

COUNTY COUNCIL OF BEAUFORT COUNTY

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JOSHUA A. GRUBER
COUNTY ATTORNEY

SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA FINANCE COMMITTEE

Monday, August 25, 2014

2:00 p.m.

Large Meeting Room
Hilton Head Island Branch Library
11 Beach City Road, Hilton Head Island

Committee Members:

Rick Caporale, Chairman
Steve Fobes, Vice Chairman
Brian Flewelling
William McBride
Stu Rodman
Jerry Stewart

Staff Support

Alicia Holland, Chief Financial Officer

1. CALL TO ORDER – 2:00 P.M.
2. PRESENTATION / BEAUFORT COUNTY SCHOOL DISTRICT ([backup](#))
3. CONSIDERATION OF CONTRACT AWARD
 - A. Hilton Head Island Branch Library Audio Acoustical Renovation Project ([backup](#))
4. FURTHER DISCUSSION / BAILEY BILL ORDINANCE
5. ADJOURNMENT

2014 Strategic Plan: Committee Assignments

Budget Document/Process and Financial Reporting: Revision
Debt Reserve Policy (*Goal Accomplished April 2014*)
General Fund Fund Balance Policy (*Goal Accomplished April 2014*)
Mitchelville Historic Site Development: Funding





BEAUFORT COUNTY BOARD OF EDUCATION Resolution

BILL EVANS
Chairman, District 2
Lady's Island, Beaufort

Whereas, the Beaufort County Council, in its June 2014 Budget Ordinance, appropriated revenue to the Beaufort County School District for Fiscal Year 2015 in the amount of \$114.9 million;

MARY CORDRAY
Vice Chairman, District 8
Bluffton

Whereas, the Beaufort County School District has acted in full and complete reliance on such appropriation;

LAURA BUSH
Secretary, District 9
Bluffton, Daufuskie

Whereas, the Beaufort County School District set and implemented its budget in compliance with such appropriation;

EARL CAMPBELL
District 1
Burton, Dale, Lobeco, Seabrook

Whereas, the 2014-2015 School Year is underway;

MICHAEL RIVERS, SR.
District 3
St. Helena Island

Therefore, be it resolved, the Beaufort County School District requests the Beaufort County Council establish a millage rate sufficient to generate revenue equal to the June 2014 appropriation amount.

JIM BECKERT
District 4
Beaufort, Port Royal

Done in meeting duly assemble this 19th day of August, 2014.

GERI KINTON
District 5
Burton, Okatie

BEAUFORT COUNTY, SOUTH CAROLINA

PAUL ROTH
District 6
Bluffton

William M. Evans, Chairman
Beaufort County School District Board of Education

EVVA ANDERSON
District 7
Bluffton

BILL PAYNE
District 10
Hilton Head Island

JOANN ORISCHAK
District 11
Hilton Head Island

(SEAL)

DR. JEFFREY MOSS
Superintendent

ATTEST:

ROBYN CUSHINGBERRY
Executive Assistant to the Board

Robyn Cushingberry, Executive Assistant
Beaufort County School District Board of Education

