

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

D. PAUL SOMMERVILLE
 CHAIRMAN

GERALD W. STEWART
 VICE CHAIRMAN

COUNCIL MEMBERS

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

JOSHUA A. GRUBER
 INTERIM COUNTY ADMINISTRATOR

THOMAS J. KEAVENY, II
 COUNTY ATTORNEY

ASHLEY M. BENNETT
 CLERK TO COUNCIL

AGENDA
 FINANCE COMMITTEE
 Monday, May 7, 2018

2:00 p.m.

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

Committee Members:

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

Staff Support:

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

1. CALL TO ORDER – **2:00 P.M.**
2. CONSIDERATION OF CONTRACT AWARD / UPGRADED SECURITY SERVICES AT HILTON HEAD ISLAND AIRPORT (HXD) ([backup](#))
3. DISCUSSION / SHELDON TOWNSHIP FIRE DISTRICT / REPLACEMENT OF 2002 SQUAD RESCUE TRUCK ([backup](#))
4. PRESENTATION / STORMWATER MANAGEMENT UTILITY FY2018/2019 BUDGET PROPOSAL ([backup](#))
5. PRESENTATION / AIRPORTS FY2018/2019 BUDGET PROPOSAL ([Hilton Head Island](#)) ([Beaufort County](#))
6. PRESENTATION / SCHOOL DISTRICT FY2018/2019 BUDGET PROPOSAL ([backup](#))
7. DISCUSSION / BEAUFORT COUNTY FY2018/2019 BUDGET PROPOSAL
8. DISCUSSION / ECONOMIC DEVELOPMENT / BEAUFORT MEMORIAL HOSPITAL / INDIGENT HEALTHCARE AND HIGHER EDUCATION / MILLAGE BREAKOUT ORDINANCE ([backup](#))
9. DISCUSSION / SANTA ELENA FOUNDATION REQUEST FOR LEASE EXTENSION ([backup](#))
10. DISCUSSION / TEXT AMENDMENTS TO BEAUFORT COUNTY CODE OF ORDINANCES TO IDENTIFY GREATER BEAUFORT-PORT ROYAL CONVENTION & VISITORS BUREAU AS ONE OF BEAUFORT COUNTY'S DESIGNATED MARKETING ORGANIZATIONS (DMO) ([backup](#))
11. CONSIDERATION OF REAPPOINTMENTS AND APPOINTMENTS
 - A. Accommodations (State 2%) Tax Board
12. ADJOURNMENT

2018 Strategic Plan Committee Assignments

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





**COUNTY COUNCIL OF BEAUFORT COUNTY
PURCHASING DEPARTMENT**

106 Industrial Village Road, Bldg. 2, Post Office Drawer 1228
Beaufort, South Carolina 29901-1228

David L Thomas, Purchasing Director
dthomas@bcgov.net 843.255.2353

TO:

FROM: David L Thomas. CPPO. Purchasing Director

SUBJ:

DATE:

BACKGROUND:

Beaufort County issued a Request for Proposal (RFP) to contractors capable of providing the requisite services associated with the provision of consulting, procurement, and installation of security systems and equipment at the Hilton Head Island Airport. This project is being executed in order to ensure the airport complies with Department of Homeland Security Transportation Security Administration requirements for the level of commercial air service that will be provided via regional jets.

A pre-proposal meeting and site visit were conducted in advance of the deadline for proposals. Proposals were received and reviewed by a review committee made up of Airport Operations Chief Larry Yeager, Alternate Airport Security Coordinator Renee' Ford, and Airport Director Jon Rembold. Telephone interviews were conducted with the three leading firms and a "Best and Final Offer" was requested by the review committee. Based on all materials reviewed and upon the results of the interviews, the committee recommends selection of ICE Automation Group.

VENDOR INFORMATION:

ICE Automation Group, Augusta, GA
Convergent Technologies, North Charleston, SC
Johnson Controls, Charleston SC

COST:

\$151,736
\$162,171
\$140,345

FUNDING:

Hilton Head Island Airport Proprietary Fund. In addition to existing airport operating revenues the increased security will create additional operating revenue derived from security badge fees as well as increased operating revenue related to increased passengers as a result of regional jet service.

Funding approved: By: Date:

FOR ACTION: Finance Committee meeting occurring May 7, 2018.

RECOMMENDATION:

The Finance Committee approve and recommend to County Council the contract award to ICE Automation Group to perform the required consulting and installation services for a total cost of \$151,736.

Attachment:  Copy of RFP 032918 Airport Security Upgrade Services HH Airport Summary Score Sheet.pdf
279.33 KB

cc: Joshua Gruber, Interim County Administrator

Approved: Date:

Check to override approval: Overridden by:

Override Date:

Alicia Holland, Assistant County Administrator, Finance

Approved: Date:

Colin Kinton, Director, Transportation Engineering Division

Approved: Date:

Check to override approval: Overridden by:

Override Date: ready for admin:

Jon Rembold, Director, Airports Department

Approved: Date:

Check to override approval: Overridden by:

Override Date: ready for admin:

After Initial Submission, Use the Save and Close Buttons

Airport Security Upgrade Services HH Airport

RFP 032918

Summary Score Sheet

Evaluators	Name of Company	Name of Company	Name of Company
	<u>ICE Automation</u>	<u>Convergint Technologies</u>	<u>Johnson Controls</u>
R. Ford	100	83	66
J. Rembold	92	88	80
L. Yeager	100	87	82
TOTALS:	292	258	228
1. ICE Automation	292		
2. Convergint Technologies	258		
3. Johnson Controls	228		

Sheldon Township Fire District

Post Office Box 129
Sheldon, South Carolina 29941
Office (843) 846-9221
Fax (843) 846-8011
Emergency 911



Walter "Buddy" Jones
Chief

April 18, 2018

Joshua A. Gruber
Interim County Administrator
P.O. Drawer 1228
Beaufort, SC 29901

Mr. Gruber:

The Sheldon Fire Department is requesting to spend \$106,425.00 out of our cash on hand fund balance to replace a 2002 squad rescue truck. Any help with this matter will be greatly appreciated.

Thank you in advance for your help. If you should have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in blue ink that reads "Wayne Blankenship". The signature is written in a cursive style.

