

# COUNTY COUNCIL OF BEAUFORT COUNTY

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

WM. WESTON J. NEWTON  
CHAIRMAN

D. PAUL SOMMERVILLE  
VICE CHAIRMAN

## COUNCIL MEMBERS

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

GARY KUBIC  
COUNTY ADMINISTRATOR

BRYAN J. HILL  
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL  
COUNTY ATTORNEY

SUZANNE M. RAINEY  
CLERK TO COUNCIL

## AGENDA FINANCE COMMITTEE Monday, February 20, 2012 2:30 p.m.

Conference Room, Building 2  
Beaufort Industrial Village  
102 Industrial Village Road, Beaufort

### Committee Members:

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

### Staff Support

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

1. CALL TO ORDER – 2:30 P.M.
2. UPDATE OF COUNTY INVESTMENTS  
Mr. Todd Wrenn, Broker Investor, Morgan Stanley Smith Barney
3. \$2,500,000 BOND ANTICIPATION BORROWING FOR MYRTLE PARK BUILDING PURCHASE
4. HILTON HEAD ISLAND AIRPORT THROUGH THE FENCE AGREEMENT
5. DISCUSSION OF BUS LIVABILITY GRANT ([backup](#))
6. TAX IMPACT OF SENATE BILL 40
7. CONSIDERATION OF CONTRACT AWARD - EMS AMBULANCE 2012 AND 2011 MODEL TYPE I VEHICLE ([backup](#))
8. DISCUSSION OF FINANCIAL ISSUES IDENTIFIED AT THE COUNTY RETREAT
9. ADJOURNMENT

Open Items:  
Airport Funding Initiatives  
Reserve and Hurricane Fund Policy

A quorum of Council may be in attendance at all Committee meetings.  
Please silence your cell phone during the meeting.



# Memo

To: Stu Rodman, Chairman, Finance Committee

From: Gary Kubic, Beaufort County Administrator *gkubic*

CC: Bryan Hill, Deputy County Administrator

Date: February 13, 2012

Re: Bus Livability Grant

---

I wish to advise you of my plans to inform the Federal Transit Administration, the South Carolina Department of Transportation (SCDOT), and the Lowcountry Council of Governments (COG), that Beaufort County does not intend to accept the \$ 3.1 million Bus Livability Grant. The reasons for this decision are related to stipulations placed on Beaufort County after the grant was awarded to Beaufort County. Over the last several months, the county staff, the Lowcountry Regional Transportation Agency (LRTA), the COG, and SCDOT have worked hard to fashion a viable plan of action that would allow Beaufort County to move forward with the grant program. Due to substantial financial considerations that would impact Beaufort County's ability to support the operations of bus routes of the LRTA in the City of Beaufort, the Town of Port Royal, and portions of the unincorporated areas of Port Royal Island, the county must decline to continue to pursue the grant.

There are a host of financial considerations that have influenced my thinking on this, but the most important ones are the small current ridership numbers (11 to 16 per route per day), the cost of annual operations support of approximately \$360,000.00 a year from each program supporter (like Beaufort Memorial Hospital, Technical College of the Lowcountry, University of South Carolina-Beaufort, the military and Beaufort County). This amounts to approximately \$1.5 million per year for at least 3 years to show the communities commitment to public transit. The County's grant match of another \$200,000 to \$320,000 for rolling stock to populate the routes is also an important factor.

I must notify the Federal Transit Administration and our other partners by March 1, 2012. Please let me know if you have questions.

Attachments:

1. Memo to Kubic re: Draft Operations Plan (undated)
2. Draft Bus Livability Project Route / Operations Planning

**DRAFT**

To: Mr. Kubic  
Beaufort County Administrator

From: Rob McFee  
Tony  
Colin Kinton  
John Webber

Subj.: Meeting Request - Comments Draft Operations Plan Bus Livability Project

The project has potential to be a great addition to the northern Beaufort County transportation system.

Last week we all received a draft Operations Plan from the COG and Palmetto Breeze to provide bus transit service. This is the first time we have seen these data and we think it best to outline the proposed operational assumptions and to gain your support for them.

Providing a new bus transit system is a requirement of the Bus Livability Grant. However, the Grant is only for capital expenditures (rolling stock, bus stops, sidewalks and pathways) and does not cover any advanced planning or operational expenses.

