \$1,539,777 for the rail equipment and the materials associated with removal of the rails themselves. B/JWSA met and made a recommendation to proceed with removal and Council should now consider the surface lease now with B/JWSA and start to vet those ideas, concepts and incorporate them without the rail service. Beaufort County is involved currently

with B/JWSA in discussions for some of the ballasts associated with the railway bed. They bid that and a company is prepared to remove it. The County may want to piggyback on that and either purchase directly from the company, at wholesale, while they are removing it.

Mr. Newton remarked in conversations with Mr. Dean Moss, Executive Director of B/JWSA, they are proceeding this week, given the constraints within their contract, to remove the rails unless Beaufort County was in a position to step up and agree to reimburse B/JWSA for leaving the rails in place, which is approximately \$1 million.

It was moved by Mr. McBride, seconded by Mr. Stewart, that Council abandon the concept of a tourist rail system project.

Mr. Rodman inquired of the financial requirement portion of the RFP. Mr. Kubic summarized any expenditure necessary to make the concept of a tourist rail system viable had to be at the private interest and no support financially from Beaufort County.

Mr. Rodman suggested leaving some of ballast as part of the trail bed.

Ms. Von Harten stated there is a lot of overgrown vegetation because no one has maintained the tracks. She cautioned with use of herbicides given the recent history of problems with improperly applied herbicides.

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

Announcement of \$3.1 Million Grant Award for Multiuse Trail and Pedestrian Connectors

Mr. Gary Kubic, County Administrator, recapped on Thursday, July 8, 2010 the County received notification from US Senator Lindsey Graham's office that it was the recipient of a Federal Transit Administration (FTA) grant award in the amount of \$3.1 million. The title is Bus and Bus Livability Project Selections: Multiuse Trail and Pedestrian Connectors. SCDOT is grant recipient and Beaufort County is sub-recipient. The original grant request for the entire project was \$24.7 million.

Mrs. Billie Lindsey, Beaufort County planner, explained the three-prong project includes a transit service, development of a multi-use trail and pedestrian connectors. (i) The transit service will be a fixed-route linking Beaufort County residents to major employers, retail and services. (ii) Multi-use trail is a railroad right-of-way and a 6.7 mile trail will be constructed from Port Royal to Laurel Bay Road. (iii) Pedestrian connectors will provide sidewalks to promote network continuity by connecting the trail and transit routes to major employers, retail centers and residential areas. At this point SCDOT will assist in administrative work with the FTA and also the environmental compliances. The Northern Beaufort County Multi-modal Task Force, whose members are representatives from the County, Parris Island, MCAS Beaufort, Lowcountry Council of Governments, and Lowcountry Regional Transportation Authority, will

provide staff support and spur a Local Participation Agreement with SCDOT for project administration of the \$3.1 million grant. The Beaufort Transportation Advisory Group (BTAG) will review staff/ Task Force recommendations for approval.

Transit Service details. There are four regular fixed-route loops. Express service to MCAS Beaufort and Laurel Bay as well as Parris Island Graduation Express, limited to Thursdays and Fridays connecting hotels to Parris Island. It will include complementary paratransit as well as innovative Intelligent Transportation System (ITS) features. Buses, shelters and signage will be purchased as part of the grant. Mrs. Lindsey displayed a map, a bus photo and a circular network schematic of the four transit loops – Downtown Circular, Lady’s Island Loop, Port Royal Loop and Burton Loop. Features of the transit service include a kneeling bus (avoid having to set up when boarding) with a bike rack and informational signage at bus stops.

Multi-Use Trail details. This includes a 15-foot wide, 6.7 mile trail from Port Royal to Laurel Bay on the former right of way of the Port Royal Railroad. There will be five trail heads with restrooms, benches, water fountains and parking. There will be two wooden trestles and one concrete bridge. Emergency features include emergency telephones every ½ mile and emergency vehicles will have access between SC Highway 170 and North Street. Pedestrian connections will link trail to major destinations (Beaufort Memorial Hospital, Technical College of the Lowcountry, downtown, etc.)

Mr. Baer likes this Plan, public transit and linear trails. Is \$3.1 million enough for this Project? Mrs. Lindsey replied, “No, it is not.” Where is the extra money going to come from? Is there a scaling plan? Mrs. Lindsey replied we are not sure how we are going to apply it. We have not yet received specifics from FTA. We are hoping to jumpstart all three aspects of the Project – pick what is most like to succeed and well-received by the public and then, hopefully, raise enough money to complete the entire Project.

Mr. Baer comment the whole Project is \$24.7 million and the grant award is about 12%. Public transit systems usually are constrained by operations costs, not so much as capital costs. What are the Task Force’s thoughts on operation costs? Mrs. Jenny Kozak, Planning Director, Lowcountry Council of Governments, stated it is easy to get capital, but it is often very difficult to obtain operating funding. The military’s Transportation Incentive Program (TIP) subsidizes members of the military and civil servants on military installations to ride public transit. This program is being used in Georgia and other parts of the country quite effectively. TIP would be one revenue stream. The Task Force has involved the private sector and one participant owns several hotels. In this situation a hotel subscribes/buys a number of bus passes/tickets and uses that as an amenity for its customers. FTA was very clear that grant funding involve the three-prong Project. We know that we cannot do the whole project and there is a much better chance of getting further funding from other sources. The State of South Carolina was awarded one grant and Beaufort County was the recipient. Georgia was awarded two grants and North Carolina received one grant. Our project is receiving some national attention. The American Association of State Highway and Transportation Officials (AASHTO), which labels itself as “The Voice of Transportation,” Mrs. Kozack will present on the project at their conference in

Seattle next week. We will be bringing the word on how we worked so well together to transportation planners and officials from all over the United States.

Mr. Baer remarked FTA requires you to do all three parts, but you only have 12% of the funding. Mrs. Kozak replied that is why we are going to do segments – segments that work together. The Project is a system, it is not independent segments. It has to work together. If you cannot get to the bus stop, there is no point having public transit. One of the problems, not just in Beaufort County, but in the entire United States is the lack of sidewalks so people can get to public transit with any degree of safety.

Mr. Newton asked, “Conceptually, will this route system interface somehow with LRTA”? Mrs. Kozack replied in the affirmative. Is Beaufort County administrating the grant? Mrs. Lindsey replied it is still to be decided. A meeting has not yet been had with SCDOT regarding the details. Mrs. Kozak said the grant award is to SCDOT and they are preparing the formal application to FTA. Mass transit is likely to have an agreement/contract with Beaufort County and then Beaufort County will be reimbursed to allow us to administer the grant. This is totally unprecedented since this is federal stimulus money and is something different.

Mr. Newton noted it is best if administration of the grant is handled locally rather than out of Columbia. Mayors in northern Beaufort County agree with that concept. They have offered their support if needed when Beaufort County is communicating with SCDOT and urging them to allow us to move forward in that fashion.

Resolution to Award Health Benefit Advisory Services to Gallagher Benefits Services, Inc.

Mr. Gary Kubic, County Administrator, explained Employee Services utilizes a benefits consulting company to assist the County with selection, implementation and oversight of the County’s employee insurance benefit program. The benefit program includes health, dental, vision, life, AD&D, short and long term disability insurance, and EAP services, which total in excess of \$10 million annually. Services provided by the benefits consultant include review of the current coverages, recommendations on coverage changes and employee contribution rates, marketing of the County insurance offerings, compliance assistance and updates on regulatory changes, as well as day to day assistance with benefit and compliance questions. The County’s prior contract, which was with Mercer, expired June 30, 2010. The Benefit Consultant RFP yielded eight proposals. Those proposals and subsequent interviews with the top four candidates resulted in a unanimous decision by the five-person selection committee (Employee Services Director, Deputy County Administrator, Employee Services Benefit Coordinator, Detention Center Director and Purchasing Director) to recommend Gallagher Benefit Services, Inc. with annual fee of \$85,000.

In addition to services that have been provided to Beaufort County in prior years, the comprehensive proposal submitted by Gallagher includes some services that are not offered or are offered at an additional cost in some of the other proposals. This includes customized employee satisfaction surveys and results analysis, design and population of customized enrollment communication material for open enrollment and new hires, creation of a customized

benefits website housing all benefits-related information, and on-site annual HR training with Gallagher's Director of Compliance.

It was moved by Mr. McBride, seconded by Mr. Baer, that Council adopt a resolution authorizing the County Administrator to execute and enter into an agreement with Gallagher Benefit Services, Inc., to provide health benefit consulting services to Beaufort County in the amount of \$85,000. This agreement also provides four annual options to extend it subject to the mutual consent of both parties for each annual extension.

Mr. Baer inquired as to how this price compares to the prior contract. Mr. Kubic replied our service fee last year was \$50,000, this year it is \$85,000. Gallagher was not the lowest bidder. The lowest bidder last year was Mercer, but we have changed the scope of benefits to be provided under this contract. We had an expected that we would not price it the same. Mr. Kubic will provide Council a list of bidders under separate cover.

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSTAINED - Mr. Flewelling (He did not receive a copy of the resolution nor corresponding background material). The motion passed.

Workers Compensation

Mr. Gary Kubic, County Administrator, said it was referred to earlier in today's meeting that our workers' compensation premium has reduced over the years by nearly \$1 million in the process. The County is now involved in communications with other political agencies looking at trying to see if there are some economies of scale in trying to find opportunities to consolidate the effort for that type of service in the public realm in out years if some of these negative projections continue. We are trying to lay some foundation and groundwork that in these types of professional service areas there may be some benefit gained. The School District goes through the state process, but several agencies in Beaufort County do not. We are going to try that exercise and will report to the Employee Services Subcommittee of Finance Committee.

Update on Technical and Energy Efficiency Programs at the Technical College of the Lowcountry

Mr. Everett Feight, Industrial Technology Division Dean, gave an update on Technical and Energy Efficiency Programs at the Technical College of the Lowcountry (TCL). He introduced Mr. Dick Eckstrom and Dr. Thomas C. Leitzel, TCL President. TCL received a \$100,000 Walmart Foundation grant. The funds were used to purchase equipment for use in classroom instruction. Our military installations employ many TCL graduates. The military has a mandate by 2020 to have 50% of its energy from sustainable areas. The military is working in some of the same areas as TCL. TCL has a very successful tidal generator program because Beaufort County has a very successful tidal swale. TCL harnessed that power and is now experimenting with tidal power research. It powered the 2009 Christmas tree. TCL has a small solar farm used to charge batteries. These batteries are then converted to AC for use in classroom projects. The

solar panels located outside Building 14 are generating approximately 800 watts. TCL is receiving requests from some government agencies to assist them in reducing their electricity costs.

TCL received a \$92,000 grant from the State of South Carolina to operate a weatherization or energy efficiency center. Mr. Dick Eckstrom, Civil Engineering Instructor Industrial Technology, said TCL is exploring wind energy. Students are installing a one watt turbine atop a campus tilt-top tower to serve as a research station. MCRD Parris Island is installing a meteorological tower (met tower) the most common means for measuring the wind speed and direction at a site. Before a wind energy facility can be constructed, developers need to determine the wind resource of the site with a high degree of certainty. It takes about five kilowatts to run a house. Some people in Beaufort County want to live off the grid. Several newly constructed homes are built off the grid. Solar thermal is the low hanging fruit available in solar energy heating water with the sun. This technique is popular in other parts of the country, just not here in Beaufort County. It is very cost effective. Systems sell for less than \$8,000 and can carry 85% to 90% of the electrical demand energy cost for heat and water.

DEPUTY COUNTY ADMINISTRATOR'S REPORT

Four-Week Progress Report

Mr. Bryan Hill, Deputy County Administrator, circulated copies of his Four-Week Progress Report, which summarized his activities from June 28, 2010 through July 23, 2010 as well as copies of the FY 2011 general fund budget. As we move forward, information posted on the County webpage under the Finance tab will include graphs and charts to understand how the economy is treating us here in Beaufort County. Within the next quarter staff will provide Council an outline on a smart decline contingency plan. Tonight Council will consider an award of contract for professional services for Emergency Medical and Fire Support Study / Analysis. Both of these items are top priorities in Council's 2011 strategic plan.

U.S. Highway 17 Widening

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the U.S. Highway 17 project is a design-build contract for the widening of six miles of divided highway and major intersection in Beaufort County. The contractor is Phillips and Jordan of Knoxville, Tennessee. The project cost is \$100,471,305. The contract completion date is October 1, 2010. The project is 84% complete. The contractor continues work on the bridge and existing roadway upgrades at the Gardens Corner interchange.

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

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the new bridge over the Beaufort River will be a 4,200-foot bridge. The contractor is United Contractors, Inc. of Great Falls, South Carolina. The cost is \$34,573,368. The completion date is August 2011. The project is 30% complete. The contractor is installing drilled shafts, working on girder spans,

columns and footings. Council viewed a video clip on the roadway and bridge construction project.

S.C. Highway 802 Roadway Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of 5.2 miles of SC Highway 801 (two sections). The contractor is Sanders Bros. of Charleston, South Carolina. The cost is \$10,852,393. The completion date is December 2010. APAC continues paving operations. Final phase of pipe placement is underway on the Lady's Island section. Shell Point pipe operations and grading operations continue.

SC Highway 46 and Simmonsville Road

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of SC Highway 46 to the Bluffton Branch Library and Simmonsville Road to Bluffton Parkway for a total of 2.15 miles. SCDOT is administering this project. The contractor is Rea Contracting of Columbia, South Carolina. The cost is \$7,503,367.03. The completion date is December 2010. Pipe placement and storm drain basin construction is 95% complete on SC Highway 26. Simmonsville pipe placement is 70% complete.

Disabilities and Special Needs Adult Day Care Center

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a 25,000 square foot multi-use facility with client activity and program areas and administrative space. The contract is Emory J. Infinger and Associates of Charleston, South Carolina. The cost is \$6,426,964. The completion date is March 2011. Foundations for 100% of the buildings have been poured. Masonry wall construction is underway. Installation of geothermal wells is underway.

Bluffton Parkway Phase 5A

Mr. Baer's recollection of Bluffton Parkway Phase 5A is that we cannot start Phase 5A until we know if we have enough money and we do not know if we have enough money until the Beaufort Transportation Advisory Group (BTAG) meets and the cost of Route 278 to 170 is known.

Mr. Newton replied Phase 5A was modified and has gone out to bid without the bridge portion. Once the 5A contract was awarded, that was one of the components to decide about this additional funding issue relative to SC Highway 170. Therefore, Phase 5A roadway portion was not being held up to determine if there was money.

Mr. Baer thought at the January 12, 2010 BTAG meeting, we had to determine how much money it would cost to expand Route 278 to SC 170, including the stormwater work on the bridge. And once that was known, that was the highest priority project (other than what was underway already) and we would know if there was enough money to finish Phase 5A without the bridge.

Mr. Newton replied Phase 5A bridge and SC Highway 170 widening projects were both question marks to determine whether there were additional funds to do other delayed projects including SC Highway 170.

Mr. Baer asked if it was certain that there was enough money for Phase 5A roadway at this point and that there are insufficient funds for the bridge and is this still true? Mr. Newton replied, “Absolutely.” Mr. McFee said that was a true statement. This is a new fact to Mr. Baer.

Mr. Newton said SCDOT has now delayed letting their contract on US Highway 278 until November 2010 because they could not get a Corps of Engineers’ permit. It was, until recently, supposed to be let in the very near term (August). And that was the query he made several weeks ago: (i) Phase 5A bids were coming to the County and (ii) US Highway 278 would be coming to SCDOT. BTAG contemplated meeting when it had shape around those two projects to understand how far the expenditures were going to go and what the additional funds or remaining funds may look like at that point to decide whether SC Highway 170 or portions thereof was one of the particular big highlighted items or other things on the project list that had not started to move forward. Where are we now on Phase 5A and the bid? With SCDOT delaying the proposed letting until November 2010 do we believe we can get a fairly good handle on those project estimates so we may be able to move forward?

Mr. McFee spoke to Phase 5A. After consultation with all municipal staffs as well as the County Administrator, what we are going to do is proceed with the bids in hand to an award through Public Facilities Committee as soon as time permits. We are still working on the Corps of Engineers’ permit and those two items will run concurrently. We are moving forward to award a contract (as soon as possible) to the apparent low bidder which is Cleland Construction.

Mr. Kubic suggested awarding the contract as soon as possible and then hold a BTAG meeting to discuss primarily the effect of some new funding initiatives through SCDOT and new funding opportunities that may be independent yet part of the total program.

Mr. Stewart requested representatives of the Town of Bluffton appear at the next meeting of Public Facilities for the purpose of discussing Law Enforcement Center traffic impact fees and the temporary signal Buckwalter Parkway (Parker’s Convenience Store).

Marshland Road, Hilton Head Island

Mr. Baer is frustrated about Marshland Road. What is the way to get closure on that?

Mr. Rob McFee, Division Director-Engineering and Infrastructure, replied the contract is awarded. All paving has to be completed by September 30, 2010. The contract completion date is May 31, 2011. A preconstruction conference is scheduled for Wednesday, beginning at 11:00 a.m. at the SCDOT office. A representative from the County is attending this meeting.

PROFESSIONAL SERVICES FOR EMERGENCY MEDICAL AND FIRE SUPPORT STUDY / ANALYSIS

It was moved by Mr. Stewart, as Public Safety Committee Chairman (no second required), that Council award a contract to CRA, Inc, the number one ranked firm with the anticipated cost of \$225,963 to perform an EMS/fire support study/analysis. CRA will have four months to complete the study. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO ADD THE DAUFUSKIE ISLAND COMMUNITY PRESERVATION PLAN TO APPENDIX F, SECTION 7, OF THE BEAUFORT COUNTY COMPREHENSIVE PLAN OF 2007

Mr. Brian Herrmann, Community Planner, presented the proposed Daufuskie Island Community Preservation Plan (DI Plan). Mr. Herrmann explained the CP Plan has two parts: a plan and a code. The form-based plan could be called a vision-based code, for which the idea is to go into the area through interviewing the people and walk the place to determine the best locations then code it correspondingly. This is a very sustainable plan. The idea was to preserve as much of the island as is remaining; there is a large area called D-2 on the island. As a result of this, we signed a contract and a small transfer of development rights (TDR) program in the D-2 areas to more intense areas. Daufuskie Island is a National Historic District and one thing we were able to do was build a sunset in two PUDS (Oakridge and Webb) to the plan. The plan is also island wide. The residents expressed the main things needed to get this island to reach its potential were ferry, tourism and housing. Daufuskie Island statistics cited in the presentation: Daufuskie Island is 5 miles long by 2.5 miles wide. 400 full-time residents call Daufuskie home, while there are an additional 600 part-time residents. PUD's comprise $\frac{3}{5}$ of the island. PUD's have infrastructure including ferry, water and sewer, roads and governance. Island services lack consolidation, lack economies of scale and there is a disparity of services. The lack of island wide infrastructure includes governance, communication, water and sewer, roads, ferry, and signage, among other things. The current zoning regulations do not acknowledge the range of island habitats. For example, there is the beach, then dunes, upland, etc. Instead of factoring this in, the zoning out there is "one size fits all." As a result, regulations encourage sprawl, automobile use on bridgeless island, no critical mass around ferry and no preserved or meaningful open space. 3,335 units approved in PUDs compared with more than 1,500 units possible in the CP district. This island is potentially going to grow quite a bit in the next 10 to 20 years. All of the aforementioned conditions hinder resident safety, quality of life and economic development, according to the presentation. The CP Committee identified nine topics to be tackled in the plan. Those are development patterns, ferry service, transportation, tourism and way finding, historic resources, housing, civic sites, economy and sustainability. First, we identified where people currently gather on Daufuskie with the idea of gradually identifying where our future nodes will be located. We identified some of the civic areas and further refined that to come up with a large area, where two major landowners are, as the primary portal (the Melrose ferry currently lands at this site at the top of the map). Then there is the area near the County boat landing and Marshside

Moma's restaurant. These would be the two primary civic points/primary growth areas. A large area in the middle of the island will be preserved.

The CP committee took a field trip to the Town of Port Royal to get inspiration. They said they liked the way the buildings address the street, the distinct architecture of the civic buildings and main street uses off Main Street. He presented several illustrations of possible development scenarios, a future land use map identifying those nodes (a sector plan). They met with big and small landowners on the island to show them ideas. Current developments on the island turn their backs on each other, and use their own resources. We did renderings showing what it would look like if everything was connected, and the development community liked this idea seeing it as far more sustainable. Mr. Herrmann spent some time on the portals showing walking distance, neighborhoods, and ferry landings, etc. He noted the residents said they wanted to keep the waterfront open much like the Henry C. Chambers Waterfront Park in Beaufort. He briefly spoke about pocket parks, small parks with a small focus to spruce up the area such as a historic home/ruin. A transect was used for the different code zones, D-1 to D-5, with special districts. There is a public district in the center of the island where schools and museums will be located. From this, the team came up with a zoning map, which shows the districts' locations in the context of the entire island. Other things they worked on were streets and future ownership which were very important on Daufuskie Island. The plan also addresses: encouraging a shift away from automobiles to smaller transportation methods such as golf carts; traditional methods of dealing with stormwater such as gravel/broken shell paving. The planning group examined existing building types on the island to come up with an archetypes list, each assigned to particular D zones. He mentioned an archetype called the everyday and ordinary to deal with mobile homes, which is a reoccurring topic on Daufuskie. They identified two beach districts and noted the islanders requested only four buildings — a beach, pavilion, welcoming pavilions at the portals, a meeting hall and gathering places. The plan also outlines civic types and in which districts those can be found such as a park in D-1, D-2 or D-3. Developments on Daufuskie must include a gathering place, Mr. Herrmann added. He went on to discuss some of the measures residents are involved in on Daufuskie such as a community farm with animals, cheese and green development.

It is important to note we helped to create a Daufuskie Island Council. We hope it would function as the group to not only provide one voice for the island, but will also be instrumental in implementing this plan. In the past, CP committees just lingered on and their role was never clarified despite taking on the role of zoning issues. There needs to be someone in each community implementing these plans, trying to secure funding, working on policy issues, etc., Mr. Herrmann said. This code and plan is set up to work as such. The CP committee will actually go away when this task is done and both of these documents pass. This new committee, the Daufuskie Island Council, will stay in place to implement the plan. There is also a team to review just architectural topics called the Sustainable Planning Team. They review buildings to make sure they fit the character of the island, as well at the "gray areas." For example, crushed stone/shell is applicable to D-2, D-3 and D-4, but it says nothing about D-5. The Sustainable Planning Team may review such an item and determine since crushed stone/shell is part of the island character it is acceptable in D-5 as well. The Sustainable Planning Team will report to the Corridor Review Boards and the Development Review Team.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on first reading an ordinance of the County of Beaufort, South Carolina, to add Daufuskie Island Community Preservation Plan to Appendix F, Section 7, of the Beaufort County Comprehensive Plan of 2007. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC HEARING

FISCAL YEAR 2010 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM LOCAL SOLICITATION IN THE AMOUNT OF \$74,278

Mrs. Suzanne Cook, Financial Officer, Sheriff's Office, explained the grant is very self-explanatory. It is a direct allocation. It is a 100% federally funded grant in the amount of \$74,278. The grant funds will procure three additional police cruisers with light bars and radars. The police cruisers and accessories will provide additional support to our patrol/traffic division for continued enforcement of county and state laws throughout Beaufort County. All items are listed on the state contract.

The Chairman opened a public hearing at 6:50 p.m. for the purpose of receiving information from the public regarding a Fiscal Year 2010 Edward Byrne Memorial Justice Assistance grant Program location solicitation in the amount of \$74,478. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:51 p.m.

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

COMMITTEE REPORTS

Finance Committee

Possible School District Fiscal Autonomy Referendum Motion

Mr. Rodman commented when Council met June 28, 2010 and approved the School District (District) expenditure budget, we debated whether or not they needed a tax increase. We turned that down, but also said that if they felt that they were being harmed they certainly could come back. Councilmen Sommerville, McBride and Stewart met with three Board of Education (Board) members and some members of their staff. Mr. Rodman's sense of that meeting there were two interesting pieces that came out of it. One, even though enrollment levels have been flat the last couple of years their out-year assumptions had an increase in enrollment. They would have to confirm it, but Mr. Rodman's calculation was that if enrollment stayed at about the same rate of increase it had in the couple of years, it would probably offset the \$2 million. Secondly, the Board asked about the New River TIF, and Mr. Rodman subsequently followed up with Mr. David Starkey, Chief Financial Officer, about the TIF. Due to the growth in Bluffton, that money has been building up in that TIF and it is anticipated the last payment, the time they

can call the bonds, would be June 2013. At that point, the District will pick up \$4 million to \$5 million in income for both the capital side and operating side which would accrue to their fund balance. In any event, they elected not to take us up on the offer to revisit the tax increase. Therefore, Mr. Rodman sees that as a concluded item.

Mr. Rodman talked about a possible referendum. He has drafted a motion and placed a copy in front of each Council member “That fiscal autonomy be considered by referendum in 2011 or 2012 the question, ‘Effective January 2015 that Beaufort County School District expenditures be appropriate by and the schools taxes levied by either A. Beaufort County Council or B. Beaufort County Board of Education.’ Note, the 2015 date allows all Board of Education members to stand for election (2012 or 2014) prior to the referendum action taking effect.” He is not suggesting Council actually take up this issue today, but drafted it in the form of a motion because it might be easier to talk about and think about.

It has been almost 25 years since the last time the voters had an opportunity to act on whether or not the District ought to have fiscal autonomy. Under any circumstances, we all would believe that it is up to the voters and the voters should make that decision. The District has put forth a request to the Attorney General regarding budget approvals by Beaufort County. Mr. Rodman believes that it is nothing more than an attempt to actually get fiscal autonomy without taking it to the voters. If, in fact, fiscal autonomy were to be approved, there ought to be a period of time so that all of the Board members had to at least stand for election so the voters knew that they were electing people who would, in fact, set their taxes. Mr. Rodman suggested Council might want to consider not rushing to do something this particular year and, instead, the logical time would be the 2012 general election or sooner. Perhaps we might want to consider putting the question to the voters in 2012 after dialoguing with the Board to see if we can agree on what the language might be. If the question went to the voters in 2012, it would not take effect until 2015 thereby allowing all of the Board in either 2012 or 2014 election to have stood for election with this being a pending issue. He suggested Council comment and if there is some feeling that this issue is worth considering then perhaps assign the matter to the Joint Initiative Council / Board of Education Committee (Joint Initiative) to begin discussing.

Mr. Sommerville believes the District requesting an Attorney General unilaterally was wrong because they should have worked in junction with Council. If an Attorney General opinion needed to be sought, we should have done it together, as partners. Similarly, if Council is going to proceed with a referendum on School District fiscal autonomy, we should pursue it in partnership with the District. They have indicated they are not interested at this time. He would support it if the District and Council partnered and collectively agreed to do it. Otherwise, he could not support it.

Mr. Newton remarked Mr. Sommerville said the District is not interested in the “it.” Is “it” fiscal autonomy or referendum? Mr. Sommerville said the District made it clear they are not interested in a referendum at this time.

Mr. Newton commented it makes sense to seek through the Joint Initiative discussion about whether the District has an interest in looking at the out years. If the District has indicated they

are not interested in a referendum at this time, perhaps that means by 2012 they might believe it would be appropriate or perhaps they would prefer just to continue with their Attorney General request. Hopefully, that is not a precursor to a legal challenge against the County's role at least as it is today. It seems to make sense to have that discussion through Joint Initiative. He was about at the juncture, and has had discussions with some members of Council, about whether that Committee had served its original purpose and whether there was a need to continue to have that joint committee. The idea was to promote budget dialogue, discussion and planning issues to the extent the County would not be left with schools being built in areas in the county where there were no planned roads or otherwise that had happened decades before. Obviously, the growth pressures do not exist anymore. He believes it would be a ripe topic to have the discussion with the Board as to whether we want to collectively ask the public to weigh in, not because either of the two groups' hope for the desired outcome, but simply because it has been nearly 25 years. It is something that occupies an awful lot of Council's time, creates some level of acrimony and comes pretty close to dividing this Council. We have had 6:5 votes on that particular topic over the last three to five years. Perhaps asking the Board to have a good-faith discussion with Council about our continued role or asking the voters what their thoughts are about our continued role would be appropriate.

Mr. Newton referred to the drafted motion and the effective date, January 2015, which allowed all Board members to stand for election (2012 and 2014) prior to the referendum action taking effect. The referendum, as Mr. Newton understands the law, is an advisory, non-binding referendum. It still has to be changed by an Act of the General Assembly if they were going to do so. Members of the General Assembly have weighed in on this topic and said they would be interested in the outcome of a referendum for their purposes as well to understand whether the current system made sense or whether there is some other vehicle. It is unfortunate that this was taken as an affront by the Board as to the idea of the Attorney General being involved as if that is a threat over Council's authority. And the use of taxpayer funds to bring a lawsuit against one governmental entity by another certainly is quite a poor way to deploy the limited resources that we all are struggling to make do today. Clearly we are not moving forward this November with a referendum. Maybe it is a topic that does not gain attraction at that discussion, or gains a little bit of attraction with Council or maybe not, or maybe some with the Board or maybe not.

Mr. Stewart said the motion reads, "School District expenditures be appropriated by County Council and Board of Education." At present Council only deals with operating expenditures, not capital nor funds they receive from the federal government and other places as well. Is the intent all expenditures or operating expenditures?

Mr. Rodman replied the issue is open to discussion to make it a comprehensive approval. There is only one line item tax bill, called school taxes, and Council has to levy them.

Mr. Caporale commented this is not the first time the District has sought an Attorney General opinion. Perhaps they are waiting for the right Attorney General. Mr. Caporale recalls, as a former member of the Board, at least two occasions when the District sought the opinion of the Attorney General. It did not change the course of things although Council did change the

manner in which dollars were appropriate – switching from raw mills to actual dollars – to prevent the windfall the District was getting in most years.

Mr. Newton commented the Attorney General opinion does not answer the question. It is an elected lawyer's position, but it is not binding on either the Board or Council. It is binding precedence on the courts. He believes it is a precursor to litigation. That is the effort of why you would ask for it, otherwise, there is no reason to ask for it. That being said, it does make sense to visit this issue through Joint Initiative.

Ms. Von Harten is concerned about the opportunities that we lose because we spend so much time focusing on the District and because we are requiring them and their staff to spend so much time. Council spends a lot of hours looking at what the District is doing and that does not allow us the time and energy with some county initiatives that we might be interested in. It would be nice to give the voters the chance to express their thoughts.

Mr. Newton said there appears to be more than just a passing interest in this topic. To the extent there is more than just a passing interest, the suggestion of taking the issue to Joint Initiative in partnership with the Board to see what their thoughts are, perhaps is appropriate. It is not going to get on the ballot this November. In any event Mr. Ladson Howell, staff attorney, opined that he did not think it stood much chance to get a review by the Office of Civil Rights, Pre-Clearance in a two-week period.

Mr. Caporale said the issue would still need to be decided by the Legislature.

Mr. Newton replied the District lawyer clearly has opined over the years that he believed appropriately funded that that law could be challenged. It is like our talking about the inequities of school funding. Clearly, there is a Legislative solution to that. Perhaps there is a litigation solution to the fact the General Assembly does not fund public education in Beaufort County. There is always a way to bring suit to see if that brings about change.

Mr. Caporale does not think it is going to be decided in the courts. If it is going to be decided in the courts, Beaufort County to win would, essentially, give fiscal autonomy to every school district in the State. He does not think that is going to happen. The more appropriate route for the District, if they were serious about it, would be wooing our local Legislative Delegation. That may be the value of a non-binding referendum.

Mr. Newton does not know if the Legislative Delegation has taken a formal position.

Mr. Flewelling does not know if it is advisable to include the Board in the decision on this particular issue. If our state representatives want that information and it is up to Council to provide it to them, perhaps Council might want to consider proceeding whether or not the Board wants it. If they are interested in that information, we should get it to them.

Mr. Newton said this is all a subject that can be talked about in Joint Initiative.

Mr. McBride's interpretation of previous conversations he has had with members of the Board, they are continuing to gain more public confidence in the decisions the Board has been making in recent years. However, they have not yet reached their goal.

Mr. Baer said that depends if you are speaking with the public from north or south of the Broad River. The Board has made enormous progress over the years. We share that.

Mr. Glaze said Council wastes too much time worrying about the Board. Council micro-manages too much. Why do we need a staff if Council members are going to present their own proposals? Council has a responsibility to let staff do its work. Let them do the ground work. We are all in one county. We are the same taxpayers. We are one, not divided.

Mr. McBride said there is no question if the Board had fiscal autonomy insofar as levying taxes much of the discussion and semi-hostility would not exist between the two bodies. The Board is of the opinion Council receives more information on their budget than on its own. There is some truth to that statement. Council looks at the District budget in much greater detail than its own. If the District had fiscal autonomy, they would answer directly to the taxpayers. If Council levies the taxes the District's need to operate and they perform well, they look good as well as Council. If not, the District says they cannot do the job because Council did not fund their budget. He would much rather see the District have fiscal autonomy so the voters would know they have voted for people who have the authority to reach into your pocketbook / checkbook to levy the taxes they need to operate the District.

Mr. Rodman said Finance Committee members thought that this was really an issue for the whole Council to consider rather than leaving it in committee. As long as voters historically have said that they want Council to approve the budget, Council has an obligation to defend its opinion.

Possible County Form of Government Referendum Motion

Mr. Rodman stated Ms. Von Harten brought up the topic of the County form of government and had asked the Clerk to Council to prepare a side-by-side comparison of the differences of the County Administrator versus County Manager forms of government. This issue is obviously triggered by the issues with the County Treasurer. There are four forms of government that are authorized and Beaufort County operates under the County Administrator form. When you sort through the legislation, the only difference is whether the Treasurer and Auditor are elected or in the alternate form of government, County Council would actually have the choice of either having them appointed or elected. This issue was discussed at Finance and members thought it was really an issue for the whole Council to consider rather than leaving it in committee. Mr. Kubic, County Administrator, has talked briefly about the fact when implementing some of the new software it would have gone a lot smoother if they were all under one party. They also tend to be positions where once someone is elected they are there for as long as they want to serve. It is fair to say that this problem we are going through now would not have existed if we had the County Manager form of government. York County and Greenwood County operate under the County Manager form. A third county switch to it, but later switched back. As it was explained

to Mr. Rodman it had to do more with personalities and some other extraneous circumstances. Given how finance is coordinated with the various departments, it is worth Council at least considering whether we ought to switch to the County Manager form of government. If the Treasurer is defeated in November 2010, the position serves until June 30, 2011.

Mr. Rodman talked about a possible referendum. He has drafted a motion and placed a copy in front of each Council member, "That the form of government be considered by referendum no later than November 2012 the question: 'Effective January 2015 the County Form of Government be: A. The current Count-Administrative Form (3#) whereby the county Treasurer and County Auditor are elected. B. The proposed County-Manager Form (#4 as authorized by the State of South Carolina), the only significant difference being that the County Treasurer and County Auditor, at the discretion of County Council, are elected or appointed.'"

It was moved by Ms. Von Harten, seconded by Mr. Caporale, Council place a referendum on the November 2010 ballot.

Mr. Caporale thinks a referendum is a great way to take the pulse of the public. It might be the one time when we really know what our constituents are thinking if we get more than a 20% turnout at the polls that day. Otherwise, you are not sure whether you have measured the pulse. Mr. Caporale had asked Mr. Rodman about a referendum question on the Airports. Again, it is a great way to learn how people are thinking. It puts certain kinds of debate to rest. He would like to see the public speak on all these issues.

Mr. Baer is in favor of it, but does think it can be accomplished in time.

Mr. Stewart commented a referendum is great if it is an issue brought forward that is not publicized or out there for, in this case, the obvious reasons. The electorate would very much be in favor of it simply because of what is happening in the Treasurer's Office, the circumstances, the events that are going on and all of the notoriety behind it. They would not be voting necessarily because of the issue, itself, but just the consequences of what is happening right now. It is Council responsibility to look at it in more detail. Changing the form of government for the sake of a problem that one individual brings before us (what is happening in the Treasurer's Office), Mr. Stewart does not think that is the way we should be going. He would rather see the Legislature step up to the issue they have been talking about now for several years and that is putting some qualifications behind various elected officials. In other words there should be some level of qualifications that this person must have before they can run for and be elected to this office -- CPA, accounting degree -- some qualifications that are realistic. He does not think Council will be getting the answer to the question it is asking, because it going to be based on emotions of the time, not deep thought that people would have.

Mr. Newton stated this referendum is not an advisory referendum. It is a statutorily prescribed way to change the form of government. This is not necessary to do anything other than if there is a belief the form of government ought to be changed to provide for the appointment of the Treasurer and Auditor rather than their election for the coordination of the fiscal operation of the County, as Mr. Rodman suggested. This is a matter that is appropriately, by state law, to be

considered by referendum. Not advisory or otherwise. In any event Mr. Ladson Howell, Staff Attorney, opined that he did not think it stood much chance to get a review by the Office of Civil Rights, Pre-Clearance in a two-week period. Mr. Newton sense is Council should not move forward putting this referendum on the ballot November 2010.