Wayne Blankenship
Commissioner

WB/jw

Stormwater Utility Enterprise Fund
Fiscal Year 2019 Proposed Budget

	FY 2016 Actual	FY 2017 Actual	FY 2018 Approved Budget	FY 2018 Actual to Date 3/31/2018	FY 2019 Proposed Budget
Operating Revenues					
Stormwater Utility Fees	\$ 4,924,194	\$ 4,956,407	\$ 5,125,714	\$ 4,963,681	\$ 5,166,037
Stormwater Infrastructure Fees	467,476	545,127	593,237	551,597	557,234
Stormwater Utility Project Billings	1,492	317,181	94,531	27,798	168,609
Interest Income	8,576	19,226	2,500	-	2,500
Miscellaneous/Other Revenue	1,995	3,444	-	8,169	-
Total Operating Revenues	<u>\$ 5,403,733</u>	<u>\$ 5,841,385</u>	<u>\$ 5,815,982</u>	<u>\$ 5,551,245</u>	<u>\$ 5,894,380</u>
Operating Expenses					
Salaries and Benefits	2,251,707	2,504,524	2,791,762	1,449,889	3,061,410
Purchased/Contractual Services	977,546	977,545	891,632	395,317	1,157,306
Supplies	240,278	370,664	359,299	209,837	387,360
Interest Expense	-	-	-	85,244	188,268
Depreciation Expense	177,626	211,134	311,860	166,268	357,397
Total Operating Expenses	<u>3,647,157</u>	<u>4,063,867</u>	<u>4,354,553</u>	<u>2,306,555</u>	<u>5,151,741</u>
Non-Operating Expenses¹					
Capital Projects	-	-	2,415,950	131,890	2,145,569
Capital Equipment	836,714	801,489	963,650	291,594	1,213,258
Non-Operating Expenses	<u>836,714</u>	<u>801,489</u>	<u>3,379,600</u>	<u>423,484</u>	<u>3,358,827</u>
Total Expenses	<u>\$ 4,483,871</u>	<u>\$ 4,865,356</u>	<u>\$ 7,734,153</u>	<u>\$ 2,730,039</u>	<u>\$ 8,510,568</u>
Authorized Positions	45	50	54	54	55

Note 1: Capital expenses are capitalized and depreciated within a Proprietary Fund and are not represented on the revenue and expense statement as an expense.

**SHELDON TOWNSHIP FIRE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	GOVERNMENTAL FUND TYPES				TOTAL
	GENERAL FUND	DEBT SERVICE FUND	ONE PERCENT FUND	IMPACT FEE FUND	
ASSETS					
Cash	\$ 298,823	\$ -	\$ -	\$ -	\$ 298,823
Receivables	34,626	2,066	-	-	36,692
Due from Beaufort County Treasurer	234,057	38,313	71,011	43,191	386,572
Prepaid Expenses	3,983	-	-	-	3,983
Total Assets	\$ 571,489	\$ 40,379	\$ 71,011	\$ 43,191	\$ 726,070
LIABILITIES					
Payroll Liabilities	\$ 3,497	\$ -	\$ -	\$ -	\$ 3,497
Total Liabilities	3,497	-	-	-	3,497
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	16,711	997	-	-	17,708
Total Deferred Inflows of Resources	16,711	997	-	-	17,708
FUND BALANCES					
Nonspendable	3,983	-	-	-	3,983
Restricted	-	39,382	71,011	43,191	153,584
Unassigned	547,298	-	-	-	547,298
Total Fund Balances	551,281	39,382	71,011	43,191	704,865
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 571,489	\$ 40,379	\$ 71,011	\$ 43,191	\$ 726,070

The notes to the financial statements are an integral part of this statement.

Hilton Head Island Airport Enterprise Fund
Fiscal Year 2019 Proposed Budget

	FY 2017 Actual	FY 2018 Approved Budget	FY 2018 Actual to Date 3/31/2018	FY 2019 Proposed Budget
<u>Operating Revenues</u>				
Fixed Base Operator Revenue	\$ 314,544	\$ 350,000	\$ 215,240	\$ 375,000
Operating Agreements/Concessions	453,595	450,000	255,479	507,000
Firefighting/Security Fees	281,731	282,100	225,738	282,000
Passenger Facility Charges	126,607	150,000	67,042	150,000
Parking/Taxi Fees	16,692	30,000	7,700	37,000
Landing Fees	53,117	75,000	37,737	85,000
Interest Income	393	-	-	-
Rental Income	373,222	350,000	256,392	350,000
Miscellaneous/Other	36,865	42,300	30,747	45,000
Total Operating Revenues	<u>\$ 1,656,766</u>	<u>\$ 1,729,400</u>	<u>\$ 1,096,075</u>	<u>\$ 1,831,000</u>
<u>Operating Expenses</u>				
Salaries and Benefits	639,758	909,626	538,229	760,000
Purchased/Contractual Services	475,692	487,853	484,628	510,000
Supplies	71,486	50,000	20,766	77,000
Interest Expense	87,845	83,787	63,227	80,000
Depreciation Expense	566,554	570,000	416,295	450,000
Total Operating Expenses	<u>\$ 1,841,335</u>	<u>\$ 2,101,266</u>	<u>\$ 1,523,145</u>	<u>\$ 1,877,000</u>
<u>Non-Operating Revenues (Expenses)¹</u>				
Federal and State Grants	10,015,105	6,500,000	7,075,804	5,000,000
Capital Projects (AIP)	(9,663,843)	(5,500,000)	(9,602,189)	(3,200,000)
Capital Equipment ²	(49,242)	(50,000)	(40,271)	(45,000)
Total Non-Operating Revenues (Expenses)	<u>\$ 302,020</u>	<u>\$ 950,000</u>	<u>\$ (2,566,656)</u>	<u>\$ 1,755,000</u>
Authorized Positions				
Full Time (see below)	12	12	12	13
Part Time	0	0	0	0
Full Time Positions include:				
Airport Director	1	1	1	1
Airport Support Staff	4	4	4	5
Airport Firefighters	7	7	7	7

Note 1: Non-operating revenue and expenses are related to Federal and State Grants that fund Airport Improvement Projects (AIP). Timing of these revenues and expenses is dependent mostly on the FAA. Federal and State Grants are reimbursement of expenses. Therefore, in some fiscal years expenses can exceed revenues and in other fiscal years it is possible for revenues to exceed expenses.

Note 2: Capital equipment expenses are capitalized and depreciated within a Proprietary Fund and are not represented on the revenue and expense statement as an expense.

Beaufort County/Lady's Island Airport Enterprise Fund
Fiscal Year 2019 Proposed Budget

	FY 2017 Actual	FY 2018 Approved Budget	FY 2018 Actual to Date 3/31/2018	FY 2019 Proposed Budget
<u>Operating Revenues</u>				
Fuel and Oil Sales	\$ 403,296	\$ 395,000	\$ 313,126	\$ 453,000
Operating Agreements/Concessions	4,303	8,350	3,880	6,800
Landing Fees	13,850	11,000	9,910	15,200
Interest Income	75	-	-	
Rental Income	145,580	131,958	117,205	155,000
Total Operating Revenues	<u>\$ 567,104</u>	<u>\$ 546,308</u>	<u>\$ 444,121</u>	<u>\$ 630,000</u>
<u>Operating Expenses</u>				
Costs of Sales and Services	248,297	237,000	191,816	326,000
Salaries and Benefits	148,995	143,654	108,738	150,000
Purchased/Contractual Services	47,670	97,243	110,470	126,000
Supplies	15,100	9,987	14,725	15,000
Depreciation Expense	57,629	60,000	40,590	55,000
Total Operating Expenses	<u>\$ 517,691</u>	<u>\$ 547,884</u>	<u>\$ 466,339</u>	<u>\$ 672,000</u>
<u>Non-Operating Revenues (Expenses)¹</u>				
Federal and State Grants	80,348	160,000	50,012	1,995,000
Capital Projects (AIP)	(93,023)	(110,000)	(123,375)	(2,100,000)
Total Non-Operating Revenues (Expenses)	<u>\$ (12,675)</u>	<u>\$ 50,000</u>	<u>\$ (73,363)</u>	<u>\$ (105,000)</u>
Authorized Positions				
Full Time	1	1	1	1
Part Time	5	5	5	5