The draft Operations Plan does not directly identify the budgeted annual operating expenses for these new transit routes; it only addresses projected revenue necessary to adequately serve the routes.

**Plan Operational Assumptions:**

1. Four proposed new routes would serve the proposed ridership in support of the Bus Livability Grant.
2. Survey work done by the COG was not based upon the geographic specific area of these four routes but instead for northern Beaufort County in general.
3. Ridership projections utilize assumptions generated from the general survey information only.
4. The plan's projected ridership is not based upon location specific ridership data, but an assumption by the COG/Palmetto Breeze.
  - 830 riders a day:
    - 750 – riders per day (military and civil service)
    - 80 – riders from USCB, County Government, BMH and TCL

5. A \$125 monthly ridership cost (for all riders) – subsidized (military) and unsubsidized.
  - a. This monthly ridership cost is the maximum allowed by the DOD Transportation Incentive Program (TIP) - \$125 per month per individual.
  - b. Projected revenue based on the DOD TIP would be \$1,125,000 annually.
  - c. The military program regulations state that their actual participation rate cannot exceed actual expenses.
  - d. The Palmetto Breeze website advertises their current fares for Beaufort County residents as \$2 per trip and monthly ticket (44 trips) at \$74.80.
  
6. A \$125 per month ridership cost results in a rate of \$6.00 per round trip each day, higher than current advertised trip costs.
  
7. The \$6.00 round trip rate will be subsidized for military and civilian workers at military facilities. Trip costs for all other riders would not be subsidized with the exception of USCB, County Government, BMH and TCL.

**County Direct Costs:**

1. Capital rolling stock grant match of \$200,000 to \$320,000.
2. Annual operations support of \$360,000 a year from program supporters (County, BMH, TCL and USCB).

We would like to discuss these matters with at your earliest convenience.



## **DRAFT Bus Livability Project Route/Operations Planning**

### **Background**

To date considerable work has been done to determine the routes that are most likely to achieve viable ridership, based on (but not limited to) several factors:

- ✦ Major arterial highways that connect employment, residential, retail, military, health care, post-secondary education and tourism nodes/activity clusters;
- ✦ Nodes of sufficient size and density to generate adequate numbers of potential passengers;
- ✦ Survey work completed for this purpose by University of South Carolina Beaufort researchers;
- ✦ Current provision of regular demand-response public transit service along those routes;
- ✦ Availability of sites or rights-of-ways for transit stops;
- ✦ Support by organizations (public and private) along the routes. **NOTE to team:** We still have all those support letters.
- ✦ Accessibility of bus routes and stops to planned bike-pedestrian rail trail and feasibility of connections between the two by means of new and/or improved sidewalks.

The attached maps show the proposed routes. **NOTE to team:** We will use almost the same routes and stops as in previous submissions, since they meet the above criteria, adding service from Laurel Bay Housing to Marine Corps Air Station (MCAS), Parris Island (PI) and the Naval Hospital, etc. (per discussion below).

## Key Consideration

Because farebox revenues do not pay for the operating costs of public transit in the United States, and many other countries as well, ability to generate adjunct operating revenues is as important as the other route-selection criteria. As a result, route and stop planning has also built in the likelihood of obtaining support, in the form of transit service contracts from the college, university, hospital and other employers, as well as the utilization of the Department of the Navy's (DON) Transportation Incentive Program (TIP). Since more than 7500 persons in the area to be served by these routes will be eligible for this program, if as few as 10 percent of these active duty Marines, sailors and civil servants utilize this program, at the \$125 per month specified, that would be operating revenues of \$93,750 per month, or \$1,125,000 per year.

At a current cost rate of about \$70.00 per hour, an additional 1,340 hours of service could be provided monthly on a deviated fixed route (fixed route service would require complementary paratransit services which would be cost prohibitive). This cost does not include the cost of capital acquisition expenses, only operating expense. 1,340 hours per month (30 days) equates to an additional 44.67 hours per day of service. With four bus routes operating 11 hours per day, 7 days a week, that would equate to the operating revenues projected. Hours of operations could be flexed depending on demand. For example, routes could operate 6:00 AM - 5:00 PM or 6:00 AM - 11:00 AM and start-up again at 2:00 PM - 8:00 PM (earlier or later depending on need/demand).