Mr. Newton suspended debate on the previous motion in order to extend the Council meeting beyond 8:00 p.m.

MOTION TO EXTEND

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council extend beyond 8:00 p.m. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Council continued debate of Ms. Von Harten's motion.

Ms. Von Harten noted if we have a referendum we do not have to act on it. It just gives us the ability to have an elected or appointed Auditor and Treasurer.

Mr. Newton replied it is not an advisory referendum. State law says if a county wants to change its form of government, put the question to the people.

Ms. Von Harten commented there have not been many newspaper articles about this topic specifically.

Mr. Newton stated if you have a high degree of certainty, slim to next to nothing chance it is going to receive Office of Civil Rights review in time to put the question on the November ballot, then Council is almost debating the change in form of government in a vacuum because we do not have time to appropriately educate as to truly what the differences are other than the emotional differences based on an assumption that it is going to fix the Auditor and Treasurer Office.

Mr. Rodman pointed out whether you voted in 2010 or 2012 it takes effect at the same time which is 2015. We do not want to look like we are bringing forward the question just to influence the election. It is more appropriate to bring forward the question later.

Mr. McBride will support the motion if it stays on the floor. He wants the public to know what his sentiment is about the situation.

Motion to amend by substitution.

It was moved by Ms. Von Harten. That the form of government be considered by referendum no later than November 2012 the question: 'Effective January 2015 the County Form of Government be: A. The current County-Administrative Form (3#) whereby the county Treasurer

and County Auditor are elected. B. The proposed County-Manager Form (#4 as authorized by the State of South Carolina), the only significant difference being that the County Treasurer and County Auditor, at the discretion of County Council, are elected or appointed. The motion died for lack of a second.

Mr. Stewart will vote against the motion. As Mr. Rodman said, whatever we do is not going to happen until 2015. Why vote tonight and rush into this? It just does not make sense tonight.

Ms. Von Harten replied it makes sense because if we are going to commit substantial legal time to researching this issue, we need to provide firm guidance. Otherwise, we are going to be in the same position four years from now when we have had numerous committee meetings. What we need to do is authorize Mr. Ladson Howell, staff attorney, to research the issue so that we can discuss it intelligently at the committee level as well as with the municipalities. Council needs to show some guidance.

Mr. Dawson agreed that this decision does not need to be made tonight. Council has more than ample time to take the issue to committee, vet it at length and then make an intelligent decision rather than rush and vote tonight to do something that may not be in Council's best interest.

Mr. Flewelling will vote against the motion. He is not ruling out voting in favor of it in the future. He does not have enough information having this issue sprung on Council at the last minute, even though we have generally talked about the concept, but not the specifics. He does not want to give advice to legal counsel without having thought about it a little bit more.

Mr. Newton said Council does not need to take a vote in order to ask the staff attorney to brief us on whether this is an appropriate change in the form of government. Voting in favor to commit to do this tonight does appear that it is targeted toward one particular individual rather than truly a change in the form of government, which Mr. Newton believes it probably appropriate to change in the form of government. A new Council will be seated January 2011 and this Council does not have the authority to bind that Council to put something on the ballot in November 2011, 2012, 2013 or 2014. He will vote against the motion, but is not pleased by the situation.

Mr. Baer suggested making a slight change in wording, just to show Council intent to move down this path without necessarily committing ourselves to a referendum.

Ms. Von Harten, as maker of the motion, and Mr. Caporale who had seconded the motion, agreed to withdraw the motion.

Without objection the Chairman referred this matter to the Executive Committee of Council for a full and complete discussion and dialogue within the next 180 days or sooner. Additionally, during the Deputy County Administrator Report, Mr. Hill mentioned smart decline. During the annual planning session, Council identified Small Decline Contingency Plan as a top priority in its management agenda. Mr. Newton asked Mr. Hill to inform him as to when he is in the position to begin that discussion with members of the Executive Committee within the next 30 to 45 days in concert with the Finance Committee.

Audit Motion

Mr. Rodman, as Finance Committee Chairman, stated in the near future Council ought to address is whether we need some outside audit participation to help put together an understanding for Council as to what is happening with the Treasurer's Office.

Accommodations Tax (2% state) Funding / Beaufort Regional Chamber of Commerce

Mr. Rodman, as Finance Committee Chairman, stated he apparently misspoke at the May 10, 2010 Council meeting. The Finance Committee had recommended \$35,000 for the Beaufort Regional Chamber of Commerce, by Mr. Rodman said \$25,000 at the Council meeting. Therefore, there is a need to appropriate \$10,000 of FY 2009-2010 accommodations tax (2% state) funds to the Beaufort Regional Chamber of Commerce to bring them up the full amount of \$35,000 as approved at Finance Committee on April 26, 2010.

Mr. Newton remarked after consultation with Mr. Ladson Howell, staff attorney, and Mr. McBride, Parliamentarian, has been advised the corrections of the minutes can be had without objection to the full \$35,000 that was specifically voted on by Finance Committee, based on the Mr. Rodman's reporting of the misstatement here, at today Council meeting, unless there is an objection from any member of Council. There was no objection from Council.

The Heritage Golf Tournament

Mr. Rodman, as Finance Committee Chairman, comment The Heritage Golf Tournament does not have a sponsor yet. Some of the government entities are now in the process of taking a look at the possibility of a loan or a contribution. It is appropriate for Council to look at that. Time is a little bit of the essence. Mr. Rodman will schedule a Finance Committee the week of August 2, 2010 in order to provide an opportunity for representatives of the Tournament to address the committee.

Mr. Baer commented Council has not seen the full economists' study of the Heritage only the Executive Summary which has no base data in it. There is a lot of other data that he requested. If Council is going to rush through what some may perceive as a bailout of The Heritage then we deserve the full amount of data – financial reports, contract with the PGA, escalating fees every year and accommodations tax as well as the hospitality tax revenues surround The Heritage so we can see how much business is really generated. Mr. Baer would like to see the data prior the Finance Committee meeting.

Mr. Rodman replied economic impact is approximately \$50 million across the entire community also including \$1 million to \$1.5 million in charitable contributions that go throughout the county.

Mr. Caporale said according to the executive summary \$81.9 million is the output and the economic impact minus the tournament is \$50 million.

Natural Resources Committee

Joint Metropolitan Planning Commission

Mr. Sommerville, as Natural Resources Committee, reported members delayed for 30 days the Joint Metropolitan Planning Commission recommendation. The reason for that is to allow input from the southern municipalities, Hilton Head, Bluffton and Hardeeville and/or the Southern Regional Implementation Committee if it meets.

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

PUBLIC COMMENT

There were no requests to speak during public comment.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council go immediately into executive session for the purpose of receiving information regarding negotiations incident to proposed contractual arrangements and proposed purchase of property. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

EXECUTIVE SESSION

RECONVENE OF EXECUTIVE SESSION

It was moved by Mr. Stewart, seconded by Mr. Sommerville, that Beaufort County purchase the conservation easement on 45 +/- acres of land fronting both SC Highway 170 and Okatie River for the purchase price of \$2.5 million from R. Wilson Sanders.

Ms. Von Harten noted there are historical and cultural resources on this parcel. She is pleased with this land purchase.

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

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ADJOURNMENT

Council adjourned at 8:50 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST: _____
Suzanne M. Rainey, Clerk to Council

Ratified: August 9, 2010

SECTIONS PRESENTED ARE ONLY THOSE THAT DIFFER EXCLUSIVE OF
(ADMINISTRATOR vs. MANAGER) TITLE

Differences in language used are indicated in bold.

Form No. 3
Current form of government
in Beaufort County

ARTICLE 7

COUNCIL-ADMINISTRATOR FORM OF COUNTY
GOVERNMENT (FORM NO. 3)

SECTION 4-9-610. The council in those counties adopting the council-administrator form of government provided for in this article shall consist of not less than three nor more than twelve members who are qualified electors of the county.

SECTION 4-9-620. Employment and qualifications of administrator; compensation; term of employment; procedure for removal.

SECTION 4-9-630.

(4) to prepare annual operating and capital improvement budgets for submission to the council and, in the exercise of these responsibilities, he shall be empowered to require such reports, estimates and statistics on an annual or periodic basis as he deems necessary from all county departments and agencies;

SECTION 4-9-650. Authority of administrator over certain elected officials.

With the exception of organizational policies established by the governing body, the county administrator shall exercise no authority over any elected officials of the county whose offices were created either by the Constitution or by the general law of the State.

SECTION 4-9-660. Authority of council and its members over county officers and employees.

the council shall deal with county officers and employees who are subject to the direction and supervision of the county administrator solely through the administrator, and

neither the Council nor its members shall give orders or instructions to any such officers or employees.

[SECTION 4-9-660 contains no language parallel to the passages on the right]

Form No. 4
Alternative form of government
for Beaufort County

ARTICLE 9

COUNCIL-MANAGER FORM OF COUNTY
GOVERNMENT (FORM NO. 4)

SECTION 4-9-810. The council in those counties adopting the council-manager form of government provided for in this article shall consist of not less than five nor more than twelve members who are qualified electors of the county.

SECTION 4-9-820. Employment and qualifications of manager; term of office; compensation; procedure for removal.

SECTION 4-9-830.

(4) to prepare annual operating and capital improvement budgets for submission to the council and, in the exercise of that authority, he shall be empowered to require such reports, estimates and statistics on an annual or periodic basis as he deems necessary from all County departments and agencies for the performance of his duties in budget preparation;

SECTION 4-9-850. Authority of county manager over elected officials; authority of council and its members over county officers and employees.

With the exception of organizational policies established by the governing body, the county manager shall exercise no authority over any elected officials of the county.

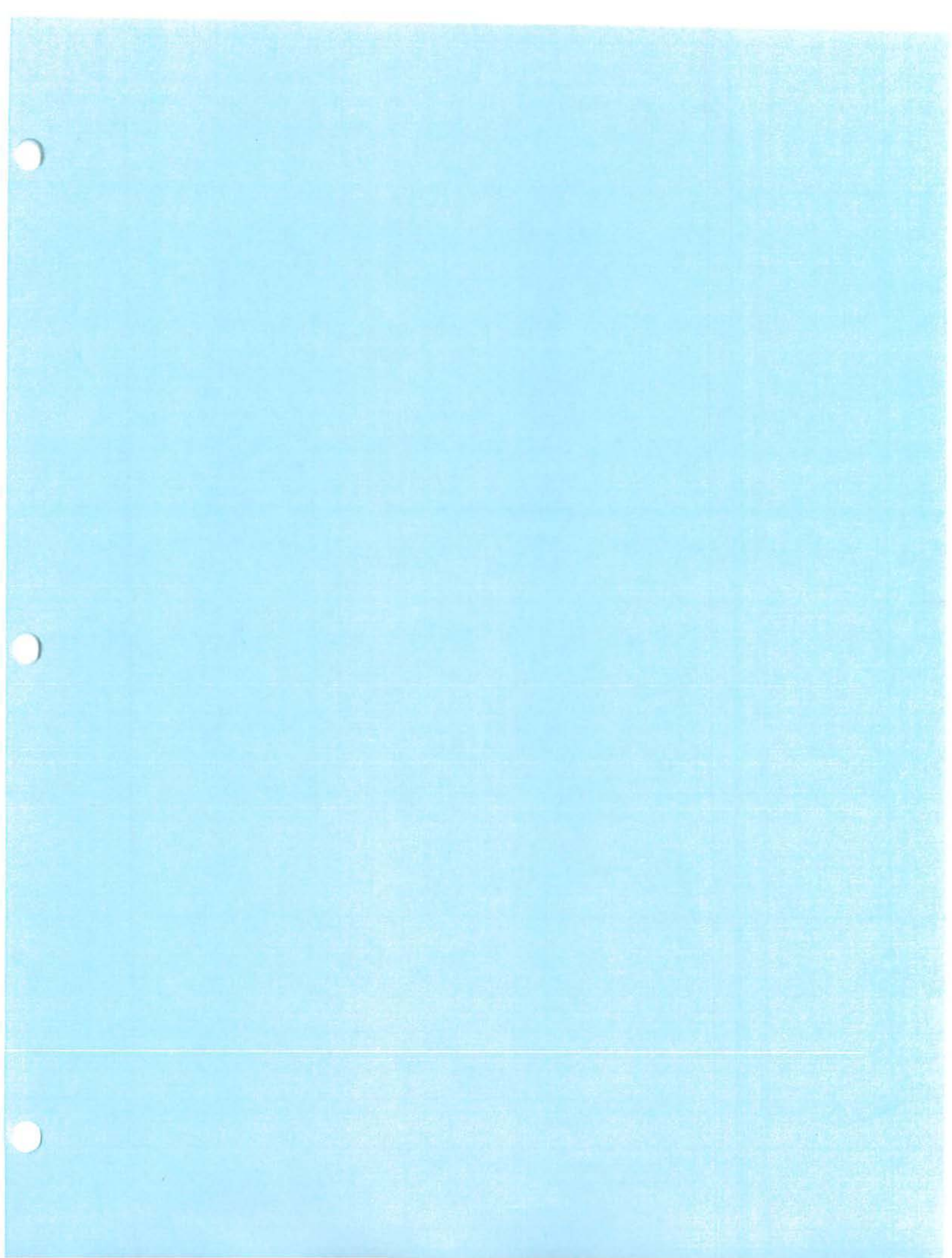
[Section numbering become less parallel. SECTION 4-9-850 continues.]

[no parallel language]

neither the council nor its members shall give orders or instructions to county officers or employees.

SECTION 4-9-860. Election or appointment of county treasurer and auditor.

The county treasurer and county auditor, or their counterparts, by whatever terms those officials are designated may be elected or appointed by council as the council may determine by ordinance. If such officials are appointed, they shall be subject to control by council and the manager in the same manner as other appointed county department heads.



South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3 Current form of government in Beaufort County

ARTICLE 7.

COUNCIL-ADMINISTRATOR FORM OF COUNTY GOVERNMENT (FORM NO. 3)

~~SECTION 4-9-610. Membership of council,
election and term of members.~~

The council in those counties adopting the **council-administrator** form of government provided for in this article shall consist of **not less than three nor more than twelve members** who are qualified electors of the county.

~~Council members shall be elected in the general election for terms of two or four years commencing on the first of January next following their election.~~

SECTION 4-9-620. Employment and qualifications of **administrator; compensation; term of employment;** procedure for removal.

~~The council shall employ an **administrator** who shall be the administrative head of the county government and shall be responsible for the administration of all the departments of the county government which the council has the authority to control.~~

~~He shall be employed with regard to his executive and administrative qualifications only, and need not be a resident of the county at the time of his employment.~~

Form No. 4 Proposed form of government in Beaufort County

ARTICLE 9.

COUNCIL-MANAGER FORM OF COUNTY GOVERNMENT (FORM NO. 4)

~~SECTION 4-9-810. Membership of council,
election and terms of members.~~

The council in those counties adopting the **council-manager** form of government provided for in this article shall consist of **not less than five nor more than twelve members** who are qualified electors of the county.

~~Council members shall be elected in the general election for terms of two or four years commencing on the first of January next following their election.~~

SECTION 4-9-820. Employment and qualifications of **manager; term of office; compensation;** procedure for removal.

~~The council shall employ a **manager** who shall be the administrative head of the county government and shall be responsible for the administration of all the departments of the county government which the council has the authority to control.~~

~~He shall be employed with regard to his executive and administrative qualifications only, and need not be a resident of the county at the time of his employment.~~

South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3 Current form of government in Beaufort County

~~The term of employment of the administrator shall be at the pleasure of the council and he shall be entitled to such compensation for his services as the council may determine.~~

~~The council may, in its discretion, employ the administrator for a definite term. If the council determines to remove the county administrator, he shall be given a written statement of the reasons alleged for the proposed removal and the right to a hearing thereon at a public meeting of the council.~~

~~Within five days after the notice of removal is delivered to the administrator, he may file with the council a written request for a public hearing.~~

~~This hearing shall be held at a council meeting not earlier than twenty days nor later than thirty days after the request is filed. The administrator may file with the council a written reply not later than five days before the hearing. The removal shall be stayed pending the decision at the public hearing.~~

SECTION 4-9-630. Powers and duties of administrator.

~~The powers and duties of the administrator shall include, but not be limited to, the following:~~

~~(1) to serve as the chief administrative officer of the county government;~~

~~(2) to execute the policies, directives and legislative actions of the council;~~

Form No. 4 Proposed form of government in Beaufort County

~~The term of employment of the manager shall be at the pleasure of the council and he shall be entitled to such compensation for his services as the council may determine.~~

~~The council may, in its discretion, employ the manager for a definite term. If the council determines to remove the county manager, he shall be given a written statement of the reasons alleged for the proposed removal and the right to a hearing thereon at a public meeting of the council.~~

~~Within five days after the notice of removal is delivered to the manager, he may file with the council a written request for a public hearing.~~

~~This hearing shall be held at a council meeting not earlier than twenty days nor later than thirty days after the request is filed. The manager may file with the council a written reply not later than five days before the hearing. The removal shall be stayed pending the decision at the public hearing.~~

SECTION 4-9-830. Powers and duties of manager.

~~The powers and duties of the manager shall include, but not be limited to, the following:~~

~~(1) to serve as the chief administrative officer of the county government;~~

~~(2) to execute the policies, directives and legislative actions of the council;~~

South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3 Current form of government in Beaufort County

~~(3) to direct and coordinate operational agencies and administrative activities of the county government;~~

(4) to prepare annual operating and capital improvement budgets for submission to the council and, in the exercise of **these responsibilities**, he shall be empowered to require such reports, estimates and statistics on an annual or periodic basis as he deems necessary from all county departments and agencies;

~~(5) to supervise the expenditure of appropriated funds;~~

~~(6) to prepare annual, monthly and other reports for council on finances and administrative activities of the county;~~

~~(7) to be responsible for the administration of county personnel policies including salary and classification plans approved by council;~~

~~(8) to be responsible for employment and discharge of personnel subject to the provisions of subsection (7) of Section 4-9-30 and subject to the appropriation of funds by the council for that purpose; and~~

~~(9) to perform such other duties as may be required by the council.~~

Form No. 4 Proposed form of government in Beaufort County

~~(3) to direct and coordinate operational agencies and administrative activities of the county government;~~

(4) to prepare annual operating and capital improvement budgets for submission to the council and, in the exercise of **that authority**, he shall be empowered to require such reports, estimates and statistics on an annual or periodic basis as he deems necessary from all county departments and agencies **for the performance of his duties in budget preparation;**

~~(5) to supervise the expenditure of appropriated funds;~~

~~(6) to prepare annual, monthly and other reports for council on finances and administrative activities of the county;~~

~~(7) to be responsible for the administration of county personnel policies including salary and classification plans approved by council;~~

~~(8) to be responsible for employment and discharge of personnel subject to the provisions of subsection (7) of Section 4-9-30 and subject to the appropriation of funds by the council for that purpose; and~~

~~(9) to perform such other duties as may be required by the council.~~

South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3

Current form of government
in Beaufort County

~~SECTION 4-9-640. Preparation and submission of budget and descriptive statement.~~

~~The county administrator shall prepare the proposed operating and capital budgets and submit them to the council at such time as the council determines.~~

~~At the time of submitting the proposed budget, the county administrator shall submit to the council a statement describing the important features of the proposed budgets including all sources of anticipated revenue of the county government and the amount of tax revenue required to meet the financial requirements of the county.~~

SECTION 4-9-650. Authority of **administrator** over certain elected officials.

With the exception of organizational policies established by the governing body, the county **administrator** shall exercise no authority over any elected officials of the county **whose offices were created either by the Constitution or by the general law of the State.**

Form No. 4

Proposed form of government
in Beaufort County

~~SECTION 4-9-840. Preparation and submission of budget and descriptive statement.~~

~~The county manager shall prepare the proposed operating and capital budgets and submit them to the council at such time as the council determines.~~

~~At the time of submitting the proposed budget, the county manager shall submit to the council a statement describing the important features of the proposed budgets including all sources of anticipated revenue of the county government and the amount of tax revenue required to meet the financial requirements of the county.~~

SECTION 4-9-850. Authority of **county manager** over **elected officials; authority of council and its members over county officers and employees.**

With the exception of organizational policies established by the governing body, the county **manager** shall exercise no authority over any elected officials of the county.

South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3

Current form of government
in Beaufort County

SECTION 4-9-660. **Authority of council and its members over county officers and employees.**

~~Except for the purposes of inquiries and investigations;~~

the council shall deal with county officers and employees who are subject to the direction and supervision of the county administrator solely through the administrator, and

neither the council nor its members shall give orders or instructions to **any** such officers or employees.

[SECTION 4-9-660 contains no language parallel to the passages on the right.]

~~SECTION 4-9-670. Applicability of Article 1.~~

~~Except as specifically provided for in this article, the structure, organization, powers, duties, functions and responsibilities of county government under the council-administrator form shall be as prescribed in Article 1 of this chapter.~~

Form No. 4

Proposed form of government
in Beaufort County

[Section numbering become less parallel. SECTION 4-9-850 continues.]

~~Except for the purposes of inquiries and investigations;~~

[no parallel language]

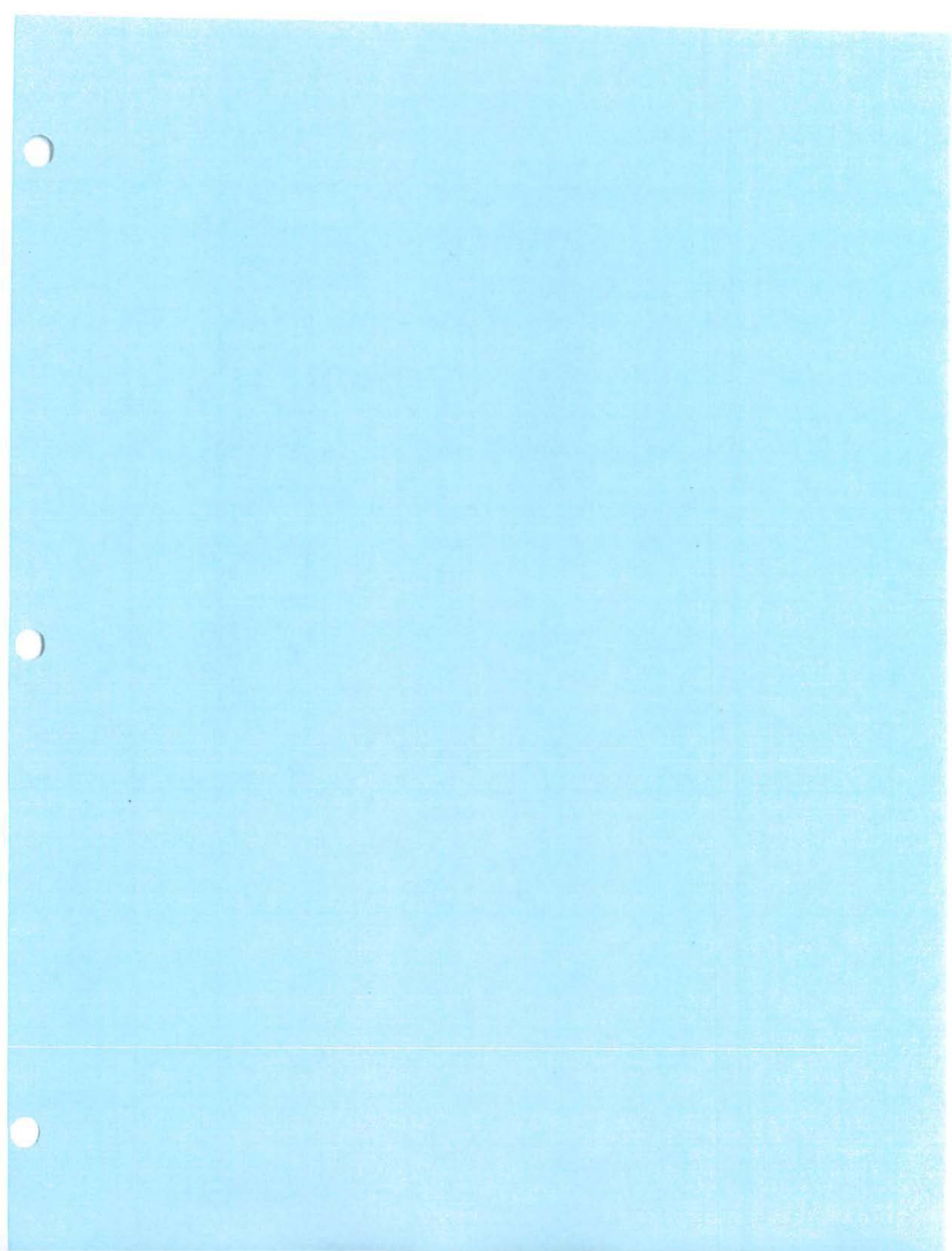
neither the council nor its members shall give orders or instructions to county officers or employees.

SECTION 4-9-860. **Election or appointment of county treasurer and auditor.**

The county treasurer and county auditor, or their counterparts, by whatever terms those officials are designated may be elected or appointed by council as the council may determine by ordinance. If such officials are appointed, they shall be subject to control by council and the manager in the same manner as other appointed county department heads.

~~SECTION 4-9-870. Applicability of Article 1.~~

~~Except as specifically provided for in this article, the structure, organization, powers, duties, functions and responsibilities of county government under the council-manager form shall be as prescribed in Article 1 of this chapter.~~



South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3

Current form of government
in Beaufort County

ARTICLE 7.

COUNCIL-ADMINISTRATOR FORM OF COUNTY GOVERNMENT (FORM NO. 3)

SECTION 4-9-610. Membership of council;
election and term of members.

The council in those counties adopting the **council-administrator** form of government provided for in this article shall consist of **not less than three nor more than twelve members** who are qualified electors of the county.

Council members shall be elected in the general election for terms of two or four years commencing on the first of January next following their election.

SECTION 4-9-620. Employment and qualifications of **administrator; compensation; term of employment;** procedure for removal.

The council shall employ an **administrator** who shall be the administrative head of the county government and shall be responsible for the administration of all the departments of the county government which the council has the authority to control.

He shall be employed with regard to his executive and administrative qualifications only, and need not be a resident of the county at the time of his employment.

Form No. 4

Proposed form of government
in Beaufort County

ARTICLE 9.

COUNCIL-MANAGER FORM OF COUNTY GOVERNMENT (FORM NO. 4)

SECTION 4-9-810. Membership of council;
election and terms of members.

The council in those counties adopting the **council-manager** form of government provided for in this article shall consist of **not less than five nor more than twelve members** who are qualified electors of the county.

Council members shall be elected in the general election for terms of two or four years commencing on the first of January next following their election.

SECTION 4-9-820. Employment and qualifications of **manager; term of office; compensation;** procedure for removal.

The council shall employ a **manager** who shall be the administrative head of the county government and shall be responsible for the administration of all the departments of the county government which the council has the authority to control.

He shall be employed with regard to his executive and administrative qualifications only, and need not be a resident of the county at the time of his employment.

South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3 Current form of government in Beaufort County

The term of employment of the **administrator** shall be at the pleasure of the council and he shall be entitled to such compensation for his services as the council may determine.

The council may, in its discretion, employ the **administrator** for a definite term. If the council determines to remove the county **administrator**, he shall be given a written statement of the reasons alleged for the proposed removal and the right to a hearing thereon at a public meeting of the council.

Within five days after the notice of removal is delivered to the **administrator**, he may file with the council a written request for a public hearing.

This hearing shall be held at a council meeting not earlier than twenty days nor later than thirty days after the request is filed. The **administrator** may file with the council a written reply not later than five days before the hearing. The removal shall be stayed pending the decision at the public hearing.

SECTION 4-9-630. Powers and duties of **administrator**.

The powers and duties of the **administrator** shall include, but not be limited to, the following:

- (1) to serve as the chief administrative officer of the county government;
- (2) to execute the policies, directives and legislative actions of the council;

Form No. 4 Proposed form of government in Beaufort County

The term of employment of the **manager** shall be at the pleasure of the council and he shall be entitled to such compensation for his services as the council may determine.

The council may, in its discretion, employ the **manager** for a definite term. If the council determines to remove the county **manager**, he shall be given a written statement of the reasons alleged for the proposed removal and the right to a hearing thereon at a public meeting of the council.

Within five days after the notice of removal is delivered to the **manager**, he may file with the council a written request for a public hearing.

This hearing shall be held at a council meeting not earlier than twenty days nor later than thirty days after the request is filed. The **manager** may file with the council a written reply not later than five days before the hearing. The removal shall be stayed pending the decision at the public hearing.

SECTION 4-9-830. Powers and duties of **manager**.

The powers and duties of the **manager** shall include, but not be limited to, the following:

- (1) to serve as the chief administrative officer of the county government;
- (2) to execute the policies, directives and legislative actions of the council;

South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3 Current form of government in Beaufort County

(3) to direct and coordinate operational agencies and administrative activities of the county government;

(4) to prepare annual operating and capital improvement budgets for submission to the council and, in the exercise of **these responsibilities**, he shall be empowered to require such reports, estimates and statistics on an annual or periodic basis as he deems necessary from all county departments and agencies;

(5) to supervise the expenditure of appropriated funds;

(6) to prepare annual, monthly and other reports for council on finances and administrative activities of the county;

(7) to be responsible for the administration of county personnel policies including salary and classification plans approved by council;

(8) to be responsible for employment and discharge of personnel subject to the provisions of subsection (7) of Section 4-9-30 and subject to the appropriation of funds by the council for that purpose; and

(9) to perform such other duties as may be required by the council.

Form No. 4 Proposed form of government in Beaufort County

(3) to direct and coordinate operational agencies and administrative activities of the county government;

(4) to prepare annual operating and capital improvement budgets for submission to the council and, in the exercise of **that authority**, he shall be empowered to require such reports, estimates and statistics on an annual or periodic basis as he deems necessary from all county departments and agencies **for the performance of his duties in budget preparation**;

(5) to supervise the expenditure of appropriated funds;

(6) to prepare annual, monthly and other reports for council on finances and administrative activities of the county;

(7) to be responsible for the administration of county personnel policies including salary and classification plans approved by council;

(8) to be responsible for employment and discharge of personnel subject to the provisions of subsection (7) of Section 4-9-30 and subject to the appropriation of funds by the council for that purpose; and

(9) to perform such other duties as may be required by the council.

South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3 Current form of government in Beaufort County

SECTION 4-9-640. Preparation and submission of budget and descriptive statement.

The county **administrator** shall prepare the proposed operating and capital budgets and submit them to the council at such time as the council determines.

At the time of submitting the proposed budget, the county **administrator** shall submit to the council a statement describing the important features of the proposed budgets including all sources of anticipated revenue of the county government and the amount of tax revenue required to meet the financial requirements of the county.

SECTION 4-9-650. Authority of **administrator over certain elected officials.**

With the exception of organizational policies established by the governing body, the county **administrator** shall exercise no authority over any elected officials of the county **whose offices were created either by the Constitution or by the general law of the State.**

Form No. 4 Proposed form of government in Beaufort County

SECTION 4-9-840. Preparation and submission of budget and descriptive statement.

The county **manager** shall prepare the proposed operating and capital budgets and submit them to the council at such time as the council determines.

At the time of submitting the proposed budget, the county **manager** shall submit to the council a statement describing the important features of the proposed budgets including all sources of anticipated revenue of the county government and the amount of tax revenue required to meet the financial requirements of the county.

SECTION 4-9-850. Authority of **county manager over elected officials; authority of council and its members over county officers and employees.**

With the exception of organizational policies established by the governing body, the county **manager** shall exercise no authority over any elected officials of the county.

South Carolina Code of Laws

Title 4, Chapter 9, Articles 7 and 9 presented in parallel

Differences in language used are indicated in bold.

Form No. 3 Current form of government in Beaufort County

SECTION 4-9-660. **Authority of council and its members over county officers and employees.**

Except for the purposes of inquiries and investigations,

the council shall deal with county officers and employees who are subject to the direction and supervision of the county administrator solely through the administrator, and

neither the council nor its members shall give orders or instructions to **any such** officers or employees.

[SECTION 4-9-660 contains no language parallel to the passages on the right.]

SECTION 4-9-670. Applicability of Article I.

Except as specifically provided for in this article, the structure, organization, powers, duties, functions and responsibilities of county government under the **council-administrator** form shall be as prescribed in Article I of this chapter.

Form No. 4 Proposed form of government in Beaufort County

[Section numbering become less parallel. SECTION 4-9-850 continues.]

Except for the purposes of inquiries and investigations,

[no parallel language]

neither the council nor its members shall give orders or instructions to **county** of ficers or employees.

SECTION 4-9-860. **Election or appointment of county treasurer and auditor.**

The county treasurer and county auditor, or their counterparts, by whatever terms those officials are designated may be elected or appointed by council as the council may determine by ordinance. If such officials are appointed, they shall be subject to control by council and the manager in the same manner as other appointed county department heads.

SECTION 4-9-870. Applicability of Article I.

Except as specifically provided for in this article, the structure, organization, powers, duties, functions and responsibilities of county government under the **council-manager** form shall be as prescribed in Article I of this chapter.

September 12, 2011

Official Proceedings

County Council of Beaufort County

September 12, 2011

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

CAUCUS

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

ATTENDANCE

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

DISCUSSION ITEMS**Redistricting**

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

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

Rails to Trails / Magistrates' Salaries

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

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

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

2012 Accommodations Tax Board Recommendations

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

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

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

Economic Development Consultants and Task Force

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

\$377,000 Water Line for Beaufort Commerce Park

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

Transfer Policy Examples

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

REGULAR MEETING

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

ATTENDANCE

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman Gerald Dawson gave the invocation.

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

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

PUBLIC COMMENT

The Chairman recognized Ms. Joni Dimond, a Hilton Head Island resident, who spoke to the Rails / Trails Program. When the railroad was built many years ago, the people who lived along the railroad were told that when the railroad stopped running, the land would revert to them. This was a total of 500 acres. Beaufort County helped itself to the rails. The scrap rails were worth \$3 million. Who is getting that money? Why did that happen? It belongs to the people who live along that railway. They are looking for matching funds in the amount of \$264,000 from the general fund. If they are saying that the \$1 million is coming from the scrap metal rails, it is not. Where is the \$1 million coming from? She wrote the Federal Transportation Department asking that they not give Beaufort County the \$25 million TIGER Grant. She let them know of the intention of making trails in the back of poor people's homes. It is just another trail for Governor Sanford and tourists to put bicycles and buses in these people's backyards. How many of you would like to have a 15-foot wide road put in your backyard? It is wrong. It is dead wrong. Council should not be thinking of putting money towards this. The \$3 million should revert to the people who live along the railroad.

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

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

Mr. Steve Robinson, a resident of Lands End, stated the Public Works Department recently placed boulders on Warf Road, blocking golf cart access and gathering spots for neighbors to watch sunsets over the Beaufort River. They have eliminated access to numerous elderly and disabled in the neighborhood. Some folks have already filed complaints with the Department of Justice, Office of Americans with Disabilities, and more are likely to file pending tonight's meeting. He was going to show a plat of the neighborhood, dated 1951, showing Warf Road as an access. He was going to read Section 90-62 of the ordinance, damage done to the buffer zone, newspaper articles from 2005 where Division Director Buz Boehm, Attorney Kelly Golden, and PALS Director John Miller said that the County did not own Warf Road. He tried for three weeks to get someone from the County to listen to his thoughts and facts, but his efforts were useless. Someone caused the access to be blocked without warning or public discussion. The road was unjustly blocked. Other accesses in the area have not been blocked. People at The Sands back their cars up to the water's edge. People on Harbor Island ride golf carts on the sand. The Lands End community is being unfairly penalized for doing something that is not illegal. Citizens of Lands End request immediate removal of the boulders until such time that the State Legislature passes a law making it illegal to ride a golf cart on a river bank. A law that all South Carolinians will have to abide by, not just one neighborhood singled out on a whim.

Ms. Cheryl Smith, a resident of Lands End, voiced her concern about the access to the water being blocked by boulders. She has a golf cart, but usually parked it where there is access. This past weekend there were 25 golf carts. She was unable to go down and turn around. There were a lot of visitors Labor Day weekend. She likes to park her golf cart where she can keep an eye on her belongings. If these boulders are going to remain, what happens to property values? She was considering building a cottage on her property, but this might make the decision for her. We are all

disappointed. This main access is the essence of Lands End. She does not feel golf carts are doing any damage. She asked that the boulders be removed.