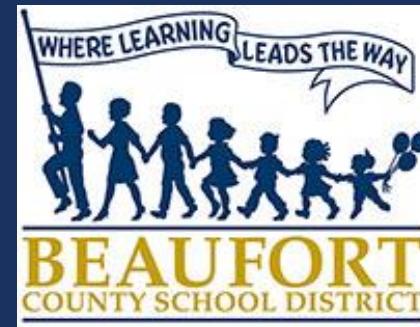
Note 1: Non-operating revenue and expenses are related to Federal and State Grants that fund Airport Improvement Projects (AIP). Timing of these revenues and expenses is dependent mostly on the FAA. Federal and State Grants are reimbursement of expenses. Therefore, in some fiscal years expenses can exceed revenues and in other fiscal years it is possible for revenues to exceed expenses.

BEAUFORT COUNTY SCHOOL DISTRICT

FY 2018-2019

PRELIMINARY
GENERAL FUND
BUDGET

County Council Finance Committee
May 7, 2018



Jeffrey Moss, Ed.D., Superintendent
Tonya Crosby, Chief Finance and Operations Officer

PRELIMINARY FY 2018-2019 BUDGET

Total Preliminary
Budget =
\$240.6M

Other
= \$.2M

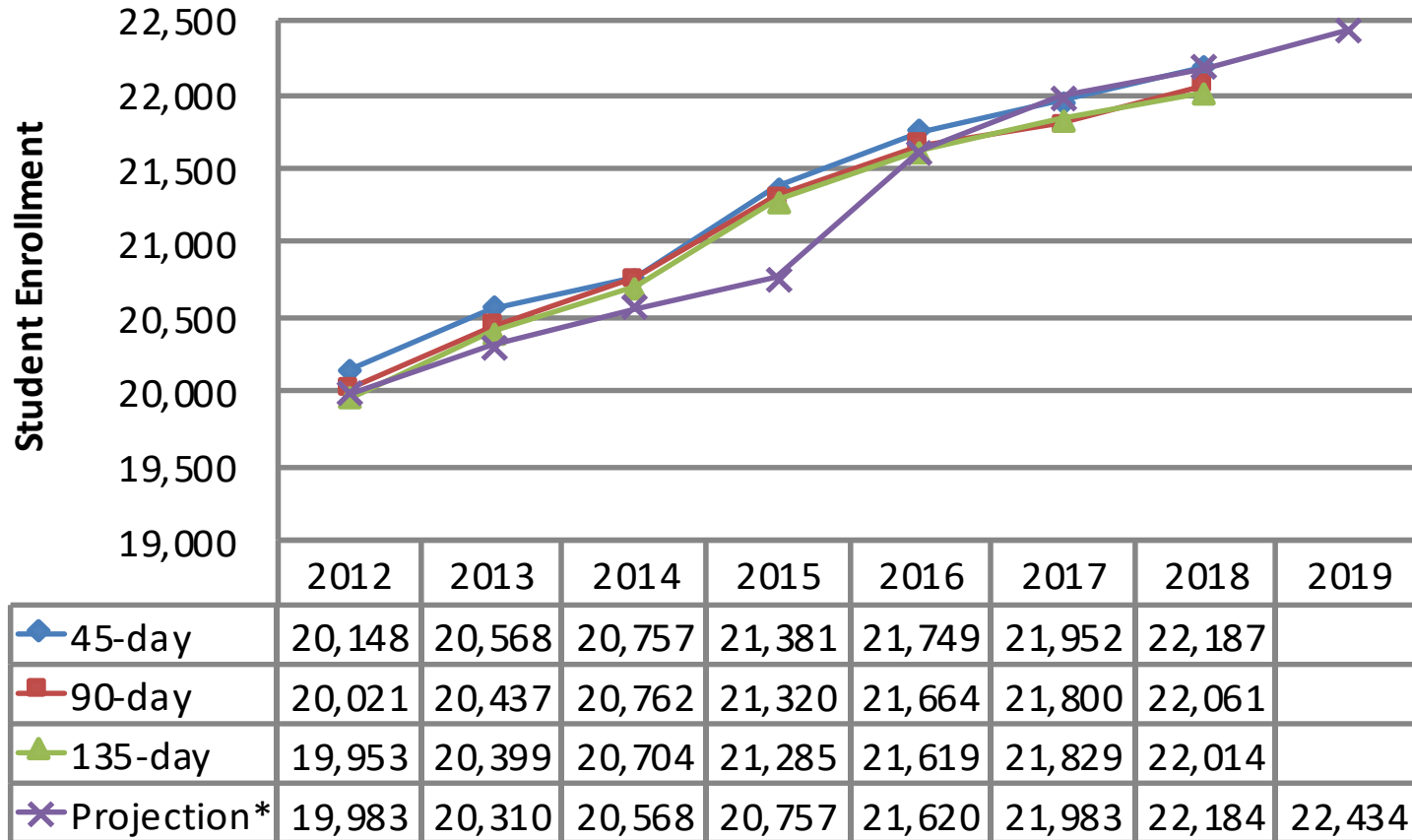
Charter &
Vocational
Support = \$7.7M

District-Wide Support =
\$47.9M

Instructional & School Based =
\$184.8M

76.8%

Beaufort County School District 2019 Enrollment Projection 1.1% Increase (+247 students)



*Projection is based on 45th day

Note: All #s include charter school 2012 - 342, 2013-456, 2014-494, 2015-532, 2016-570, 2017-608, 2018-647, 2019- 664

EXPENDITURE INCREASES INCLUDED IN FY 2018-2019 BUDGET

State/Federal Mandated Increases:

Salary Step Increase- eligible certified staff	1,353,969
Cost of living increase-all certified staff (1%)	1,147,046
Retirement increase	1,998,169
Health/Dental insurance increase	1,044,261
4 Special Education teachers & 4 assistants	397,500
Special Education assistants (IEP-directed)	476,000
5 ESOL teachers	325,000
Total State/Federal Mandates	<u>\$ 6,741,945</u>

EXPENDITURE INCREASES INCLUDED IN FY 2018-2019 BUDGET

Description	Projected Cost
Local - Increases due to enrollment growth*:	
13 School based employees	\$ 931,628
10 Teachers for Growth	650,000
Charter School Allocations (+19 students)	297,350
School Non-Salary Allocations	33,391
Academic Stipends	6,450
Total increases due to growth	<u>\$ 1,918,819</u>

*All costs include salary and benefits.