Route 1 – Downtown Beaufort Circulator

Route 2 – Lady's Island Loop

Route 3 – Port Royal loop

Route 4 – Burton Loop

In years past, Beaufort Memorial Hospital, the Technical College of the Lowcountry and the University of South Carolina – Beaufort have expressed an interest in having their employees, patients, and/or students utilize public transit services to gain access to their facilities. These routes would decrease the need for parking which is often a problem, and would mitigate traffic congestion and air quality concerns not to mention the increased accessibility for the carless population and low-income individuals to gain access to human service agencies and employment centers. The routes were created to link public transit users with these facilities as well as other convenient stop locations such as retail establishments to pick-up a gallon of milk after work, etc.

These three organizations, perhaps along with Beaufort County government, could be expected to contribute an estimated \$10,000 monthly in revenue. These estimates are quite conservative due to local economy issues and other factors. Utilize the same \$125 per month as the TIP benefit (see next section) as a guide, that would equate to 20 employees, patients, students, etc. commuting per month per organization. More revenue and ridership could be achieved if the routes connected with another route that crossed the river and connected to the New River Campuses at both schools and the BMH, Coastal, and HHI Regional medical facilities also located south of the Broad River.

The recent award to the Lowcountry Council of Governments (LCOG) and Lowcountry Regional Transportation Authority (LRTA), operating as Palmetto Breeze, partnership of the Veterans Transportation and Community Living Initiative grant (which also applies to military) families by the Federal Transit Administration (FTA) is a recognition of the importance of providing public transit services to Beaufort's military community.

Below is an explanation of the Transportation Incentive Program (TIP), as it applies to the department of the Navy outside the Washington, DC region.

Given recent changes to the TIP program, relatively little in terms of resource commitments from the three military facilities is required. **NOTE to Team:** That has changed; there used to be a lot more asked of the individual commands.

### **Transportation Incentive Program (TIP)**

The Department of Defense Instruction 1000.27 establishes a mass transit benefit program for Outside the National Capital Region. In accordance with this Instruction the Department of the Navy (DON) has implemented the TIP for DON employees to help reduce their daily contribution to traffic congestion and air pollution, as well as expand their commuting alternatives. Effective January 1, 2012, DON members are eligible for transit benefits up to \$125.00 per month (parking fees are not included) for specific pre-approved commuter mass transit transportation costs not to exceed actual expenses.

TIP is designed to pay for mass transit costs incurred by personnel in their local commute from residence to permanent duty station. Participants must accurately claim an amount that reflects their actual commuting cost—failure to do so will result in fraudulent certification on the application and is subject to criminal prosecution. This program is a benefit, not an entitlement; thus, there is no retroactive reimbursement for the program back to its inception.

### **Who Qualifies?**

- All Navy and Marine Corps military members and federal DON civilian employees, including Nonappropriated Fund (NAF) employees.
- Part-time federal employees and interns.
- Reservists on active duty for more than 30 days are entitled to the same benefits, and are to apply for this benefit in the same manner as is applicable to members/employees in the same geographic area.

- Reservists who are performing active duty for 30 days or less are eligible under the SF 1164 reimbursement method.

- Reservists who are on weekend drilling/training are considered to be on inactive duty and are therefore not eligible to receive this benefit.

### **Which Methods of Transportation Can Be Reimbursed?**

The following recognized mass transportation systems qualify for the benefit:

- Commuter Bus
- Commuter Train
- Subway/Light Rail
- Van Pool
- Ferry (foot passengers only)

### **How does TIP work?**

On behalf of the DON, the Department of Transportation (DOT) purchases and distributes prepaid "fare media" (transit passes, farecards, or vouchers) to DON members/employees for authorized mass transit systems. For those areas not recognized by DOT as having an authorized mass transit system, the DON administers a cash reimbursement procedure, whereby the DON Program Manager will approve the use of form SF-1164 (Claim for Reimbursement for Expenditures on Official Business) as an alternative method for reimbursement.