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

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

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

Mr. Kenneth Doe, a Beaufort native and Pastor of the Bethesda Christian Fellowship of St. Helena Island, stated the community has presented the opportunity to lend a helping hand to the farmers. This farmers' co-op processing facility holds the promise of these farmers moving to another level by providing fresh local produce to local and regional entities. This is a win-win situation for our farmers and those who will secure their produce. He asked that Council provide the requested funding that will assist this group in realizing its goal.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

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

Three-Week Progress Report

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

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

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

Mr. Henderson gave an update on the Depository Agreement Selection Process. Standard procedures were followed to advertise the request for proposal. Bids were received from four full service banks: Bank of America, Wells Fargo, BB&T, and TD Bank. The review committee consisted of: Doug Henderson, Treasurer; Dave Thomas, Purchasing Director; Ed Hughes, Assessor; Jeri Roseneau, Clerk of Court; Alan Eisenman, Finance Department; Maria Walls, CFO Deputy Treasurer; and Joanne Romine, MIS Programmer/Analyst. Exhibit 1 that was provided serves as a score sheet done on each of the institutions. The financial institutions are shown in order of highest score to lowest. Each financial institution was rated separately using a consistent grading system. As shown by the scores, the committee overwhelmingly selected BB&T as the County's financial institution. They were chosen for several reasons. They offer the following services: (i) receipt of current tax payments at bank branch locations, (ii) lock box service, (iii) in-bank credit card merchant department, and (iv) courier services for deposits from each Treasurer's office location. Their pricing is outlined as follows: (i) a compensating balance will offset service charges, (ii) the earnings credit rate will be .65% against total balances, (iii) all excess balances will earn .25%, with a floor of .15%, and (iv) a \$2,500 credit per year towards supply costs. They were also chosen due to the ease of transition. The County had a relationship with BB&T for many years and both parties are familiar with each other. In addition, BB&T will be offering training and support to County staff to ensure the transition is as smooth as possible. Lastly, they were chosen due to local contacts. The relationship manager is in Beaufort and the County has immediate access should any problems arise. They were the only bank that had a local representative on staff that could be called if needed. The new structure will accomplish some of the following goals: (i) Eliminate the risk and exposure associated with our employees making bank deposits. (ii) Lock box will expedite the payment process because payments will be mailed to and processed by BB&T instead of the Treasurer's office staff. This will increase our staff's availability to assist taxpayers and perform other duties that will increase efficiencies. (iii) Acceptance of payments in BB&T's branch locations will provide added convenience to the taxpayers as well as shorten the lines at our offices during tax season. (iv) BB&T's in-house credit card merchant services will offer us a flat rate pricing. We are still negotiating the final agreement but this should result in the ability to reduce convenience fees for taxpayers paying by credit card.

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

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

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

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

Exhibit 5 demonstrated by tax year involved, showed the tax dollars collected and the fees waived during the same time period in 2010. There are no prior years' fees collected because the prior years' fees were not rolled over from Legacy to Manatron during the transition. This happened because fees are in a separate fund and that fund was not rolled over. \$29,361.18 was collected from prior tax years. Approximately 98.9% of the tax dollars collected was for the 2009 tax year.

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

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

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

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

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

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

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

Mr. Simon Fraser and Mr. Steve Wilmot with the Heritage Classic Foundation (Foundation) thanked Council for the support shown to the Foundation last year in their time of need. It enabled the Foundation to guarantee the tournament, which was a great success. From that tournament, the Foundation secured a new Title Sponsor with RBC and a new presenting sponsor with the Boeing Corporation, both have signed agreements. Mr. Fraser presented Council a check in the amount of \$250,000 as the first loan payment to the County.

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

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

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

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

Mr. Marci Andino, Executive Director of the SCE, sought guidance from the South Carolina Attorney General concerning the SEC's authority to enter into contract, given that Proviso 79.14 did not become law. Prior to 2008, the SEC and counties' Board did not conduct Presidential Preference Primaries. In the South Carolina Code of Laws, 7-11-20(B)(2), a special provision was written into the law for the November 2008 election cycle which stated the SEC "must conduct" the Presidential Preference Primary. A copy of this section of law is in your handouts. The Attorney General's opinion noted that the literal text of the South Carolina Code of Laws clearly indicated the law was meant for the November 2008 election cycle only. However, the Attorney General concluded that, since the title of the act was not so limited, the legislature intended 7-11-20(B)(2) to be a continuing authority bestowed on the SEC.

After the Attorney General's opinion was rendered, the spokesperson for the SEC, Mr. Chris Whitmire, was quoted in *The State* newspaper as saying the Attorney General opinion not only gave the SEC the authority to conduct the Presidential Preference Primaries, but that it also gave them a mandate to run them. This was followed two days later on June 29 with a post on the SEC's intranet, Election Net, which informed county election officials in the state that the SEC is working the details of a contractual agreement with the parties. As of today, county election directors have still not

been informed regarding the details of the contractual arrangements being made between the SEC and the parties. Mr. Marshall is also unaware of any requests for input from the counties. At this point in time there are things that we know and things that we do not know. Unfortunately, what we do know is as troubling as what we still do not know. We still do not know the exact dates of the Presidential Preference Primaries, or if there will indeed be two primaries.

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

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

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

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

If counties conduct the primaries, then they must be fully funded with monies other than public funds. They must be conducted on the same date as well. The York County Board of Elections and the Dorchester County Board of Elections have positions that mirror that of Beaufort County's. The position of the Hampton County Board of Elections is that both primaries should be on the same date and that the parties should fully fund the events. We expect other county boards to formally address this issue as well. This is a watershed issue with Home Rule implications. The Attorney General's opinion is not law, and is terribly flawed. Its interpretation by the SEC only exacerbates the problem. He stated he does not anticipate that we can run a Presidential Preference Primary on the reimbursements that will be received from the SEC. The Board objects to use of public funds to augment it. If we conduct the Presidential Preference Primaries, then we are forced to run a deficit. He expects Council will make up the difference using constituents' tax dollars. Maybe not today, but at some point in the near future the Board will need to know if Council is willing to subsidize the Presidential Preference Primaries in 2012. The Board's position is that they urge Council to engage in dialogue with other counties and with the SCAC.

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

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

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

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

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

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

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

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

Beaufort Memorial Hospital Refunding and Improvement Revenue Bonds

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

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

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

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

Approval / Town of Bluffton Intergovernmental Agreement on Stormwater Utility Operation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ROCK PURCHASE FOR COUNTY DIRT ROAD IMPROVEMENTS

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

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

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

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

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading

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

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

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading

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

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

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading Council approve on first reading a text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article VII, Sec. 106-1845(6) Buffer Disturbance (adds river buffer disturbance standards). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed .

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

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading

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

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

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

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

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

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

Step C - Approve Project 3 and Project 6 tonight.

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

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

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

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

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

1. Off Airport Tree Obstruction Removal - Runway 21 Approach

Federal Part: \$661,390

Applicant (County): \$17,405

State: \$17,405

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

- No Information on Applicable Town Rules Provided
- No Information on Public Hearings provided

2. Off Airport Tree Removal Mitigation - Runway 21 Approach

Federal Part: \$386,650

Applicant (County): \$10,175

State: \$10,175

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

3. Repair Apron Joint Material

Federal Part: \$30,115

Applicant (County): \$793

State: \$793

- No Comments

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

Federal Part: \$646,000

Applicant (County): \$17,000

State: \$17,000

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

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

Federal Part: \$813,591

Applicant (County): \$21,410.53

State: \$21,410

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

5. FAR Part 150 Noise Compatibility Study

Federal Part: \$304,384

Applicant (County): \$8,010

State: \$8,010

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

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

It was moved by Mr. Glaze, as Public Facilities Committee Chairman (no second required), that Council accept the FY11 FAA Grant Offers in the amount of approximately \$2,842,129 for the Hilton Head Island Airport. The three grant projects follow: (i) Runway 21 Off-Airport Tree Obstruction Removal and Mitigation as well as Air Carrier Apron Joint Material Replacement, grant amount \$1,724,154, the funding source is state matching funds (2.5%) will be requested and the local match (2.5%) will be \$45,373; (ii) Master Plan Reimbursement and to conduct the Environmental Assessment and Benefit Cost Analysis for implementation of Phase I of the Master Plan, the grant amount is \$813,591, funding source is state matching funds (2.5%) will be requested and the local match (2.5%) will be \$21,410 for the EA/BCA portion; and (iii) Part 150 Noise Compatibility

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

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

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

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

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

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

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

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

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

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

PUBLIC HEARINGS

CONSIDERATION OF AN ORDINANCE REDISTRICTING THE COUNTY COUNCIL OF BEAUFORT COUNTY

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

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

Mr. Morgan explained the redistricting criteria Beaufort County Council established. (i) Adhere to the court-ordered Constitutional requirement of one person, one vote (i.e. mathematically equal districts) (ii) Adhere to the 1965 Voting Rights Act as amended (iii) Ensure that parts of districts are contiguous (iv) Respect communities of interest (v) Attempt to maintain constituent consistency (vi) Avoid splitting voting precincts (vii) Solicit public input (viii) Work with data provided by Public Law 94-171. Mr. Morgan then explained how the Redistricting Committee and Council met the above criteria. To address (i), Mr. Morgan highlighted the statistics in Plan 4 for the total people living in the area and the deviation percentage. The goal for the mean was 14,748 people per district and the deviation percentage in Plan 4 was 2.47%.

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

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

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

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

provided by Public Law 94-171 was addressed because the Redistricting Committee took the data provided from the Census and plugged it into the software used during redistricting.

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. Newton asked for additional comments by Council members. He noted there has obviously been some factual inaccuracies in the newspaper reported in the last few weeks. That is why one of the significant items today is to have the lawyers go through the process, as noted in Mr. Evans' comments that Mr. Bowers actually brought down the first plan the Council examined in early April with regard to what was described as natural retrogression. Mr. Newton noted it can be seen in the composition of the Redistricting Committee, the efforts that have been undertaken, the comments received, reactions the Redistricting Committee had to comments received that the adherence to the court-ordered constitutional requirement of one person, one vote is equally as important to the 1965 Voting Rights Act as amended. The County did everything it could, in its power, mathematically to avoid retrogression in Beaufort County and to protect the minority districts on County Council. Mr. Newton stated in his

judgment it is as evident in this process as anything else this Redistricting Committee has done. To suggest to the contrary, perhaps, indicates a lack of a full appreciation of the multiple public hearings, the multiple Redistricting Committee meetings held and the multiple opportunities advanced to solicit input and to receive input throughout the process. One of the slides in the earlier PowerPoint indicated the growth in southern Beaufort County and the increase by a higher percentage of the white population in Beaufort County left Beaufort County with what is known as natural retrogression. This has concerned a number of us. Mr. Newton cited Mr. Bamwell, who spoke very eloquently to that earlier. He said he believes the County has done all it can mathematically and technologically to try to protect those communities of interest. Much has been suggested about the attempt to maintain constituent consistency. That quite simply is protecting incumbents with a fancier name placed on it. It is interesting to note this criterion is midway down to the bottom half of the list of what redistricting criteria were, with the two guiding principles were adherence to the law, the constitution and the Voting Rights Act. Mr. Newton said while he cannot say he is pleased two of his colleagues and friends have to run against each other. He said he knows the County has done everything it could to try to avoid that possibility and yet recognize the legal requirements put on the citizens of Beaufort County. In addition, Mr. Newton said he shares a concern, as Mr. Rodman began to state, with the cost of having to justify the redistricting plan in Washington because of the natural retrogression and because of the challenge that now appears to be expected by the School Board. That means a cost to be borne by all the citizens of Beaufort County in very significant numbers. Mr. Newton said he appreciates the School Board's thoughts and comments but said he hopes when they study this process they study much of the same data as Council and come to the conclusion that adherence to the law is much more important than protecting incumbents, especially when talking about the millions of dollars incurred by Beaufort County in trying to justify protecting incumbents.

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

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

Mr. Flewelling said he wholeheartedly endorses this redistricting plan. He personally met with staff to manipulate the data and the maps to get the best percentages for more than 12 hours. He spent more than 50 hours attending meetings, talking with constituents, studying the maps offline and studying the demographics of Beaufort County in a furtherance of an effort to get the best plan. The best plan is one that meets the law and the stated goals of the County Council, as well as the moral intent of the law to further one person, one vote. It furthers what we have learned through history through the impetus of the Civil Rights Act of 1964. He said he believes one could potentially say this redistricting is motivated by racism if it is also agreed that the Civil Rights Act is motivated by racism. In this particular case, it is to protect races. It is to protect the minority majority districts in Beaufort County. The Redistricting Committee went to an awful lot of trouble to do that and get the best possible minority representation in as many districts as possible. He concluded by repeating that he wholeheartedly endorses the redistricting plan.

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

Mr. Washington stated he wants to be clear. There is no attempt to disagree with the criteria established and that the County, for the County seats, adhered to those. No one is trying to indicate the Council did not adhere to the law for County Council. The Board of Education's position is basically that Board of Education districts should have other factors considered; it is not just about incumbency. Mr. Washington said he is not elected as a minority, not elected from a minority district, but he is elected from a majority district as are several of the members. There are other interests that should be considered, some of which were outlined in Mr. Evans' statement. Mr. Washington handed out copies of those requirements to Council. He added the Board of Education is not saying or indicating that it is a racial issue; for him it is not, he said. Demographics shows, he said he reads numbers too, the numbers add up and Beaufort County cannot have more protected districts when it comes to minority majority. That is not the issue. It is about the Board of Education's responsibility in educating children and the responsibility as the primary education elected officials. That is what the Board of Education is looking for. The Council's charge is different than the Board of Education's charge. The constituencies differ as well. The missions are therefore different. The Board of Education is looking for districts that carve out the difference in the constituency and missions. There is no way, and Mr. Washington noted he said in public and private meetings with the Board of Education, that the Council cannot look at creating or having protected districts and have more than two in Beaufort County. There are other things to consider. "I want to be very clear about that," he said. If the Board of Education cannot do its work it should "shut up." Mr. Washington said he would not put something out that does not have facts or information supporting it. As such the Board of Education needs the time to do that work it did not do on redistricting before. That is what the Board of Education is doing. He reiterated he wants to be clear that the Council did a good job with what it has to deal with as it related to the County Council. "We don't want to inflame things. Now, let's not have unnecessary...let's not have that," Mr. Washington said. He added his personal position is this when it comes to race and color, there is one race: human. The color that counts is green – economics and environment. If more to improve those subjects, then they are moving in a direction of improving a bad system. He said lived too long and wants to enjoy his time as a human being.

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

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

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

Mr. Newton deferred to the attorneys, but said he does not agree as the Board of Education could do something or nothing. He added the County committed to a process ensuring timely review by the Department of Justice and thinks sufficient statements have been made tonight reflecting the

racial suggestions in newspapers as to the creation of districts and the effects on other bodies have been clarified. The record will reflect the School Districts was asked to be involved in the redistricting process and advised, but for whatever reason did not decide to do so. The School District now comes with a different set of criteria. Under the existing law, the lines drawn for County Council apply to the School District, per state law.

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

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

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

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

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

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

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

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

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

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

AN ORDINANCE TO ADOPT THE BEAUFORT COUNTY HAZARD MITIGATION PLAN

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

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

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

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

Main motion.

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

Motion to amend by addition.

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

Mr. Baer stated Council has a fiduciary duty to taxpayers to ensure that their tax money is spent wisely - even if it is only \$30,000 as in this case. We subject many of our projects to this kind of scrutiny, including the Estuarium, Beaufort Commerce Park, Heritage Tournament, etc. We should do it

with all. This project has been before us three times: May, August and tonight. Basically, this is a good project that he would like to approve. But each time it has appeared before Council he has asked similar questions and not received very good answers. He summarized the data Council should those as listed in four basic questions that he sent out to everyone three weeks before this meeting. Since then, he sent repeated emails to ensure that the sponsors look at the questions and provide reasonable answers. At a previous meeting in August he even offered to help the sponsors with their business plan. Over the weekend, he went through all the material provided, carefully, including the new changing numbers in our Council package received September 9, 2011, and the new information in Mr. York Glover's and Mr. Paul Sommerville's emails, both of September 8, 2011. He has summarized all of this, organized by the four questions that were previously asked, below as submitted:

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

Does the County Finance Department believe that the Business Plan provided is viable? (Question from May 2011 meeting.) A new pro-forma financial report business was attached to the County Council meeting package for September 12, 2011. It shows: 190,000 lbs/year in first year sales; 365,000 lbs/yr in year 2 (selling at \$1.60/lb). Much lower total expenses (\$0.75/lb) than provided in spreadsheet in August (\$0.89 - \$1.11/lb). Will school or someone buy this amount? Are numbers reasonable? There is still no independent verification of viability, including Phase 1 constraints in item 4 below. Need to ensure that our \$30,000 is used to catalyze a viable startup, and that there is no need for, or expectation of ongoing funding.

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

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

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

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

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

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

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

COMMITTEE REPORTS

Community Services Committee

Children's Foster Care Review Board

Curtis McDaniel

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

Governmental Committee

Burton Fire District

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

Lowcountry Regional Transportation Authority

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

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

Natural Resources Committee

Southern Corridor Review Board

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

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

Public Facilities Committee

Solid Waste and Recycling Board

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

PUBLIC COMMENT

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

CALL FOR EXECUTIVE SESSION

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

EXECUTIVE SESSION

ADJOURNMENT

Council adjourned at 8:19 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____

ATTEST Wm. Weston J. Newton, Chairman

Suzanne M. Rainey, Clerk to Council

Ratified: September 26, 2011

September 26, 2011

Official Proceedings

County Council of Beaufort County

September 26, 2011

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

CAUCUS

A caucus of the County Council of Beaufort County was held at 4:00 p.m. on Monday, September 26, 2011 in the executive conference room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

DISCUSSION ITEMS

Topics discussed during the caucus included: renumbering the 11 separate Council District and Board of Education Districts, Bluffton Parkway 5B, FEMA reimbursement possibilities for private communities, 2% state and 3% local accommodations tax funds, supplement appropriation for the purpose of funding census-based Magistrate salary increases, a referendum to retain the County / Administrator Form of Government or change to the County / Manager Form of Government, and Mr. Rodman publicly calling for Mr. Morello's resignation from the Board of Education at the September 12, 2011 Council meeting.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. on Monday, September 26, 2011 in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman Gerald Dawson gave the invocation.

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

It was moved by Mr. McBride, seconded by Mr. Caporale, that Council approve the minutes of the regular meeting held September 12, 2011. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC COMMENT

The Chairman recognized Mr. Doug Henderson, County Treasurer, who spoke to the issue of changing our current form of government. At the risk of my remarks being felt as self-serving, you and I know that it wouldn't affect me in any case because I would get to serve out my term in the event of whatever happens but let me preface my remarks by saying that I understand what generated the concern about changing our form of government. The previous administration incurred situations which gave rise to concern and that's understandable. I was concerned as well. Those issues were brought to light and the public spoke. They decided a new administration was needed in the Treasurer's office and proceeded to do just that. This is, I believe, as it should be and should continue to be. Decisions made by the people. I have no doubt that administratively Mr. Kubic and his staff could manage effectively the operation of these two offices but statutorily may be another story. The reason I feel that way is elected positions is because sometimes state statutes come into conflict with local opinions and therein might lay a problem. The current form of government that we have is necessary in order that we continue the separation of powers. That's the way it was set up in the Constitution, that's the way it should remain. Although sometimes not apparent, I believe the public by and large is informed and astute enough to elect us as offices we serve. As a matter of fact they elect a sheriff, the members of County Council. I think that we can give them enough credibility to elect the County treasurer and the County auditor. I will say that I have in my short time of being Treasurer of Beaufort County, I have spoken to numerous groups throughout the County and I have not had one person, not one, come forward and say that they would favor this change. Where is the groundswell of support that would provide us whatever to go through this process, the expense of this process to bring it before the people? Each Council member here represents a small portion of the electorate of this County. These two offices, they support the entire County. They represent the entire County and I think that's the way it should be. I would think that you would think long and hard about discounting the significance or importance of continuing this form of government. Thank you for the opportunity to speak to you tonight and we look forward to going forward. We appreciate the cooperation we've received so far in the Treasurer's office; it's been wonderful. The administration has been very supportive, as has Council, and we hope that that would continue in the future.

Mrs. Sharon Burris, County Auditor, spoke to the issue of having the County form of government changed. There are 46 counties with differing, in some cases, forms of government. Only two of counties that exist in South Carolina have a Council/Manager form of government where the auditor and treasurer are appointed. There is something to be said for that. There was a third county that, in fact, had a push to have the form of government changed to the Council/Manager manager form of government; and when that happened and the public understood what that meant, giving up their right to vote for the position and make a choice, they went to the polls and voted against it. Mrs. Burris would ask that we do the right thing—everyone that she has spoken to have been against taking away our right and privilege to vote for an elected person.

COUNTY ADMINISTRATOR'S REPORT**The County Channel**

Mr. Gary Kubic, County Administrator, announced The County Channel crew was out in full force to cover the Beaufort Tercentennial Parade. The parade, which celebrated Beaufort's 300th birthday, featured Actor Gary Sinese, and commentary by Municipal Court Judge Ned Tupper and county spokeswoman Suzanne Larson. The parade will re-air on The County Channel. The County Channel is also gearing up for a new season of Parks and Leisure Services football. Coverage kicks off on Tuesday, September 27 at 6:00 p.m. The County Channel will be taping the 8 and 9 year old game, the Bulldogs Versus the Raiders, from Burton Wells Regional Park.

Two-Week Progress Report

Mr. Kubic presented his Two-Week Progress Report, which summarized his activities from September 12, 2011 through September 23, 2011.

Presentation / Organizational Assessment of Beaufort County Economic Development Task Force Report

Mr. Kubic introduced Mr. Gary Horn, Chairman of the Economic Development Task Force, who is here today to go over the process, the objectives sought, and some of the recommendations contained within the Organizational Assessment of Beaufort County Economic Development Task Force Report (Report).

Mr. Horn introduced the members the other members of the task force who conducted this study: Mr. David Tiggles, CEO of McNair Law Firm; Mr. Joe Frasier, CEO of Frasier Construction Company; Mr. Richard Gray, Founder, Grayco; and the late Mr. Don Ryan, who passed away last week.

In late February / early March 2011, Mr. Newton asked the five-member task force to interview and select a consulting firm whose area of expertise is economic development strategies. We were given two companies to interview and, we selected Angelou Economics (hereinafter Angelou). Angelou was asked to assess the following issues and to make high level recommendations to Council. Our task force mandate was to focus on the following issues: (i) Identify the best and most commonly employed economic development business model, (ii) Provide empirical data on successful development models deployed within and outside the State of South Carolina, (iii) Provide recommendations on economic development, staffing, professional experience and salary ranges, and (iv) Evaluate the benefits and risks associated with approaching economic development on a County only or regional basis.

After receiving the Report in full, the task force is making the following recommendations: (i) Participate in a public/private economic development entity that is regional in scope and can generate a strong foundation for financial stability, infrastructure access, market diversity and a pro-business recruitment approach. The regional economic development entity should, at a minimum, include Beaufort and Jasper Counties using the existing Lowcountry Economic Alliance as a launching pad but with a broader base of stakeholder representation on the Board of Directors. A coordinated effort should be made to expand the region to include, at a minimum, Hampton and Colleton Counties. (ii) Commit to a funding model that guarantees the financial resources to recruit and retain a skilled and experienced professional staff adequate to market the region on a

national basis. (iii) Develop and maintain a focused, strategic approach to business prospects and actively engage the broader community in the economic development process. (iv) Funding mechanism should include state and federal grants, an annual county population base capitation payments, private sector annual dues for Board participation, state mandated utility contribution for infrastructure improvements. (v) Develop a broad structure that would engage a wide spectrum of stakeholders in the economic development process to include a minimum of the following: local and county entities, the private sector, local chambers of commerce, entrepreneurial supporting organizations. (vi) The Board committee structure should include the following: an executive committee that is responsible for staff oversight, executing Board strategy, financial management, reporting to stakeholders and supporting staff. (vii) Under recruitment, an issue resolution for prospective businesses. (viii) A marketing committee to develop a broad-based regional marketing strategy including media and trade missions. (ix) An investor relations committee charged with finding and supplementing funds for network operations. (x) A strategic planning committee geared to assist in identifying target industries for recruitment and economic development. (xi) Require the Economic Development Board to develop and submit a set of benchmarks that can be used to measure the performance of both key staff members and the economic development entity. Future funding should be based on the measurable success of the organization.

In closing Mr. Horn introduced Mr. Steve Vierck, President of AngelouEconomics, who assisted the task force in developing the Report.

Mr. Newton thanked the task force members for their willingness to serve as well as their hard work and participation in the formulation of these recommendations.

Mr. Stewart asked that a follow-up presentation occur at the October 3, 2011 Governmental Committee meeting in order to delve into the Report, to move forward in making some recommendations with the task force, and to report back to Council.

Mr. Baer thanked Mr. Horn and the task force for putting a lot of facts down on paper for Council to analyze. He spent the weekend reviewing the Angelou slides and, will submit in writing comments and questions. Mr. Baer noticed that the conclusions presented today were a little bit different from what were in the executive summary. Not divergent but a selection of them with a slightly different emphasis. It would be useful if you could send us the notes that you just read from, at least the conclusions or the action items as well. They were a little more succinct than the items in the Angelou view graphs.

Mr. Newton is hopeful this is not a kind of study that gets put in a three-ring binder and put on a shelf for somebody else at some later date and time to run across remember when we looked at that back one time ago. We know, both the County and the private sector and the rest of the governmental units in Beaufort County, we can do a better job than we have done in the past. He is hopeful the task force work and recommendations is the springboard for us to be able to move forward.

Sharon Saunders Trust Property

Mr. Kubic remarked members of the Finance Committee on September 19, 2011 had the opportunity to hear about a request for a 4% assessment ratio appeal. The appeal involves the Sharon Saunders Trust. Both sides, the representatives of the trust property and the County were there making a presentation to committee. He asked County Attorney Gruber to step forward and give a briefing as to what was discussed at that committee meeting and then we will be able to hear from representatives of the trust property.

Mr. Josh Gruber's, County Attorney, briefing to Council follows:

Mr. Gruber: The item on the agenda for this evening is in regard to an application for an extension of a filing period for a 4% special assessment ratio as provided for under South Carolina law. As Mr. Kubic stated, this matter was taken up before the Finance Committee; therefore, he will not rehash all the details with you but just wanted to provide you a brief summary of kind of what the County believes the pertinent facts are regarding this situation.

On May 27, 2009, the property in question was deeded from the Sharon Saunders Trust to Atlantic Pointe, LLC. Atlantic Pointe, LLC, as a separate legal entity, does not qualify to receive the 4% special assessment ratio. As such, notice was sent from the Assessor's office that the 4% ratio had been removed from the property. On December 17, the property was then transferred back from Atlantic Pointe, LLC back to the Sharon Saunders Trust. South Carolina Code of Law in 12-43-220(c)(vi) states specifically that if a change in ownership or use of property occurs; another application is required by the new owner to qualify the residence for the 4% assessment ratio for future years. Additionally, that Section (c)(ii) states that the 4% special assessment ratio does not apply unless the owner of the property or the owner's agent applies for the 4% assessment ratio before the first penalty date for the payment of taxes. In this case, it would have been January 15, 2011. The property owner in this matter or their agents did not file the 4% special assessment ration application until June 16, 2011, approximately six months after the filing deadline date. They are before you this evening to request that under South Carolina Code of Laws 12-43-220 (c)(viii), which states that a failure to file the application within the prescribed time constitutes abandonment of the owner's right to the classification for the current tax year but the local taxing authority, which is us, County Council, may extend the time for filing upon a showing satisfactory to it that the person had reasonable cause for not filing before the first penalty date. That, we believe, are the pertinent facts that are before you this evening in making a decision about whether to not to extend this filing deadline application.

Mr. Rodman stated this issue did go through the Finance Committee and the appeal was denied by a vote of 4:3. It had to come to Council regardless and that brings us back to this point. This issue seems to have some legal points which are probably a little bit confusing to Mr. Rodman; but it makes sense to hear from the folks, who are requesting the assessment and have a discussion and see where it leads us, because we do have to vote, as a Council, as he understands it.

Ms. Elizabeth Mayo's and Mr. Charles Scarminach's, representatives of the trust property, briefing to Council follows:

Mr. Scarminach: Mr. Chairman, I am Chuck Scarminach. We represent the Saunders Trust. Ms. Mayo is my law partner and she had specific client contact with the client. We think we have, we meet the conditions of the statute and we'd like to express our interpretation of the facts which are somewhat different than what has been presented to County Council.

Ms. Mayo: I do realize that there are several of you who were not on the Finance Committee. You did receive, I believe on Friday, a letter from Mr. Scarminach with a timeline and some discussion of our request. What I would like to add to Mr. Gruber's brief timeline is that from the time we received the letter from the Assessor's office on January 4, dated January 4, our request was late, we continued to negotiate with the Assessor's office in telephone conversations, emails, and at least one meeting with Mr. Hughes which eventually resulted in our filing in late, in June sometime, all of the client's information regarding the 4% application.

As I said, as we said in the letter, I believe that the Finance Committee may have misinterpreted what the statute said. I remember some specific questions at the Finance Committee that we had clearly missed the deadline. That's not what the statute says. The statute says, as Mr. Gruber indicated, that the County Taxing Authority, which is you to begin with, has the right to decide whether or not missing the deadline, there was reasonable cause for missing the deadline. And as Mr. Scarminach indicated, we clearly believe that we do have some reasonable cause for missing the deadline.

First, as we have indicated to the Finance Committee, both Mr. Scarminach and I were out of the office at the end of the year. I was out on scheduled vacation; Mr. Scarminach takes over my files when I'm gone. His mother passed away and he was called to Syracuse, NY to deal with that at the end of the year. In addition, on December 22, I provided a list of taxpayers who were to receive, for whom tax protest letters were to be sent by the end of the year to my assistant. They were all dated on December 22. For some reason, the only one that did not go to the Assessor's office and was not postmarked until January 3 was the Sharon Saunders Trust property protest. The other four protests were received, to my knowledge, appropriately, timely by the Assessor's office. I, unfortunately, I don't want to lay blame on the post office but, it might have been the fallibility of the post office at that time.

Further, we were in receipt of a letter from early September 2011 from Mr. Hughes to Carrie Griffin, a prominent local real estate attorney, asking some questions about deadlines. The interpretation of that letter would have indicated that we had until January 15 to file this appeal. There was also some concern by the Administration that to allow appeal, to allow this 4% versus the 6%, was going to throw open the doors. The comment was there would be a line outside the door by everyone who was late in filing this. We had two meetings of the Finance Committee. This was on the agenda for both of these items. We believe that we have precedent that other taxpayers would not have. There was an error by the Assessor in the tax to begin with, both of the attorneys were out of town, and we were relying on Mr. Griffin's letter and, as I indicate in the letter, there clearly was not a line out the door. This statute is available to every taxpayer and no one, to my knowledge, has brought it up other than us because we have specific circumstances that would warrant you to find reasonable cause to allow us to have the 4%.

And finally, I would like to point out the case that starts at the bottom of the letter from Mr. Scarminach, LI Investment v. Richland County Assessor. It was a South Carolina administrative law case from 2000 which indicates that the Assessor's notice should be the source of information regarding the appeals process. While the appeals process is contained in the statute, if you will look at the assessment notice that was received by the taxpayer, the front and back, it doesn't say anything about the requirements of reapplying for the 4% tax. The administrative, or the 4% rate, I'm sorry. The administrative law court in that situation said that if the form was not sufficient to include the instructions regarding the appeal requirements contained in South Carolina Code of Laws 12-43-220 (c)(2)(ii), then the statute, then we should find reasonable cause and the assessor should grant or be authorized to grant the 4% rate.

Finally, on a fairness issue, as I indicated, the taxpayer or the tax assessor mis-taxed this property for 2009 and 2010. The property was land until 2008. In 2008, the building was built, the residence was built. For some reason, perhaps it was the conversion to the Manatron system, the construction / the improvements were not picked up. I'm sorry, the improvements were picked up and the real estate was not picked up. So, therefore, in 2009 and 2010, Mrs. Saunders was only taxed on the improvements and not the land.

The Assessor has gratuitously indicated that he will not back-tax those two years but will tax for 2011 both the real estate and the improvements. Unfortunately, that is a very onerous result to our client if we do not get the 4% rate. The tax, in 2009 and 2010, would have been \$9,000. If we added the real property to that at 4%, the tax would be \$13,000, a difference of \$4,000 a year. Not receiving the 4% tax ratio for reasonable cause as the statute permits, our client would pay approximately \$27,000 for tax in 2010.

It appears to us that the Assessor is attempting to correct his error for those two years, the loss of the \$4,000, by assessing our taxpayer \$27,000 for 2010. I would be happy to answer any questions that you might have. I know we've rehashed this for some of you several times.

Mr. Rodman: If you could recap again, there was the application and there was the appeal and one of them was a 90-day and it came in on the 92nd or 93rd day. Could you just distinguish for us between those two documents and what the timing was when they came in, and so on?

Ms. Mayo: It was on September 28, I believe, or it might have been the 27th of 2010. The Saunders received a notice of assessment that might not, well, it's right here, the assessment notice, the reason for the change was the removal of the 4% assessment ratio. That had a deadline of 90 days which would have been December 28, 2010. I, we sent the letter on December 22. I have no idea why it did not go out or was not postmarked until January 3. Had it been received, we would have been appropriately within the deadline. That letter of December 22 that was postmarked on the 3rd was both our protest to this assessment notice and the removal of the 4%, as well as a protest for the underlying value of the property.

Mr. Scarminach: The simple result is that for two days, it's going to cost our client an additional \$18,000. I can't imagine that's the intent of the statute.

Mr. Newton: Let me ask this question. Is the protest for the underlying value? is that something that is still a n issue?

Ms. Mayo: No, sir.

Mr. Newton: So the only thing we're talking about is the 4% application at this juncture.

Mr. Scarminach: 4%, yes, sir.

Ms. Mayo: For 2010, yes. He has received another notice of assessment for 2011 and we filed that yesterday, by certified mail, return-receipt requested.

Mr. Sommerville: I think I asked most of the questions at the Finance Committee. Thank you for your forbearance. There are four things that you could arguably appeal: you could appeal the market value, the assessment ratio, and the property tax assessment, and I guess the special use value if there is one. What did your letter of December 28, say that was ultimately postmarked January 3 appeal?

Ms. Mayo: It said that we were filing a protest. And as Mr. Scarminach's letter indicates that has been our standard letter for over three years to send to the Assessor when anybody has asked us to protest whether it was the 4% or the underlying value of the property. And to my knowledge, no other taxpayer has been refused the 4% because that letter was deemed to be insufficient.

Mr. Sommerville: So your position is that the generic word "appeal" applies to all four possibilities?

Ms. Mayo: Yes, sir.

Mr. Sommerville: I'd be interested to hear the County's position on that.

Mr. Newton: Wait a minute. Does anybody else have questions at this juncture for the appellant? This is the first one of these I've done in ten years. Don't go far, somebody may have a question. Mr. Gruber, Mr. Sommerville had a question for you.

Mr. Gruber: Yes. Thank you, Mr. Sommerville. If there is anything I can do this evening, hopefully, I can make clear to Council that there is a distinction here - you have two legally and factually distinct actions going on. One is an appeal of either an assessed value or a removal of the special assessment ratio on behalf of the Trust, not the Trust, I'm sorry, the LLC. The other is the issue of whether an application as clearly stated in the statute and actually clearly defined in the statute as well, the statute states that there is specific verbatim language that must be included on the application in order for it to be considered factually significant and relevant for purposes of granting the 4%. And I quote, "under penalty of perjury I certify that the residence which is the subject of this application, is my legal residence and where I am domiciled and that neither I, nor any other member of my household, is residing and occupying any other residence in South Carolina." If that information is not contained in the document submitted to the County, it is not an application for purposes of granting the 4% assessment ratio and as the statute clearly states there must be an application filed in order for the application to be granted. Now, what is before you this evening is whether there is reasonable cause to grant the extension of a six-month period for the filing of the 4% assessment ratio. It is undisputed that it was not filed until June 16 so the fact that it was only two days late, that only applies to the appeal that is a factually and legally distinct issue from whether the application should be extended.

Mr. Newton: Mr. Gruber, let me ask you a couple of questions if I can about this.

Mr. Gruber: Yes, sir.

Mr. Newton: The property was, this assessment notice, removal of 4% ratio went out to Atlantic Pointe, LLC.

Mr. Gruber: That is correct.

Mr. Newton: Then Atlantic Pointe transferred the property on December 17 back to the Trust.

Mr. Gruber: That is correct. It is that transfer that you speak of where the application would have been necessary.

Mr. Newton: On behalf of the Saunders Trust, correct?

Mr. Gruber: It was transferred from one entity to another entity.

Mr. Newton: I understand but the appeal timeframe in the removal of the 4% ratio was an appeal timeframe relative to the tax classification or status of Atlantic Pointe, LLC.

Mr. Gruber: I would have to refer back to the letter that was submitted to appeal.

Mr. Newton: No, I'm talking about the assessment notice that was transferred to me.

Mr. Gruber: Yes, the assessment notice is in the name of Atlantic Pointe.

Mr. Newton: What was my deadline after that?

Mr. Gruber: For filing an appeal?