EXPENDITURE INCREASES INCLUDED IN FY 2018-2019 BUDGET

Description	Projected Cost
Operational Increases:	
Energy	323,666
Maintenance	111,550
Grounds	88,250
Water, Sewer, and Trash	51,229
Total Operational	<u>\$ 574,695</u>

EXPENDITURE INCREASES INCLUDED IN FY 2018-2019 BUDGET

Description	Projected Cost
Safety and Security:	
School Resource Officers	\$ 89,742
Hand held metal detectors	17,000
Radios-Transportation	75,200
Bus Cameras	416,000
Crossing Guards (2 additional)	31,500
Total Safety and Security	\$ 629,442

EXPENDITURE INCREASES INCLUDED IN FY 2018-2019 BUDGET

Other Increases:

Locality supplement for teachers*	\$	1,910,788
Locality supplement for classified staff & admin**		583,463
Step increase for classified and administrators		667,149
COLA-classified and administrative staff (1%)		491,363
Additional 1% COLA for all staff		1,638,409
ADEPT stipends		287,348
Substitute teachers		125,725
Summer Institute expansion for new teachers		116,480
Athletics expansion		65,000
Montessori Training		42,851
County admin fees-garage and fuel		20,000
Other School and Departmental Increases		245,664
Total	\$	6,194,240

* This recruiting and retention supplement would be an additional \$1,000 for teachers only, totaling \$4,000 per teacher.

** This recruiting and retention supplement would be an additional \$500 for classified and administrative staff only, totaling \$1,500 per staff member.

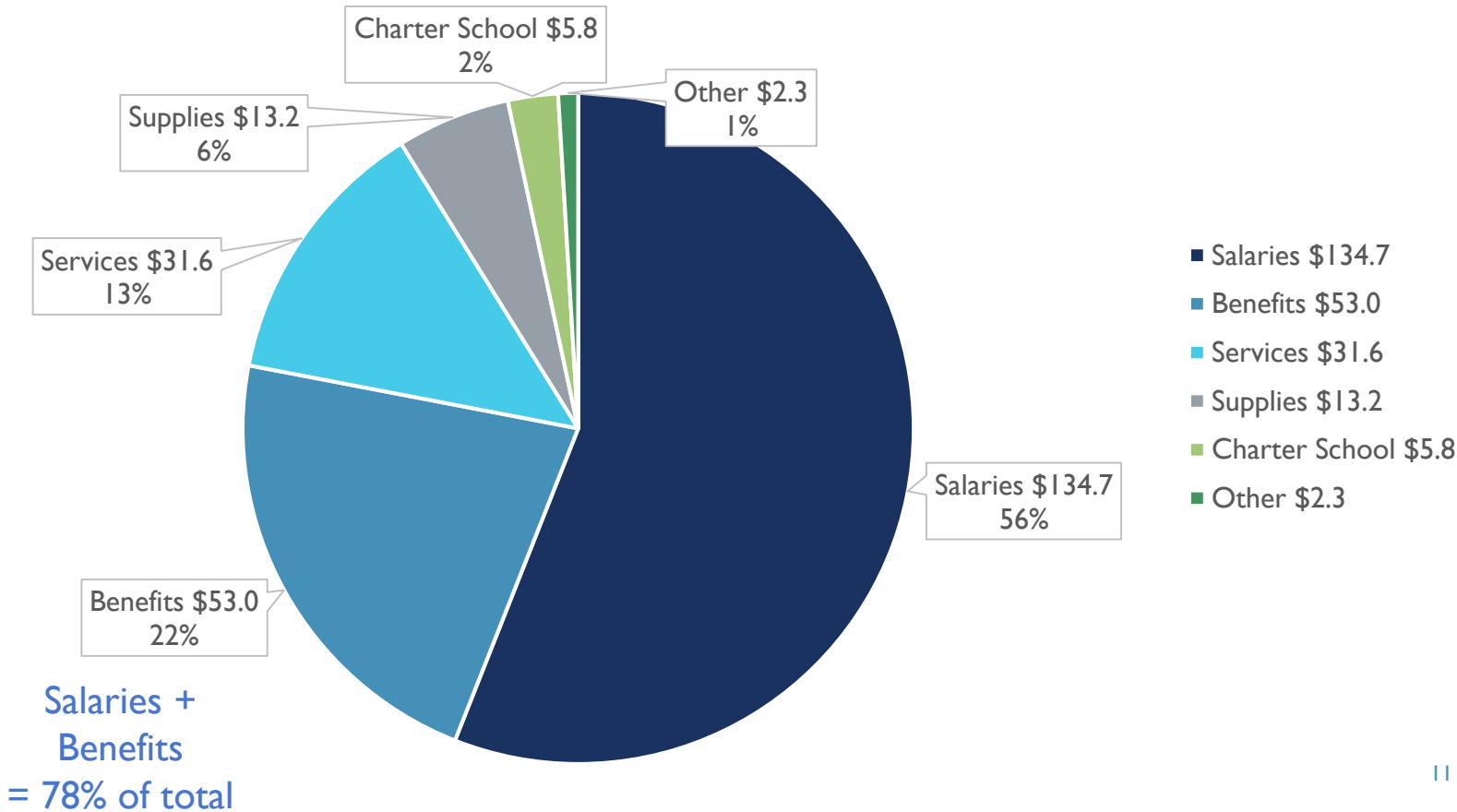
EXPENDITURE **DECREASES** INCLUDED IN FY 2018-2019 BUDGET

Description	Projected Cost
Custodial Services	(479,575)
4 PreK staff moved to Special Revenue Funding	(205,500)
Energy Savings from Solar Farm (approx. \$1,000/day)	(300,000)
Property Insurance	(149,937)
Telecommunications	(75,320)
Athletic Insurance	(45,000)
Interest on Tax Anticipation Note	(15,000)
Total	\$ (1,270,332)

SUMMARY OF FY 2018-2019 INCREASES

Type Increase	Amount	% of Total Increases
State/Federal Mandates	\$ 6,741,945	46%
Local - Enrollment	1,918,819	13%
Operational	574,695	4%
Security	629,442	4%
Other	6,194,240	42%
Total Increases	16,059,141	
Less Decreases	(1,270,332)	-9%
Net Increases	\$ 14,788,809	
Current Budget	225,764,555	
FY 2018-2019 Preliminary	\$ 240,553,364	