**Beaufort County School District
(Detailed)**

	A	B	C	D	E	F	G
Revenues by Source	FY 2013-2014 Approved Budget	FY 2013-2014 Projected Actual at 8/25/2014	Variance From Budget	FY 2014-2015 Proposed Budget	Opening of Davis Rd PK-8 FY 2015-2016 Projected Budget	Opening of New Riverside HS FY 2016-2017 Projected Budget	FY 2017-2018 Projected Budget
Millage Rate	97.45 mils			101.7			
1 Local							
2 Ad Valorem (Current and Delinquent)-Net of TIFs	114,868,815	110,096,911	(4,771,904)	114,868,815	116,017,503	120,277,678	121,480,455
3 Penalties and Interest	800,000	731,642	(68,358)	800,000	800,000	800,000	800,000
4 HHI TIF (2015-2016)	-		-		3,100,000		
5 Rent	583,500	553,172	(30,328)	563,500	563,500	563,500	563,500
6 Other Local	80,000	516,180	436,180	370,000	370,000	370,000	370,000
7 Total Local Revenue	\$ 116,332,315	\$ 111,897,905	(4,434,410)	\$ 116,602,315	\$ 120,851,003	\$ 122,011,178	\$ 123,213,955
8 State							
9 Sales Tax Reimbursement on Owner Occupied	42,761,119	42,510,619	(250,500)	43,360,281	43,960,281	44,560,281	45,160,281
10 Proviso 1.101/EFA			-	697,308			
11 Fringe Benefits/Retiree Insurance	5,476,221	5,938,827	462,606	6,000,000	6,000,000	6,000,000	6,000,000
12 Education Finance Act	3,929,748	3,560,563	(369,185)	6,692,187	8,000,000	8,100,000	8,100,000
13 Reimbursement for Local Property Tax Relief	7,036,261	7,033,488	(2,773)	7,036,261	7,036,261	7,036,261	7,036,261
14 Other State Property Tax (Homestead/Merchant Inv)	2,442,079	2,377,946	(64,133)	2,442,079	2,442,079	2,442,079	2,442,079
15 Other State Revenue (Bus Driver Salary/Misc)	-	1,099,487	1,099,487	1,200,179	1,200,179	1,200,179	1,200,179
16 Total State Revenue	\$ 61,645,428	\$ 62,520,930	875,502	\$ 67,428,295	\$ 68,638,800	\$ 69,338,800	\$ 69,938,800
17 Federal							
18 Other Federal Sources	900,000	991,885	91,885	900,000	900,000	900,000	900,000
19 Total Federal Revenue	\$ 900,000	\$ 991,885	91,885	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
20 Total Revenue	\$ 178,877,743	\$ 175,410,720	(3,467,023)	\$ 184,930,610	\$ 190,389,803	\$ 192,249,978	\$ 194,052,755
21 Other Financing Sources							
22 Transfers from Special Revenue	3,994,372	3,916,005	(78,367)	3,994,372	4,000,000	4,000,000	4,000,000
23 Transfers from Other Funds	362,882	479,969	117,087	450,000	450,000	450,000	450,000
24 Total Other Financing Sources (Uses)	\$ 4,357,254	\$ 4,395,974	38,720	\$ 4,444,372	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000
25 Total Revenue and Other Financing Sources	\$ 183,234,997	\$ 179,806,694	(3,428,303)	\$ 189,374,982	\$ 194,839,803	\$ 196,699,978	\$ 198,502,755
26 Expenditures	182,906,012	182,162,717	(743,295)	189,558,841	195,386,301	201,754,385	205,754,385
27 Increase(Decrease) in Fund Balance	\$ 328,985	\$ (2,356,023)	(2,685,008)	\$ (183,859)	\$ (546,498)	\$ (5,054,407)	\$ (7,251,630)
28							
29 Beginning Fund Balance	30,503,375	30,503,375		28,147,352	27,963,493	27,416,995	22,362,588
30 Ending Fund Balance	\$ 30,832,360	\$ 28,147,352	\$ (2,685,008)	\$ 27,963,493	\$ 27,416,995	\$ 22,362,588	\$ 15,110,958
31 % of Next Year's Expenditure or Budget	16.9%	14.8%		14.3%	13.6%	10.9%	

ORDINANCE NO. 2014 / 15

FY 2014-2015 BEAUFORT COUNTY SCHOOL DISTRICT BUDGET

An Ordinance to provide for the levy of tax for school purposes for Beaufort County for the fiscal year beginning July 1, 2014 and ending June 30, 2015, and to make appropriations for said purposes.

BE IT ORDAINED BY COUNTY COUNCIL OF BEAUFORT COUNTY:

SECTION 1. TAX LEVY

The County Council of Beaufort County hereby appropriates the funds as detailed in Sections 3 and 4 of this Ordinance and establishes the millage rates as detailed in Section 2 of this Ordinance. The County Council of Beaufort County reserves the right to modify these millage rates at its August 25, 2014 meeting.