The Assistant Secretary to the Navy (Financial Management & Comptroller) (ASN(FM&C)) Office of Financial Operations (FMO), will serve as the DON Program Manager (PM) and provide general support for Installations/Commands with questions regarding policies/procedures, reimbursement procedures, and program objectives. ASN(FM&C) FMO is also responsible for collecting and screening applications.

The DOT serves as the Executive Agent (EA) for all Federal agencies, including DON. As EA, DOT will handle all administrative aspects involved with the purchase and distribution of fare media. Fare media varies based on the location and type of mass transportation used. Fare media will



be distributed on a quarterly basis—in which participants will receive three months worth of vouchers/passes at the beginning of each quarter—unless restricted by the local transit company, in which fare media will be distributed monthly. Distribution will either occur on-site, where DOT representatives will physically distribute fare media to all local participants, or via overnight packages containing fare media, where a designated Installation/Command Point of Contact (POC) will assume distribution responsibilities.

#### **Responsibilities of the Command/Installation:**

Each participating command/installation is responsible for:

- (1) Designating a Point of Contact (POC) for the program;
- (2) Informing all military members/civilian employees the benefit is available; and
- (3) Adding TIP to their check-in/check-out procedures.

#### **Scheduling Service**

There will be regularly scheduled services along the selected transit routes, with routes based upon initial demand, likely a product of the work schedules of the military and other employers along the routes, especially those participating in service contracts. More services could and would be added as demand increases.

The following schedules are **preliminary** estimates; schedules will be dependent upon the number of stops, boardings, traffic, bridge issues, weather conditions and base-entering time for the routes serving the military facilities.

Route 1 – Downtown Beaufort Circulator – estimating route to take approximately ½ hour (due to traffic and bridge issues), if each route equals 11 hours, that would equate to 22 runs.

Route 2 – Lady’s Island Loop – estimating route would take ½ hour to 45 minutes equaling 16 – 22 runs.

Route 3 – Port Royal Loop - estimating route would take ½ hour to 45 minutes equaling 16 – 22 runs.

Route 4 – Burton Loop - estimating route to take approximately one hour, if each route equals 11 hours, that would equate to 11 runs.

As mentioned above, after the initial services and ridership are well established, additional routes and/or times will be planned, utilizing existing and updated USCB data, including recorded and quantified requests from such organizations as the MCAS Singles

Marines Program for weekend evening transit services to and from downtown Beaufort and for shopping and medical trips for the population in general.

## **Marketing Strategy**

### **Target Market Segments**

A detailed marketing strategy will address all of the issues below more thoroughly.

Although marketing research has been done to assess the needs of the varied market segments in northern Beaufort County, given the focus discussed in the previous sections of this document, we will concentrate at this time on:

1. Marines and sailors and their families and DON civil servants.
2. Employees of targeted and participating organizations on the proposed routes.
3. NEED. Potential riders who currently do not have access to personal automotive vehicles or are unable to drive. Some of them are currently utilizing LRTA's demand responsive or coordination services, but might be served more economically through these scheduled routes, including:
  - The older adult population (65+)
  - Young People (5-13)
  - Handicapped persons
  - Persons living at or below the poverty level.

As the table on the following page demonstrates, the local NEED segment has been increasing in size in Beaufort County since 2000. These numbers are only available at the County level in years other than Census years. As a result, the data do not exactly represent numbers of potential riders, but are indicators of relative market sizes. There is also expected to be overlap among the individual target markets.

**NOTE: Will update and expand data tomorrow; ACS available for 2009 now.**

**NEED Segment**

	Census 2000	2008 Estimates 2007 American Community Survey	Percent Change 2000-2008
Elderly (65+)	18,754	27,264	45.38%
Young People (5-13)	14,288	17,305	21.12%
Handicapped	18,090	<b>15,305</b>	-15.40%
Low Income (Poverty Level and Below)	12,194	<b>16,580</b>	35.97%

Source: US Census

4. CHOICE. Potential riders who own vehicles and are able to drive but who find it convenient, advantageous and/or less expensive (that is, they are able to own fewer vehicles) to utilize public transit.