GENERAL FUND SPENDING BY OBJECT



Senate Finance Version		A	B	C
		FY 2017-2018	FY 2017-2018	FY 2018-2019
		Approved	Projected	Projected
		Budget	Actual	Budget
Millage Rate		113.5	113.5	
1 Local				
2 Ad Valorem (Current and Delinquent)-Net of TIFs		137,164,216	139,164,216	142,190,517
3 Penalties and Interest		800,000	935,000	900,000
4 Rent		293,500	293,500	293,500
5 Other Local		370,000	284,200	240,000
6	Total Local Revenue	\$ 138,627,716	\$ 140,676,916	\$ 143,624,017
7 State				
8 Sales Tax Reimbursement on Owner Occupied		44,711,081	44,730,770	45,550,014
9 Fringe Benefits/Retiree Insurance*		9,666,234	10,873,251	13,245,509
10 Education Finance Act*		11,795,795	12,800,381	16,574,183
11 Reimbursement for Local Property Tax Relief		7,036,261	7,036,261	7,036,261
12 Other State Property Tax (Homestead/Merchant Inv)		2,442,079	2,377,946	2,487,946
13 Other State Revenue (Bus Driver Salary/Misc)		1,200,179	1,268,505	1,341,397
14	Total State Revenue	\$ 76,851,629	\$ 79,087,114	\$ 86,235,310
15 Federal				
16 Other Federal Sources		700,000	700,000	680,000
17	Total Federal Revenue	\$ 700,000	\$ 700,000	\$ 680,000
18	Total Revenue	\$ 216,179,345	\$ 220,464,030	\$ 230,539,327
19 Transfers from Special Revenue*		4,975,804	5,273,672	6,653,327
20 Transfers from Other Funds		450,000	450,000	500,000
21	Total Other Financing Sources (Uses)	\$ 5,425,804	\$ 5,723,672	\$ 7,153,327
22	Total Revenue and Other Financing Sources	\$ 221,605,149	\$ 226,187,702	\$ 237,692,654
23	Expenditures	225,764,555	223,764,555	240,553,364
24	Increase(Decrease) in Fund Balance	\$ (4,159,406)	\$ 2,423,147	\$ (2,860,710)
25				
26	Beginning Fund Balance	36,263,129	36,263,129	38,686,276
27	Ending Fund Balance (Projected)	\$ 32,103,723	\$ 38,686,276	\$ 35,825,566
28	% of Next Year's Expenditure Budget	13.3%	16.1%	14.3%

*State Revenue Estimates – Senate Finance 4/4/2018

Tax revenues needed to support this budget will be determined after an analysis of the effect of reassessment is complete.

CHALLENGES

- Continuing Instructional Momentum
- Student Growth and Diversity
- Unfunded Mandates
- Teacher Recruitment and Retention
- Fund Balance Reserves
- Facilities Maintenance

ORDINANCE 2018/___

AN ORDINANCE TO PROVIDE FOR ALLOCATION OF FUNDS FOR BEAUFORT MEMORIAL HOSPITAL INDIGENT CARE, ECONOMIC DEVELOPMENT, AND HIGHER EDUCATION BASED ON A MILLAGE AMOUNT TO BE DETERMINED BY THE ANNUAL BUDGET ORDINANCE

WHEREAS, Beaufort Memorial Hospital (BMH) is a not-for-profit hospital founded in 1944 on the banks of the Atlantic Intracoastal Waterway serving Beaufort County, South Carolina; and

WHEREAS, BMH provides acute care and emergency care with a total of 197 beds (169 acute beds, 14 rehabilitation beds and 14 mental health beds) with over 1,600 employees; and

WHEREAS, BMH provides indigent care for emergency, acute and mental health services; and

WHEREAS, BMH did receive indigent care millage contributions from the County until 2007 but no longer receives millage contributions; and

WHEREAS, the Technical College of the Lowcountry (TCL) and the University of South Carolina-Beaufort (USC-B) provide higher education in Beaufort County, and

WHEREAS, the County has regularly provided and desires to continue to provide financial support to both TCL and USC-B; and

WHEREAS, the Executive Committee expressed its support for providing financial support to higher education based on a millage amount at the March 13, 2017 Executive Committee meeting; and

WHEREAS, County Council recognizes that economic development and the diversification of the tax base within Beaufort County is a priority pursuant to Resolution No. 2015/18; and

WHEREAS, County Council has a desire to provide a continual source of financial support for economic development efforts currently being led by the Beaufort County Economic Development Corporation; and

WHEREAS, the topic of providing financial support to higher education, economic development and indigent medical care based on a dedicated millage amount was discussed at the 2018 County Council strategic planning session (retreat); and

WHEREAS, the topic of providing financial support to higher education, economic development and indigent medical care based on a dedicated millage amount was discussed at the April 2, 2018 Finance Committee; and

WHEREAS, Beaufort County Council has determined it to be in the best interest of its citizens to provide for a commitment based on millage in an amount to be determined by the annual budget ordinance and levied on real property through ad valorem taxes for the purpose of providing funds to Beaufort Memorial Hospital indigent care, Technical College of the Lowcountry, University of South Carolina-Beaufort and the Beaufort County Economic Development Corporation such that as the value of the mill increases, so shall the contribution to these organizations.

NOW, THEREFORE, BE IT ORDAINED, by Beaufort County Council that Beaufort County Council does hereby commit allocations based on a dedicated millage amount to Beaufort Memorial Hospital indigent care, Technical College of the Lowcountry, University of South Carolina-Beaufort, and the Beaufort County Economic Development Corporation, to be levied annually on real property through ad valorem taxes for the purpose of providing funds to these organizations until such time as amended, modified or rescinded by County Council.

DONE this ___ day of _____, 2018.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, Esquire
Beaufort County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

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



Board of Directors:
Dr. Andrew J. Beall, Chairman
Colonel Christopher Allen, U.S. Army (Ret.), Vice Chairman
Deborah Dykes
Gregory Dyson
Lieutenant General Jack Klimp, U.S. Marine Corps (Ret.)
Dr. Martha Moriarty, Associate Vice Chancellor at USC Beaufort
Lieutenant General Garry L. Parks, U.S. Marine Corps (Ret.)
Dr. Larry Rowland, Professor Emeritus
Stu Rodman, Beaufort County Commissioner
Richard Thomas
Megan T. Meyer, Executive Director, *ex officio*

April 4, 2018

Mr. Josh Gruber
Beaufort County
PO Box 1228
Beaufort, South Carolina 29901

Reference: Ground Lease for Parking

Beaufort County Council support for the work of the Santa Elena Foundation helped to launch and continues to assist the successful project. Accommodations Tax Grants, promotion by The County Channel, professional advice, shared expertise, and in-kind use of the County-owned building at 1501 Bay Street make possible *our telling* of America's Untold Story.

The numerous educational programs, rotating and permanent displays, and off-site events (Lowcountry Fair, replica ships, scholars' conferences, and local sailing regatta) are how we bring alive the history of Beaufort County for thousands of annual visitors. These large, growing, and complex activities are brought to the public by Santa Elena volunteers and our single paid staff-member.