SECTION 2. MILLAGE

In Fiscal Year 2014-2015 and in accordance with the laws of South Carolina, the County Auditor is hereby authorized and directed to levy a tax on the following mills on the dollar of assessed value of property within the County.

School Operations	101.70
School Bond Debt Service (Principal and Interest)	31.71

The values listed above are in accordance with Section 6-1-320(A)(2) of the *Code of Laws of South Carolina, 1976*, as amended.

	Prior Year Millage	% Average CPI	% Population Growth	Allowable Annual % Increase of Millage of Millage Rate	Millage Bank Used	Millage Bank Balance
2012	90.26	1.64%	1.71%	3.35%	0.00%	3.35%
2013	91.26	3.16%	1.03%	4.19%	-1.10%	6.44%
2014	97.45	2.07%	2.21%	4.28%	0.00%	10.72%

These taxes shall be collected by the County Treasurer, as provided by law, and distributed in accordance with the provisions of this Ordinance and subsequent appropriations as may be hereafter passed by the County Council of Beaufort County.

SECTION 3. SCHOOL OPERATIONS APPROPRIATION

An amount of \$190,400,000 is hereby appropriated to the Beaufort County Board of Education to fund school operations. This appropriation is to be spent in accordance with the school budget approved by the County Council of Beaufort County, and will be funded from the following revenue sources:

- A. \$114,868,815 to be derived from tax collections;
- B. \$ 67,428,295 to be derived from State revenues;
- C. \$ 900,000 to be derived from Federal revenues;
- D. \$ 1,733,500 to be derived from other local sources;
- E. \$ 4,444,372 to be derived from inter-fund transfers; and
- F. \$ 1,025,018 to be derived from fund balance.

The Beaufort County Board of Education is responsible for ensuring that the school expenditures do not exceed those amounts herein appropriated without first receiving the approval of a supplemental appropriation from County Council.

SECTION 4. BUDGETARY ACCOUNT BREAKOUT

The line-item budgets submitted by the Beaufort County Board of Education under separate cover for FY 2014-2015 are incorporated herein by reference and shall be part and parcel of this Ordinance.

SECTION 5. OUTSTANDING BALANCE APPROPRIATION

The balance remaining in each fund at the close of the prior fiscal year, where a reserve is not required by State or Federal law, is hereby transferred to the appropriate category of Fund Balance of that fund.

SECTION 6. TRANSFERS VALIDATED

All duly authorized transfers of funds heretofore made from one account to another, or from one fund to another during Fiscal Year 2015 are hereby approved.

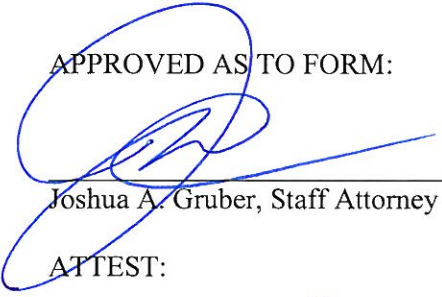
SECTION 7. EFFECTIVE DATE

This Ordinance shall be effective July 1, 2014. Approved and adopted on third and final reading this 23rd day of June, 2014.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: 
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:


Joshua A. Gruber, Staff Attorney

ATTEST:


Suzanne M. Rainey, Clerk to Council

First Reading, By Title Only: May 27, 2014
Second Reading: June 9, 2014
Public Hearings: June 9, 2014 and June 23, 2014
Third and Final Reading: June 23, 2014