Mr. Newton: For filing the 4%? Because there is, it use to be until Act 388 came along that there was, the taxpayers could seek a refund for up to three years from the County.

Mr. Gruber: Correct.

Mr. Newton: And it was routinely done. There was no form, the Assessor's office and the Treasurer's office advised taxpayers just to take the regular application, write 4% on the top of it, this is a refund request, and send it in and if it was deemed to be appropriate, then they'd go back and give a refund for up to three years.

Mr. Gruber: Absolutely.

Mr. Newton: But that wasn't on any kind of specific form relative to a refund.

Mr. Gruber: That's correct, not a refund.

Mr. Newton: So, under my scenario of what I'm trying to understand; I mean I understand how this happened and I understand what happened but the appeal deadline is really an appeal deadline that deals with Atlantic Pointe.

Mr. Gruber: That is correct. And the appeal deadline is different than the deadline for filing the 4% application. Like I said two distinct issues. The appeal deadline is 90 days from the time that you receive the assessment notice that you're appealing from. The application deadline is set by statute as the first penalty date for the date that a payment of taxes for the year in which you're applying. So, in this case, it was January 15 because that is the first penalty date for the payment of taxes following the 2010 tax year which is the tax year in question that they're looking to apply for.

Mr. Newton: Or January 14.

Mr. Gruber: Correct.

Mr. Newton: Before the imposition of the deadline.

Mr. Gruber: That's correct.

Mr. Newton: Three years ago we put on the computers pay by the 15th and I actually sent a bill over on the 15th and I was told, despite what the internet says, you had to pay it yesterday or have a penalty.

Mr. Gruber: Well, you can directly relate to it then.

Mr. Newton: Yes, I can. Although it wasn't a 4% application, it was just paying a penalty. Alright, so, the applicable timeframe was January 14 and was there, the letter that was submitted that is a protest, was it a letter that was submitted referencing the property, Atlantic Pointe, the Saunders Trust or both?

Mr. Gruber: I'm not sure; I'd have to refer Saunders Trust. But again, it was either an appeal of the assessment value on the property, the value on the property, or an appeal of the removal of the 4%. There was no application filed.

Mr. Newton: Okay. But there wouldn't have been an appeal of the removal of the 4% for the trust because at that point of time, the Trust had received no notice of any 4% removal.

Mr. Gruber: The Trust had not because they had not applied. The removal of the 4% would have gone to Atlantic Pointe, LLC, which it did.

Mr. Newton: Based on the transfer of the property.

Mr. Gruber: That's correct.

Mr. Newton: Is actually what's before us is an appeal of the denial or removal of the 4% or just a determination of whether this 4% application should be acknowledged as being timely submitted.

Mr. Gruber: That's correct. It is a request to extend the time period from January 15 until June 16 based on whatever reasons can be brought forward by the property owners. And please note that THE County is not advocating whether reasonable cause is or is not found here. It is solely in the purview of Council whether they find that issue as met. It is my job to advise what that statute says and that statute says that you must find reasonable cause in order to grant the extension of the deadline.

Mr. Newton: Last thing, what is the, do you have a copy of the, does anybody have a copy of the letter here that was sent in on behalf of Saunders Trust?

Mr. Gruber: I do not have copies but I could have copies made if you'd like it.

Mr. Newton: That's alright; I'll just pass it around.

Mr. Sommerville: While there is this pregnant pause here, let me just ask a question. With respect to Atlantic Pointe and this notice of the removal of the 4% assessment ratio sent out on September 29, 2010, as far as we knew, Atlantic Pointe was the owner of the property. If they had, if we gave them under the first statute, I assume, 90 days.

Mr. Gruber: That is correct. The assessment notice was mailed out on September 29, 2010, so they would have had 90 days from that date. It was then, on December 17, that the property was transferred back.

Mr. Sommerville: That's talking about Atlantic Pointe. But on December 17, although I haven't seen any evidence I'm taking the attorney's word for this, I don't question it, that the property was transferred from the LLC back to the Saunders Trust. So, obviously it wasn't going to be, it wouldn't be appealed by Atlantic Pointe because Atlantic Pointe had no basis for the appeal. They didn't qualify for the 4%. Okay. So, on December 17, now we have a new entity owning it and the County doesn't know that though, does it?

Mr. Gruber: Once that deed is filed in the Register of Deeds office, the County is put on notice that the property has transferred. However, we do not know whether the property qualifies for the 4% special assessment ratio unless this application is submitted under penalty of perjury is submitted. It is that document that affirmatively tells the County that it does meet the statutory criteria to qualify.

Mr. Sommerville: So, you're aware of a transfer of ownership but beyond that you can make no judgment. Mr. Hughes' department makes no judgment because you don't know.

Mr. Gruber: That's correct.

Mr. Sommerville: Okay, so the next step on behalf of the new owner would be to file an application, which I have done personally, an application for a 4% assessment ratio and that would have been due on January 15.

Mr. Gruber: That would have been due the first. That's correct.

Mr. Sommerville: Suppose the property would have transferred on January 14.

Mr. Gruber: You're getting a little bit off topic but I'd be glad to answer that for you. You have to own the property in question during the tax year that you're applying for it. So you must be the owner of record by December 31, 2010.

Mr. Sommerville: Presumably they met that.

Mr. Gruber: Yes. I don't think there is any question, they transferred on December 17.

Mr. Sommerville: Fair enough.

Mr. Gruber: So they did meet it, it's just a question of was it filed and if not, should an extension of time be granted for the filing.

Mr. Sommerville: So the only thing at this point that is necessary post December 17 is an application for a 4% assessment ratio by January 15. That did not happen.

Mr. Gruber: That's the County's position.

Mr. Sommerville: Okay.

Mr. Newton: Mr. Gruber, another question. Prior to April, excuse me, prior to May 27, 2010 was the property at a 4% classification?

Mr. Gruber: Yes, yes, it was. It lost the 4% when it transferred to the LLC because the LLC does not qualify for the 4% special assessment ratio under the statute.

Mr. Newton: So any transfer during the calendar year, if that new owner entity is not entitled to 4%, it's lost at that point of time?

Mr. Gruber: The problem is the County cannot determine, based upon what is filed with the Register of Deeds office, whether a property does or does not qualify.

Mr. Newton: No, I understand that.

Mr. Gruber: And so, yes, it was transferred to the same entity that did previously qualify for it in the beginning of the year but we have no knowledge as to what constitutes that entity. It may be the same entity in name only or it may be the same entity in every aspect. We don't know that.

Mr. Newton: No, I understand that. I'm just trying to follow the change and some of these changes came in with Act 388 regarding no refund, at

least I think that's where they came from.

Mr. Gruber: Some of the issues may have.

Mr. Newton: And maybe you can help me understand those circumstances when the property receives 4% treatment and it transfers hands that 4% treatment stays with that property through that calendar year but changes in the next year.

Mr. Gruber: It would not. Anytime that it transfers, it is going to lose that status until the new property owner comes in and makes an application for it. That's what is required by the statute.

Mr. Newton: And it loses it during that calendar year?

Mr. Gruber: That is correct.

Mr. Newton: Mr. Caporale.

Mr. Caporale: Why was this property transferred over to the other entity?

Ms. Mayo: I was not involved in that particular transfer. It was my understanding that it was transferred for asset protection purposes for Saunders who was involved in some businesses and they were attempting to protect the value of the house from creditors.

Mr. Caporale: This is probably beside the point but didn't anyone know that they were sacrificing the 4% assessment by doing it?

Ms. Mayo: I'm sure they were told that.

Mr. Scarminach: At the time they felt the issue was more pressing and the reason for the, without broadcasting it to the whole world, the reason was related to an economic situation they were in at the time and it made more sense by their tax advisor to have it in the LLC rather than the Trust. When they realized that they had an issue, that the issue went away, we transferred it back and it was the same Trust that owned it and it wasn't a new trust, the Sharon Saunders Trust owned it before and the Sharon Saunders Trust took it back.

Mr. Caporale: Forgive me if you've already addressed this but tell me again why the special assessment application wasn't filed sooner that June 16?

Ms. Mayo: I would like to say again that we're looking at reasonable cause for not filing it timely. When we got the letter on January 4 from the Assessor's office saying, sorry, bets are off, you're late, we began a series of negotiations with the Assessor and there were at least eight contacts between that date and the June date and we began to, I don't know exactly when we began to request the information from the client, it took us a while to gather the information from the client. Because we were attempting to negotiate particularly to understand how this differed from the letter from Mr. Hughes to Attorney Griffin. As I say, we continued to negotiate the issue and when we realized that we weren't going to get any place that way, we filed the information, the drivers license and copies of extensions of his federal income tax returns because he hasn't yet filed his returns and the other information that was required.

Mr. Caporale: Thank you.

Mr. Newton: Mr. Flewelling.

Mr. Flewelling: Just for clarification, you said that the deed from Atlantic Pointe back to the Saunders Trust was recorded in December 2010. I want to make sure everybody understands it wasn't recorded until January 6, 2011. It wasn't recorded until the following year.

Mr. Sommerville: One other question, on your letter of December 22, you indicate the property owner as Don Saunders.

Ms. Mayo: It's Sharon Saunders Trust; Don Saunders and Sharon Saunders are the two current lifetime income beneficiaries. And, therefore, as a lifetime income beneficiary of the trust they qualify under the statute for the 4%.

Mr. Newton: Ms. Von Harten.

Ms. Von Harten: At this point, what are we being asked to decide? Are we supposed to take a vote to say yes to give them an extension?

Mr. Newton: No, whether there is reasonable cause to accept the 4% application late.

Ms. Von Harten: Does that take a motion?

Mr. Newton: Is that right Mr. Gruber?

Mr. Gruber: Yes, sir.

Mr. Newton: There is a recommendation that comes from the Finance Committee for denial. And so the Committee recommendation is to deny. There could be a motion made once that motion is, there is no second required so it's actually lying on the table at this juncture. The motion is to

deny the request for 4% special assessment ratio for the Sharon Saunders Trust Property. So, they'll be a vote on that motion and that motion will either pass or fail or you can move to amend the Committee recommendation or change the Committee recommendation but the motion that is in front of us is to deny.

Main motion: It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council deny the request for 4% special assessment ratio for the Sharon Saunders Trust Property.

Mr. Glaze: During the presentation I think you made a statement that there was a mistake I think in 2008 or 2009 by the Assessor and what was the mistake that was made?

Ms. Mayo: In 2009 and 2010, I indicated the property, I don't remember exactly when the Saunders purchased the property as land but they built their house in 2008. Going forward in 2009 and 2010, the only thing the Assessor taxed were the improvements. They failed to pick up the real estate. As Mr. Hughes indicated at the last Finance Committee that was probably an error from the cross-over between whatever the system was before and Manatron and that in reviewing this application, he noticed the error but he was not going to back-tax to include the real property. He was only going to do that going forward, 2011 and forward. So they were taxed on only the improvements in 2009 and 2010 and not the improvement and the underlying real estate. And that resulted in a tax of approximately \$9,000 to them at 4% versus \$13,000 to them at 4% if they added the land. So a \$4,000 a year difference versus this one going from \$9,000 to \$27,000. Again, as Mr. Scarminach indicated, we do believe we have shown that there is a reasonable cause for being late.

Mr. Newton: Let me ask a question that is not directly related to the determination of reasonable cause; it's somewhat related. Assuming that the improvements were left off and not taxed, is there an ability to, notwithstanding what has previously been indicated, is there an ability to tax the improvements?

Mr. Gruber: I believe so. As you stated earlier, there is a three-year window in which taxes can either be refunded or collected. That would be the County's position on most issues whether that's done or not would be decided on an individual case-by-case basis and best made by the Assessor's office.

Mr. Newton: Okay. If we were to determine that there was good cause in the process there was a determination made, would it be within the province of this Council, however, to then direct that the 2008 and 2009 land be taxed as it should have been?

Mr. Gruber: That is something that we could certainly look into for you.

Mr. Newton: I'm just trying to figure out whether it's appropriate for us to direct that if we were going to get to that point in time in a motion or whether it's not.

Mr. Gruber: If that's the wishes of Council, that's something we could certainly look at. I don't think I could say yes or no without going back and looking at it just a little bit more to make sure that any kind of deadlines would be made as far as the County is concerned in providing notice of the change in the tax bill but as long as that could be done, yes.

Mr. Sommerville: To Mr. Flewelling's observation that the deed was not recorded until 2011, assuming that's accurate, that means at the end of tax year 2010, the owner was, of record, was Atlantic Pointe, LLC.

Mr. Gruber: That's correct.

Mr. Sommerville: So, does that further muddy the water, I mean, because the owner at the end of the tax year was not eligible for 4%.

Mr. Gruber: Right. I don't like to make my things complicated for myself more than what they have to so I look at this issue: was an application for 4% filed on behalf of the property owner prior to January 15. And if not, is there reasonable cause to extend.

Ms. Mayo: The ownership is as of the date of the deed. For tax purposes, it may be the date of record when it was filed but the ownership was as of date of deed. In fact, my client told us that he had a conversation with Mr. Hughes on December 10 who indicated that if he had a deed signed by December 31 he would backdate it to the 4%. Now I don't have any, all I have is my client's comment, maybe Mr. Hughes remembers that conversation but I do have it in my notes. But it is, once it was transferred, it was back in the Trust on the 17th.

Mr. Sommerville: So what constitutes ownership – the signing of the deed not the recording of the deed? Is that your position?

Ms. Mayo: Ownership is signing the deed. For tax purposes it would be recording it.

Mr. Gruber: When it's physically turned over that's when title passes. When you receive physical possession of the deed document. Now the County is put on notice when it's recorded. I digressed.

Mr. Newton: So the recording of the deed is not a pre-requisite?

Mr. Gruber: No, only the filing of the application.

Mr. Newton: Okay. I'm all out of questions.

Mr. Flewelling: I'm still confused because if that's the case then the, if the application had been filed, oh, by the 15th. Never mind.

Mr. Gruber: That's correct, January 15.

Mr. Flewelling: I take my question back, I understand.

Mr. Newton: In my opinion, there is probably, there is enough confusing information here that given the fact that it was 4% earlier in the year and then it wasn't because of the new change in the law and then there was an effort made to try to get it back, there is probably reasonable cause. I will tell you what there certainly is, and with all due respect because I've been there too, is sloppy lawyering to have done this and I've been on the phone with Mr. Hughes, as he can tell you, a dozen times trying to understand the change in laws to make sure that it's been done. However, the death in the family, in my judgment, while it's not an excuse to the lawyering issues that came before, that is sufficient in my mind at least given the fact that this property was 4%, then went back to 6%, then the ball sort of got fumbled and dropped for whatever the reason may be that 4% was but for the filing of the application warranted at least as I understand you Josh to have said. And if the improvements can be appropriately taxed as they should have been, that's probably where I'm going to come out. Somebody wants to call the question or move forward with the Committee recommendation. Somebody wants to do something else.

Mr. Stewart: I was just going to comment and I don't want to belabor the point but I think I'm at a distinct advantage here perhaps, I'm not an attorney. So I'm looking at it from the point of fairness. And it seems to me that the property was 4%, the same parties are involved, they transferred it, they transferred it back with the intent to get back to 4%, the County was engaged with letters and I think it would have been obvious, from my perspective anyway, that the intent was to go back to 4%, that's why they were doing it. So just from a fairness perspective, not looking at it from the legality point of view, probably if you look at it strictly by the letter of law and the written intent, maybe it should not change but I think there is a reasonable doubt, a reasonableness to say there was on-going discussion, the County was engaged, it should have been obvious that that's where all this process was headed and I would give them the benefit of the doubt and extend the date frankly.

Motion to amend by substitution: It was moved by Mr. Caporale, seconded by Mr. Stewart, that Council approve the request for 4% special assessment ratio for the Sharon Saunders Trust Property.

Mr. Rodman: I would agree and I do think I tend to look at it from a fairness issue, it does seem to me that if there is a way to do it, if we grant it, they ought to be willing to give back the \$8,000.00 of the two errors so it would essentially take us back to exactly what should have happened if everything had followed the rules. I tend to agree, I think there is a reasonable cause here, four or five different things that have been mentioned.

Ms. Von Harten: I think it's an excellent motion and I intend to vote in favor of it.

Mr. Newton: Any other comments? Mr. Dawson.

Mr. Dawson: I'm going to vote in opposition to the motion. I think this is a classic situation where the property owners were trying to save some money at one point by transferring it to the LLC and then due to lack of awareness and timeliness they tried to transfer it back to the Saunders to reap the benefit of the 4% and in the process, I think, the timeline got lost and the efforts of trying to save money at one point is going to cost them on the other hand. So I think they just got caught in a situation, a flip-flop.

Mr. Sommerville: I'm going to vote against the motion because a couple things: (1) Mr. Hughes has already ruled that we are not going to go back and collect the retroactive taxes. Whether that can be overruled, I don't know. Mr. Hughes has already indicated that the County is not going to go back and collect those taxes from those two tax years. (ii) The second thing is I think I understand the motivation behind the Saunders to put it in the LLC to protect it from creditors, that's fine but when they did that, it was a risky deal, they lost the 4% and, of course, they wanted to come back and get the 4%, I understand them wanting to do that but they missed the deadline by not just a few days but by six months and the death in the family, in my mind, doesn't excuse the six-month delay, maybe a few days, I don't see a six-month delay based on the death in the family. In all due respect to the applicants, I am going to vote against the current motion which is to grant the reasonable cause.

Mr. Newton: Mr. Baer.

Mr. Baer: I'm also going to vote against the motion. I think there was ample opportunity, there were legal firms involved and the ball was dropped for one reason or the other and I also have another comment. I recall two people in my constituency who transferred things also because they wanted to put things in the wife's name or put it in a trust of some sort, that anytime you do these transfers, it goes from 4% to 6% automatically. And those people, they couldn't afford lawyers. They had a hell of a struggle, pardon my French, to get back to where they should be. So, I think whatever happens, however this vote comes out, we ought to think of the people also who can't afford lawyers to get this done and think of perhaps better procedures, on our part, to alert people when these ratios change from 4% to 6%.

Mr. Caporale: Good point about the procedures. If a person can read, they should be able to figure these things out on his own without the benefit of legal advice. That's partly what's on my mind.

Vote on the motion to amend by substitution: Council approve the request for 4% special assessment ratio for the Sharon Saunders Trust Property. YEAS – Mr. Caporale, Mr. Newton, Mr. Rodman, Mr. Stewart and Ms. Von Harten. The vote was: NAYS – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride and Mr. Sommerville. The motion failed.

Mr. Flewelling: I have a question about the form. Is the form sufficient to the requirement of a finding of no reasonable cause for the delay?

Mr. Gruber: As long as that's stated in the motion.

Mr. Flewelling: I don't believe that the Committee recommendation exactly says that. Let's see if I can find the, it says it was moved by Mr. McBride, seconded by Mr. Sommerville, that the Finance Committee denies and recommends that the County Council deny the request for the 4% special assessment ratio for the Saunders Trust property. I'm not sure that that is sufficient to the requirement of a finding of insufficient reason for a delay.

Mr. Gruber: What that question is answering is the specific request of the applicant which is a request to extend the filing period. So if that request is denied it could only be made so upon a finding that reasonable cause was not present.

Mr. Flewelling: So you're comfortable with that? That's all I had Mr. Chairman.

Vote on the main motion: Council deny the request for 4% special assessment ratio for the Sharon Saunders Trust Property. The vote was: YEAS – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride and Mr. Sommerville. NAYS – Mr. Caporale, Mr. Newton, Mr. Rodman, Mr. Stewart and Ms. Von Harten. The motion passed.

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

This item comes before Council under the Consent Agenda. It was discussed at the September 12, 2011 Finance Committee meeting.

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

The Chairman announced a public hearing on Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

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

This item comes before Council under the Consent Agenda. It was discussed at the September 6, 2011 Natural Resources Committee meeting.

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

The Chairman announced a public hearing on Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

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

This item comes before Council under the Consent Agenda. It was discussed at the September 6, 2011 Natural Resources Committee meeting.

It was moved by Flewelling, seconded by Mr. Rodman, that Council approve on second reading Council approve on first reading a text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article VII, Sec. 106-1845(6) Buffer Disturbance (adds river buffer disturbance standards). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced a public hearing on Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

2012 Accommodations Tax Board Recommendations

This item comes before Council under the Consent Agenda. It was discussed at the September 12, 2011 Finance Committee meeting.

It was moved by Flewelling, seconded by Mr. Rodman, that Council approve the 2011 accommodations tax funding as follows: Beaufort Art Association \$500, Art League of Hilton Head Island \$1,000, Main Street Youth Theatre \$1,500, Penn Center \$10,000, Coastal Discovery \$8,500, Hilton Head Island Symphony \$4,000, Hilton Head Island Concours d'Elegance \$9,000, Community Foundation \$10,000, CAPA/Exchange Club \$1,150, Hilton Head Island Choral Society \$1,200, Historic Beaufort Foundation \$3,200, Arts Council of Beaufort County \$6,150, Beaufort County Black Chamber of Commerce \$25,000, Beaufort County Historical Society \$4,000, Hilton Head Island-Bluffton Chamber of Commerce \$30,000.

Heritage Library \$2,500, Main Street Beaufort \$9,200, Arts Center of Coastal Carolina \$8,000, Historic Bluffton Arts and Seafood \$2,500, Daufuskie Island Foundation \$1,500, Old Village of Port Royal \$3,000, Literacy Volunteers \$2,500, The Sandbox \$2,000, Beaufort County Soil & Water Conservation \$1,500, Mitchelville Preservation \$10,000, Friends of Hunting Island \$7,500, Boys and Girls Club of the Lowcountry \$3,000, Beaufort Regional Chamber \$50,000, Bluffton Historical Society \$10,000, Lowcountry Resort and Visitors Center \$15,000, Beaufort Film Society \$5,000, and Lowcountry Estuarium \$3,600. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

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

This item comes before Council under the Consent Agenda. It was discussed at the September 12, 2011 Finance Committee meeting.

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

The Chairman announced a public hearing on Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A TRANSFER FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF \$260,880 IN MATCHING GRANT FUNDS FOR THE BEAUFORT COUNTY RAILS TO TRAILS PROGRAM

Main motion: It was moved by Mr. McBride, seconded by Mr. Stewart, that Council approve on second reading an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a transfer from the county's general reserve fund in the amount of \$260,880 in matching grant funds for the Beaufort County Rails / Trails Program.

Motion to amend by substitution: It was moved by Mr. Rodman, seconded by Mr. Baer, that Council transfer funds from the Tourism Infrastructure Section of Local 3% Accommodations Tax Ordinance (2009/15), which has a balance of \$1,155,714 as of June 30, 2011 (unaudited). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Vote on the amended motion, which is now the main motion, and includes the motion to amend by substitution: Council approve on second reading an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a transfer fund from Tourism Infrastructure Section of Local 3% Accommodations Tax Ordinance (2009/15), which has a balance of \$1,155,714 as of June 30, 2011 (unaudited), in the amount of \$260,880 in matching grant funds for the Beaufort County Rails / Trails Program. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Mr. Newton remarked a motion of Council is not necessary to expend monies from three percent local accommodations tax.

It was moved by Mr. Newton, seconded by Ms. Von Harten, that Council table further action of this matter. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

County Attorney Josh Gruber was asked to prepare a resolution authorizing the expenditure of \$260,880 from the tourism infrastructure section of the three percent accommodations tax funds for the purpose of providing matching grant funds for the Rail / Trail Program.

AN ORDINANCE TO AMEND ORDINANCE NO. 2011-25 SO AS TO ALLOW FOR THE RENUMBERING OF THE ELEVEN SEPARATE BEAUFORT COUNTY COUNCIL DISTRICTS AND BEAUFORT COUNTY BOARD OF EDUCATION DISTRICTS

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Council approve on first reading, by title only, an ordinance to amend Ordinance No. 2011-25 so as to allow for the renumbering of the eleven separate Beaufort County Council Districts and Beaufort County Board of Education Districts. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC HEARINGS

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

The Chairman opened a public hearing at 6:26 p.m. for the purpose of receiving information from the public regarding an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:27 p.m.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on third and final reading an ordinance to amend Part I, Chapter

46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

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

The Chairman opened a public hearing at 6:28 p.m. for the purpose of receiving information from the public regarding an ordinance authorizing the issuance and sale of general obligation refunding bonds, Series 2011A, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding \$18,250,000. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:29 p.m.

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

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

The Chairman opened a public hearing at 6:30 p.m. for the purpose of receiving information from the public regarding an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto. After calling once for public comment, the Chairman recognized Mr. David Tedder, a Lady's Island resident, who said it is burden on us and we cannot handle leaf burning 24 / 7 certain times of years. However, he hopes the ordinance exempts fire pots, barbeque pits, and oyster roasts (a lowcountry tradition). After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 6:34 p.m.

Main motion: It was moved by Mr. Stewart, as Governmental Committee Chairman (no second required), that Council approve on third and final reading an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto.

Mr. Newton passed the gavel to the Vice Chairman in order to make a motion.

Motion to amend by deletion: It was moved by Mr. Newton, seconded Mr. McBride, that Council delete "within 75 feet of a property line" in Section 2, Regulation of Open Burning. The vote was: YEAS— Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman and Ms. Von Harten. NAYS—Mr. Baer, Mr. Sommerville and Mr. Stewart. ABSTAIN— Mr. Caporale. The motion passed.

Vote on the amended motion, which is now the main motion and includes the motion to amend by deletion: Council approve on third and final reading approve on third and final reading an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto; and that Section 2, Regulation of Open Burning, shall read as follows: "The open burning of leaves, tree branches, yard trimmings, and other vegetative matter originating on the premises of residential properties located within the unincorporated areas of Beaufort County shall be permitted, provided that any such open burning must be located no less than seventy-five (75) feet from any structure or road. Adequate provisions shall be made to prevent the fire from spreading to any area within seventy-five (75) feet of any structure or road." The vote was: YEAS— Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman and Ms. Von Harten. NAYS— Mr. Baer, Mr. Caporale, Mr. Sommerville and Mr. Stewart. The motion passed.

The Vice Chairman returned the gavel to the Chairman in order to continue the meeting.

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

The Chairman opened a public hearing at 6:56 p.m. for the purpose of receiving information from the public regarding a ballot referendum to change the form of Beaufort County Government from Council / Administrator to Council / Manager. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:57 p.m.

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

The Chairman announced the second of two required public hearings would occur Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

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

COMMITTEE REPORTS

Finance Committee

Accommodations Tax Board

Mr. Rodman, as Finance Committee Chairman, nominated Ms. Olivia Young, hospitality-lodging, to serve as a member on the Accommodations Tax Board.

Governmental Committee

Burton Fire District Commission

John Harris

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. John Harris garnered the six votes required to serve as a member on the Burton Fire District Commission.

Natural Resources Committee

Southern Corridor Review Board

Mr. James Atkins

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. James Atkins, architect Beaufort County, garnered the six votes required to serve as a member of the Southern Corridor Review Board.

Mr. Daniel Ogden

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. Daniel Ogden, resident Beaufort County, garnered the six votes required to serve as a member of the Southern Corridor Review Board.

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

CALL FOR EXECUTIVE SESSION

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

EXECUTIVE SESSION

ADJOURNMENT

Council adjourned at 8:00 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST _____

Suzanne M. Rainey, Clerk to Council

Ratified: October 10, 2011

October 10, 2011

Official Proceedings

County Council of Beaufort County

October 10, 2011

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

CAUCUS

A caucus of the County Council of Beaufort County was held at 4:00 p.m. on Monday, October 10, 2011 in the executive conference room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

DISCUSSION ITEMS

Topics discussed during the caucus included: Council protocol for requesting information in terms of production, timeline, how the question is asked, and how the information is disseminated; requests by members of council to alter or supplement council and committee minutes; St. Helena Island branch library at Penn Center groundbreaking October 13, 2011; reopening the Bluffton Parkway Phase 5B process upon receipt of 100% of the money from the Town of Bluffton; status of workforce housing on a future agenda of Community Services Committee; staff research on how the County transferred \$377,000 to the Lowcountry Economic Network for the Beaufort Commerce Park waterline -- how it was authorized, when and by whom; status of a policy regarding Section 9 (Transfers) of County Budget Ordinance, discussion of essential versus non-essential services in advance of next year's budget cycle; a request from Representative Shannon Erickson to rename the new expanded two-lane McTeer Bridge; and whether or not a follow-on meeting or joint meeting with Jasper County Council is needed regarding the Economic Development Alliance recommendations on the Organizational Assessment of Beaufort County Economic Development Task Force Report.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. on Monday, October 10, 2011 in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman William McBride gave the invocation.

MOMENT OF SILENCE

The Chairman called for a moment of silence in remembrance of Mrs. Martha Baumberger, the first and only woman to serve as chairwoman of

Beaufort County Council and as Hilton Head Island's mayor, died October 2, 2011. She was 98. She served on Beaufort County Council from 1983 through 1986 and as mayor of Hilton Head Island from 1987 through 1989.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD SEPTEMBER 26, 2011

It was moved by Mr. Glaze, seconded by Mr. McBride, that Council approve the minutes of the regular meeting held September 26, 2011. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PROCLAMATION

Penn Center Heritage Days Celebration Week

The Chairman proclaimed the week of November 6 through November 11, 2011 as Penn Center Heritage Days Celebration Week.

RECOGNITION / FORMER BOARD AND COMMISSION MEMBERS

2011 Citizen Volunteers / County Boards and Commissions

The Chairman recognized 12 citizens for their volunteer service on the County's various agencies, boards, commissions and authorities: Gordon Bowers, Solid Waste and Recycling Board, April 1999 - May 2011; Charles Brown, Planning Commission, April 2010 - June 2011; Claude Dinkins, Zoning Board of Appeals, September 2000 - January 2011; Valerie Donaldson, Library Board, March 2009 - February 2011; Beverly Smith Dore, Disabilities and Special Needs Board, March 1990 - September 2010; Ricky Felts, Burton Fire District, June 1998 - February 2011; Janet Kuchler, Library Board, April 2002 - September 2011; Phil LeRoy, Zoning Board of Appeals, September 2004 - August 2011; James D. Mathews, Sr., Disabilities and Special Needs Board, July 2006 - February 2011; Mark McCain, Lowcountry Regional Transportation Authority, August 2010 - August 2011; Elizabeth Santagati, Disabilities and Special Needs Board, September 2005 - March 2011; and John Cartwright, Library Board, February 2008 - April 2011.

PUBLIC COMMENT

The Chairman recognized Mr. Edgar Williams, a resident of Dale, who spoke about the Dale Community Center (Center). The water was deplorable. The senior citizens could not drink the water. He took water there daily because they said the County did not have any money to buy a bottle of water for the 23 seniors at the Center. It is deplorable. He does not understand. Finally, they got water. We thank Mr. Campbell for his wisdom in supporting that, along with his good Councilman, Mr. Gerald Dawson, who represents Dale community. They are very happy and extend their thanks. They hope that they do not get sick from the water that they drunk. He was going to bring Council some so members can drink it and see what they were going through. Next, after dealing with County Council a number of years, he is of the opinion election of the Treasurer and Auditor is best because, at least, we can vote for the people who represent the County. It is his understanding part of their salary is paid by the state. If these positions are appointed, will the County pay the Auditor and Treasurer state salary supplement? He understands Council has no control over the Treasurer, or the Auditor, but being appointed then he could call his Councilman, Mr. Gerald Dawson, and tell him that he has some problems with the Auditor. So that might be the way to go. His next issue is Council's decision to bifurcate the districts of Beaufort County based on the census. He is at a loss to see that we have, in our district, African-Americans running against each other. It seems that we could have done a better job. He is amazed at how Council crafted its districts. People in Sheldon Township were almost left without representation. Taxation without representation is not the fairest way to go. He paid his taxes like all you gentlemen and ladies up there. He is proud to be a taxpayer. He wants proper representation just in case he has to run for one of these jobs.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

Mr. Gary Kubic, County Administrator, announced The County Channel latest episode of the award-winning nature series Coastal Kingdom is now on the air. The episode entitled "Strategies for Survival" features lowcountry animals and their unique adaptations for protecting themselves against predators. Angel-wing clams buried deep in the sand, hognose snakes playing dead, and caterpillars mimicking snakes are just a few of the creatures in this show. Coastal Kingdom is available to every classroom in Beaufort County. It is now even more accessible, with the launch of coastalkingdom.com. You can watch full episodes, read information on the animals, and correlate with South Carolina Science Standards. The website was made possible through our partnership with The LowCountry Institute as well as a grant from the Banbury Fund.

The County Channel will also be covering the State of the Region breakfast, again hosted by the Hilton Head Island-Bluffton Chamber of Commerce. The event will be held at The Westin Hilton Head Island Resort & Spa on Wednesday, October 12, featuring keynote speaker South Carolina Governor Nikki Haley, along with featured speakers Beaufort County Council Chairman Weston Newton, Hilton Head Island Mayor Drew Laughlin and Bluffton Mayor Lisa Sulka will discuss topics important to our community.

Two-Week Progress Report

Mr. Kubic presented his Two-Week Progress Report, which summarized his activities from September 26, 2011 through October 7, 2011.

Report / Delinquent Tax Sale

Mr. Troy Hodges, Deputy Treasurer, presented a summary of the delinquent tax sale. We are pretty excited about it. Given the economic climate, our expectations were, at best really, to stem the tide. However, year-over-year we went from 1,572 in total properties that went to tax sale to 1,103, a 30% reduction. That is a pretty phenomenal figure, again, given the economic climate. We took in \$26,600,000 and \$2,600,000 in actual delinquent sales or accounts.

Mr. Sommerville inquired about some properties that were not claimed for purchase.

Mr. Hodges replied there were 171 FLC (Forfeited Land Commission) properties. When no one bids on property, it goes to the FLC. That, too, was a great reduction – 506 properties last year; 171 this year.

Mr. Sommerville asked if that number is included in, or an addition to, the 1,091.

Mr. Hodges replied that is the total. When you say 1,103, it includes mobile homes.

Mr. Newton asked, “How does that number compare, apples to apples, to last year’s number?”

Mr. Hodges replied the numbers are phenomenal. We went from 1,572 properties that went to tax sale last year to 1,103; basically a 30% reduction. As far as revenue generated, the sale amount was \$22,900,000 as opposed to \$26,600,000. The actual amount of tax money was less, but that stands to reason given 500 less properties.

Mr. Newton inquired of the number of properties that did not go to tax sale this year versus last year – both delinquent and property not bought.

Mr. Hodges replied that number was 506 last year, 171 this year. Another favorable number.

Mr. Baer asked, “How much money in owed taxes are those 171?” We have a view of the amount of taxes we want to collect from real property, mobile homes, eventually boats and airplanes, so we have a view of x. What percentage of it did we collect? That is a key number.

Mr. Hodges stated he did not have the number, but agreed to furnish it after the meeting.

Mr. Caporale asked about the impact the amnesty program had on the tax sale.

Mr. Hodges commented the only difference year-over-year was the amnesty program. The proof is in the pudding. The amnesty program raised almost \$3.4 million and \$2.6 million at the tax sale; therefore, we generated \$6 million from that amnesty program to the tax sale. In a six-week period, we brought in \$6 million in delinquent money. The job is to convert debt into revenue.

Mr. Glaze inquired as to the number heirs’ property sold at the tax sale.

Mr. Hodges replied six or seven properties.

Mr. Sommerville stated people paid roughly \$10.00 for every \$1.00 of owed tax (10:1). Therefore, if a previous owner reclaims one of these properties, do they pay? Do they have to go to the purchaser? Do they pay interest on the tax only or do they pay interest on the entire amount that they paid for the property?

Mr. Hodges replied they pay interest on the bid amount -- 3% per quarter. However, it will max out to the amount of the delinquent taxes owed. As an example: The opening bid is \$1,000. If someone bids, \$100,000, 3% of \$100,000 is \$3,000. The most they could get is \$1,000.

Mr. Newton asked, “If the properties that were sold at the tax sale in 2010 for 2009 taxes, when those are redeemed, just like this case, you have to pay the redemption amount plus the following year’s taxes, correct?”

Mr. Hodges agreed in the affirmative.

Forman Hill Road Construction Project

Mr. Kubic announced a public meeting on Forman Hill Road construction project would be held November 2, 2011 from 6:30 p.m. to 8:30 p.m. in the gymnasium of the Bluffton Recreation Center, 618 Ulmer Road, Bluffton.

DEPUTY COUNTY ADMINISTRATOR’S REPORT

Two-Week Progress Report

Mr. Bryan Hill, Deputy County Administrator, presented his Two-Week Progress Report, which summarized his activities from September 26, 2011 through October 7, 2011.

Update / FY 2011 - 2012 Budget

Mr. Bryan Hill, Deputy County Administrator, submitted an update on the FY 2011 – 2012 budget.

Tony Hawk Video

Mr. Bryan Hill, Deputy County Administrator, showed a video of Tony Hawk, skateboarding legend and owner of Birdhouse Skateboards, along with Kevin Staab and Willy Santos, who brought their tour to the Buckwalter Skateboard Park on August 25, 2011. Approximately 3,000 young adults attended the event.