Modest and carefully controlled operational expenses exceed revenues generated from paid admissions, programs, and museum store sales. Private donations, competitive grant awards, and Accommodations Tax grants provide incremental resources necessary to conduct daily operations. Moreover, many Accommodations Tax and competitive grants from non-government foundations are restricted in their use: out-of-market promotion and named capital or research projects, to cite several examples. Funds free to be used for operational expenses are generated by Santa Elena Foundation sponsored activities and private donations. Our experience is typical of the operational environment encountered by non-profit foundations.

We are most appreciative that Members of County Council agreed to extend our use of the building until October 2020, a full five-years of occupancy. Members of County Council also agreed the County has responsibility for capital maintenance for the County-owned building at 1501 Bay Street. Working closely with Beaufort County personnel, the Santa Elena team helped minimize cost to Beaufort County and served as excellent stewards of the County asset.

Our Foundation is exploring options for a location beyond 2020. Independent of what occurs with the Santa Elena Foundation, members of our Board share a view that the building on Bay Street, now converted for use as an interpretive center, may be an exceptional permanent Visitor and History Center. A location from which the public may begin their exploration of the



Board of Directors:

Dr. Andrew J. Beall, Chairman
Colonel Christopher Allen, U.S. Army (Ret.), Vice Chairman
Deborah Dykes
Gregory Dyson
Lieutenant General Jack Klimp, U.S. Marine Corps (Ret.)
Dr. Martha Moriarty, Associate Vice Chancellor at USC Beaufort
Lieutenant General Garry L. Parks, U.S. Marine Corps (Ret.)
Dr. Larry Rowland, Professor Emeritus
Stu Rodman, Beaufort County Commissioner
Richard Thomas
Megan T. Meyer, Executive Director, *ex officio*

remarkable 500-year history of Beaufort County. The very visible and strategic site of the Bay Street building makes the location ideal for sharing Beaufort County history and culture interpreted by a variety of organizations.

The Free Shuttle service organized by the Santa Elena Foundation, Historic Beaufort Foundation, Beaufort History Museum, and Spirit of Old Beaufort Tours is a pilot project to demonstrate collaboration among attractions in the Beaufort Cultural District. The shuttle with graphics to promote historic attractions, responds to needed mobility for visitors, and may aid parking congestion. Public response is strong, and other local organizations asked to be included.

Prior to our occupying the Bay Street building, Beaufort County leased the Dowling Family lot for 10 years to be used as public parking associated with the Old Federal Courthouse Building. While the Dowling Family lot leased by Beaufort County for parking across North Street is enjoyed by many, the space is more than is required for the Santa Elena History Center. The parking is frequented by the public for a variety of uses: vehicle parking, events, event storage, truck and bus parking, and at least two annual retail markets. The parking is not essential for the operation of the Santa Elena History Center; however, the lot may prove a long-term benefit for many stakeholders in our community.

We face dilemma of how to cover the \$4,000.00 per month ground lease for the additional two years we will occupy the location. In the original building lease, the Santa Elena Foundation was granted use of the building for \$1.00 a month and to assume the responsibility for the parking lot. The effective cost of the use of the building was thereby \$4,001.00 per month, a cost we could not burden. Always helpful, Beaufort County granted the Santa Elena Foundation accommodations tax funds to cover the parking lease expense through June 2018.

Parking associated with the County-owned building is enjoyed by the public and may be essential for the facility in a subsequent use; the space is not required to support the Santa Elena History Center, and unfortunately, we are not in position to fund the lease. Our Foundation requests that Beaufort County continue to fund the parking lease until October 2020. Are we correct this request will be first considered by the Beaufort County Finance Committee, and may we respectfully ask that the request be added to an upcoming agenda?

Thank you in advance for your consideration of this request to explore how we may complete our 5-year term in the County-owned property and continue to *tell* America's Untold Story, underscoring Beaufort County as a unique destination with a unique history.

Sincerely,

Andy Beall

Bennett, Ashley

From: Blakely Williams <info@beaufortsc.ccsend.com> on behalf of Blakely Williams <blakely@beaufortsc.org>
Sent: Wednesday, April 18, 2018 4:11 PM
To: Bennett, Ashley
Subject: A Note from the Chairman



BEAUFORT, SC

REGIONAL CHAMBER OF COMMERCE

April 18, 2018

A NOTE FROM THE CHAIRMAN

To Our Members,

On behalf of the Beaufort Regional Chamber of Commerce, I am excited to officially announce the formation of a new entity, the Greater Beaufort Port Royal Convention & Visitor Bureau.

Your Beaufort Regional Chamber Board of Directors and Tourism Advisory Committee unanimously voted to transfer the tourism and marketing activities to this newly formed non-profit Destination Marketing Organization. The Chamber and the new CVB's leadership briefed our partners at



Beaufort County, the City of Beaufort and the Town of Port Royal and we have received the endorsement of these local government partners.

The Chamber has decided not to receive tourism tax dollars to allow us to better advocate for the business community. However, please know that the Chamber will continue to support dedicated funding for tourism destination marketing, as well as the development of heritage and cultural tourism attractions in Beaufort County.

Over the last few years, several issues have come to the forefront in which the Beaufort Regional Chamber of Commerce has advocated, but cautiously, because of the important responsibility the organization carried in tourism marketing. It is the board's decision to be a louder advocate for the Beaufort Regional business community, and for you.

To that end, the Chamber's newly formed Governmental Affairs Committee is charged with providing a forum to track, research, and discuss important public policy issues. This advisory group will develop public policy recommendations and draft positions that are consistent with the organization's values and principles. For example, the committee is currently reviewing business license reform.

Business license fees directly impact Beaufort County small businesses. Every for-profit business operating in Beaufort County, including all four municipalities, is required to have a valid business license and pay an annual fee based on a percentage of the organization's annual gross income and calculated on a specified classification scale. The Beaufort Regional Chamber of Commerce has longstanding support for simplifying the process to make it easier for businesses like you to operate in different cities, towns and counties. Later this month, Beaufort County will discuss the option of significantly reducing the business license fees for Beaufort County businesses.

The benefits of tourism are undeniable. More than \$1 billion in travel-related annual spending is injected into our local economy,

which translates into lower property taxes for all residents of the county. It is because we believe so strongly in the tourism economy that we created this new CVB. Its tourism-centric focus will only inspire more tourism and travel to our beautiful destination. There will be no disruption in services for either organization as we move forward.

Our mission is to manage and build capacity for continual community growth by advocating for a pro-business environment and building a quality workforce in order to enrich the region's quality of life and with your help, we will.

All the best

,

Cliff Mrkvicka of Lockheed Martin
Chairman of the Board
Beaufort Regional Chamber of Commerce

Beaufort Regional Chamber of Commerce, P.O. Box 910, Beaufort, SC 29901

[SafeUnsubscribe™ abennett@bcgov.net](mailto:abennett@bcgov.net)

[Forward This Email to a Friend](#) | [Update Profile](#) | [About our service provider](#)

Sent by blakely@beaufortsc.org in collaboration with



Try it free today

2018 /

TEXT AMENDMENT TO THE BEAUFORT COUNTY CODE OF ORDINANCES,
CHAPTER 66, ARTICLE II, ACCOMMODATIONS TAX BOARD, DIVISION 1,
SECTION 66-29 POWERS AND DUTIES.