Millage Analysis

	Beaufort County Council				Beaufort County School District				County Staff Estimate	BCSD Staff Estimate
	FY 2014		FY 2015		FY 2014		FY 2015			
	Preliminary	Final	Preliminary	Final	Preliminary	Final	Preliminary	Final		
Date of Distribution	4/9/2013	8/22/2013	3/26/2014	8/18/2014	4/9/2013	8/22/2013	3/26/2014	8/18/2014		
Data as of Date	3/26/2013	8/21/2013	2/28/2014	7/31/2014	3/26/2013	8/21/2013	2/28/2014	7/31/2014		
Estimated Value of Mill	1,687,980	1,677,376	1,659,329	1,646,084	1,206,341	1,244,831	1,172,920	1,148,494	1,148,494	1,148,494
Mill Rate established by Ordinance	46.48	46.48	46.48	46.48	100.55	97.45	101.7	101.7	105.28	105.69
Gross Revenue (100%)*	78,457,310	77,964,436	77,125,612	76,509,984	121,297,588	121,308,781	119,285,964	116,801,840	120,913,448	121,384,331
Appropriated Revenue**	71,086,377	71,086,377	72,479,000	72,479,000	114,868,815	114,868,815	114,868,815	114,868,815	114,868,815	114,868,815
Difference	(7,370,933)	(6,878,059)	(4,646,612)	(4,030,984)	(6,428,773)	(6,439,966)	(4,417,149)	(1,933,025)	(6,044,633)	(6,515,516)
Percentage of Difference (Discount)	-9.4%	-8.8%	-6.0%	-5.27%	-5.3%	-5.3%	-3.7%	-1.65%	-5.0%	-5.4%
Percentage of Gross Revenue	90.61%	91.18%	93.98%	94.73%	94.70%	94.69%	96.30%	98.345%	95.00%	94.63%
Estimated Year-End Actual Revenue						110,096,911				
Percentage of Difference (True Discount)						-9.2%				
Percentage of Gross Revenue						90.8%				

*Value of mill multiplied by mill rate

**Per Ordinance

BCSD '15 Appropriation

(M's - \$) 6/23/14	'12 <u>Act</u>	'13 <u>Act</u>	'14 <u>Est</u>	Inc / (Dec)	'15 <u>Budget</u>	<u>'15 Mill Options</u>	
						<u>+4.2 Mills</u>	<u>+6.0 Mills</u>
<u>Mill Value</u>			1.13		1.13	1.15	
<u>Collections</u>						97%	
<u>Mills</u>			97.5		101.7 4.3%	101.7 4.3%	103.5 6.2%
<u>Revenues:</u>							
Ad Valorem			110.2	4.7	114.9	112.9	114.9
All Other			<u>69.6</u>	<u>5.3</u>	<u>74.9</u>		
			179.7	10.0	189.8		
<u>Expenditures:</u>							
State Mandates				4.0			
Enrollment Growth				3.2			
Transportation				1.2			
Non-Certified				0.7			
Lost Special Revenue				0.7			
Operational				0.6			
All Other				(0.4)			
BoE Identified Cuts				<u>(2.3)</u>			
			181.9	7.7	189.6 4.2%		
<u>Net:</u>	1.6	2.4	(2.2)		0.2	(1.8)	0.2
<u>Ending Fund Balance:</u>	28.1 15.8%	30.5 16.8%	28.3 14.9%		28.5 14.3%	26.5 13.3%	28.5 14.3%
					14.0%		

BCSD General Fund Summary (M's - \$)
5/27/14

	FY 04 Act	FY 05 Act	FY 06 Act	FY 07 Act	FY 08 Act	FY 09 Act	FY 10 Act	FY 11 Act	FY 12 Act	FY 13 Act	FY 14 Est
135 Day Enrollment	17.9	18.4	18.7	19.2	19.2	19.1	19.0	19.3	19.3	19.5	19.7
									10 Year Increase		1.8 10%
Expenditures (Excls Charter)	121.4	127.3	133.3	149.6	156.5	164.7	168.8	172.9	170.6	173.1	177.4
									10 Year Increase		56.0 46%
									Enrollment		-10%
									Cost		36%
									Cost Increase / Yr		3.6%
Excess/(Shortfall)	0.4	3.0	1.7	(0.4)	11.9	7.4	(1.2)	(4.9)	1.6	2.4	(2.2)
									Ave Increase / Yr		1.8
Ending Fund Bal	9.0	12.0	13.7	13.3	25.2	32.6	32.4	26.5	28.1	30.5	28.3
									Ave Increase / Yr		1.9
Fund Balance %	7%	9%	9%	7%	15%	19%	18%	15%	16%	17%	15%
									10 Year Increase		8%