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

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the new bridge over the Beaufort River will be a 4,200-foot bridge. The contractor is United Contractors, Inc. of Great Falls, South Carolina. The cost is \$34,573,368. The completion date is August 2011. The contractor has completed all work on bridge items.

S.C. Highway 802 Roadway Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of 5.2 miles of S.C. Highway 802 (two sections). The contractor is Sanders Bros. of Charleston, South Carolina. The cost is \$10,852,393. The completion date was December 2010. The contractor is working on Shell Point final surface and bridge approaches.

Bluffton Parkway Phase SA Roadway

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves construction of 2.31 miles of new four lane divided highway between Burnt Church Road and Buckingham Plantation Road. The contractor is Cleland Construction of Ridgeland, South Carolina. The cost is \$11,578,729. The contract completion date is July 2012. The embankment is approximately 95% complete. Pipe placement is 75% complete.

Disabilities and Special Needs Adult Day Care Center and Administration Center

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a 25,000 square foot multi-use facility with client activity and program areas and administrative space. The contract is Emory J. Infinger and Associates of Charleston, South Carolina. The cost is \$6,436,974. The completion date is fall 2011. Interior equipment placement and finishing is underway.

St. Helena Island Branch Library at Penn Center

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves Phase I construction of site access road and utilities and Phase II facility and site construction of a 25,000 square foot library. The contractor is Choate Construction Company of Pooler, Georgia. The cost is \$7,332,403. The completion date is October 2012. On September 13, 2011 a Notice to Proceed was issued to the contractor. Initial site clearing and finalization of building codes permit is underway.

Lady's Island Park, Phases I and II

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a design/build contract covering the first two phases of this facility including two multi-use fields, playground and pavilion with bathrooms and picnic tables. The contractor is JoCo Construction of Beaufort, South Carolina. The cost is \$746,090. The completion date is December 2011. Both fields have been graded and No. 1 is in grass. Foundation slab is in and will erect building this month. The source of funds is \$620,000 from park impact fees and \$125,000 in CIP monies.

Burton Wells Regional Park, Phase I

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves construction of Phase II improvements including terraced lawn amphitheater, pond development and pavilion, pedestrian trails, landscaping and restrooms. The contractor is Beaufort Engineering Services of Beaufort, South Carolina. The cost is \$1,812,011. The completion date is January 2012. Drainage is complete. Grading site and excavating pond. Clearing 95% complete and building footings are complete. The source of funds is \$1.6 million in CIP monies and \$181,381.87 in park impact fees.

Update / Master Plans Beaufort County (Lady's Island) and Hilton Head Island Airports**Master Plan Beaufort County (Lady's Island) Airport**

Mr. Paul Andres, Airports Director, reported the Master Plan draft report has been distributed to both County and City Council members and mayor, as well as to the Airports Board. We are awaiting a determination on a date to schedule a joint presentation to County and City Councils, as we did for the Hilton Head Island Master Plan, and then with the approval of that body to submit the plan to the FAA and, in this case, to the State

of South Carolina Aeronautics for their review and approval. Regarding the tree obstruction issue, the FAA is resolving SCE&G power pole issues, more than 600 tree obstructions remain, and additional FAA grant funding is to be requested next year.

Master Plan Hilton Head Island Airport

Mr. Paul Andres, Airports Director, commented tomorrow morning the county attorneys and he will be meeting with the plaintiff's attorney for mediation on the litigation that is on-going with the properties within the affected trees. Hopefully, we will see if we can get some resolution to that starting tomorrow. As far as the Hilton Head Island Airport is concerned, the FAA approved the Master Plan on September 9, 2011, we have received grant funding for the environmental assessment and benefit cost analysis which is the next step in implementing Phase I of that Master Plan. The contract award for the environmental assessment and benefit cost analysis is on the consent agenda this evening.

Mr. Sommerville inquired as to funding and whether it is approved or received.

Mr. Andres replied the funding has been received. Council accepted that grant September 12, 2011.

Tree obstruction project at the airport: the work stay is lifted, the project is underway, the contractor expects to complete the removal of trees and the clear area by the end of this week and then he will be proceeding into the buffer area. Work will slow down somewhat because all of that work has to be done manually in the buffer areas on-airport. He anticipates it will take the entire 120-day timeframe and will finish up probably the end of December with the on-airport piece.

Off-airport projects: plans and specifications are ready to go. We have received grant funding for this project as well. Our attorney is going to be working on the aviation easements. We only have 5 of 6 out of probably 16 or 17 that will be needed for this project so we are going to have to work on that to get that project moving forward.

Runway 03 off-airport tree removal design to a 34:1 slope is underway. The consultant has preliminary information on trees that are within 10 feet of the slope. It involves a total of about 26 parcels, mostly all commercial parcels to the south end of the airport, on either side of Highway 278. Two of the largest parcels affected, we have the easement, with this are owned by the Town of Hilton Head Island. In this particular case, we have 23 of the 26 required easements for this project. We will get the other three easements in place. We should get this project ready to bid, hopefully, by January, then receive bids, and use those numbers for the grant application for the funding for this next spring/summer timeframe and, hopefully, be ready to go at that point in time as well.

The new aircraft rescue and firefighting facility has been essentially completed. Construction has been completed. We are still ordering a few specialized pieces of equipment and compiling the close-out documentation. What we have now is a brand new \$2 million fire station on the airport directly on the opposite side from the commercial passenger terminal.

Runway safety area drainage. The Town of Hilton Head Island did issue the construction permit. Our contractor was out this past week repairing the pavement on the commercial service taxiway on the north end of the airport which was cited as a critical safety deficiency by the FAA inspector that needed to be taken care of. That work has been completed, and those repairs have been made as of last Friday. We are coordinating with the FAA and the contractor regarding some modifications to the design of the project. We had been awaiting the permit from the Town which was almost two years so we are trying to keep the cost at the same price that was originally bid.

The runway lighted sign relocation design is underway. We have received a new sign plan approved by the FAA which will be incorporated. They will finish the design work and get this project ready for bid shortly.

Passenger Facility Charge (PFC) Program: the application is underway, the draft program has been submitted, and they have scheduled a meeting with US Airways, our sole commercial carrier, on November 2, 2011, to discuss the projects in this plan and obtain their comments and/or concurrence with this program. Essentially, what this will do is apply, when approved, a \$4.50 surcharge to tickets on passengers departing from the Hilton Head Island Airport. The program as structured today will pay for, hopefully, or capture the cost of the airport's matching share for future capital improvements as outlined in the Master Plan, the 2.5%, going forward as well as to recover monies from previously completed capital improvements that have resulted from advances to the general fund. The largest of which was the land acquisition and construction of the control tower which accounts for about \$1.1 million of that advance from the general fund. The Program, itself, right now, in the draft is structured to collect approximately \$2.7 million over the next 10 to 12 years for capital improvements at the airport. We are looking to try and get that program underway by March 1, 2012, or sooner if we can.

AN ORDINANCE TO AMEND ORDINANCE NO. 2011-25 SO AS TO ALLOW FOR THE RENUMBERING OF THE ELEVEN SEPARATE BEAUFORT COUNTY COUNCIL DISTRICTS AND BEAUFORT COUNTY BOARD OF EDUCATION DISTRICTS

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council approve on second reading an ordinance to amend Ordinance No. 2011-25 so as to allow for the renumbering of the eleven separate Beaufort County Council Districts and Beaufort County Board of Education Districts. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced Council will hold a public hearing on Monday, October 24, 2011 beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, South Carolina.

EMERGENCY PROCUREMENT FOR REPAIRS TO C.C. HAIGH BOAT LANDING FISHING PIER (DISTRICT 4)

The item comes before Council under the Consent Agenda. It was discussed at the September 27, 2011 Public Facilities Committee meeting.

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council award a contract to Cape Romain Contractors, Inc. for emergency repair of C.C. Haigh Boat Landing Fishing Pier in the amount of \$144,000 with funding from Del Webb Boat Landing Fund, Account 33208-54450 in the amount of \$66,508; C.C. Haigh Boat Ramp CIP, Account 11437-54430 in the amount of \$18,866; and Local 3% Accommodations Tax (Boat Ramp Section), Account 12216-55120 in the amount of \$66,504. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

CHANGE ORDER TO CONTRACT 44 DIRT ROAD CONSTRUCTION FOR FORMAN HILL ROAD (DISTRICT #4)

The item comes before Council under the Consent Agenda. It was discussed at the September 27, 2011 Public Facilities Committee meeting.

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council approve a change order to Contract 44 to REA Contracting, LLC to build the Dirt Road Paving Contract #44, Forman Hill Road in the amount of \$491,562.65. Project will be funded by \$10 motorized vehicle (TAG) funds, Account #3322T-54670. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

A RESOLUTION TO AMEND THE AGREEMENT FOR THE ESTABLISHMENT OF A MULTI-COUNTY INDUSTRIAL/BUSINESS PARK (CYPRESS RIDGE), BY AND BETWEEN JASPER COUNTY, SOUTH CAROLINA AND BEAUFORT COUNTY, SOUTH CAROLINA, PROVIDING FOR THE DEVELOPMENT OF A JOINTLY OWNED AND OPERATED INDUSTRIAL/BUSINESS PARK, SO AS TO INCLUDE ADDITIONAL PROPERTY IN JASPER COUNTY AS PART OF THE JOINT COUNTY INDUSTRIAL PARK

The item comes before Council under the Consent Agenda. It was discussed at the October 3, 2011 Governmental Committee meeting.

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council adopt a resolution to amend the agreement for the establishment of a Multi-County Industrial/Business Park (Cypress Ridge), by and between Jasper County, South Carolina and Beaufort County, South Carolina, providing for the development of a jointly owned and operated industrial/business park, so as to include additional property in Jasper County as part of the joint county industrial park. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

HILTON HEAD ISLAND AIRPORT MASTER PLAN FIVE YEAR CAPITAL IMPROVEMENT PROJECTS ENVIRONMENTAL ASSESSMENT AND BENEFIT COST ANALYSIS

Mr. Rodman stated the benefit cost analysis is an opportunity for cost reductions. At the time we were going through the Master Plan, some of the engineers, who live near the airport, were a bit frustrated that some of the potential cost improvements that they saw were not considered at that time. Mr. Rodman's view of it, was that the Master Plan is an overall meet-the-FAA requirements, i.e., all the possibilities that could take place on the property so that they all fit the FAA requirements, but that the benefit cost analysis was the more appropriate time for those folks to come forward. They will have an opportunity to present some of their ideas and, hopefully, Council will be receptive because they are good engineers and have put a lot of time into it.

Next, Mr. Rodman stated as we go forward with this environmental assessment and the benefit cost analysis, he continues to believe there is an advantage to actually doing the design phase at the same time. The thought being it will shorten a little bit of the time when you do the final construction. If the two are going forward in parallel, some of the design possibilities may impact the environmental and vice versa. Therefore, it would be very desirable to look at doing that in parallel. Hopefully, Council will take a look at that as a possibility as we move forward.

It was moved by Mr. Glaze, as Public Facilities Committee Chairman (no second required), that Council award a contract in the amount of \$582,041.53 to Talbert, Bright, and Ellington, Inc. to prepare an Environmental Assessment and Benefit Cost Analysis associated with the Master Plan's Five-Year Capital Improvement Projects for the Hilton Head Island Airport. Funding for this project will come from an existing FAA Grant #32 (95%), Account #13480-54321, Extend Runway 3/21 (Environmental Assessment), which has a current balance of \$552,939; a State Grant (2.5% pending); and the local 2.5% match of \$14,551.53 which will come from the Airports Operating Budget. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PROPOSAL TO REALIGN INTERSECTION OF BLUFFTON PARKWAY AT BUCKWALTER PARKWAY / BLUFFTON PARKWAY PHASE SB REALIGNMENT

Mr. Baer stated the wording of this item does not match the discussion that took place at the September 27, 2011 Public Facilities Committee meeting. Hopefully, there will be some clearer wording that can be replaced for this item.

Mr. Newton understands the Public Facilities Committee recommendation was to allow consideration of the realignment of the intersection of Bluffton Parkway at Buckwalter Parkway to consider realignment predicated upon the Town of Bluffton (Town) agreement to pay 100% of the cost of that process and that the reconsideration process would commence upon receipt of the Town's \$90,000. Upon receipt of those funds from the Town, then the process would be opened to consider the possibility of the realignment.

Mr. Baer remarked that that will include the required noise studies and such that may have to be performed.

If Mr. Newton's recall is correct, Mr. David Beaty, an engineer with Florence & Hutcheson, Inc. appeared before the Public Facilities Committee when this issue was first raised and outlined the various activities that would have to take place to get it to the point where a permit exists today,

e.g., environmental, noise, design work, all of those things. Mr. Beatty estimated that price to be approximately \$88,000 to \$90,000.

Mr. Stewart remarked it is not possible to just take the motion that was offered at the committee meeting and use that. It covers all of the points Mr. Newton made and is much more detailed than what is in the committee minutes. It does talk about the fact that it will include engineering drawings, cost analysis, noise studies, environmental impact study, public hearing, permits, total reimbursement of the cost, not just the \$90,000, but whatever the total absolute final cost is, etc. He suggested Council include the verbiage with respect to the motion that was made at committee.

Mr. Baer agrees.

Mr. Newton stated one of the challenges regarding that motion was this was not the conducting the reconsideration. This is a County process to be paid by the Town utilizing Florence & Hutcheson, Inc. in a mirror image process of what occurred initially. It is not the Town conducting. It is Beaufort County conducting, at the Town's expense, and upon receipt of the Town's funding.

Mr. Stewart replied committee members did not specify that the Town had to have the funds prior to conducting. He does not disagree with that requirement. Certainly the key element is that 100% is paid by the Town.

Mr. Newton thought Mr. Flewelling, in his comments, was receipt of funds.

Mr. Flewelling replied that is the way he anticipated it at the time. He thought the Town would be sending a check to cover the initial cost.

Mr. Stewart said he did not pick up on that.

Mr. Newton remarked Council is not voting to approve any realignment proposal. Council is voting to allow the process of considering a realignment to be opened upon receipt of funds from the Town in the amount of \$90,000. That this effort, for this process, is predicated upon the litany of things Mr. Stewart identified in his motion, not the least of which includes the Town commitment to be responsible for 100% of the costs associated with this effort. This is opening the process of the consideration, but is not the commitment for a new alignment.

It was moved by Mr. Glaze, as Public Facilities Committee Chairman (no second required), that Council allow the process of considering a realignment to be opened upon receipt of funds from the Town of Bluffton in the amount of \$90,000. Furthermore, for any alternative plan to be considered by the County, the alternative plan must contain all components of the existing plan for Bluffton 5B, as currently adopted by Council, including, but not limited, to engineering drawings, cost analysis, noise studies, environmental impact studies, public hearings, permits, etc., reimburse for costs, and the Town of Bluffton commitment to be responsible for 100% of the costs associated with this effort. This is opening the process of the consideration, but is not the commitment for a new alignment. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC HEARINGS

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

Mr. Richard Toomey, Chief Executive Officer, Beaufort Memorial Hospital, stated as we continue to serve our patients, we seek approximately \$50,000,000 of debt financing for emergency room expansion, land acquisition in Bluffton, new medical office building construction, property improvements, and the refunding of the Series 1997 bonds for interest cost savings. We looked at two different options: (i) a direct bank purchase bond issuance. The fixed interest rate for a ten-year direct bank bond purchase is just under 3%, does not require a debt service reserve fund, and the bond proceeds can be drawn down over a 24-month period. (ii) a traditional bond issuance similar to the Series 1997 bond issues has a fixed rate, it would be for a 32-year period and a possible Triple B rating since the hospital has a very strong balance sheet. While our geography is a small impact, we look at the potential rating of a Triple B, interest rate at a 5.75% cost. It would require a debt service reserve fund, and the bond proceeds would have to be drawn down 100% at the issuance of the bonds. It would cost the hospital additional dollars. We are looking at, and the Board has authorized, contingent upon this information being finalized, a direct bank purchase of tax exempt, fixed bonds as the best alternative, looking at ten-year issuance at just under 3%. The \$13,000,000 of the 1997 bond issuance would be refinanced at a 1.75% interest rate versus the carrying cost right now of 5%. The two actions together would save the hospital both interest expense on the remaining six years of the 1997 bonds and the cost of the other ones. The challenge would be in ten years. We would have to go back out but, we believe that that is the wiser choice for the hospital in serving the citizens. These bonds are the responsibility of the hospital and do not have any impact or any obligation by the County for those funds.

The Chairman a public hearing at 6:06 p.m. for the purpose of receiving information from the public on an ordinance authorizing the issuance of not exceeding \$50,000,000 aggregate principal amount of Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011; authorizing the execution and delivery of a bond purchase and loan agreement, a refunding escrow deposit agreement in connection therewith; authorizing proper officers to do all things necessary or advisable; and other matters incidental thereto. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:07 p.m.

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

The Chairman opened a public hearing at 6:08 p.m. for the purpose of receiving information from the public regarding an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a supplemental appropriation from the county's general reserve fund in the amount of \$72,159.83 for the purpose of funding census-Based Beaufort County Magistrate salary increases for the period of July 1, 2011 to June 30, 2012. After calling three times for public comment and receiving none, the Chairman declared the hearing closed 6:09 p.m.

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

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

The Chairman opened a public hearing at 6:10 p.m. for the purpose of receiving information from the public regarding a Beaufort County Zoning Map amendment for R300 015 000 0101 0000 [known as St. Helena Station Planned Unit Development (PUD), 13.24 acres off Sea Island Parkway/Highway 21]; from PUD to Rural (R) Zoning District. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:11 p.m.

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

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

The Chairman opened a public hearing at 6:13 p.m. for the purpose of receiving information from the public regarding a text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article VII, Sec. 106-1845(6) Buffer Disturbance (adds river buffer disturbance standards). After calling once for public comment, the Chairman recognized Mr. David Tedder, a lawyer, who has a technical question regarding the placement of this text in Section 106-1845(6), that deals with erosion control devices, bulkheads, and rip raps. He understands we are trying to stop unlawful, unauthorized disturbances to the river buffer. There is another entire section of our ordinance that also deals with river buffer -- in Article 7, Division 4 -- that allows for trails and other types of essential accesses. He is afraid that the way this is written it would have the unintended consequence of prohibiting those also. His suggestion is to just very carefully craft the sentence, the very first sentence, so that it reads: "There shall be no disturbance of the river buffer except as allowed for bulkheads, rip rap, and erosion control devices, and view corridors, and other allowable disturbances authorized under Article 7, Division 4." That allows for all the things that are in the table that appears in the zoning ordinance that allows for the various uses under Table 106.1876, such as trails at our new park on Lady's Island. It is an allowable use just like erosion control devices and other stuff and we do not inadvertently have to come back to County Council to have County Council correct the situation so we can have the things that we intended to have because we used the word section in here when we really meant the division. It was just an inadvertent placement and it accidentally knocked out all the other things that we had in the table that are allowed in the river buffer column as a limited or permitted use.

After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 6:15 p.m.

It was moved by Ms. Von Harten, seconded by Mr. Glaze, that Council postpone consideration of third and final reading until the October 24, 2011 Council meeting. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

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

The Chairman opened a public hearing at 6:18 p.m. for the purpose of receiving information from the public regarding an ordinance to call for a referendum to allow the qualified electors of Beaufort County, South Carolina to vote to retain the Council/Administrator form of government or change to the Council/Manager Form of Government. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:19 p.m.

Main motion: It was moved by Mr. Stewart, as Governmental Committee Chairman (no second required), that Council approve on third and final reading an ordinance to call for a referendum to allow the qualified electors of Beaufort County, South Carolina to vote to retain the Council/Administrator form of government or change to the Council/Manager form of government.

Mr. Stewart stated at the October 3, 2011 meeting of Governmental, there were some questions raised as to whether or not this would be a binding referendum and as to some language in the law which says that after the election is held, these officials may be either appointed and / or elected. Committee members asked the County Attorney to look into these issues and Mr. Gruber has some clarification for Council.

Mr. Joshua Gruber, County Attorney, stated whenever the referendum is held it will be binding in nature, which means, if there is a 50 +1 vote, the form of government will automatically change. Those individuals who may or may not be affected by that change are entitled to serve out their

terms of office, but the form of government does automatically change and it is binding. To answer the second question, the statute that calls for either the election or appointment of the Auditor and Treasurer does not necessarily spell out that it has to be contained within the referendum language; but, he would highly suggest to Council that if that is the choice that it is putting before the citizens, that it identifies what it is that they are choosing from, and that it is clear to them, when they are voting, what it is that they are going to be receiving on the other end after the vote has taken place. He would highly recommend to Council it identify whether it intends to appoint or to elect. For all practical purposes, in looking at the two different forms of government between County / Administrator and County / Manager, the only difference is that the Treasurer and Auditor may be appointed rather than elected. If Council is going to change, please keep that in mind.

Mr. Stewart remarked per the wording in the ordinance, it still leaves open the question, after the vote, as to whether or not we will appoint and / or have the option to continue with the election. Based upon what Mr. Gruber presented, Mr. Stewart concurs that Council probably should make it very clear, that if we go to the Council / Manager form of government, the intent is clearly to have those positions appointed rather than being elected. It would be incumbent upon Council to make sure that it makes that very clear in the referendum as well.

Mr. Rodman questioned if this Council can bind a future Council saying what we will do when, in fact, it is an option under the statute.

Mr. Gruber replied there is nothing that specifically outlines within the statutes; but, when one reads the overall Chapter, there is clear legislative intent to not have swings of changes of government. There is provision that talks about that you can only hold a referendum once every four years on this matter. He interprets that to mean that once this is set it would be set for the next four years until another referendum changed the form of government at that time could be held.

Mr. Flewelling suggested changing the ordinance language now because it may be the last time to change it before the referendum.

Mr. Gruber recommended Council approve the ordinance in final form whatever it wants that to be because it has to be sent to the US Department of Justice for preclearance.

Mr. Caporale questioned when a referendum is not binding.

Mr. Gruber cannot think of an example when it would not be binding. Referendums are a voice of the people. It is an expression of their will and Council is mandated to follow that.

Mr. Newton stated fiscal autonomy was an advisory referendum, it was non-binding.

The Parliamentarian ruled the motion to amend by addition is a substantive motion, which, if approved, will require a second reading of the ordinance.

Motion to amend by addition: It was moved by Mr. Stewart, seconded by Mr. Baer, that Council add language that a "yes" vote is a vote in favor of changing the current form of government to a County-Manager form of government and provide for the appointment of the County Treasurer and County Auditor. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. NAYS – Mr. Newton and Ms. Von Harten. The motion passed.

Mr. Glaze inquired if the referendum receives voter approval, will the County pay the County Auditor and County Treasurer state salary supplement.

Mr. Rodman replied \$20,000 comes from the state in the case of the Treasurer. He does not know if that, in any form, would be eliminated were we to change the form of government.

Mr. Gruber was asked to make sure Council knows exactly what will happen insofar as the state salary supplement.

Mr. Newton will vote in favor of the motion because we are giving the citizens the right to choose. The reason he voted against the amendment to require these mandatory actions to be taken: (i) he has some concerns about obligating a future Council to do something, but (ii) this now becomes a referendum on current officeholders. It is a referendum on the job that the current Treasurer and current Auditor are doing rather than a change in form of government and allowing the people to say at some point in time the 11 members of County Council determine it to be appropriate they could move forward with the appointment process to establish accountability rather than an election at that point in time.

Vote on the amended motion, which is the main motion and includes to the motion to amend by addition: Council approve on second reading an ordinance to call for a referendum to allow the qualified electors of Beaufort County, South Carolina to vote to retain the Council/Administrator form of government or change to the Council/Manager form of government. Further, that a "yes" vote is a vote in favor of changing the current form of government to a County-Manager form of government and provide for the appointment of the County Treasurer and County Auditor. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSTAIN – Mr. Glaze. The motion passed.

CONSIDERATION OF A

RESOLUTION AUTHORIZING THE EXPENDITURE OF \$260,880 FROM THE TOURISM INFRASTRUCTURE SECTION OF THE COUNTY THREE PERCENT ACCOMMODATIONS TAX FUNDS

The Chairman announced that the public hearing notification was for an ordinance to amend the FY2011-2012 Beaufort County Budget Ordinance so as to provide a transfer from the County's general reserve fund in the amount of \$260,880.00 in matching grant funds for the Beaufort County Rails to Trails Program.

The Chairman opened a public hearing at 6:38 p.m. for the purpose of receiving information on an ordinance to amend the FY2011-2012 Beaufort County Budget Ordinance so as to provide a transfer from the County's general reserve fund in the amount of \$260,880.00 in matching grant funds for the Beaufort County Rails to Trails Program. After calling once for public comment, the Chairman recognized Mrs. Jane Frederick, a Lady's Island resident, who commented using money coming out of the accommodations tax fund is extremely appropriate. The rail trail was adopted as part of the Beaufort County Trail and Blueway Master Plan in 2003. This grant is an excellent opportunity to get it started. The very first section that we are talking about spending these monies on is critical because that connects Ribaut Road to the Beaufort Plaza area. That is where the two trestles are that numerous people walk on them every day, walking back and forth to work. They are an attractive nuisance as they are right now so this is a very important first step. This trail will be part of the East Coast Greenway which is a 2,500 mile trail from Maine to Florida and that it will bring numerous tourists into town. She and her husband travel regularly to go on bike rides and she can see other people coming here to ride on this one. A number of people are in the audience, who are here in support but are not planning on talking. She asked everybody, who was here in support of the trail, to stand up.

Mr. George Heitman, a Bluffton resident, stated these past few weeks we lost a great visionary in Steve Jobs and he has certainly affected all of our lives with his technology. He called upon Council also with that same vision for handling the wants of our County residents. There are four major benefits for having a rail trail: health, transportation, livability, conservation environment, economy revitalization and historic preservation with a community identity. He would like to just mention transportation and livability. He was a road warrior rider. He would go anywhere at any time and have an enjoyable day on the bike. At his age, he looks more to trails. They are safe, convenient and very pleasurable; but he does see many, many residents using them for transportation to get to work or shopping. So, in our community here, we have seen the benefits on the Bluffton Parkway. He believes that the people on this side of the Broad River will benefit greatly with your vision.

Ms. Karen Heitman, a Bluffton resident, is before Council to express the support of Greater Bluffton Pathways, as well as the Sun City Cyclers Bicycle Club for matching grant funds for the Beaufort County's Rails to Trails Program. Greater Bluffton Pathways is a group of friends and neighbors living in southern Beaufort County who work together to safely connect people and places in greater Bluffton with pathways and walkways. Our members also travel north of the Broad River to bike and to visit. The eventual paving of the abandoned railway corridor between the Town of Port Royal and the Whale Branch River is important for both local citizens and the local economy. Research by the North Carolina Department of Transportation shows for that every \$1.00 invested in cycling infrastructure, \$9.00 will return to the local economy. Why is funding pathways important? Pathways are a transportation issue. More than 10% of all escort trips, more than 10% of all trips are escort trips. That is too many children being ferried around by adults. Zoning in our County has isolated and segregated residences, schools, jobs, churches, services and shopping requiring people to drive their cars from place to place. Pathways are a community issue. Neighbors meet neighbors when they're able to leave their cars and walk safely near their homes. Children today need independence, freedom to move around and opportunities to discover the world. Pathways are an economic issue. Many businesses rate the livability of an area when determining where to locate. Hilton Head Island's multi-use paths are a proven magnet for visitors. Pathways have been shown to bolster property values and make adjacent properties easier to sell. The East Coast Greenway and Adventure Cycling's National Bike Route #5 are connecting Charleston with Savannah and will probably make use of the rail trail. Pathways are a health issue. It is better to use recreation to preserve health than to use medicines and treatment to regain health. Many Beaufort County residents need more exercise. The number of overweight children, ages 6 – 11, has doubled in the past 25 years. We propose safe routes to school where children and adults that live within two miles of schools and parks should have a choice of walking or riding a bicycle instead of bussing to their destination. With smart planning, Beaufort County can turn these unhealthy trends around. To get people out of their cars and onto their feet or riding bicycles, we should continue to invest in biking and walking pathways.

Mr. Dean Moss, a Beaufort resident, remarked we have been working on this project for a long time between Beaufort Jasper and Beaufort County Council it's coming up on six or seven years, I think, since we started. This is a unique opportunity to move this thing a major step forward. Once we get one piece of it done, it will become obvious to the citizens that additional pieces are absolutely required and the success and subsequent funding will be much easier to obtain. This is a key piece right here. It is important that we move forward with it. He would appreciate Council taking this under consideration.

Dr. Gordon Krueger, a surgeon and a resident of Beaufort, has been here since 1989. Cycling has been my hobby. It has also been a way for me to maintain my health. As he grew older, riding bicycles on the road is getting to be more and more dangerous. He would look forward greatly to having a trail to exercise on. Since he lives in Cottage Farm, it would be a perfect addition. The comments made here tonight, insofar as health and financial benefit to our County, have already been proven in other areas. He would greatly appreciate Council support.

Mr. Dan Ahern is a Beaufort resident who lives next to the rail trail. This was a factor from an economic viewpoint. It was a factor in the decision to purchase his home here. It was also a factor when he lived previously in Atlanta. Pinellas Trail in Florida was, as that program developed, he took up to three vacations in that area primarily to go down there and use that trail as it expanded over time. A decision to fund it or consider funding it out of tourism dollars is a good decision.

Ms. Gale Touger, a family nurse practitioner who works at a local pediatrics practice, shared a little bit of emphasis to the health concerns. She spoke specifically to the obesity in our community which is pretty obvious when you go out to a restaurant or to the local K-Mart. It is not a question but you know numbers speak more to that. In 1994, 7% of pre-school children, 2 to 5 years old, little kids, 7% were overweight. In 2009 to 2010, this had risen to 10%; one in ten little children. In 2000, 19% of children, 6 to 11 years old and 17% from 12 to 19 years old were overweight. This is a doubling in the incidents of overweight and obesity among young students since the 1970's. This information was gathered by the Robert Wood Johnson Foundation Study. There was a local effort in South Carolina in 2006, in the South Carolina schools, the nurses collected data on the body mass index of children, which is a relationship between your height and your weight. They measured all third graders and all eighth graders, 40.7% of children were overweight and obese. Children, who are obese as teenagers, are going to be obese as adults. If they are obese as children, we are already starting to see insulin resistance, a pre-cursor to diabetes, which brings more expense to our community as well as they develop diabetes and the kidney failure and that sort of things. It is really not a small issue. When my children grew up in Raleigh, North Carolina, we could throw our tricycles and training wheel bikes in the car and go to a greenway system. We do not have this here. When

problem solving with families about how to help their children exercise more, they say they have no place to ride their bikes. She would like for them to have a place for them to ride their bikes.

Mr. Rick Collins, a resident of Beaufort and volunteer for the Little Red Dog Foundation, said this local foundation provides modified bicycles to children and adults with disabilities, children with a lot of spinal bifida and a lot of medical issues as well as Wounded Warriors and then Veterans as well. Based on prior voting, it seems like this has a strong support within Council which he appreciates. Regarding future consideration, please consider a paved, hard surface for the trail. For a lot of the children and adults we give bikes to oftentimes this could be the first bicycle they've ever been on, certainly the first bicycle they've ridden in years, and for us to find safe, paved places for them to ride is a huge benefit for them. Just getting them out on a bike with other kids, out in the fresh air, when you see the joy on their face, it is really unbelievable. So to have a safe, paved environment with access ways onto the trail is really critical for the children and adults that we provide bikes to. Also, he has lived in several cities that have very strong rails to trails programs. He has seen firsthand that they are magnets. The use of tourism dollars makes a total amount of sense, it draws people there, it draws families, it draws adults, children alike to provide a safe environment for them where they can get out and enjoy nature and why do we all live here? Because it's a beautiful part of the State, it's a beautiful part of the Country and this will encourage people to get out and enjoy it more.

Ms. Kim Gundler, a Beaufort resident, said the rail / trail program is an important project. She encouraged Council to support it. She would like to leave Council with a couple of quotes from some trail studies she has been reading. First of all, people who commute by car say it's the worst part of their day. People who commute by bike; it's the best part of our day. So, we're all happy people out there. Secondly, this is an interesting quote, more Americans own their jobs to bicycle-based recreation than there are people employed as lawyers. She thought that was interesting. And finally, beyond all the economic, health and other policy reasons for trails, there rests one more, down to earth, less quantifiable factor in favor of trails, trails can lift your spirit. So thank you for lifting our spirit. This is a great project and when they write the history for Beaufort County and the 21st century, it will be right up there with the Waterfront Park and other wonderful public spaces.

After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 6:53 p.m.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council adopt a resolution authorizing the expenditure of \$260,880 from the tourism infrastructure section of Beaufort County's three percent accommodation tax funds for the purpose of providing matching grant funds for the Beaufort County Rails to Trails Program. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

FISCAL YEAR 2011 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM LOCAL SOLICITATION IN THE AMOUNT OF \$60,694

The Chairman opened a public hearing at 6:59 p.m. for the purpose of receiving information on a 100% federally funded grant in the amount of \$60,694. The grant funds will procure a Records Management System for the Beaufort County Sheriff's Office. This System will allow the sharing of information between law enforcement agencies in the Low Country of South Carolina and the Coastal Empire of Georgia. More specifically, this system will provide a Regional Information Sharing System between law enforcement in Beaufort and Jasper County in South Carolina and the Savannah Chatham Metropolitan Police Department in Georgia. This system would implement a modern web-based Records Management System for single entry of data, information sharing, and for the electronic sharing of data. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 7:00 p.m.

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

COMMITTEE REPORTS

Finance Committee

Accommodations Tax Board

Ms. Olivia Young

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Ms. Olivia Young, hospitality-lodging, garnered the six votes required to serve as a member on the Accommodations Tax Board.

Public Facilities Committee

Solid Waste and Recycling Board

Ben Wheatley

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSTAIN - Ms. Von Harten. Mr. Ben Wheatley, Solid Waste District 7, garnered the six votes required to serve as a member on the Solid Waste and Recycling Board.

Public Facilities Committee

Potentially Naming New Two-Lane Bridge that Parallels the McTeer Bridge

Mr. Newton assigned to Public Facilities Committee a request from the Legislative Delegation to potentially name the new two-lane bridge that parallels the McTeer Bridge.

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

PUBLIC COMEMNT

There were no requests to speak during public comment.

CALL FOR EXECUTIVE SESSION

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

EXECUTIVE SESSION

RECONVENVE OF REGULAR SESSION

It was moved by Mr. Flewelling, seconded by Mr. Glaze, that Council authorize the County Attorneys to join in the effort with Spartanburg, Greenville and Chester Counties in opposition of the requirement of the State Election Commission that the counties of the state shall conduct the 2012 Presidential Preference Primary and incur the cost thereof. Further, this legal action is taken from the existing budget of the legal department. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

ADJOURNMENT

Council adjourned at 7:51 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____

Wm. Weston J. Newton, Chairman

ATTEST _____
Suzanne M. Rainey, Clerk to Council

Ratified: October 24, 2011

October 24, 2011

Official Proceedings

County Council of Beaufort County

October 24, 2011

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

CAUCUS

A caucus of the County Council of Beaufort County was held at 4:00 p.m. on Monday, October 24, 2011 in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, South Carolina.

ATTENDANCE

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

Vice Chairman Sommerville chaired the meeting until the Chairman arrived.