WHEREAS, deleted text is ~~struck through~~ and added text is underlined.

DONE this ___ day of _____, 2018.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, Esquire
Beaufort County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

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

Sec. 66-29. - Powers and duties.

To be in compliance with S.C. Code of Law, Title 6 Chapter 4, the state (2%) accommodations tax shall be allocated in the following manner:

- (1) Be in compliance with the Ordinance No. 89-9; however, the first \$25,000.00 of revenues received from the accommodations tax will, by law, be placed in the county's general fund with no restrictions on the expenditures.
- (2) Five percent of the balance must be allocated to the general fund with no restrictions on expenditures.
- (3) Thirty percent of the remaining balance is split with half going to the ~~Beaufort Regional Chamber of Commerce~~ Greater Beaufort-Port Royal Convention & Visitors Bureau and half going to the Hilton Head - Bluffton Chamber of Commerce as the council hereby designates the ~~Beaufort Regional Chamber of Commerce~~ Greater Beaufort-Port Royal Convention & Visitors Bureau and the Hilton Head - Bluffton Chamber of Commerce as the designated marketing organizations (DMOs).
 - (a) In accordance with state law, the DMOs shall submit for approval a budget of planned expenditures. The proposed budgets from the two DMOs shall be presented at the April finance committee meeting. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the county. The final reports from the two DMOs shall be presented at the August finance committee meeting.
 - (b) Advertising expenditures using these county funds cannot be spent within Beaufort County except for notifications of festivals or other events similar in nature.
 - (c) Adoption of this section goes into effect immediately; however, any changes to this section of the Code after initial adoption shall go into effect one year from date of adoption.
- (4)
 - (a) The remaining balance plus earned interest received by the county must be allocated to a special fund and used for tourism-related expenditures. These expenditures shall be dispersed through a grant process of which the Accommodations (2% State) Tax Board evaluates requests and makes recommendations to County Council. Grant requests must not be used as an additional source of revenue to provide services normally provided by the county, but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county to attract and provide for tourists. Tourism-related expenditures include:
 - i. Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;
 - ii. Promotion of the arts and cultural events;
 - iii. Construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;
 - iv. The criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;
 - v. Public facilities such as restrooms, dressing rooms, parks, and parking lots;
 - vi. Tourist shuttle transportation;
 - vii. Control and repair of waterfront erosion;
 - viii. Operating visitor information centers.
 - (b) Allocation must be spent within two years of receipt.

(Code 1982, § 7-21(c); [Ord. No. 2009/15, 3-30-2009](#).)

2018 /

TEXT AMENDMENT TO THE BEAUFORT COUNTY CODE OF ORDINANCES,
CHAPTER 66, ARTICLE II, ACCOMMODATIONS TAX BOARD, DIVISION 2,
SECTION 66-47 MANAGEMENT AND USE OF LOCAL (3%)
ACCOMMODATIONS TAX.

WHEREAS, deleted text is ~~struck through~~ and added text is underlined.

DONE this ___ day of _____, 2018.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, Esquire
Beaufort County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

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

Sec. 66-47. - Management and use of local (3%) accommodations tax.

[The management and use of local accommodations tax is as follows:]

- (a) Fund the approved annual operating expenditures of the program at an amount not to exceed eight percent of the funds collected.
- (b) Allocate \$350,000.00 annually for advertising and promotion programs related to tourism development (subsection 66-44(a)(5)). These funds shall be allocated as follows:
 - (1) One hundred fifty thousand dollars shall be allocated to the ~~Beaufort Regional Chamber of Commerce~~ Greater Beaufort-Port Royal Convention & Visitors Bureau for advertising, promotion and events to increase tourism within the county.
 - (2) One hundred fifty thousand dollars shall be allocated to the Hilton Head - Bluffton Chamber of Commerce for advertising, promotion and events to increase tourism within the county.
 - (3) Fifty thousand dollars shall be allocated to the Beaufort County Black Chamber of Commerce for advertising, promotion and events to increase tourism within the county.
 - (4) Funds shall be distributed to the designated organizations on a quarterly basis no later than 30 days after the end of the quarter.
 - (5) Advertising expenditures using these county funds cannot be spent within Beaufort County except for notifications of festivals or other events similar in nature.
- (c) Allocate the remaining balance of collections as follows:
 - (1) Twenty percent to establish a reserve fund for emergency or other unforeseen needs;
 - (2) Twenty percent for river/beach access and renourishment (subsection 66-44(a)(3));
 - (3) Sixty percent for tourism-related buildings, including, but not limited to, civic centers, coliseums and aquariums (subsection 66-44(a)(1)); cultural, recreational, or historic facilities; highways, roads, streets, bridges and boat ramps providing access to tourist destinations (subsection 66-44(a)(2)); water and sewer infrastructure to serve tourism-related demand (subsection 66-44(a)(6); the operation and maintenance, including police, fire protection, emergency medical services and emergency preparedness operating directly attendant to those facilities as referenced above (subsection 66-44(a)(7); and for all other proper purposes (subsection 66-44(a)(8)).
- (d) In accordance with state law, the three chambers shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the county.
- (e) Any changes to this section of the code shall go into effect after July 1, 2009.

(Ord. No. 2002-11, § 7, 3-11-2002; [Ord. No. 2005/10, § 7, 3-28-2005](#); [Ord. No. 2009/15, 3-30-2009](#).)

ADD-ONS

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

Topic: Daufuskie Island Fire District FY2019 Budget Proposal
Date Submitted: May 7, 2018
Submitted By: Ed Boys
Venue: Finance Committee



DAUFUSKIE ISLAND FIRE DEPARTMENT
 400 HAIG POINT ROAD
 DAUFUSKIE ISLAND, SC 29915
 PHONE: 843-785-2116



Edward A. Boys, District Chief

Charles V. Henry, Chairman

Budget Summary

FY 2018 Approved Budget

Personnel Cost	-----	\$ 1,073,015
Operations Cost	-----	\$ 107,267
	Total -----	\$ 1,180,282

FY 2019 Budget

Personnel Cost	-----	\$ 1,112,363
Operations Cost	-----	\$ 107,267
	Total -----	\$ 1,219,630

FY 2019 Budget Increases:

- PORS (Police Officers Retirement) \$17,711
- FICA \$1,247
- Salaries (Longevity and 3 promotions) \$14,487
- Medicare \$292

Annual Debt Service = 0

Annual millage rate for debt service = 0

Total Firefighters 12
 Total Admin 1.5

The current operations budget is funded by a millage rate of 60.27. The Daufuskie Island Fire District is requesting no millage rate increase to fund the proposed FY'19 budget. Instead, if there is a shortfall in revenue to fund the budget we will use our reserve revenue.