Stu Rodman
 August 25, 2014
 Finance Committee



**COUNTY COUNCIL OF BEAUFORT COUNTY
PURCHASING DEPARTMENT**
106 Industrial Village Road, Building 2
Post Office Drawer 1228
Beaufort, South Carolina 29901-1228

TO: Councilman Rick Caporale, Chairman, Finance Committee

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

SUBJ: **Recommendation of Contract Award for IFB#032014 for Hilton Head Island Library Audio Acoustical Renovation Project**

DATE: August 25, 2014

BACKGROUND: A mandatory pre-bid meeting was held on February 27, 2014 at the Hilton Head Library for Hilton Head Island Audio Acoustical Renovation Project with only one contractor attending. On March 20, 2014, Beaufort Construction, Inc. submitted the lowest responsive/responsible bid. This project includes installation of sound proofing material for the Library's large meeting room and adjacent hallway, carpet for the hallway, new electrical outlets and modifying the audio control work room in the back of the meeting room. The original preconstruction estimate for this project was \$94,000 and Beaufort Construction, Inc.'s quotation is \$13,495 less than that. There is no apparent cause for rejecting their bid. The Beaufort County Library Board approved the project on August 7, 2014. Please see below for the bid information from Beaufort Construction, Inc. to include their list of subcontractors.

VENDOR INFORMATION:

COST:

1. Beaufort Construction, Inc., Beaufort, SC	\$60,118
a. Creative Interiors, Beaufort, SC – carpet and installation	\$ 9,887
b. FCO Drywall, Bluffton, SC – drywall and painting of acoustical ceilings	\$ 9,500
c. Dean Electrical, Seabrook, SC – miscellaneous electrical installation	\$ 1,000

Total \$80,505

FUNDING: Hilton Head Library Impact Fees Fund-Renovations to Existing Buildings; Account 26000011-54420; Available Fund Balance of \$154,065

FOR ACTION: Finance Committee meeting occurring August 25, 2014.

RECOMMENDATION: The Purchasing Department recommends that the Finance Committee approve the contract award to Beaufort Construction, Inc. in the amount of \$80,505 for the Hilton Head Island Library Audio Acoustical Renovation Project from the funding source listed above.

CC: Gary Kubic, County Administrator
 Bryan Hill, Deputy Administrator *BH*
 Alicia Holland, Chief Financial Officer *AH*
 Morris Campbell, Community Services Director
 Mark Roseneau, Facilities Management Director *MR*
 Wlodek Zaryczyny, Libraries Director *WZ*
 Scott Grooms, Broadcast Services Manager *SG*

Att: Bid Tab

PRELIMINARY BID TABULATION
PURCHASING DEPARTMENT



Project Name:	HHI Library Audio Acoustical Renovation Project
Project Number:	IFB #032014
Project Budget:	
Bid Opening Date:	Thursday, March 20, 2014
Time:	3:00 PM
Location:	Building #2 106 Industrial Village Rd, Beaufort, SC
Bid Administrator:	Dave Thomas, Beaufort County Purchasing Director
Bid Recorder:	Dave Thomas, Beaufort County Purchasing Director

The following bids were received for the above referenced project:

BIDDER	BID FORM	BID BOND	ALL ADDENDA	SCH OF VALUES	SUB LISTING	BASE BID	Number of Days to complete the work	BID TOTAL
Beaufort Construction, Inc	x	x	NA	NA	See Bid	\$80,505.00	30 days	\$80,505.00

Beaufort County posts PRELIMINARY bid tabulation information within 2 business days of the advertised bid opening. Information on the PRELIMINARY bid tabulation is posted as it was read during the bid opening. Beaufort County makes no guarantees as to the accuracy of any information on the PRELIMINARY tabulation. The bid results indicated here do not necessarily represent the final compliance review by Beaufort County and are subject to change. After the review, the final award will be made by Beaufort County Council and a certified bid tab will be posted online.

Dave Thomas
Bid Administrator Signature

Bid Recorder Signature

8/12/2014