DISCUSSION ITEMS

Topics discussed during the caucus included: (i) Division-Director Planning and Development has reviewed and agrees with the incorporation of language in paragraph 6, Buffer Disturbance, "devised, view corridors, and other allowable disturbances authorized under Article 7, Division 4, outlined in this ordinance. (ii) Regarding a possible change in form of government, Council members had raised the question with respect to the salary for the Treasurer and Auditor. The state picks up a portion of their salary. The question was if we go to the Manager form of government, would we continue to receive the state supplement portion of their salary. Mr. Josh Gruber, staff attorney, confirmed there is no wording in the statute that differentiates between an elected or an appointed Auditor and Treasurer. He also checked with Greenwood County, that actually has this Council / Manager form of government, with appointed Auditor and Treasurer, and they still continue to receive their salary supplements from the state. (iii) A question was raised as to why Council is now, one-third of the way through the fiscal year, determining the Together for Beaufort County 2011 agency funding recommendations rather than in May or June. Staff noted Council must first approve the fiscal year budget. The fiscal year 2012 budget was approved June 27, 2011, effective July 1. Together for Beaufort County budget approval was in the amount of \$605,000. A two-month application process was held. Recommendations were then made to the Community Services Committee meeting of October 17, 2011, and were then forwarded to Council today for consideration and approval. (iv) Natural Resources Committee members asked administration to examine the funding classification for Beaufort Soil and Water Conservation District, i.e., moving it from Together for Beaufort County funding stream and including it as part of the fiscal year budget deliberations. Perhaps this agency funding allocation should be discussed during budget deliberations. (v) Regarding the ordinance proposal to change the form of government, some people believe that this is a slap in the face of our current Treasurer. That is absolutely not the case. This is an opportunity for voters to speak, not to say anything disparaging about the Treasurer or Auditor, but an opportunity for the people to decide if they want to continue to elect them or not. (vi) Regarding the ordinance proposal to authorize the placement of a question on the official ballot to issue general obligation bonds to acquire lands for preservation, this issue was first discussed by members of the Rural and Critical Lands Board in 2010. The timing is such that the issue takes a while to go through the process, i.e., Rural and Critical Lands Board, Natural Resources Committee, three readings and a public hearing at Council, and US Justice Department approval. It could not be held in 2010 mechanically, it would have been 2011. Since 2011 is an off year, it was pretty well agreed that we wanted as much voter turnout as possible on any issue of this importance. You will get that type of turn out, particularly, on a Presidential election. Also, there was still a \$10 million bonding that had been approved by the voters that had not been bonded yet. (vii) A question was asked about language in the land referendum ordinance, "Bond funds may be used only for the purposes stated in the ballot question. None of the funds may be used for any other purpose, or for administrative salaries." That portion of the language came directly from the land bond referendum; therefore, we have

been operating under that language for some time now. The intention was to apply to county administration for those funds, maybe, not necessarily to our contractor. Perhaps, Council should consider amending the language to allow for what is currently happening today. (viii) Council members will serve out their four-year term for their geographic boundary of the new district, even though some people in the district will not have voted for the councilman. That way you always maintain staggered districts. (ix) Mr. Rodman apologized to Council for having called for the resignation of Board of Education member, Steven Morello, in a Council meeting. He noted that he did not take Mr. Dawson, having raised the issue, as a personal affront, commenting that if it had been personal, that he and Mr. Dawson would have been guided by Matthew 18:15-17. Mr. Rodman was offended that Council was called racist. Mr. Rodman pointed out that Council, as a group, called for the resignation of Joy Logan, and that he should have taken this issue to Council rather than acting alone. Mr. Rodman pointed out that he was also not the only Council member to call for Board of Education member Steven Morello's resignation in public. Mr. Rodman suggested that no further action was warranted as Mr. Morello has been duly embarrassed in terms that: he is the one who elected to make the email public, he was the one who was given responsibility by the School District to interface with Council and elected not to do that, which is the root of the problem, and lastly, he was unaware that we were advised that the NAACP had actually endorsed the Redistricting Plan.

The Vice Chairman passed the gavel to the Chairman in order to chair the meeting.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. on Monday, October 24, 2011 in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, South Carolina.

ATTENDANCE

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman Stu Rodman gave the invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD OCTOBER 10, 2011

It was moved by Mr. Glaze, seconded by Mr. McBride, that Council approve the minutes of the regular meeting held October 10, 2011. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT - Mr. Glaze and Mr. Newton. The motion passed.

The Chairman arrived at 5:05 p.m.

PROCLAMATION

Veterans Day

The Chairman announced in observance of Veterans Day, Friday, November 11, 2011, Beaufort County proudly joins the rest of the nation in saluting and giving special honor to those men and women who served in the armed forces, both active and inactive, for their contribution, dedication and commitment to the cause of our freedom. Mr. Ed Ray, Veterans Affairs Director, accepted the proclamation.

RECOGNITION / FORMER BOARD AND COMMISSION MEMBERS

2011 Citizen Volunteers / County Boards and Commissions

The Chairman recognized seven citizens for their volunteer service on the County's various agencies, boards, commissions and authorities: Robert Anderson, Parks and Leisure Services Board, May 2008 – August 2011; Walter Becker, Solid Waste and Recycling Board, October 2006 – March 2011; Martha Crapse, Southern Corridor Review Board, March 2000 – February 2011; Patricia Fennell, Bluffton Township Fire District Commission, July 1994 – February 2011; Mona Huff, Foster Care Review Board, September 2007 – January 2011; Jakie Lee, Southern Corridor Review Board, April 2006 – April 2011; and Illyse Queen, Accommodations Tax Board, September 2009 – October 2010.

PUBLIC COMMENT

The Chairman recognized Mrs. Carol Weir, a resident of Hidden Lakes, Bluffton and an employee of the Island Packet, is before Council tonight as a Mom. She is not in the same league as Warren Buffet. In fact, she earns \$36,000 per year. She is here to make a symbolic donation in the form of a voluntary tax payment of \$50, which she gave to Mr. Kubic for deposit in the general operating fund. Things are going from bad to worse in the amenities department. First library hours were cut and then all libraries were closed on Sunday. Then the Bluffton pool was closed on Saturday. A friend told her the Parks and Leisure Services Department may not sponsor play-offs and all stars this season because of lack of money to pay referees. We, the citizens of Beaufort County, including everybody sitting here, except for her kids, have already paid for these fields, these pools, and these libraries. It is sad and shameful that we cannot operate them to their potential as well as use them at a time and day convenient to working families. No one has ever asked her husband or her if we would be willing to pay more taxes to operate our amenities. Could we have maybe a referendum about this or at least a questionnaire? Thank you very much.

COUNTY ADMINISTRATOR'S REPORT**The County Channel**

Mr. Gary Kubic, County Administrator, announced The County Channel, taped for rebroadcast and provided audio support for the groundbreaking for the St. Helena Branch Library at Penn Center. The program was well attended and was broadcast Friday night after the event. It is also available on Video-On-Demand. The County Channel continues to broadcast Parks and Leisure Services sports games. This past weekend we covered the 8 to 9 year old and 10 to 11 football playoffs. They were broadcast live and will also be available on Video-On-Demand.

The County Channel covered the State of the Region Breakfast at the Westin Hotel on Hilton Head Island. The keynote speaker was Governor Nikki Haley. This event was rebroadcast on The County Channel and will be available for Video-On-Demand.

Two-Week Progress Report

Mr. Kubic presented his Two-Week Progress Report, which summarized his activities from October 10, 2011 through October 21, 2011.

Over the Bridge and Back Yonder for Children's Charities

Ms. Von Harten announced Beaufort County is working in cooperation with the Exchange Club of Beaufort to organize the Over the Bridge and Back Yonder (O BABY) 5K Run and Fun Walk planned for Saturday, October 29. Runners have an opportunity to see first-hand the improvements to the new McTeer Bridge

DEPUTY COUNTY ADMINISTRATOR'S REPORT**Two-Week Progress Report**

Mr. Bryan Hill, Deputy County Administrator, presented his Two-Week Progress Report, which summarized his activities from October 10, 2011 through October 21, 2011.

Budget Schedule FY 2013

Mr. Bryan Hill, Deputy County Administrator, presented the budget schedule FY 2013.

Halloween Carnival and Haunted House

Mr. Bryan Hill, Deputy County Administrator, announced Parks and Leisure Services is hosting two Halloween events at Buckwalter Regional Park. A carnival is scheduled Saturday, October 29, between 2:00 p.m. and 5:00 p.m. and haunted house October 17 through October 29, beginning at 7:00 p.m.

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

This item comes before Council under the Consent Agenda. It was discussed at the September 12, 2011 Finance Committee.

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

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

This item comes before Council under the Consent Agenda. It was discussed at the September 6, 2011 Natural Resources Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on third and final reading a text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article VII, Sec. 106-1845(6) Buffer Disturbance (adds river buffer disturbance standards), including the following language, "... devices, view corridors and other allowable disturbances authorized under Article 7, Division 4, outlined in this ordinance." The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Glaze. The motion passed.

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

This item comes before Council under the Consent Agenda.

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

2012 COUNTY EMPLOYEE INSURANCE BENEFIT PROGRAM

This item comes before Council under the Consent Agenda. It was discussed at the October 10, 2011 Finance Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve the 2012 County Employee Insurance Benefit Program with no rate increase from vendors. The employee contribution rate for the basic plan will decrease by 6% and the contribution rate for the premium plan will increase by 5%. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Glaze. The motion passed.

TOGETHER FOR BEAUFORT COUNTY / 2011 AGENCY FUNDING RECOMMENDATIONS

This item comes before Council under the Consent Agenda. It was discussed at the October 17, 2011 Community Services Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve the Together for Beaufort County 2012 agency funding recommendations as follows: LRTA \$240,000; Coastal Empire Community Mental Health Center \$110,000; DHEC \$60,000; Senior Services of Beaufort County \$50,000; Child Abuse Prevention Association \$28,000; Beaufort Soil and Water Conservation District \$18,000; Citizens Opposed to Domestic Abuse \$14,000; HOPE Haven \$14,000; Literacy Volunteers of the Lowcountry \$9,000; Beaufort-Jasper Economic Opportunity Commission \$5,000; and Clemson University Extension \$5,000, and Alliance activities \$52,000. These recommendations total \$605,000. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Glaze. The motion passed.

AN ORDINANCE AUTHORIZING THE PLACEMENT OF A QUESTION ON THE OFFICIAL BALLOT FOR THE GENERAL ELECTION TO BE CONDUCTED NOVEMBER 6, 2012, CONCERNING A PROPOSITION AUTHORIZING BEAUFORT COUNTY TO ISSUE GENERAL OBLIGATION BONDS TO ACQUIRE LANDS FOR PRESERVATION AND TO PAY CERTAIN COSTS AND DEBT SERVICE RELATED THERETO

This item comes before Council under the Consent Agenda. It was discussed at the October 10, 2011 Finance Committee meeting as well as the October 3, 2011 Natural Resources Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on first reading an ordinance authorizing the placement of a question on the official ballot for the general election to be conducted November 6, 2012, concerning a proposition authorizing Beaufort County to issue general obligation bonds to acquire lands for preservation and to pay certain costs and debt service related thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Glaze. The motion passed.

Mr. Glaze arrived at 5:30 p.m.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Dawson, seconded by Mr. Flewelling, that Council go immediately into executive session for the purpose of receiving legal advice relating to proposed contractual arrangements and proposed purchase of property. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

EXECUTIVE SESSION

RECOVENE OF REGULAR SESSION

AN ORDINANCE TO AMEND ORDINANCE NO. 2011-25 SO AS TO ALLOW FOR THE RENUMBERING OF THE ELEVEN SEPARATE BEAUFORT COUNTY COUNCIL DISTRICTS AND BEAUFORT COUNTY BOARD OF EDUCATION DISTRICTS

The Chairman opened a public hearing at 6:02 p.m. for the purpose of receiving information from the public regarding an ordinance to allow for the renumbering of the 11 separate Beaufort County Council Districts and Beaufort County Board of Education Districts. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:03 p.m.

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council approve on third and final reading an ordinance to amend Ordinance No. 2011-25 so as to allow for the renumbering of the eleven separate Beaufort County Council Districts and Beaufort County Board of Education Districts. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

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

COMMITTEE REPORTS

Finance Committee

Accommodations Tax Board

Ms. Olivia Young

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Ms. Olivia Young, hospitality-lodging, garnered the six votes required to serve as a member on the Accommodations Tax Board.

Public Facilities Committee

Solid Waste and Recycling Board

Ben Wheatley

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSTAIN – Ms. Von Harten -- Mr. Wheatley is married to a family a member. Mr. Ben Wheatley, Solid Waste District 7, garnered the six votes required to serve as a member on the Solid Waste and Recycling Board.

Public Facilities Committee

Potentially Naming New Two-Lane Bridge that Parallels the McTeer Bridge

Mr. Newton assigned to Public Facilities Committee a request from the Legislative Delegation to potentially name the new two-lane bridge that parallels the McTeer Bridge.

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

PUBLIC COMEMNT

There were no requests to speak during public comment.

ADJOURNMENT

Council adjourned at 6:05 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST _____
Suzanne M. Rainey, Clerk to Council

Ratified: November 14, 2011

COUNTY COUNCIL OF BEAUFORT COUNTY

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WM. WESTON J. NEWTON
CHAIRMAN

D. PAUL SOMMERVILLE
VICE CHAIRMAN

COUNCIL MEMBERS

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

GARY KUBIC
COUNTY ADMINISTRATOR

BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL
COUNTY ATTORNEY

SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA

FINANCE AND PUBLIC SAFETY COMMITTEES

Monday, July 19, 2010

2:00 p.m.

Conference Room, Building 2

Beaufort Industrial Village

102 Industrial Village Road, Beaufort

Committee Members:

Stu Rodman, Chairman
William McBride, Vice Chairman
Steven Baer
Brian Flewelling
Paul Sommerville
Jerry Stewart
Laura Von Harten

Staff Support

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

2:00 p.m.

1. CALL TO ORDER
2. EMS / FIRE SUPPORT STUDY / ANALYSIS
3. TEXT AMENDMENTS TO BUSINESS LICENSE ORDINANCE
4. REVIEW OF COUNCIL RETREAT GOALS

2:45 p.m.

5. DELINQUENT AIRCRAFT TAXES
6. DISCUSSION / ADVISORY REFERENDA REGARDING SCHOOL DISTRICT FISCAL AUTONOMY AND COUNTY-MANAGER FORM OF GOVERNMENT
7. ADJOURNMENT

OPEN FINANCE ITEMS

- Hurricane Revenue Anticipation Notes
- Radio Frequency Identification (RFID) System Purchase for Library Department
- Beaufort and Black Chambers' request for hospitality tax

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

| Finance | | |
|--------------|-----------|----------|
| Date | Time | Location |
| August 16 | 2:00 p.m. | BIV#2 |
| September 20 | 2:00 p.m. | BIV #2 |
| October 18 | 2:00 p.m. | BIV#2 |
| November 15 | 2:00 p.m. | BIV#2 |
| December 13 | 2:00 p.m. | ECR |

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

Please silence your cell phone during the meeting.

FINANCE AND PUBLIC SAFETY COMMITTEES

July 19, 2010

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

The Finance and Public Safety Committees met on Monday, July 19, 2010 at 2:00 p.m., in the Conference Room, Building 2 at the Beaufort Industrial Village.

ATTENDANCE

Finance Committee members: Chairman Stu Rodman, Vice Chairman William McBride, and members Steven Baer, Paul Sommerville, Jerry Stewart and Laura Von Harten attended. Committee Member Brian Flewelling was absent. Non-committee member Rick Caporale, who serves on the Public Safety Committee, was also present.

County Staff: Sharon Burris, Auditor; Todd Ferguson, EMD Director; Lad Howell, Attorney; Gary Kubic, County Administrator; Donna Ownby, EMS Director; David Starkey, Chief Financial Officer; Edra Stevens, Business License Director; Dave Thomas, Purchasing Director; William Winn, Division Director – Public Safety; and Howell Youmans, EMS Deputy Director.

Media: Joe Croley, Hilton Head Association of Realtors, Richard Brooks, *Bluffton Today and* Josh McCann, *Island Packet*.

Public: Anna Coffman, Hilton Head-Bluffton Chamber of Commerce; Larry Hollman, Beaufort Black Chamber of Commerce; Bruce Kline, Lady's Island-St. Helena Island Fire Chief; George Simpson; and Barry Turner, Bluffton Fire Chief.

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

ACTION ITEMS

I. EMS/Fire Support Study and Analysis

Discussion: Mr. Jerry Stewart, as Public Safety Committee Chairman, introduced Mr. Dave Thomas, Purchasing Director, to review this item with the Committee. Beaufort County issued Request for Qualifications (RFQ) to firms capable of providing emergency medical and fire support study/analysis for the Beaufort County Public Safety Division. This project is a study/analysis to determine the best practical operation procedures for our EMS/Fire Departments as outlined in the scope of work. The evaluation committee consisted of the following six members: William Winn, Public Safety Director; Lt. Col. Neal Baxley, Sheriff's Office; Donna Ownby, Director EMS; Howell Youmans, Deputy Director EMS; Todd Ferguson, EMD Director; Bruce Kline, Lady's Island-St. Helena Island Fire Chief; and Barry Turner, Bluffton Fire Chief. The evaluation committee interviewed the top five firms and selected CRA,

Inc. as the number one ranked firm. The evaluation committee requests the committees approve and recommend to County Council, approval of a contract award to CRA, Inc, the number one ranked firm with the anticipated cost of \$225,963. CRA will have four months to complete the study.

Mr. William Winn, Public Safety Division Director, presented the Committee with a PowerPoint presentation with additional information about the purpose of this contract award. As part of the Council management agenda for 2010, one of the priorities was the EMS review and study process. As we put together and prepared to implement the request, we looked at bringing together not only a selection team to choose the contractor but also a management team that will have the opportunity to oversee what the contractor does, to review the process the contractor follows, and to make sure we achieved the goals we established. Once the study is completed, this will be the management team that will look into how to implement that study after Council reviewed and approved it. He reviewed the selection and management team with the Committee. Part of what we will be doing with this study is looking at the 911 system as part of the EMS system from the point when the telephone rings for a medical call, how the dispatch center processes that call and how it notifies the agencies for response. Most people may not understand our 911 system also provides pre-arrival instructions. They teach people how to do CPR, dislodge something from someone's throat, deliver babies, etc. There are two fire chiefs on the committee representing the fire side of the process and the Sheriff's Office is also represented. We saw an increase in the number of EMS calls where law enforcement has to respond with the ambulances for security operations. This is placing a burden on some of our law enforcement agencies, which is why they are participating in the study.

As part of the study we will review the EMS operations and management. Specifically we will look to organize the way we need to be [structured] for today and for tomorrow with the management and the number of supervisors, on-road supervisors, directors, training officers, etc. Also do we have the appropriate number of people and doing the right things, at the right times? Are we providing the quality of assistance needed by our front line EMS people? We will be looking at the risk/demand/response time. Our stations have not changed in the last 20 to 25 years. We will look at where the stations are located; the types of equipment assigned to those stations, the type of personnel assigned to the stations and whether we need more, less or need to operate a different type of vehicle. There will be an analysis of the run times based on the current location of the equipment and an analysis of the run times based upon the demand we have in different portions of the day. Current EMS issues, such as the first responder program: our fire department in Beaufort County participates in the medical first responder program. We will be looking at the overall first responder program and whether or not it accomplishes our need and is a quality service we are rendering in our fire districts. The study will take a look at our training program and whether we are doing the adequate training needed by our EMTs and firefighters. Cost estimates will also be looked at to give us an ideal. If we make changes, what costs would occur and also what are costs for proceeding in the future and upgrading our change in EMS? Also, how we are going to fund our First Responder Program?

Once this is completed and an analysis is done and reviewed by the management committee to make sure all of the parts have been completed, we will come up with a strategic

plan. Once that plan is completed and is in presentable form, then a formal presentation will be made to County Council to show what was found, the issues that need to be discussed and the recommendations of the consultant and staff. It is very important; the management committee was very unanimous in the selection of this company. They are a very good company with a very good reputation and a quality group of people. They have done this successfully in other places.

With the management team put in place, a very strong part of this study is not going to be the completion of the study but what we do with it when it is over. We have to be able to implement the findings and changes recommended.

Mr. Baer stated this sounds like a splendid idea. Within the area covered, how much do we spend in EMS and fire? Mr. Winn replied it is hard to put a specific number on it because every fire district is different. There is a standard EMS budget of approximately \$6 million, and then each fire district's budgets are different. He stated probably \$8 million to 10 million depending on how it is added.

Mr. Baer thought it to be a good idea to spend \$250,000 to do a better job on such a large budget.

Mr. Rodman wanted to know if Hilton Head Island is in or out of this study. Mr. Winn replied they opted not to participate in the study.

Mr. Rodman wanted to know if we would see this as a final form or would we receive briefings along the way. Mr. Winn stated right now the plan was to bring forth the final recommendations. There will probably be some work sessions in there. It all depends on what we find out. When you open the door like this and have no preconceived ideas, there is no idea what the consultants will find. If they find something astounding, then we will bring Council in for a briefing.

Mr. Rodman stated you do not want to involve Council too early but one briefing might make some sense.

Mr. Winn stated, in regard to Hilton Head Island they have not elected to participate but we have anticipated for Chief Lucas to interview with them and speak about mutual aid between the two and how that operates.

Mr. Rodman stated there has been talk about whether or not there is a marriage between EMS and fire options and wanted to know if that is part of this study. Mr. Winn stated we looked at a consolidation of services. That door has been left open. This study may consolidate the protocols, standard operating procedures, funding, etc. that each district might follow.

Mr. Rodman stated even if you do not consolidate, Daufuskie Island needs a special look in the sense they have two separate ones – EMS and fire. It is quite expensive and they are the one district running a negative balance. We should be looking at a sizable tax increase for them. Given the economy and the bankruptcy, it would be a burden on the people.

Mr. Caporale wanted to know if Hilton Head Island offered any reason why they opted out. Mr. Winn replied in the negative.

Mr. Stewart wanted to know if our interaction with other entities will be looked at as well under this contract or is it strictly Beaufort County. Mr. Winn stated we will be looking at all of Beaufort County and also issues that may affect our surrounding counties. We work not only with Jasper County, but also Hampton County and Colleton County. We will be looking at whether we have sufficient response capability and if not what changes do they propose for the mutual aid we have with those counties.

Mr. Stewart stated a specific section of Sun City crossed over into Hardeeville. Mr. Winn stated when it comes to Jasper County, there is a strong working relationship. Our two dispatched centers are interlocked together. We move phones back and forth and we are interfacing both dispatch centers to make sure we do not lose any calls. If we get a call and do not know whose district it is, we all go and will settle it on location. He does not see any delays in getting to Sun City.

It was moved by Mr. Rodman, seconded by Mr. Baer, that Finance and Public Safety Committees approve and recommend to County Council award a contract to CRA, Inc, the number one ranked firm with the anticipated cost of \$225,963 to perform an EMS/fire support study/analysis. CRA will have 4 months to complete the study. The vote was: FOR –Mr. Baer, Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Flewelling. Mr. Caporale did not vote since he is not a member of Finance Committee. The motion passed.

Recommendation: Council award a contract to CRA, Inc, the number one ranked firm with the anticipated cost of \$225,963 to perform a EMS/fire support study/analysis. CRA will have 4 months to complete the study.

Mr. Stewart passed the gavel to Mr. Stu Rodman, Finance Committee, to chair the rest of the meeting.

2. Discussion of Advisory Referenda Regarding School District Fiscal Autonomy and County-Manager Form of Government

Discussion: Mr. Rodman presented the Committee with a document showing the difference between a council-administrator and council-manager forms of government. The only difference, other than word changes, is that the treasurer and auditor would work for the County in the Council-Manager form of government, as opposed to being constitutional officers. In the current age, having somewhat of a consolidated financial department in a county would be significantly better than having separately elected officials. As a practical manner, once someone is in office they generally serve for as long as they want. If you had a referendum it would take affect at the conclusion of the next term of that official. It would open up an interesting option – an advisory referendum and then two years later have the full referendum.

Mr. McBride stated when the legislature passed the home rule act; our legislative delegation already previously turned over home rule to the County. At that time, the counties had to have a referendum to select one of the forms and if you did not have a referendum, you automatically converted to the one closest to that of your operations. Since Beaufort did not have a referendum we got the form of council-administrator.

Mr. Rodman stated there are 34 counties with the council-administrator form of government. Two have it where the administrator is elected and two have the county-manager form. One county had gone to it but went back. That county stated it was due to politics and legal actions and not much to do with the form of government. The two counties with county-manager form are York County and Greenwood County. We would be well-served to have the treasurer and auditor as part of a consolidated county financial department. Some of the issues we are dealing with regarding the Treasurer's Office. Council gets blamed for because people think they work for us, Mr. Rodman said.

Mr. Baer stated he would support it.

Mr. Kubic stated at the retreat, Council asked staff to take a look at control centers – functions in which we perform in the general fund in which we have identified 600. In analyzing this process, we need to bring to Council a clear understanding of the relationships among the Auditor, Treasurer and Administrator. There is integration based on MIS functions that changed the dynamic from that, of the historical point of year, with the introduction of technology. You also have to take a look at whether there are areas within that plan/deliver of service that the community, Council and others are satisfied with or not satisfied with. By that, he stated he means public investments. Do you or the community know how the money is being invested? Do you understand public depository relationship, the contracts between the banks, which banks have those contracts, how they got those contracts, who negotiates those contracts, is it a public bid process, and is it the sole discretion of the treasurer? You need to begin to analyze those processes and do a checklist of whether we agree or do not agree. Then there is the option to either decide whether we can create scenarios that are pushed forward through a reporting mechanism. That is how you logically begin to assess the process. The reality is when tax bills go out we are all looked upon as a single unit. Taxpayers, when they pay that bill, only see the bottom line. They do not even understand the lion share of it is the school operation. They already look upon the County as a single entity. The argument of checks and balances has passed, it is just whether or not you are currently satisfied or can improve upon that. He stated he has been making recommendations of an investment advisory board or the creation of private sector units into the Treasurer's Office. There are talented people out there to create a private investment board. It is required in some states and it must report every 90 days to Council in several formats.

Ms. Von Harten stated she supports this and believes we need to take our time and tread carefully because the municipalities and other entities that get public funds will be affected by any sort of change. They too need to be involved in this process.

Mr. Kubic stated one thing is occurring is that you should understand is what Manatron is capable of doing. In the case of the credit card fees, this system gives us the ability to tie the act to the parcel and look at every parcel within the division and set up by agreement a cost allocation formula that clearly shows this property is at 4% and they paid by credit card. You can create the distribution, literally, to the penny. The result of the technology introduced takes out that uncertainty factor as to how you derived to that cost allocation. That is how precise we can get once we are fully implemented and fully know how to enter all of the data into these fields. It is changed. We would like to have all municipalities and all political subdivisions, 30 or more, that can actually get to this. The beauty of this is that there is no mystery to the system.

Mr. Stewart stated credibility is important. We hear that problem all of the time whenever any issue arises. He was told to talk to the county that switched and then switched back to find out the circumstances. He suggested we talk to that county. Also, he stated right now he could not support this form of government. The form we are under is working well. It is not the form of government's responsibility but is the person there. The issue has been before the legislature for several sessions in trying to put qualifications for elected officials. He personally believes that is where the responsibility lies. Rather than change the form of government we currently have, we need to address the root cause of the problem – that is that qualified people are in the position.

School District Fiscal Autonomy

Mr. Rodman stated we met with the School District last Friday. They have two concerns. One is the collection rate being correct and if it is not there will be a problem. He stated he informed them that is an issue for August when we set the mill. In June, we set the amount that would be collected in taxes and the amount that would come out of the fund balance. If the mill value went up or down based on whatever the calculations might be at the time, then the mills itself would go up or down. Second, the District is concerned with whether or not there is adequate money to do what it needs to do in out years. He stated he raised the issue of them not providing Council with the justification in out years in terms of employment and staffing. That discussion basically revealed that the last couple of years the enrollment has been increasing by 100 a year. As they have looked forward in their model they are assuming the enrollment will be roughly double that amount. Trend wise there does not seem to be a lot of reason why it would double. He thinks it is more apt to decline. That calculation would suggest if in fact they went at the historical rate, then that would approximately offset the taxes they are interested in. We did say if the District wanted to come back we would certainly readdress that. They may look at it and decide they are okay or they may decide they think they need a tax increase. When their original plan came in, their fund balance dropped down to about 5% even before we talked about holding the taxes level. Part of that discussion revealed that the New River TIF looks as if it will conclude in June 2013. At that time they will pick up between \$4 million to \$5 million additional amount each year. That will help a bit with the fund balance. There has been ongoing conversation as to whether or not it makes sense for the District to have fiscal autonomy, which means the Board of Education would be totally responsible for setting the taxes for education. It went to referendum approximately 20 years ago and was rejected by the voters. We had a standing offer, in the last couple of years, that if they wanted it to go to the voters it should. Independently he stated he and the Chairman reached the conclusion that maybe it is time to do it

again, particularly since they took the unilateral action to go to the attorney general to ask for an opinion on that. He believes it is time to do so.

Mr. Stewart stated he is concerned about the District's budget to come back before Council for another vote. We had a vote, went through three readings and a public hearing. He would hate to have to have a fourth vote. Would that not constitute going back to the beginning? Could we have a fourth vote and change what we have already done?

Mr. McBride stated we would at least have to go back to first reading, but will yield to the County Attorney, whom concurred.

Mr. Stewart stated as far as he is concerned, it is over. They now have to figure out how to live within their means. In regard to the referendum issue, he suggested there to be three options to go onto the referendum – (1) Leave it as it is, the County consenting on the operations portion of the School District's budget; (2) Give the School District full autonomy; (3) The County to have full control of the School District's budget for all funds. Put all three onto the budget and see what the citizens have to say.

Mr. McBride stated he would support two options on the budget, but not the third. Two options will tell you where people stand.

Mr. Rodman stated when thinking about the operating side, it makes sense to have oversight. When it comes to the debt side, there are two places where they can borrow money – referendum or the 8% piece where they can borrow up to 8% of the assessed value of the County. It does argue there is a degree of control on that already.

Mr. Stewart stated regarding the 8%, they have the right to allocate or take as much or as little of that as they want without any authority from anyone. They can obligate up to the full 8% and the County has no choice in it. There is an argument that having half the budget to deal with is not necessarily a good place to be because it leads us into the situation we are in every year. We should put it to the voters as three choices. It would send a real message to the School District.

Mr. Caporale stated it would take an enormous amount of work for us to tell them in that third option what their future looked like. It would require us in good faith to weigh all of the evidence and documentation that the Superintendent gives to the Board.

Mr. Stewart stated right now we are not getting the full understanding and making decisions without having all of the facts.

Mr. Caporale stated he is in favor of both to measure the public opinion.

Mr. Rodman suggested since the Chairnan requested staff weigh-in on the steps, that this is better handled at the July 26, 2010 Council meeting, as opposed to just the Finance Committee. Also, he thinks since there is some interest in considering the change in the form of

government perhaps we extend it to look at the School District referendum and the form of government. This is an important issue.

It was moved by Ms. Von Harten, seconded by Mr. Baer, that Finance and Public Safety Committees forward to Council for discussion and consideration advisory referenda, this fall, for both fiscal autonomy and county form of government. The vote was: FOR –Mr. Baer, Mr. Rodman, and Ms. Von Harten. OPPOSED – Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling. ABSTAINED – Mr. McBride. The motion passed.

Recommendation: County Council discuss and consider advisory referenda, this fall, for both fiscal autonomy and county form of government.

3. Off Agenda Item – Beaufort Regional Chamber of Commerce/Visitor and Convention Center

Discussion: Mr. Rodman informed the Committee he misspoke for the motion on Accommodation Tax (2% State). At Committee, the motion was for \$35,000. At Council, he misspoke and said \$25,000.

Status: This item will be brought before Council.

INFORMATION ITEMS

4. Text Amendments to Business License Ordinance

Discussion: Mr. Rodman briefed the Committee on this item. This item was deferred until after the budget cycle. In the process we went through, we asked the chambers for their input. There have been a couple discussions in that regard. When we left it, the only issue remaining was in regard to people owning multiple properties and at what point they will have to file for a business license. It is different across the County. We were at five and some of the others were at either one or two. We zeroed in on two. Ms. Stevens concurred, it was two.

Mr. Sommerville stated he will vote against it. The inconvenience and the paperwork for someone with two or three small units is not reasonable. It is not just the money but the hassle of the paperwork and that aggravation. That does not constitute a business.

Ms. Von Harten stated the same could be said for all taxes, "that's too much hassle."

Mr. Rodman stated this item has been before two readings of Council. If we wanted to do anything different, what would be the steps to take, he asked the parliamentarian. Mr. McBride stated any change could be done at the Council meeting.

Ms. Von Harten stated an additional tax burden on people with smaller units would discourage people from affordable housing opportunities. Maybe Mr. Sommerville's point is a good one, but for slightly different reasons.

Mr. Stewart stated, on page six and seven, we talk about implementing this business license user fee board of appeals. We had much discussion on this and he said he believes we felt our Administrator does a fine job and that we do not need to set up another bureaucratic system to cover this. He does not remember having been a part of this ordinance or a definite decision made at that time. He would like to leave this at the hand of the Administrator.

Mrs. Stevens stated nothing was passed in that regard. The Committee was discussing it, but nothing was formal.

Mr. McBride asked the Administrator if he believes that is something needed. Mr. Kubic asked if he is being asked if a change will dramatically affect us or the reason for making a change; he believes in seven years there have been two business license appeals that were trying to make their way to Council for a resolution. The reason that has not increased is because he works with the businesses to try to either waive a portion of the penalty or interest in finding resolution. He believes if Council does not want to create another layer of bureaucracy, leave it with the Administrator.

Mr. Rodman wanted to know if folks always have the opportunity to appeal to Council. Mr. Kubic replied they have the right to take the Administrator's decision to Council if they don't agree with it. Council would then have the opportunity for consideration.

Mr. Stewart stated he consistently brought up the purpose and him disliking that in Section 18-46, page 1. It says the purpose of raising revenue to provide ad valorem tax relief. He does not believe that is the purpose of the business license fee. A lot of the businesses object because it goes into the General Fund and the money is not used for any business development or business related activities. If it were used to fund the business license office, support economic development, the right to work ordinance, workforce development, or a better business bureau, he could support it. Those are the type of things these fees should be used for and specifically identified for. It should not be looked at as a tax. The state code of laws does say it is a tax, but it also speaks about it as a fee. He would much rather see it struck-through and give a reason why we are asking for the fee to show it is business-related.

Mr. Caporale thought it to be an ideal suggestion. He also pointed out that in-so-far as appealing to County Council, it is vague once you take out the business license/user fee board of appeals. You then would not know how they would get to County Council. It needs rewording.

Mr. Stewart said he feels it should go back to what it said originally. There is also another location in the document, Section 18-63 that speaks about the process in getting to County Council.

Mr. Baer stated he agrees with Mr. Stewart's comment about ad valorem tax, but would like to keep the existing language intact. We said at the retreat we were going to begin to use fees to get some property tax relief. He would like the other uses added but the current language left intact.

Ms. Von Harten stated if we are looking at working with municipalities to get things standardized then business license fees should be a way to offset ad valorem taxes for municipal residents.

Mr. Stewart spoke about CareCore and how in essence they are saying instead of bringing their high-paying, corporate jobs (125 to 150) here they would take them to Colorado, so they do not have to pay the business license fees here. It is a major/significant impact for not only businesses here, but also has a negative impact on future businesses that we are trying to attract to the area. In that discussion it is obvious the municipalities have a totally different outlook. A significant amount of their tax revenue comes from business license fees. They are clearly using it as a tax. I would be hard-pressed to tell them how they should structure their tax base collection, he said. The Hilton Head-Bluffton Chamber of Commerce suggested we come together and agree upon those businesses that we would like to bring into the County for that class of business to have a fee across all governing bodies. There was some discussion of that. From the Economic Alliance/Network perspective, the intent is to bring it before the municipality and have the discussion to see if we can move forward along that line. That is the best that we could hope for.

Since Mr. Stewart used CareCore as an example, Mr. Baer stated it is a great idea to do that on a forward-looking basis, but in the case of CareCore they received a tremendous amount of tax incentives, for which the public paid additional taxes for to make up for their incentives. This Council gave them some incentive by giving them cheap lease of land for their hangar. They then retroactively, after getting all these incentives, wanted to redo the deal. He applauds going forward with a constructive, business-friendly taxation and fee schedule but using an example of someone who reneged on a deal and who got many dollars out of the taxpayers is not a fair example.

Mr. Stewart stated we need to look at it from our point of view and our perspective of what we are trying to do to develop in the region. We have to have some better understanding. If we do have, through the MCIP, agreements, this should be written into that as opposed to being left out.

Ms. Von Harten suggested as part of the path for moving forward, we look at our "whereas" in this ordinance because they pretty much say our business license ordinance is "sucky" and we need to make it less sucky, but it is not specific." We need to take items in our economic development section of the Comprehensive Plan and include some of those recommendations and "whereas" to get at the heart of some of these issues. We want to incentivize companies.

Mr. McBride stated as pointed out, less than 1 percent of the County revenues come from business license income sources. Obviously we are not overtaxing. Also, when the state legislature gave the County the ability to pass the fee tax, one objective was to give the counties an alternate source of revenue to offset property tax. If we want to bury our heads in the sand and say we do not want this revenue that is fine. If you take the fee from the businesses it will be put

onto the homeowners. If this money is going into the general fund budget, you still have to use the general fund to do all these things people want to designate the business license fee tax for due to more flexibility. He does not see the need to designate the business license fee tax for a particular category when it goes into the general fund, which could be used for whatever we feel the need is for the County. The other issue is about whether or not to tax those with two or more rental units. If they do not want the income, do not rent the unit. Two is a reasonable amount.

Mr. Rodman stated we have many text changes before us. It would be good to move that forward, get it finished and get it out there. Coming out of the County retreat, we have an obligation to go back and look at the whole fee structure. The fee related part of this should be looked at with the overall assignment that we have been given. He suggested to staff, to dispose of the three items we spoke on and asked staff to fold those in one more time. We then would take one more look at it, at committee level, and forward them words before Council. We have an obligation to look at all of the fees. We will be better off looking at these fees as a part of all of the fees separately.