- People who are presently car- or van-pooling. Those numbers increased from 8,021 in 2000 to 9,524 in 2008—a 19 percent rise.
- Marine Corps Recruit Depot, Parris Island graduation visitors
- Tourists
- Employees and clients at all public agencies in the Beaufort area
- Employees and customers of both large and small business operations
- Post-secondary students and staff at TCL and USCB
- Shoppers

As a result, expected trip purposes will also include, but not be limited to:

- Access to work
- Access to education and job training complexes
- Sightseeing
- Access to shopping and dining
- Access to medical centers
- Access to entertainment centers
- Access to human service agencies including veterans services
- Access to recreation facilities

## **Market Research Summary**

For the past several years both anecdotal research—namely informal discussions with employers, municipal planning staff, residents and others—and primary, quantitative research by consultants and by USCB have shown that there is an increasing need for and interest in supporting public transportation services in the area. Both residents of and visitors to Beaufort County have been consulted.

## **Branding**

A unifying identity will be developed to include a name, logo, colors and other components. It will be used on all vehicle, signs, shelters and promotional materials. One or more contests (for instance, the name) may be used to involve the community in the branding process. This is not to deny the Palmetto Breeze brand, but to extend it in a special way and one that involves the public in its ownership at an early stage.

## **Promoting Public Transit**

Both a short term—the launch of the service—and a long-term approach to continue reinforcing the features and benefits of taking public transit will be developed.

Promotional media—print ads, radio commercials during drive times, effective use of the increasingly important social media for many market segments, brochures, an interactive web site—and messages will be designed for each of the targeted segments.

Because of the increase in the Hispanic population in the area, the marketing material will also be available in Spanish, as necessary.

Direct marketing and personal sales are also a quite effective and relatively inexpensive way to reach potential groups of passengers. This will be especially important with the military market, where consumer purchase decisions are regularly made as the result of consultation with peers/workmates and neighbors.

Social media – FaceBook™, YouTube and other forms of social media will be utilized to promote transit services in the area.

## **Media Relations**

In the Lowcountry people do read the local newspapers and watch the local television stations, ranging from the network-affiliate stations from Savannah (which all have Lowcountry or Beaufort County new bureaus) to the Beaufort County Channel. To date, proposed public transportation services have received support from local newspapers in the form of articles and editorials, and further coverage will be encouraged. News conferences, service launches and

other events will be used to provide the types of news stories that are informative to all segments of the target market.





**COUNTY COUNCIL OF BEAUFORT COUNTY  
PURCHASING DEPARTMENT**

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

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

**VIA:** Gary Kubic, County Administrator  
Bryan Hill, Deputy County Administrator  
David Starkey, Chief Financial Officer  
Monica Spells, Compliance Officer  
Donna Ownby, Director of EMS

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

**SUBJ:** IFB # 1071/120122 for One (1) EMS Ambulance 2012 and One (1) 2011 Model Type I Vehicle for Beaufort County

**DATE:** February 13, 2012

**BACKGROUND:** Beaufort County issued an Invitation for Bid (IFB) to vendors capable of providing one (1) new 2012 and one (1) new 2011, Ford F-450 4x2 Type I Ambulance to enhance the response capabilities of the Beaufort County EMS. The bids were opened on January 27, 2012 and at that time the lowest responsible/responsive bidder was Taylor Made Ambulance. Taylor Made Ambulance's delivery schedule is ninety days from the receipt of order.

**NUMBER OF BIDS RECEIVED: Five (5)**

	<u>2011 Model Price</u>	<u>2012 Model Price</u>
1. Taylor Made Ambulance, Newport, AR	\$138,455	\$140,575
2. Spartan Fire & Emergency Apparatus, Spartanburg, SC	No Bid	\$152,438
3. Southeastern Specialty Vehicles, West Jefferson, NC	\$158,246	\$158,246
4. Excellence, Inc., Madison, AL	\$174,454	\$174,754
5. First Class Fire Apparatus, Monroe, NC	No Bid	\$174,843**

\*\*First Class Fire Apparatus failed to provide a Bid Bond and was therefore considered non-responsive.

**FUNDING:** Account # 23160-54000 Vehicle Purchases. The current balance is \$175,000.

**RECOMMENDATION:** The Finance Committee approve the contract award and recommend to County Council the contract award for one (1) new 2012 Ford F-450 Ambulance in the amount of \$140,575 to Taylor Made Ambulance, the lowest responsive/responsible bidder.

cc: Elizabeth Wooten, Howell Youmans