Mr. Sommerville disclosed that he owns one rental property in the County.

Mr. Rodman wanted to know who was in favor of two rental units requiring a business license. Mr. Baer, Mr. McBride and Mr. Rodman supported that language. Mr. Sommerville and Ms. Von Harten opposed the number two. Mr. Stewart abstained. The number two should be written into the proposed ordinance.

Mr. Rodman wanted to know who was in favor of eliminating the business license/user fee board of appeals and rely on it coming back before the Administrator. The Committee unanimously agreed.

Mr. Rodman wanted to know who would like to modify the language relative to the purpose of business license fees. (1) Should we remove the purpose to relieve property taxes or (2) Should we add to the purpose?

Mr. Stewart said he would like to eliminate the language "and for the purpose of raising revenue to provide ad valorem tax relief" in section 18-46.

Mr. McBride said he does not see how the balance of that harms the purpose of the ordinance. Any additional income that comes into the County is for the purpose of raising revenue.

Mr. Stewart stated he is opposed to the fact this is called a tax. If we are going to have this as a tax we need to reopen the entire idea of what taxes are to businesses. You are adding another layer of tax upon a business.

Mr. Kubic suggested taking more time to talk about the difference between what is a tax and what is a fee. There is a series of class action lawsuits in North Carolina brought forward by the business community, which argue a business license fee is actually a tax. By way of analogy,

if you take the military and talk about stormwater fee, the federal government is now arguing that our stormwater fee is a tax. The reason for that is as an exempt organization they are not subject to pay a tax. He suggested we review the definition of what constitutes a fee and what constitutes a tax be entertained in this discussion.

Mr. Rodman stated Ms. Von Harten raised the issue of the "whereas." He suggested she draft them for the Committee to consider.

Recommendation: The Business License staff makes the appropriate changes to the proposed ordinance and brings it back before the Committee for consideration.

5. Review of Council Retreat Goals

Discussion: Mr. Stu Rodman stated coming out of the Retreat where ten priority items that were policy issues and ten that were management items.

POLICY AGENDA

Spec Building/Commerce Park

Mr. Rodman stated this item falls under the Public Safety Committee. There is a funding issue there.

Mr. Stewart stated there was a renegotiation with the bank, which will be renegotiated in December. Assuming they continue the way they are, it could take up to early summer next year. It depends upon what the bank decides to do. There are issues that need to be discussed. Other parties are dealing with those issues.

Alternative County Revenues/Fees Update

Mr. Rodman stated he will touch base with the staff as to how to come forward with this in a logical fashion. It is going to start with our current revenue, what may happen in the future and then talk through each various revenue/fee. It would be done from a conceptual/policy basis rather than with a great deal of detail on each one.

Mr. Baer stated the Airport revenue one seems to fester. It has been longer than a year now and the accumulated losses as of last month were about \$1.95 million out of the General Fund.

Mr. Rodman stated we will begin the process of looking at these.

Rural Critical Lands: Current Program/Future Direction

Mr. Rodman stated we have already made a decision on this item and it can be taken off the list. We deferred any referendum until 2012.

County Services Review and Prioritization

Mr. Rodman stated this is the responsibility of the Executive Committee but there will be pieces that Council will have to look at relative to debt service and millage rates.

MANAGEMENT AGENDA

County Campus Buildings Renovations

Mr. Rodman stated the County is underway on this.

St. Helena's Island Library at Penn Center

Mr. Rodman stated the County is underway on this.

Smart Decline Contingency Plan

Mr. Rodman stated the Chairman has made the case that we could have a severe impact on taxes collected because of the downturn in the housing market. We need to be proactive. He stated he had a conversation with Mr. Starkey and Mr. Hill and it sounded as if the logical first step would be to look at the revenue side and look out two-three years as a suspected case, good case, and bad case scenarios. Then we can launch off of that to see where we go for the next step.

Mr. McBride stated he was under the impression the County Administrator already implemented the Smart Decline Contingency Plan with not filling vacancies and cutting back expenses.

Mr. Stewart stated this is the second item that falls under the Executive Committee. He suggested Mr. Rodman perhaps see to us having an Executive Committee Meeting. There are several county services we need to review and what our role should be.

Financial Policies: Review

Mr. Rodman stated there are some policy issues that have been assigned to the Committee. Staff has the lead on these, but they come back before the Committee.

Transfer of Development Rights

Mr. Rodman stated this is the responsibility of the Natural Resources Committee.

Mr. Sommerville stated there is a subcommittee of Lowcountry Council of Governments meeting this week to come up with some proposed recommendations on initial implementation.

Daufuskie Island Plan

Mr. Rodman stated this is the responsibility of the Natural Resources Committee.

Emergency Medical Services

Mr. Rodman stated this item was discussed earlier in the meeting.

Mr. Rodman stated now that we are through the budget cycle, we need to tidy up as much of this up as possible before the next retreat.

Mr. Baer stated he would like the minutes to be clear that our retreat policy agenda clearly indicates use of fees as a County revenue source is a high priority. Airport fees are at the top of the list shown. We have known for a year the airports are losing money, primarily on the general aviation side. As of May 31, 2010, this cumulative loss is \$2.3 million total, with \$1.95 million for Hilton Head. This money has to be borrowed from the General Fund, paid by taxpayers. Despite these continued losses, we still have no plan in place to study or deal with this issue.

He also stated we spend a lot of time and money at our annual retreats. I have been to four of them now, and feel we could do a much better job with some collective pre-planning. At the moment, the retreat procedures seem to drop down on us without any input from the body of this Council. For the upcoming retreat he stated he would like to see a small sub-committee of County Council members develop recommendations for goals and methods long before the start of the retreat. He volunteered to serve on that team.

Mr. Rodman thought it to be a worthwhile suggestion.

Status: This item is for informational purposes only

6. Delinquent Aircraft Taxes

Discussion: Mr. Rodman reviewed this item with the Committee. Analysis was put together and he summarized it. From 2004 to 2000 we collected about 90% of what was billed. Since 2004, we dropped to collect approximately 35%. The dollar amount collected per year averaged about the same. There has been a lot of discussion of whether we have taxes being unpaid or bad record keeping.

Mr. Starkey created a schedule, which he presented. The schedule was broken down by property type and the amounts collected as of June 30, 2010, without the 60 day accrual. There has been an adjustment over the last month on aircraft. The total amount billed shrank and the total amount collected grew. He stated he can only present the facts. The intricacies of that are related to the Auditor, who is responsible for the billings of the aircrafts. The original roll had 107 aircrafts through April 30, 2010, at which time in June the number shrank to 82. That is why

the percent collected got better. Only two additional aircrafts have been paid for from April 30 to June 30. The percent collected jumped from 25% to 75%.

Mr. Rodman wanted to know if we are making progress on this. Mr. Starkey stated he cannot speak too much for the Auditor, but she took some aircrafts off the roles.

County Auditor Mrs. Sharon Burris spoke before the Committee. We took aircrafts off the books as of June. That happens throughout the year. After we initially bill them out from a listing we receive from the S.C. Department of Revenue who gets their information from the Federal Aviation Administration. The FAA sends to SCDOR all aircraft registered in South Carolina. SCDOR, by the 46 county zip codes, goes through and sends the counties their portion of the taxable aircrafts. What happens though is we receive a listing and after we bill out in October, based on the list from SCDOR, we receive information from several sources such as the individual tax payer who provides us with a bill of sale, or information sent to FAA stating the aircraft has been moved or never actually here. Some aircrafts were never actually here but registered here to keep from having to pay sales tax in the state they are actually in. There is a \$300 ceiling on sales tax in South Carolina. If they register, initially, in South Carolina they pay a simple \$300. If they registered in another state with a 7% sales tax or no ceiling on their sales tax, which is the majority of the states, they would pay according to the amount they purchased the aircraft. At one time, we had 10 aircrafts listed to Executive Jet built by Gulf Stream. They registered in Beaufort County, paid the \$300 on each of the multimillion jets when in fact the aircrafts were too large to land here. They were landing in Charleston, S.C. who was able to pick up some revenue from the taxable aircraft once they were notified. We lost the lawsuit we had with Executive Jet. We usually wait for the information to come to us to take it off the books because it requires certain things such as a valid bill of sale, and information from FAA. The big one off the books is Jade Holdings which was a helicopter and was never here. The registration never changed. They had it going to a post office box on Hilton Head Island. There are two airports in Beaufort County that unless we can match them up with a primary residence, they are put in the taxing district closest to the post office box.

Mr. Baer stated he is the one who looked up the helicopter. He stated he has a list of 24 aircrafts that have not paid their taxes. Mrs. Burris corrected him, there are 28, but as of today we have removed five of those.

Mr. Baer stated one of them, King Air, LLC who has a registered agent on Hilton Head and they owed us back years as well — amounting to \$33,451, and \$15,568 for this year. Is there any way to get the N numbers of these planes? If we can get those numbers, we can figure out where they are.

Mrs. Burris stated she has N numbers she would be happy to provide. The collection of taxes, she stated, is not under her purview. We cannot go out and collect those taxes nor can she notify the people. She can only send a tax bill to them. What happens in most cases is if an aircraft is on the books with prior years, unless it is situated (where the client company is incorporated) here, then we can collect at least the first year's taxes that are outstanding. If they prove they had no situs here, we cannot even collect those. It is her understanding there are

certain standards/procedures to be followed in order to collect. That being said, there has been a lot of controversy on what you can and cannot do. Liens have been placed on several of these aircrafts since this has come up. Mr. Robert Croom, a lawyer with the SCAC, did send the County the procedure that has to be used in order to attach the aircraft, which is much more in-depth. Attaching a lien is much easier. Attaching the aircraft and taxing possession of the aircraft and selling it at a delinquent tax sale is a lot more intricate than people realize.

Mr. Baer asked she provide the N numbers and he will see where they are, etc. She replied she will be glad to provide that information.

She also informed the Committee a lot of the counties she contacted with aircrafts and that have much of the same situation, said they have passed an ordinance in their county to tax at 4%. You can either have the rate of 4%, 6% or 10.5%. The counties that responded say once taxing at 4% they see less registration of aircrafts. In addition to that, the counties also said they used the debt set off program with the S.C. income tax for collection of the aircraft. The county or entity that uses them pays a flat fee of \$25. They take the income tax refund and the program gets all or some of the refund to cover the taxes.

Mr. Baer stated it would be interesting if we find one of these tax non payers in our taxpayer's subsidized hangars.

Mr. Caporale asked if there were a solution to this, what the Auditor's suggestion is. Mrs. Burris stated there are a lot of rules to how long the aircraft has to be here and it must be noted here. She stated in previous years she has contacted both airports and their directors asking for information. The law, in South Carolina, only provides the airport managers with a name and address. They do not have to relinquish any other information. We have to be able to ascertain that the aircraft has been there, has not left for any period of time, which is very difficult to do. Unless the delinquent tax collector could station someone out there to watch the aircrafts coming and going, it is hard to find out if they have been here for 180 consecutive days.

Mr. Caporale stated it strikes him as a calculated loophole that was crafted by someone who wanted to provide an opportunity for some people to keep from paying a legitimate tax.

Mrs. Burris said she thinks, in conversation with our legislative committee, the debt set off plan seems to work well for the counties who have similar numbers to Beaufort County's aircraft numbers.

Mr. Caporale said he wanted to know if this was the Treasurer's purview. Mrs. Burris replied in the affirmative. It would be the responsibility of the delinquent tax collector, which in some counties is separate from that of the treasurer's office. Ours is one of six that does not. The delinquent tax collector, in those counties, reports to Council.

Mr. Rodman wants to know how that is decided. Mr. McBride replied referendum.

Mr. Rodman stated he agrees with Mr. Caporale. It seems in charging \$300 in sales tax we should at least be entitled to the first year's worth of property tax on that aircraft. Is there a way for us to get there?

County Attorney Lad Howell reviewed the basic procedure for delinquent taxes to the Committee. He stated, in looking at it and with assistance from Steve Hughes, with Howell, Gibson and Hughes, who has been handling a lot of the lawsuits regarding the collection of delinquent taxes, the Auditor did a good job informing the Committee that although it appears to be simple at first, it is only simple to file a lien. That is what is done after they do not pay taxes. The Treasurer's Office is responsible for filing that lien. The Auditor identifies the aircraft. The \$300 ceiling in South Carolina for quite some time and is a loophole. There is no valid solution unless the legislature gives us one. It is done not only with boats and aircrafts, but is also done with automobiles. "We are a border state [sic] and frequently purchases are made here, they pay our sales tax but are not registered to pay our taxes," he said. Florida has a huge sales tax and so does North Carolina. Our sales tax is low which is done for convenience. Until the legislature closes that loophole, there is not much we can do to remedy that situation. When it turns up, you abate the taxes on it because it is not a true vehicle/plane/boat in which we can collect personal property taxes.

The procedure followed by the Treasurer and her delinquent tax collector, Mr. Herschel Evans, is simply laid out in the code. It provides they give the taxpayer notice they are delinquent after a period of 30 days. They will then send another notice that puts a 3% penalty on top of what is owed, and then additional penalties of 7% and 5% are tacked on. If there is still no response, the delinquent tax collector begins the process of trying to attach the property and sell it. The code outlines a procedure, whereby the sheriff is authorized. When the procedure is met, all of the notices have been sent out, the taxpayer has yet to respond and has not paid anything, and then we have to find the property. The sheriff is given an execution by the delinquent tax collector, has to go out and physically seize the property. It is very difficult to seize property, but even more difficult when dealing with a boat or aircraft. The particular property can be in another jurisdiction. What does the Treasurer do to find out where that aircraft is? All you can do is track the records through the FAA. Generally, if you find it, it is then difficult for the sheriff to seize it. He will have to have a bond put up to safeguard the aircraft and then must find a place to secure it. You cannot leave it outside because we are responsible for the safekeeping. The sheriff has about 30 days before he can call a sale, which is an auction to sale the property. In the case of an aircraft, unlike a documented vessel, we do not have to go to federal court. If we can find the aircraft here and are lucky enough it is in our hangar, we can change the locks on it and take that opportunity. We have to prove to the letter, every requirement that the law requires. If we miss one step, then it is reversed, the taxes are abated and we have lost the case. We have had that happen. It is an expensive proposition. Assuming the aircraft is in another state, there is a code provision that provides we can petition the attorney general who can bring a civil action, in this state, and there are certain commodity provisions between the states where we can send to the other state to collect. That is a very burdensome process. He doubts it has been done many times. From a practical standpoint, when you place a lien on an aircraft, after the first penalty notice, the aircraft owner will come forward and pay those taxes. When you place a lien it tells a prospective purchaser they cannot purchase the aircraft unless they pay off Beaufort County.

That is leverage and is the best leverage we have, no seizure. Seizure is a last resort and must be weighed carefully.

Mr. Rodman stated it seems perhaps we, as a County, might want to suggest some legislative change. In the case of an aircraft, \$300 gets lost in the rounding. Treating boats, vehicles and aircrafts as the same thing may not make sense. There may be a way we can capitalize on the first tax payment. Also, is there any logic in saying if you are taking advantage of South Carolina to pay the sales tax you must also pay the first year's property tax.

Mr. Rodman wanted to know if it makes sense to say this is an opportunity for the state and the counties to close a loophole. Mr. Howell agreed. There are many things we can recommend to the legislature and this is one of them.

Mr. McBride stated that capped tax got in place when the legislature first passed the education improvement act and that brew from opposing it. They had a very strong lobbyist and that was a compromise that was made. It has been in place ever since.

Mr. Rodman asked the Administrator to look at this and see if it is something we want to weigh in on. It would be good for the State of South Carolina.

Mr. Rodman wanted to know if the County would be in a better position to go after the delinquent taxes rather than that of the Treasurer's Office. Should we be considering that as a way to make it easier and to collect more taxes?

Mr. Howell stated the Treasurer's Office has had that responsibility since the legislature created that office many years ago. It could be changed but would have to be done with the Justice Department approval. It would have to be done by ordinance and probably with the encumbering agreeing upon it. We made that change years ago on an elected official but the elected official concurred. If you had an incumbent who was not willing to do it the process would be more difficult.

Mr. Rodman asked, aside from the process, would the County be in a better position to collect more money than the Treasurer. Mr. Howell stated that is a political question and he is not qualified to answer it.

Mr. McBride suggested the Count Attorney to call Mr. Robert Croom, SCAC, about the delinquent tax collection because he heard a different twist as to how it can be done. Mr. Howell stated they had this discussion at the last seminar. There is a difference of opinion. He stated he does not believe it can be done by Council without including the opinion of the elected official involved. It could have been done years ago, before home rule, but not now.

Status: This item is informational only.

Island Packet's Comments Support Consideration

“problems have long persisted in both offices”

“after repeated critical audits, better systems for collecting & paying out the public’s money is vowed”

“transitions are expensive (\$50-100K) & very disruptive”

“removes at least some of the politics”

“being 21 and a registered voter aren’t enough”

“accountability every four years for critical administrative positions isn’t enough”

“they don’t make law, they administer the law”

“government belongs to the people, they should determine its form”

County Manager Considerations

Arguments For

- Better financial practice**
- Audits provides oversight**
- Cost reduction**
- Current is very cumbersome**
- Removal currently very difficult**
- Fraud almost not uncovered**
- County - Administrator form more common:**
 - **Better for smaller counties**
 - **Debatable for larger ones**

Voter Considerations

Hiring by County Administrator is more practical than electing people for highly technical positions.

Holding Council responsible is more prudent than trying to hold the Treasurer & Auditor accountable every 4 years in invisible positions.

Voters deserve an opportunity to decide this matter based on the fraud that occurred.

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Gerald Dawson
Brian Flewelling
Herbert Glaze
Stu Rodman

GARY KUBIC
COUNTY ADMINISTRATOR

BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL
COUNTY ATTORNEY

SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA GOVERNMENTAL COMMITTEE (Includes Public Safety Division) Tuesday, August 16, 2011 Executive Conference Room Administration Building

Staff Support:

Bryan Hill, Deputy County Administrator

1. CALL TO ORDER – 2:30 p.m.
2. DISCUSSION / COUNTY FORMS OF GOVERNMENT
Mr. Robert Croom, Deputy General Counsel
Director of Legal and Legislative Affairs, SC Association of Counties
3. DISCUSSION / LEGISLATIVE POLICY ISSUES
Mr. Robert Croom, Deputy General Counsel
Director of Legal and Legislative Affairs, SC Association of Counties
4. UPDATE / OPEN BURNING ORDINANCE
5. UPDATE / PUBLIC SAFETY DIVISION
 - A. Codes Enforcement Department
 - B. Mosquito Control Department
6. CONSIDERATION OF REAPPOINTMENTS AND VACANCIES
 - A. Burton Fire District Commission
 - B. Lowcountry Regional Transportation Authority
7. ADJOURNMENT

| County TV Rebroadcast | |
|-----------------------|-----------|
| Tuesday | 9:00 a.m. |
| Friday | 1:00 a.m. |
| Friday | 1:00 p.m. |

| Public Safety | | |
|---------------|-----------|----------|
| Date | Time | Location |
| September 6 | 4:00 p.m. | ECR |
| October 3 | 4:00 p.m. | ECR |
| November 7 | 4:00 p.m. | ECR |
| December 5 | 4:00 p.m. | ECR |

A quorum of Council may be in attendance at all Committee meetings.
Please silence your cell phone during the meeting.

GOVERNMENTAL COMMITTEE

August 16, 2011

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

The Governmental Committee met on Tuesday, August 16, 2011 at 2:30 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, SC.

ATTENDANCE

Governmental Committee Members: Chairman Jerry Stewart, Vice Chairman Laura Von Harten and Committee members Rick Caporale and Gerald Dawson attended the meeting. Committee member Stu Rodman participated telephonically. Non-Committee members William McBride and Paul Sommerville also attended.

County Staff: Audra Antonnaci, Codes Enforcement; Doug Henderson, County Treasurer; Bryan Hill, Deputy County Administrator; Gregg Hunt, Mosquito Control; Gary Kubic, County Administrator.

Legislative Delegation: Senator Tom Davis.

Public: Russell Berry, Director Region 8 Office Department of Health and Environmental Control; Robert Croom, Deputy General Counsel and Director of Legal and Legislative Affairs for the South Carolina Association of Counties; Emerson Dixon, Beaufort County resident; Jayson Garden, Beaufort Regional Chamber of Commerce; Shane Johnson, Air Quality Department of Health and Environmental Control Region 8; Darryl Jones, Forest Protection Chief South Carolina Forestry Commission; Bruce Kline, Lady's Island/St. Helena Island Fire District Chief; Harry Rountree, Burton Fire District Fire Chief; Tom Webb, Burton Fire District Deputy Chief;

Mr. Stewart chaired the meeting.

ACTION ITEM

- 1. Update / An Ordinance to Regulate Outdoor Burning within the Unincorporated Areas of Beaufort County; to Provide for the Enforcement Thereof, and Matters Related Thereto**

Discussion: Mr. Stewart informed the Committee members the document included in the meeting packet changed and Chief Kline handed out an updated version. Chief Bruce Kline reviewed the revised burning ordinance with the Governmental Committee. He said representatives from various County departments, as well as the South Carolina Department of Health and Environmental Control (DHEC) and South Carolina Forestry Commission, were involved in drafting

the ordinance. Chief Kline said DHEC asked that the document includes, under Section 8. D, verbiage in regard to coordination with DHEC for the training of firefighters.

Mr. Stewart questioned whether Section 6. Criteria for Determining When Open Burning Deemed Hazardous, “reasonable criteria shall be established by Beaufort County Council to assist in determining what conditions are present that may pose a hazardous situation for the burning of outdoor fires” means Council must create a list of criteria. Mr. Jones said it is intentionally broad to allow for criteria to be established on-site. Mr. Stewart requested that this be outlined in the ordinance; the Council is not looking to establish new criteria but it is left open to allow flexibility.

Mr. Stewart pointed out with the 75-foot requirement it would mean in higher density areas most homes do not have the 75-foot distance from another, thereby precluding these areas from burning. Chief Kline explained those are the exact areas they do not want burning. Mr. Stewart also said there is no specific mention of trash burning being forbidden, to which Chief Kline answered it is referenced by the state regulations. Mr. Stewart asked that the state regulations referenced in the ordinance be spelled out and incorporated in the ordinance rather than simply referring to them.

Committee members discussed the requirement for burning notification. Currently people who wish to burn are required to notify the state. Mr. Stewart noted he thinks it could be more effective if notification was to the local authorities. Mr. Jones noted in the current system the cost of the call system is carried by the state rather than duplicating the cost in each county, and local fire chief receive the notification automatically.

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

Motion: It was moved by Ms. Von Harten, seconded by Mr. Caporale, that the Governmental Committee approves and forwards to Council recommending approval of an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto. Additionally, the ordinance will incorporate the changes suggested today. The vote was: FOR – Mr. Caporale, Mr. Dawson, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Flewelling Mr. Glaze and Mr. Rodman. The motion passed.

Recommendation: Council approves on first reading an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto.

INFORMATIONAL ITEMS

1. Discussion / County Forms of Government

Discussion: Mr. Robert Croom, S.C. Association of Counties, presented to the Governmental Committee a comparison of the manager form of government and administrator form of government. He also explained what the requirements and possible timeline to change the county form of government would be.

Following Mr. Croom's presentation and discussion by Committee members, Mr. Stewart explained the intent for this discussion is to take the topic under advisement.

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

Status: Information to be taken under advisement. No action necessary.

2. Discussion / Legislative Policy Issues

Discussion: Mr. Stewart presented a summary document outlining legislative policy issues, some from the prior year with a few additions. The discussion of legislative policy issues was prompted by the annual request of the S.C. Association of Counties for counties to submit a list of topics and corresponding stances in order for the association to develop its annual strategy. Particular attention and discussion was paid to matters related to Act 388, electronic public notifications and illegal immigration, with Senator Tom Davis and Mr. Robert Croom weighing in. Mr. Stewart asked Committee members to submit any changes or additions to him by close of business Friday, August 19.

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

Status: Governmental Committee members may submit changes or additions to Mr. Stewart by close of business Friday, August 19. Mr. Stewart will compile a list of Beaufort County's Legislative Policy Issues and submit to the S.C. Association of Counties.

3. Update / Public Safety Division – Codes Enforcement Department and Mosquito Control Department

Discussion: Due to time constraints, the update on Public Safety Division's Codes Enforcement Department and Mosquito Control Department will be postponed until the September meeting.

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

Status: Postponed until the Governmental Committee's September 6, 2011 meeting.

4. Consideration of Reappointments and Vacancies

Discussion:

Burton Fire District Commission

Committee members decided to postpone consideration in Mr. Glaze's absence.

Lowcountry Regional Transportation Authority

Committee members postponed consideration for further review until the next meeting.

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

Status: Consideration of reappointments and vacancies for the Burton Fire District Commission and the Lowcountry Regional Transportation Authority will be revisited at the September 6, 2011 Governmental Committee meeting.

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LADSON F. HOWELL
COUNTY ATTORNEY

SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA

GOVERNMENTAL COMMITTEE

(Includes Public Safety Division)

Tuesday, September 6, 2011

4:00 p.m.

Executive Conference Room

Administration Building

Governmental Committee Members:

Jerry Stewart, Chairman
Laura Von Harten, Vice Chairman
Rick Caporale
Gerald Dawson
Brian Flewelling
Herbert Glaze
Stu Rodman

Staff Support:

Bryan Hill, Deputy County Administrator

1. CALL TO ORDER – 4:00 p.m.
2. VIDEO / WINNER OF 2011 BARRETT LAWRIEMORE MEMORIAL REGIONAL COOPERATION AWARD - BEAUFORT AND JASPER COUNTIES "CAREER CRIMINAL" PROGRAM
3. DEPARTMENT UPDATES
 - A. Codes Enforcement Department
 - B. Mosquito Control Department
 - C. Sheriff P. J. Tanner
 - D. Solicitor Duffie Stone
4. DISCUSSION / COUNTY FORMS OF GOVERNMENT
5. CONSIDERATION OF REAPPOINTMENTS AND VACANCIES
 - A. Burton Fire District Commission
 - B. Lowcountry Regional Transportation Authority
6. EXECUTIVE SESSION
 - A. Receipt of legal advice relating to pending and potential claims covered by the attorney-client privilege

7. ADJOURNMENT

| County TV Rebroadcast | |
|-----------------------|-----------|
| Tuesday | 9:00 a.m. |
| Friday | 1:00 a.m. |
| Friday | 1:00 p.m. |

| Governmental | | |
|--------------|-----------|----------|
| Date | Time | Location |
| October 3 | 4:00 p.m. | ECR |
| November 7 | 4:00 p.m. | ECR |
| December 5 | 4:00 p.m. | ECR |

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

Please silence your cell phone during the meeting.

GOVERNMENTAL COMMITTEE

September 6, 2011

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

The Governmental Committee met on Tuesday, September 6, 2011 at 4:00 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, SC.

ATTENDANCE

Governmental Committee Members: Chairman Jerry Stewart, Vice Chairman Laura Von Harten and Committee members Rick Caporale, Brian Flewelling, Herbert Glaze and Stu Rodman attended the meeting. Committee member Gerald Dawson was absent. Non-Committee members Steven Baer, William McBride and Paul Sommerville also attended.

County Staff: Audra Antonnaci, Codes Enforcement; Joshua Gruber, County Attorney; Gregg Hunt, Mosquito Control; Gary Kubic, County Administrator; Sheriff P.J. Tanner

Media: Kyle Peterson, *Beaufort Gazette / Island Packet*.

Public: Todd Elliot, owner of Mr. Label .

Mr. Stewart chaired the meeting.

ACTION ITEMS

I. Discussion / County Forms of Government

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

Discussion: Mr. Stewart said at the July meeting the Governmental Committee received an explanation of two different forms of county government from the S.C. Association of Counties' Mr. Robert Croom. The two types of government being discussed were the county administrator form, which is the current form in Beaufort County, and the county manager form of government. The primary difference is whether the Treasurer and Auditor are elected officials as opposed to being employed by the county administrator; the latter would be the case in the county manager form of government. That has been an ongoing discussion. Mr. Stewart noted there is a time constraint to get a change to the County's form of government on the November 2012 ballot as a referendum. It must be to the U.S. Department of Justice by December.

County attorney Mr. Joshua Gruber weighed in on the matter advising the Committee on the questions they brought up. Then, Mr. Rodman gave a brief presentation explaining the differences of the two forms of government.

Motion: It was moved by Mr. Caporale, seconded by Mr. Flewelling, that the Governmental Committee approves and forwards to Council consideration of ballot referendum to change the form of Beaufort County government from Council-Administrator to Council-Manager form. The vote was: FOR – Mr. Caporale, Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Dawson. The motion passed.

Recommendation: Council approves on first reading, by title only, a ballot referendum to change the form of Beaufort County government from Council-Administrator to Council-Manager form.

2. Consideration of Reappointments and Vacancies

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

Discussion:

Burton Fire District

Mr. Flewelling said before the meeting he spoke with Mr. Dawson, who represents the area, and during the conversation he expressed that he would like to see Mr. John Harris nominated for the vacancy on the Burton Fire Commission.

Motion: It was moved by Mr. Flewelling, seconded by Mr. Glaze, that the Governmental Committee approves and forwards to Council recommending approval the appointment of Mr. John Harris to the Burton Fire Commission at-large seat. The vote was: FOR – Mr. Caporale, Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Dawson. The motion passed.

Lowcountry Regional Transportation Authority

Motion: It was moved by Mr. Rodman, seconded by Ms. Von Harten that the Governmental Committee approves and forwards to Council recommending approval of the appointment of Alexander Wattay to the Lowcountry Regional Transportation Authority. The vote was: FOR - Mr. Caporale, Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Dawson. The motion passed.

Recommendation: Council approves the appointment of Mr. John Harris to the Burton Fire Commission at-large seat. Council also approves the appointment of Alexander Wattay to the Lowcountry Regional Transportation Authority.

3. Executive Session –Receipt of legal advice relating to pending and potential claims covered by the attorney-client privilege

Motion: It was moved by Mr. Stewart that the Governmental Committee approves and forwards to Council recommending approval of the consideration of an application for approval of an extension to the five-year partial manufacturing exemption granted to Mister Label, Incorporated, of 34 Bluffton Road, Bluffton, SC 29910, as provided for by South Carolina Code of Laws Section 12-37-229(c). The vote was: FOR – Mr. Caporale, Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Dawson. The motion passed.

Recommendation: Council approves consideration of an application for approval of an extension to the five-year partial manufacturing exemption granted to Mister Label, Incorporated, of 34 Bluffton Road, Bluffton, SC 29910, as provided for by South Carolina Code of Laws Section 12-37-220(c)

INFORMATIONAL ITEMS

4. Video / Winner of 2011 Barrett Lawrimore Memorial Regional Cooperation Award – Beaufort and Jasper Counties “Career Criminal” Program

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

Discussion: Mr. Stewart said Solicitor Duffie Stone will not be at the meeting. Committee members then watched the brief video.

Status: Information to be taken under advisement. No action necessary.

5. Department Updates: Codes Enforcement Department, Mosquito Control Department and Sheriff P.J. Tanner

Discussion:

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

Codes Enforcement Department

Mrs. Antonacci explained the Codes Enforcement Department consists of three officers who patrol all of Beaufort County to enforce the Beaufort County Ordinances. During her presentation she focused on unsafe structures, enforcing that ordinance and how those were brought into compliance. The presentation included photographs of many structures.

Mosquito Control Department

Mr. Gregg Hunt, Mosquito Control Department Director, informed the Natural Resources Committee that West Nile Virus has been detected in 209 cases in nearby Savannah. He showed a map illustrating West Nile is fairly widespread in South Carolina, including some documented cases in Beaufort County. There are more than 56 types of mosquitoes, but Mr. Hunt said there are really only two types of mosquitoes that are the pests. One type of mosquito is associated with West Nile, and this species breeds in water-holding containers or catch basins. Mr. Hunt's presentation focused on the efforts that have kept West Nile Virus at bay in Beaufort County, as well as outlined the strategy to respond to West Nile outbreaks.

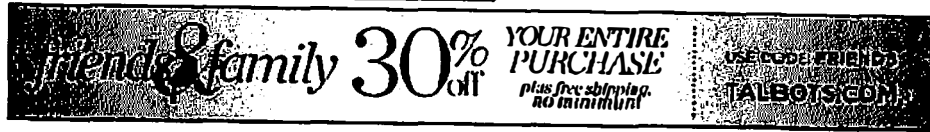
Sheriff P.J. Tanner

Sheriff Tanner gave the Natural Resources Committee an update on recent Sheriff's Office activities and statistics. From January 1 to September 5, the Sheriff's Office responded to 210,000 calls for service countywide, as compared with all of last year there were 303,000 calls for services. Sheriff Tanner then went over updates related to the Immigrations and Customs Enforcement (ICE) unit. During his update on the alcohol enforcement Sheriff Tanner asked that the Council to consider passing an ordinance to close bars at 3 a.m. He then gave an overview of the DNA and Drug Lab, its progress and challenges. Sheriff Tanner also mentioned gang activity in Beaufort County is much higher than would be expected.

Status: No action necessary, discussion was for information only.

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Governance can be fixed without losing vote

Beaufort County treasurer Douglas E. Henderson
info@islandpacket.com
Published Saturday, November 26, 2011
20 Comments

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I and many others will agree to disagree with the newspaper's editorial staff regarding the referendum on whether to appoint or elect Beaufort County's treasurer and auditor. I recently saw a bumper sticker that stated, "The more you let government do for you the more they can take." I, for one, will do everything I can to ensure that does not happen.

As most everyone knows, this referendum will not affect the current auditor or myself, but it is something I am strongly against, and I am concerned about the long-term future of the taxpayers of Beaufort County. There are several items at issue here:

- It is correct that the law has minimum requirements to run for these offices. If the electorate disagrees with the requirements, I would encourage them to work to change the law so a certain level of competency is required to run for these positions. In addition, proper vetting of candidates prior to their election will identify the qualified individuals.
- More government control is not what our county needs, especially when it concerns the people's right to choose. There is a reason that our form of government was established, and it was mainly for the purpose of separation of powers. There are many occasions throughout the state in which local politics come into conflict with the duties of a treasurer or auditor. But we are a part of the checks and balances, elected to protect and serve the interest of the taxpayers of this county, a trust and responsibility we hold sacred.
- If County Council believes that voters are not astute enough to vote for these two important offices, then why aren't the sheriff, County Council, clerk of court or other elected offices on this referendum? Can we assume that voters are astute enough to vote to for some offices and not others?
- If this movement is a result of the previous Treasurer's Office administration, I find it inappropriate and contradictory with the actions and desires of the county's voters. After the issues of the previous administration came to light, they acted in an overwhelming way and made the changes they thought necessary.

Apathy of an electorate will always be a factor in elections, but I believe the people of our county have shown they are involved and concerned with the quality and abilities of their elected officials and desire to make the decision for themselves. I would encourage County Council and other county elected officials to work together in a transparent manner to establish expectations and lines of responsibility and communication so that we may better serve those who elected us instead of asking the electorate to surrender their right to choose.

The auditor and treasurer may not be under the authority of the county administrator, but we are under the authority of the people of this county, as is every other elected official; we have a responsibility to work together to successfully fulfill our obligations.

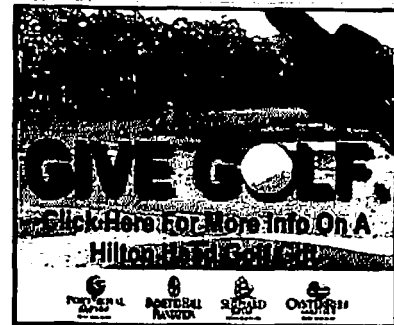
Asking a capable and active electorate to vote on eliminating their right to vote, increasing the power of County Council and reducing the county's checks and balances, instead of attempting to improve the functions of county government, is inappropriate and shows the disconnect between government and its people.

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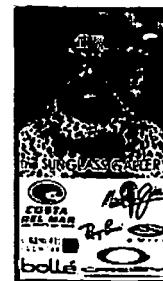
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j2p29910

Unfortunately, accountability and transparency are not the mothers milk of politics. I am certainly grateful that we were (after 16 years) able to remove a poorly performing county officer through the ballot box. But had the press not exposed the details of her poor decision making I can assure you that, as a Republican with the backing of her party, she would have been re-elected for as long as she chose to run.

Even if we retain the electoral process (which I sense is the preference of most of our citizens) we need to have a method by which those elected officers are supervised, their performance objectively evaluated and their decisions examined by the County Council. Party loyalty should not be the determinant qualification for election as is most often the case. Especially in a county where one party has absolute power.

21 minutes ago Report Abuse

Like



Guest

Oh. I thought you wanted "friendliness." Kinda what you said in this "friendly" comment:

"He's a local (ie. retired down here probably plays golf with Kubic and Dougie every Friday afternoon). Friendliness should be considered as he always said "customer service is our top priority" Read more <http://www.islandpacket.com/20...>

Yesterday 09:49 PM Report Abuse

Like



notLindaBurke

"If this movement is a result of the previous Treasurer's Office administration, I find it inappropriate and contradictory with the actions and desires of the county's voters. After the issues of the previous administration came to light, they acted in an overwhelming way and made the changes they thought necessary."

Judging by some comments that have been posted about your performance in office, Mr. Henderson, there is reason to think they're being orchestrated by some who are or were connected to the previous Treasurer's Office. The tone of the comments is that those who write them know better than the voters. What I know, as a voter, is that no one connected to the previous Treasurer blew the whistle on the tax management of her office and I therefore disregard the input of anyone so connected.

Read more: <http://www.islandpacket.com/20...>

Read more: <http://www.islandpacket.com/20...>

Yesterday 05:13 PM Report Abuse

Like



BClocal

Absolutely correct. There has been a limited amount of sour grapes from two or three people who sound exactly like disgruntled Joy cronies, and no one else.

While I don't see Doug or anyone in his office as being perfect, they don't allow the money diversion, coverups, and inability to account for large amounts of revenue that happened under the previous Treasurer.

Most importantly, Doug openly advocates for keeping the Treasurer as an elected office. He, unlike Joy, clearly understands that he must do the job in an open, honest, transparent, and effective manner - or we'll vote him out, too.

Joy had such a great sense of entitlement that she didn't act as if there were any rules and that the rules that did exist didn't apply to her. From the tone and content of his letter, Doug obviously does understand those things.

Yesterday 09:34 PM in reply to notLindaBurke 1 Like Report Abuse

Like



disgusted_in_beaufort

Transparent is one thing he's never been. All we've asked is that there be transparency (via the bcgov.net website being updated regularly) and for Doug to actually make statements about the exact amounts of money that he spent to pull off one tax sale that produced some of the lowest tax collection rates in recent years. It's one thing to spend money if you're getting your job done well...he's getting the job done, just not well and spending tax payers money on employees and outsourcing and that is highway robbery.

Yesterday 09:47 PM in reply to BClocal Report Abuse

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S.C. Politics today:



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BClocal

You have no credibility on this issue. The voters have spoken. Get used to it.

Today 03:59 AM in reply to disgusted_in_beaufort Report Abuse Like



splebelan

I wish to thank the editor Janet Smith for bringing this letter forward from where it was originally posted under Other Voices.

Yesterday 03:15 PM 2 Likes Report Abuse Like



PNutt

We definitely need more elected officials and less appointed ones. At least the elected ones can be held accountable come election time.

I fail to see the advantages of taking away our only way to voice our political opinions. While we all certainly may not agree on things, we at least have the opportunity to make our voices heard.

Yesterday 11:40 AM 4 Likes Report Abuse Like



BClocal

Congratulations on your first coherent and factual post - ever.

Yesterday 09:35 PM in reply to PNutt Report Abuse Like



PNutt

Congratulations to you for evolving into one of intellectuals. Removing that tin foil hat and getting off that rightwing koolhaide will make you a much better person.

Yesterday 10:12 PM in reply to BClocal Report Abuse Like

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Voting for treasurer, auditor ought to stay

IslandPacket
info@islandpacket.com
Published Sunday, November 6, 2011
6 Comments

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Beaufort County Council recently voted to hold a referendum in November 2012 to determine whether the offices of county treasurer and auditor should become appointed positions.

To be sure, there were serious problems in the Treasurer's Office for many years, but last November's election put a new person, Doug Henderson, in charge, and he has worked diligently to correct the long-neglected errors. The voting process worked.

In my opinion, the suggestion that appointment would be an improvement over election smacks of cronyism. Once the right to vote is taken away, it is never returned.

The proposed referendum is one year away, but Beaufort County voters must keep this item in their minds. Don't be lulled into losing the right to vote for county officials

Charles E. Maloney
Bluffton

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Sardonc

I believe that we should make County Administrator an elected position.

Today 09:05 AM 1 Like Report Abuse



pauldhiltonhead

Agreed.....there is already too much "empire building" going on within certain of the "non elected administrative departments" of southern Beaufort County...the Town of Hilton Head Island and Beaufort County are two such entities that immediately leap to mind. Voters in Beaufort County should continue to have a "direct" say about selecting the individual who is accountable for taxpayers funds in Beaufort County....as the saying goes, "if you lose track of the money, you lose the money!"

Yesterday 01:45 PM 3 Likes Report Abuse



disgusted_in_beaufort

It seems that voters should first do their homework and make sure a candidate is qualified. It's a shame most voters don't. Now we have a Treasurer who is underqualified at best and is spending our

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tax dollars "outsourcing" to cover up his ignorance Wonderful. Don't give up your vote people! Kubic wants to get his buddies in place...if we vote appointed we may as well write our checks to "Gary Kubic and friends"

Today 10:26 AM in reply to pauldrusharhead Report Abuse

Like



blilwthrs

Come now, Charles. Why the melodrama? No one has any interest in taking away your pony. Rather, thanks to the gracious gesture bestowed by the County Council, the voters are rightly being afforded the opportunity to participate in a business decision - for once.

The real problem here, is structural. As is, our Office of Treasurer is inherently flawed. There is nothing wrong with the notion of electing a Treasurer, but there is a bunch wrong with having a Treasurer who is totally autonomous of the rest of County government with zero supervision and oversight from anyone. It's dangerous, and we've experienced and are still uncovering and paying for the disastrous results

To me, a better arrangement would be to have an elected Treasurer who serves with oversight by the County Council. This of course, is not and will not be among our choices, as state law does not provide for this "Hybrid." Anyone can run for Treasurer - no experience required, and that's not good business in today's world. Proper administration of the people's tax dollars requires an individual with a strong background in accounting, public policy, and finance. One way to get this done, is to switch from our current Council-Administrator form of government to that of Council-Manager. This way, the individual "appointed" to the job, would be hired from a list of qualified applicants, to be vetted in such a manner as the County Council shall so prudently adopt by resolution.

Cost is also a big consideration here. It's expensive to operate an independent Treasurer's Office. Right now, we are paying for one elected Treasurer and two "Deputy Treasurers" appointed by the Treasurer, and their staff of finance people. Additionally, our current Treasurer is outsourcing a good deal of his work to BB&T at an additional expense to the taxpayers. (Nobody voted for any of this). Note that the County already has a finance department, staffed with hired professionals, and the consolidation of both offices would result in a dramatic savings to the taxpayers.

Lastly, and interestingly, you express worry over "cronyism." The very reason we have the Office of Treasurer, is rooted to cronyism. In the days of yore, the Sheriff also served as the Treasurer, collecting the tax money on behalf of the state. Mixing guns with collecting taxes proved a bit too lucrative for the Sheriff and his cronies, and hence, the Office of Treasurer was born. In theory - a good idea. In practice - not so much. All that happened was to add another layer to "government," and replace a six-shooter with a rubber signature stamp. In the wrong, unsupervised hands, either one of these implements can get you all the money you need

Let's give this thing some legs. There's no reason not to consider this change for the better.

Yesterday 11:29 AM Report Abuse

Like



caddie4u

Your so correct, let me add that voting with proper ID is also critical.

Yesterday 08:27 AM 2 Likes Report Abuse

Like



Stephen Flannery

It is well established through academic research, reports from elections officials and law enforcement statistics that voter fraud at the polling place is almost non-existent. The motivation for ginning up this bogeyman is to encourage activities such as vote caging and challenges designed to intimidate certain groups of voters and ultimately enact policies such as proof of citizenship and voter ID laws that will make it harder for disadvantaged groups to exercise their right to vote. Such efforts must continue to be combated as weapons of disenfranchisement rather than fraud fighting "critical"? Not even a reality.

17 seconds ago in reply to caddie4u Report Abuse

Like



BClocal

Well said, Charles

Yesterday 12:30 AM 1 Like Report Abuse

Like

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Ballot question offers opportunity for change

IslandPacket
info@islandpacket.com
Published Sunday, October 30, 2011
9 Comments

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Beaufort County Council is to be commended for its move to let voters decide whether to change the county's form of government.

If approved in the November 2012 election, the change would result in the positions of treasurer and auditor being appointed rather than elected.

Voters should not view it as a taking away of their rights, but an opportunity to set right a flawed system that has resulted in too little accountability for key offices in county government.

By moving ahead with a referendum even after last year's election defeat of Joy Logan, the council makes clear this issue isn't about certain individuals, but about how best to pick the person to handle the job. Supporters of our new treasurer, Doug Henderson, should see it that way, too.

Accountability once every four years isn't enough, and the minimal requirements of being a registered voter in the county and willing to stand for election aren't enough for jobs as critical and technical as treasurer and auditor.

The system we have is a creature of the state legislature, which decided in 1976 that the council-administrator form of government was closest to the type of government we had when Home Rule went into effect.

State government is no stranger to the lack of accountability we see at the local level. South Carolina may be the leader in obfuscated responsibility, which too often results in inaction when action is needed.

We have seen over the years here in Beaufort County what happens when we don't have direct accountability. Tax sale problems, reassessment snafus, tax collection and disbursement disputes, and questionable hiring practices and overtime pay have resulted in too much finger-pointing and not enough problem resolution.

South Carolina law specifically states that the county administrator has no authority over elected officials "with the exception of organizational policies established by the governing body."

The people who work in their offices are county employees, but are under the direction of someone who doesn't report to either the administrator or County Council. The council controls their budgets, but little else. Voters can't recall them under state law. Short of criminal charges being filed, there's not much we can do to remove bad performers from the job.

The situation also allows the county administrator to point fingers when things go wrong. For example, whose fault was it that implementing the county's new software system resulted in so many problems in the treasurer's and auditor's offices? With no clear line of authority, it's difficult to say.

The auditor and treasurer don't set policy, they administer the law. Just as the county administrator carries out the policies of County Council under local, state and federal law.

We're convinced that the pool of applicants for these offices would be wider, deeper and better if elections were taken out of the picture. And that shouldn't be construed as a criticism of Henderson or auditor Sharon Burns

Should the voters decide that appointing rather than electing is the way to go, they can be first in line to apply for the jobs when their current terms end and the new system begins in 2015

And thanks to County Council, the voters will decide whether a different form of government is best for Beaufort County.

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Don't give up voting for treasurer, auditor

IslandPacket
info@islandpacket.com
Published Wednesday, October 19, 2011
20 Comments

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Recently, Beaufort County Council voted to hold a referendum on whether the positions of treasurer and auditor should continue to be filled by the election process or become appointed positions.

This is a direct insult to Doug Henderson, the newly elected treasurer, and to all of the voters in Beaufort County. It is most important that voters remember the chaos that existed in the Treasurer's Office before he stepped up to oppose the incumbent, who had allowed the irregularities to continue for years. Henderson obtained nearly 10,000 petition signatures, which allowed him to be an independent candidate and won a smashing victory, receiving more than 28,000 votes.

He took office less than four months ago and already has illustrated his ability to be a man of action.

County Council is trying to remove voters' rights. It appears to me that this is an effort to install cronyism. For 16 years, County Council did nothing to alleviate errors in the Treasurer's Office, and now it wants to appoint officeholders.

Do not lose the right to elect county officials. Oppose the council's effort to appoint them.

Charles M. Mitchell

Bluffton

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Semper_Veritas

I agree with only your final two sentences, as the people should never surrender their voice at the ballot box. Your reasons are, however, flawed

Henderson is NOT any improvement. He is a turtle perched atop a fence post. He does not know where he is, he does not know how he got there and he does not know what to do now that he is there.

The primary benefit of elected officials is to ensure that too much power does not reside with one individual. This of course is an impediment to a county administrator and a tyrant.

Today 11:36 AM 2 Likes Reply Abuse



disgusted_in_beaufort

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Letters to the Editor

LOVE the analogy! It's perfect!

You did forget one point. He isn't smart enough to keep or hire people who do know what they're doing that could make him look good. Instead he's leaning on his tyrant leader for help and support failing to realize that fool will throw him under the bus as soon as he's done with him

I cannot wait to see this one play out!

Today 11:44 AM in reply to Semper_Veritas Report Abuse

Like



j2p29910

There are ways of reducing the threat of cronyism by appointment. Professional competence and management practices can be reviewed, evaluated and improved by appointments. Professional standards, policies and procedures can improve efficiency and encourage best business practices.

Had it not been for scandals coming to light after 16 years of incompetence, and a herculean effort by the citizens of this county, Joy Logan would still be sitting in office continuing her winning ways simply because she was a loyal Republican

Many county offices would be better filled by civil servants who are actually immediately supervised by powers who can remove them from office at any time rather than by political hacks who happen to belong to the right party and only can be removed at election time by a citizenry that is often asleep at the wheel

Today 08:18 AM 1 Like Report Abuse

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disgusted_in_beaufort

I agree, partially. Ms. Logan's office was not "incompetent." Her tax collection rates were almost always rising and above average. The scandal was horrible and unacceptable but her office, for nearly 20 years, ran efficiently and boasted tax collection rates generally in the 80-90% range. Henderson immediately got rid of professional, knowledgeable staff to employ his friends, wives friends, friends of family, etc. Have you spent any time on the phone or in the Treasurer's Office? It is nearly impossible to get one person to answer a question without requesting help from another staff member. It's ridiculous!

Mr. Henderson's rates are lower than any in years, decades possibly

The problem with "appointments" is that Council and Kubic would be in control. They have done nothing to support or better our County situation. Kubic is not a "good ole boy system" supporter. He's a "carpetbagger system" supporter, he has made it clear he wishes to rid the county offices of any "locals" or natives and replace them with people often less qualified professionally but more qualified as his friend.

Today 08:42 AM in reply to j2p29910 1 Like Report Abuse

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notLindaBurke

Whether Logan's office was incompetent or not, her management was incompetent. The notion that her tax collection rates justify all the other things that were revealed just doesn't cut it. Furthermore, disparaging Henderson does not in any way elevate Logan. Nor do disparaging Kubic and the County Council and anyone else who gets in the way of the comfy system that apparently is threatened by change.

Today 09:21 AM in reply to disgusted_in_beaufort Report Abuse

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disgusted_in_beaufort

The "incompetent" comment was to point out that although there were things going on that were unacceptable, the office as a whole was NOT incompetent

I don't "disparage" Henderson to validate Logan. I disparage Henderson because everyone seems to just jump on board with him without actually looking at the things he's doing. He's not knowledgeable about tax sales, codes and laws, this will end up in lawsuits, guaranteed

I disparage Kubic because he is as crooked as they come and has done nothing for our county except further his own interests and single handedly get rid of good employees with years of experience. He and Henderson are both threatened by knowledge and anyone who contains more than them

Council is worthless and in the "deep pockets" of Kubic. Anyone who cannot see this is not paying attention or has no clue how things really happen down at the County Building. I do, see it daily.

Today 09:34 AM in reply to notLindaBurke 1 Like Report Abuse

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notLindaBurke

Perhaps YOU are the one who needs to be removed from whatever job you are doing. You seem awfully involved in the negativity, which is typically not indicative of someone who is performing well him/herself.

Today 09:40 AM in reply to disgusted_in_beaufort Report Abuse Like



disgusted_in_beaufort

Cute. I don't work for the County.

"Negativity" is only that if it isn't true. 8-9 months on the payroll before taking office, "learning" about the job he was elected to do YET he has to grant an amnesty to get taxes paid losing the county \$250K, then was still not able to post properties because he didn't know how so that cost us \$40K, THEN could not run a tax sale, which cost us \$7K. SO we paid him to do what for those 8-9 months? He said we'd have it easier, we could pick up our decals in office, have you? I certainly didn't when I paid taxes last month! \$25K to have the bank pick up the deposits daily?!

Henderson has spent/proposed to spend/not collected \$322K in 3 months. (not counting his 8-9 months on the payroll) and he hasn't done ANYTHING he said he'd do, in fact he's "outsourced" the majority of his job functions! Two deputy treasurers who's jobs are being outsourced to XYZ Company, what are we paying them to do?!

No, this is not negativity this is pointing out the obvious. It doesn't have to be pretty or fun but it's true and since Henderson, Kubic and Council won't mention it, BG/FP won't report on it. I can sit here and say it, every single day.

Today 09:47 AM in reply to notLindaBurke 1 Like Report Abuse Like



notLindaBurke

I don't think I said you work for the County. For all I know, you could be working at a food cart parked nearby and observing. The point is that you have a negative view of everyone in County leadership and that tells me that your reports from the County Building are tainted.

It would be interesting to know how you are financially connected to the old status quo, but it wouldn't really change what your vehemence tells me

Today 10:30 AM in reply to disgusted_in_beaufort Report Abuse Like



disgusted_in_beaufort

Not everyone. Just those I don't agree with Tainted they are not. Only by the observations and discussions I've been a part of. Facts are facts

Henderson has not done anything he said he would do. Fact.

Henderson has outsourced or attempted to outsource a pretty good portion of his deputies jobs Fact

Henderson has wasted/lost \$350K in 3 months Fact

You don't have to have an allegiance to realize this is not good

I am financially connected just like every other responsible tax payer. I pay taxes, I hate it but more than I hate paying taxes I hate having irresponsible non-tax payers granted amnesties at my expense.

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Ballot question chance to debate governance

IslandPacket
info@islandpacket.com
Published Tuesday, October 4, 2011
1 Comment

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Beaufort County Council's vote to move ahead with a referendum on the county's form of government would decide nothing, but it would offer voters an opportunity to say how they would like to see two key county jobs filled.

The referendum would ask voters whether they want to switch the county form of government from council-administrator to council-manager. The two systems are nearly identical except on a very important point: The county auditor and treasurer can be appointed rather than elected under the council-manager form.

If voters say yes to the change, council members should make the two offices appointed positions.

We have our current form of government by default. The legislature determined it was the closest to the form of government in place when the Home Rule Act went into effect in 1976. It's time to revisit that decades-old decision.

This issue was sparked by problems in the treasurer's office headed by Joy Logan, who ran unopposed for most of her 20-year tenure until last year.

Petition candidate Doug Henderson defeated Logan, and Henderson spoke out in defense of keeping treasurer an elected position at the Sept. 26 County Council meeting.

He says voters held Logan accountable.

"... issues were brought to light, and the public spoke," Henderson said. "This is, I believe, as it should be, and should continue to be: Decisions made by the people."

But it took embezzlement by a treasurer's office employee to get people's attention. Years of critical audit reports, tax sale problems, reassessment snafus, and tax collection and disbursement disputes resulted in no challengers for Logan.

To be sure, hiring the treasurer and auditor rather than electing them won't guarantee that problem people will get the ax as quickly as some of us might want. But it would allow the county to seek candidates with expertise and experience in the fields. The pool of qualified candidates almost certainly would be deeper if the onus of a political campaign were removed.

The council's decision to let voters consider a different form of government at least gives us the chance to debate and weigh the options.

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Voters should decide fiscal autonomy question

IslandPacket
info@islandpacket.com
Published Saturday, October 1, 2011
1 Comment

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The question about freeing the Beaufort County School District from Beaufort County Council financial oversight keeps coming up because we don't get an answer from the people who matter – Beaufort County voters.

They were last asked in a referendum 24 years ago, and the answer was a resounding "no."

Beaufort County Councilman Stu Rodman can be relied on to bring it up even as he and the district disagree over the tax rate to be levied, the collection rate of those taxes and use of the district's reserves to balance the budget. He did so again last week.

Board of Education Chairman Fred Washington Jr. can be relied on to say the district isn't looking for fiscal autonomy even as he objects to the county's handling of the school district budget. He did so again last week. He did say it was a future objective.

This back and forth grows old. If County Council wants to know what voters think on this subject (and some members say they do), they could ask in November 2012, a presidential election sure to bring out large numbers of voters. Otherwise, let's drop the subject until the school district makes a formal request to be free of County Council oversight.

For its part, the district has asked the state Attorney General to weigh in on the county's authority over the district budget. The jumping off point for the July 2010 inquiry is that the county has no such authority.

Bryan Stirling, deputy attorney general, said in an email Thursday that the issue was still being researched.

Rodman said at the Sept. 19 council Finance Committee meeting that the current system gives taxpayers poor accountability because it splits authority over the district's budget. As it stands now, County Council sets the tax rate that determines the amount of property tax revenue going to the district. It has no say over the debt side of the district budget.

It is an example of the type of dual authority too often seen in government in South Carolina.

Rodman also said giving the board autonomy could do away with the perennial bickering between the two elected bodies.

That's probably true, but it's not a good reason for such a substantive change.

Washington says the two bodies should work on improving their relationship and resolving disagreements. We'd like to see them come to an agreement at least about the collection rate. The rate used to estimate how much money will come in should be the same for both entities given that property owners pay one tax bill, not two separate bills.

It also would be good to resolve the issue that prompted the inquiry to the attorney general: if County Council approves a dollar amount for school operations, is it obligated to set a tax rate that will bring in that amount?

State Sen. Tom Davis said the county's legislative delegation might discuss the issue. Assuming the County Council has statutory authority for its oversight, it would be up to lawmakers to make the change in the law to bring it about.

Let's see what the attorney general advises and go from there.

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Elected or appointed treasurer, auditor? Voters may get to decide

By KYLE PETERSON
kpeterson@beaufortgazette.com
843-706-8147
Published Monday, September 26, 2011
29 Comments

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PUBLIC APOLOGY?

During Monday's County Council meeting, Councilman Gerald Dawson called for Councilman Stu Rodman to apologize publicly for asking school board member Steve Morello to resign at the previous council meeting.

Morello had opposed a new map for council and Board of Education districts and accused council of eroding minority representation on the school board. In an August email exchange, Rodman said he was offended by Morello's "racial politics" and said he should resign.

When council voted on the map a final time Sept. 12, Rodman again asked Morello to resign.

Dawson said he found this inappropriate and unprofessional.

"I thought his tone was somewhat provocative and adversarial," Dawson said. "Regardless of the accusations that are hurled at us sitting on council from the citizenry, from the public, our response in turn should be intelligent and unprovocative."

Other council members disagreed and noted that Rodman did not curse or raise his voice.

Councilwoman Laura Von Harten said meetings shouldn't look like "The Jerry Springer Show," but neither should they be scripted conversations arranged ahead of time.

"That sounds awfully dull, and it does not sound much like democracy to me," Von Harten said.

Rodman declined to address the issue at the meeting.

Councilman Stu Rodman argued that the auditor and treasurer are "relatively technical positions" that primarily administer the law, that the four years between elections dampens accountability, and that centralizing monetary functions under one chief financial officer would be a "much better financial practice."

Councilman Jerry Stewart said the issue deserved further deliberation. He acknowledged that voters can only choose among those who run for office, but he hopes "the political parties take this to heart and do go out and work very hard to find the best-qualified people for the position."

Some council members had been under the impression that the referendum would only be an advisory opinion, but that isn't the case, said council Chairman Weston Newton.

Voters might have the opportunity to decide whether Beaufort County's auditor and treasurer -- who are currently elected -- should be appointed.

County Council approved a measure on the second of three readings Monday that would add a referendum question to November's ballot.

If approved by voters, the county would switch its form of government from "council-administrator" to "council-manager." The two systems, detailed by South Carolina law, are nearly identical. But under the council-manager form, the county auditor and treasurer can be appointed.

Treasurer Doug Henderson and Auditor Sharon Burris both spoke against the proposal at the meeting.

Switching forms of government was floated in 2010 as a way to restore accountability to the Treasurer's Office after an employee there was arrested and accused of embezzling \$210,000.

Henderson, who defeated incumbent Joy Logan last year, said voters did a fine job holding her accountable on their own.

"Those issues were brought to light, and the public spoke," Henderson said. "This is, I believe, as it should be, and should continue to be. Decisions made by the people."

Burris said everyone she has spoken to about the issue has opposed "taking away our right and privilege to vote for an elected person."

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"If 50 percent of the people voting in the election -- plus one -- voted 'yes,' then the council would be obligated to change their form of government," Newton said. "It's a binding referendum once you put this question to the voters."

The motion was approved 10-1, with Stewart dissenting.

Let voters decide county's form of government, committee says, Sept. 6, 2011

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County takes good step toward better governance

Published Friday, September 9, 2011
3 Comments

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A Beaufort County Council committee was correct to recommend that voters decide if the county should change its form of government so that the auditor and treasurer can be appointed instead of elected.

The proposed referendum, recommended unanimously Tuesday by the Governmental Committee, is still several steps from making the 2012 ballot. It would first need to pass three readings of the full council, then gain approval from the U.S. Department of Justice. Public hearings, and time for public debate would also be part of the process.

Beaufort County operates under the council-administrator form; the proposal would change that to council-manager. The two systems are nearly identical, but under council-manager, the county auditor and treasurer can be appointed.

The best arguments in favor of the change we've heard so far is that it would allow county administrators to seek candidates who meet criteria other than name recognition and a knack for turning out the vote. Such a search would include people with considerable financial expertise. It would also include people who do not currently live here and thus would be ineligible to run for the office. And it should lead to a more accountable chain of command.

The argument is further bolstered by problems that have long persisted in the Treasurer's and Auditor's offices, even as the people who led those offices ran unopposed in several election cycles -- at least until ballot candidate Doug Henderson unseated longtime incumbent Treasurer Joy Logan at the polls last November and took office in July.

The order that county administrator Gary Kubic, chief financial officer David Starkey and deputy county administrator Bryan Hill have brought to Beaufort County's books further recommends a uniform approach to finance that removes at least some of the politics.

That is not to say a council-manager form of government is a panacea.

Bear in mind that Logan and Auditor Sharon Burris have blamed at least some glitches with county tax sales, notices and payments on a new software system the county adopted in 2008. Problems with that software package in other places it has been employed suggest some truth in their criticism.

Neither should we overlook recent problems with Parks and Leisure Services, building codes enforcement and other departments run by officials appointed and not elected.

In the end, it's all government. The public sector can provide safety and solutions, but there will always be the possibility of incompetence and indifference, too.

Imperfect though it is, the government belongs to the people, and they should determine its form.

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MsFlo

GOD FORBID WE GET SOMEONE IN THIER FROM CALIFORNIA OR CHICAGO . I FEEL THAT THE PERSON SHOULD HAVE GONE TO COLLEDGE IN SOUTH CAROLINA SERVED AS SOME SORT OF PUBLIC EMPLOYEE AND RESIDES HERE. THESE ARE THE PEOPLE "SOUTHERNERS WE NEED , THESE ARE THE PEOPLE WHO WOULD KNOW THE SOUTHERN WAYS AND LAWS. THIS IS A BAD IDEA.

Snob

Let's scap the entire County Charter and start over. This is due to the fact that we've had some issues with a couple of elected officials. Lord knows that stuff might spread like wildfire.

In addition to the Treasurer and Auditor, make the following offices appointed positions: Register of Deeds and the Sheriff's Office. We've had some issues with the courts, so we need to make these appointed positions: Clerk of Court, Master in Equity, and the Probate Court.

To better manage the inevitable political patronage, cronyism, graft, kickbacks, and routine general corruption, scrap the County Administrator's position, and create a Poliburo that is appointed by the Party's Central Comitee. Dismantling the electoral process will save a lot money.

Seriously, why would voters give up one single ounce of their electoral rights? Any County Councilman that advances this ridiculous initiative will be deemed a self serving power mongering political target.

Semper_Veritas

Snob, I do not often agree with you but, on this point, you are spot on. Lord knows we have precious little power or say anymore and the people should not surrender anymore.

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Let voters decide county's form of government, committee says

By KYLE PETERSON kpeterson@beaufortgazette.com 843-706-8147 Published Tuesday, September 6, 2011 6 Comments

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Commerce park auction delayed

The Beaufort Commerce Park was scheduled for auction Tuesday with more than 100 other foreclosed properties, but the lenders pulled it from the sale.

Five banks loaned the Lowcountry Economic Network about \$2.9 million to buy the park in 2006. The network dissolved in June under the weight of that debt, with about \$2.6 million still owed

Pierce Campbell, an attorney for the banks, said no deal has been made to halt the property's auction, which will now be scheduled for Nov. 7.

"The sale was delayed because the group of banks needed additional time to determine the best course of action to collect any deficiency that there may be after the final sales date," Campbell said.

If the park does not fetch enough at auction to pay off the debt, a deficiency judgment could hold the former network liable for the rest — though it's unclear what network assets might be at risk

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A Beaufort County Council committee unanimously agreed Tuesday to ask voters whether the county should change its form of government so the auditor and treasurer could be appointed instead of elected.

The proposed referendum, recommended for approval by the Governmental Committee, is still several steps from hitting the 2012 ballot. It would need to pass three readings of the full council and gain approval from the U.S. Department of Justice.

South Carolina law specifies several forms of government that counties can use.

Beaufort County operates under the council-administrator form; the proposal would change that to council-manager. The two systems are nearly identical, but under council-manager, the county auditor and treasurer can be appointed.

Switching to council-manager was initially floated in 2010 as a way to restore accountability to the Treasurer's Office after an employee there was arrested and accused of embezzling \$210,000 from the county.

Council members suggested Tuesday that cost and efficiency advantages also might occur from

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Beaufort County by following Eye on Beaufort County on Twitter. placing all of the county's financial functions under one department, which isn't possible if the auditor and treasurer are elected. Other committee members, however, worried residents might perceive the referendum as a power grab by council or staff.

But Councilman Stu Rodman said the county owes voters an opportunity to "hear both sides and to decide which way they want their government run."

If the referendum were added to the 2012 ballot and approved by a majority of voters, the change would take effect in January 2013, said county attorney Josh Gruber. The current treasurer and auditor would be allowed to finish their elected terms.

Because Treasurer Doug Henderson and Auditor Sharon Burris were installed to four-year terms in July, their positions could not be filled by appointment until 2015, Gruber said.

Follow reporter Kyle Peterson at twitter.com/EyeOnBeaufortCo.

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riffthrobber

And how about making County Administrator an ELECTED office as well ?
Why on earth would voters want the Treasurer and Auditor to be appointed?
Nothing more than another opportunity for cronies in a County already plagued by cronyism.
Never remove power from the people. Expand it by making MORE public offices elected, starting with the County's Executive branch equivalent- the Administrator.

Today 03:08 AM 3 Likes Report Abuse

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Semper_Veritas

Bravo! I don't believe your post can be improved.

41 minutes ago in reply to riffthrobber Report Abuse

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billwithers

Long overdue. All for this one.

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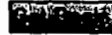


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riffthrobber

Care to explain the logic of the voters relinquishing power to the good ol' boys?

Today 03:16 AM in reply to bilwithers 3 Likes Report Abuse

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nyc

But Councilman Stu Rodman said the county owes voters an opportunity to "hear both sides and to decide which way they want their government run."

Let me know which way you favor Stu so that I may vote the opposite.

Yesterday 09:42 PM Report Abuse

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Snob

nyc: Don't worry, Stu has made his bed and he's about to get rocked soon. It will be a series of events over time. He will not be re-elected.

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Making the county treasurer, auditor posts appointed positions still under discussion

By PATRICK DONOHUE pdonohue@beaufortgazette.com 843-708-8152 Published Saturday, November 6, 2010 39 Comments

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Some Beaufort County Council members say they still want to consider making the county auditor and treasurer appointed positions, even though voters on Tuesday ousted a longtime incumbent whose office has been beset by management and legal concerns.

Beaufort County Treasurer Joy Logan was turned out in favor of petition candidate Doug Henderson, the first election opponent she had faced since 1990.

Earlier this year, Councilwoman Laura Von Harten of Beaufort sent an e-mail to several county officials suggesting they consider changing from a council-administrator model, in which the treasurer and auditor are elected, to a council-manager model, in which County Council can either appoint those positions or choose to fill them through an election.

Von Harten's suggestion came after the May 12 arrest of former employee Casandra White, who was charged with stealing \$210,000 from public accounts, and a largely critical independent audit of the Treasurer's Office in June.

Tuesday's election has done little to change Von Harten's mind.

"I still think we need to consider adopting a council-manager form of government," Von Harten said last week. "It would give us flexibility. We can choose to keep the status quo or choose to hire financial professionals to carry out the functions of the treasurer and auditor."

Henderson said he thinks voters deserve the chance to fill those offices.

"I don't want to give up the right to vote for that position," Henderson said. "We give up so many rights already. The people should have the ability to vote people in and out of office when they feel it's appropriate."

Henderson takes office July 1 – the beginning of the fiscal year – in accordance with state law.

According to county officials, Beaufort County's council-administrator form predates South Carolina's 1975 Home Rule Act, which created county councils that were independent of the state legislature.

Changing the form of government would require council to conduct two public hearings and three votes before the question could appear on a referendum.

The U.S. Department of Justice also must determine that the change is not discriminatory, according to a department spokesman.



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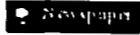
Councilman Stu Rodman of Hilton Head Island said changing the form of government would modernize the way the county does business and manages its finances.

"It's a more modern form of government," Rodman said. "It's also a way to have all the county's financial activity consolidated. We've seen what can go wrong when it's separated."

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markmax Today 08:33 AM

Still can't beleive that no one ran against Big Mouth Laura. Now that she 's in again she talking with her foot in mouth.

wherelsit Today 07:35 AM

Looks like a power grab by the County Council over the people. Vote against the referendum and the Council members proposing and moving this forward. Do your part to stop the overall sucking in Beaufort.

islanderantisnob liked this

cjcreggww Today 06:55 AM

Severance package???? She won't take it. You know in your heart she will stay to the bitter end to prove some idiotic point. And even if council finally asked the state to remove her they would have to show cause (like an indictment ala Liz Smith) and then wait for lame duck Sanford to do something. Unlikely scenario. He won't do anything for the little time he has left. And even if she was removed it still falls back on Sanford to appoint someone (his choice, maybe not necessarily Doug Henderson) for the time remaining until June. What a mess!

islanderantisnob Yesterday 09:48 PM

What are Rodman and Van Harten doing to mitigate damages in the Treasurer' office in the next 8 month's? Whatever happens is on their watch.

make that mistake. If that worked, Washington, DC would be a more perfect model of "one nation under God, indivisible, with liberty and justice for all." Yes, money helps win elections, but it can't ensure performance. That's where y'all come in.

Speaking of money, in round numbers, our BoE members are paid \$7,500, CC members get \$11,000. There are some extras for some meetings and mileage. The embattled Treasurer is paid roughly \$80K.


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islanderantisnob wrote on 07/27/2010 09:21:28 AM:

Yo plebian and Bill: All 3 of us are frustrated with the whole Logan deal. There is absolutely no prudent viable means to remove an elected official (other than an election) without judicial action. I have no idea why Logan hasn't been charged and likely will never know. We don't need any more independent studies or audits. Our lame duck love gov has already indicated he doesn't intend to act. Political pressure is a complete waste of time and money. An action by fiat without a legal case is a lawsuit ready to happen. Let's stick to our election knitting to dump Logan.


And as mentioned earlier, we need to get serious about creating reasonable incentives to raise more candidates for the elected offices. Thanks for your check book pledge Bill. We are getting what we pay for. I'm up for any suggestions to get a broader ballot selection.

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chatty wrote on 07/27/2010 08:59:50 AM:

fiscal autonomy for the school board??? absolutely NOT! They all need to be replaced!!


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aplebeian wrote on 07/27/2010 08:01:26 AM:

Yo snob...this from the group you think is doing such a fine job?
"Was presented but did not vote on a draft of a motion to hire an independent firm to review the treasurer's office, "so that council can make an informed decision as to whether to request the treasurer be removed from office by the governor."


Have not all these fools already gone on record against keeping Ms. Logan in office? They don't need independent review...they need cajonies to do the job they were elected to do. I agree with Mr. withers 100%.

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elida987 wrote on 07/27/2010 00:58:17 AM:


I doubt the voting and tax paying Beaufort County public will be pleased with the results of this meeting.

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billwithers wrote on 07/27/2010 00:32:20 AM:


Well, Snob, if money is all it takes to get people with guts, then yes, hand me my checkbook.

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islanderantisnob wrote on 07/27/2010 00:25:56 AM:


Bill: Willing to step up to the plate and pay for a better government?

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billwithers wrote on 07/27/2010 00:17:39 AM:

While not surprised, I am a bit taken back to hear the Council publicly confirm their lack of leadership and responsibility. It's simply inexcusable not to proceed in asking the Governor for relief from Joy Logan's past and continued misconduct and crimes committed in office. The South Carolina Constitution affords this simple procedural avenue of assistance, to thwart the very real hardships we have had, and are being forced to endure. Further, the Council removed the right for voters to participate in the political process, by "tabling to a six month study," the public referendum pertaining to the long overdue need to reorganize the office of Treasurer. It should be noted, the next window of opportunity to consider this matter, is the general elections of 2012, the arbitrary "six month study period" notwithstanding. Council affirmed they didn't want to rush through a change in the government's structure to make a "political statement" about the Treasurer. I see this as an apology to Joy Logan for unanimously passing a resolution in May, calling for her resignation. The "political statement" the Council indeed is making, is crystal clear, and it is their renewed support for Joy Logan to continue in office. There is no other way to read this. If ever you wanted a reason for voter apathy, this end-run County Council maneuvering is classic text book.

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