Topic: Daufuskie Island Fire District FY2019 Budget Proposal
 Date Submitted: May 7, 2018
 Submitted By: Ed Boys
 Venue: Finance Committee

Topic: Bluffton Township Fire District FY2019 Budget Proposal
Date Submitted: May 7, 2018
Submitted By: John Thompson
Venue: Finance Committee

BLUFFTON TOWNSHIP FIRE DISTRICT

357 FORDING ISLAND ROAD
BLUFFTON, SOUTH CAROLINA 29909
843-757-2800 • FAX 843-757-7305

May 2, 2018

Councilman Jerry Stewart, Vice Chairman
Beaufort County Council
20 Huquenin Lane
Bluffton, SC 29909

Via E-Mail

Dear Councilman Stewart,

I hope this letter finds you well. Please find below a synopsis of the operating and debt service budget requests for the Bluffton Township Fire District (BTFD) for fiscal year 2019. Growth in the area protected by the District continues to be robust as can be evidenced by the nearly 20% increase in property values in our protection area. The BTFD Board of Directors met yesterday in a public meeting and unanimously approved the request as presented below. The request does not require a millage increase to the taxpayer and in fact provides for a 0.19 mil decrease in the overall rate compared to fiscal year 2018. Please review the request and let me know if you have any questions or would like to meet in person to discuss what is presented below. As always, we appreciate your support of the Fire District and the citizens we serve.

Respectfully,



John W. Thompson, Jr.
Fire Chief

Topic: Bluffton Township Fire District FY2019 Budget Proposal
Date Submitted: May 7, 2018
Submitted By: John Thompson
Venue: Finance Committee

BLUFFTON TOWNSHIP FIRE DISTRICT FY2019 BUDGET REQUEST

Projected Revenues

County Estimated Mil Value as of 4/1/2018	\$623,695.00
FY2019 Mil Rate Ops after Reassessment	24.10
Additional Millage Request	<u>00.00</u>
Total Effective Operating Mil Rate	24.10
Estimated Tax Revenue for Operations (97% of total)	\$14,580,120.00
Estimated Additional Fees and Revenues	\$75,000.00
SAFER Grant Contribution	<u>\$527,000.00</u>
Total Operating Revenues	\$15,182,120.00

Proposed Expenditures

FY2019 Operating Budget Requested Amount from Taxes	\$14,184,666.00
FY2019 SAFER Employees Costs – Pre FEMA Reimbursement	\$767,000.00
FY2019 Compensation Study Implementation	<u>\$135,000.00</u>
Total Operating Budget Needs	\$15,086,666.00

FY2018 to FY2019 Comparison (Revenues Requested from Taxes)

FY2018 Operating Budget Requested Amount	\$13,912,811.00
FY2018 Operating Budget SAFER Match	<u>\$120,000.00</u>
Total FY2018 Operating Budget Request from Taxes	\$14,032,811.00

FY2019 Operating Budget Requested Amount	\$14,184,666.00
FY2019 Operating budget SAFER Match	\$240,000.00
FY2019 Compensation Study Implementation	<u>\$135,000.00</u>
Total FY2019 Operating Budget Request from Taxes	\$14,559,666.00

Difference FY2018 versus FY2019 **\$526,855 (3.6%)**

FY2019 Operating Budget Highlights

Compensation Study Implementation: The consultant has returned a draft report and associated costs to implement proposed changes in the compensation plan of the District. The figure included in the budget request is inclusive of the costs required for FY2019 should the Board approve the compensation changes. The costs are approximately \$135,000. The consultant will be at the June 2018 Board meeting in person to present her findings and discuss the final report with the Board. In the event the Board chooses not to proceed with the recommendations the additional funds generated will go into the District’s General fund and add to the fund balance.

Health Insurance Costs: For the third consecutive year the Personnel Officer has negotiated with BB&T for no increase for the cost of health insurance. This has been accomplished while maintaining the District’s insurance plan with no changes or reduction in benefits.

Worker’s Compensation Costs: For the second consecutive year the Personnel Officer has negotiated with 7710 Insurance for no increase in the cost of worker’s compensation insurance. The personnel of the District and our internal Safety Committee should also be commended for this as there have been only a few very minor injuries this year due to our strong safety program.

Liability Insurance Costs: This request includes \$151,000 for the District’s liability insurance costs. This is a 15% increase over FY2018 due to the addition of the new Colleton River fire station to the policy as well as market increases due to the increase in value of all District facilities. Two new fire apparatus’ will also be added to the policy during FY2019 which also adds to the increase.

PORS and SCRS Pension Contributions: This request includes approximately \$110,000 for state mandated pension plan increases for all employees of the Fire District. The District should anticipate similar increases for the next four (4) years to meet requirements handed down by the state legislature to assist in reducing the unfunded liability of the state’s retirement system.

Basic Operating Expenses: This request includes modest increases in the costs of most services but a 10% increase in the costs associated with utilities due to inadequate funds budgeted in FY2018 as well as the addition of the Colleton River fire station to the District’s responsibilities. Vehicle fuel is also increased by 10% in this request due to rising costs from suppliers and the addition of additional response vehicles (quint apparatus and heavy rescue) during FY2019.

Debt Service Analysis

County Estimated Mil Value as of 4/1/2018	\$623,695.00
FY2019 Mil Rate Debt – Reassessment Does not Apply to Debt	1.45
Additional Millage Request	<u>00.00</u>
Total Effective Operating Mil Rate	1.45
Estimated Tax Revenue for Operations (97% of total)	\$877,230.00
Estimated Additional Fees and Revenues	<u>\$0.00</u>
Total Debt Service Revenues	\$877,230.00

Proposed Expenditures

FY2019 Debt Service Amount Requested	<u>\$850,000.00</u>
Total Operating Budget Needs	\$850,000.00

FY2018 to FY2019 Comparison (Revenues Requested from Taxes)

FY2018 Debt Service Amount Requested	\$572,134.00
FY2019 Debt Service Amount Requested	\$877,230.00

Difference FY2018 versus FY2019 **\$305,096.00 (53%)**

The difference in the debt millage is attributed to the District taking on an additional \$4.1 million in debt to finance the construction of the new Hampton Parkway fire station and renovations of the Callwassie fire station. Debt millage (tax rate) increased from 1.04 mils in FY2018 to 1.45 mils in FY2019 to generate the funds necessary to make bond payments on the projects.

FY2019 Total Millage Rate (Tax Rate)

FY 2019 Operating Millage Required	24.10
FY 2019 Debt Millage Required	<u>1.45</u>
FY2019 Total Millage Required (Tax Rate)	25.55

FY2018 Operating Millage Required	24.64
FY2018 Debt Millage Required	<u>1.10</u>
FY2018 Total Millage Required (Tax Rate)	25.74

Difference in Total Millage Required FY2019 vs. FY2018 <-0.19> (-0.75%)

The 0.19 mil decrease will result in a reduction of \$0.76 per \$100,000 of assessed value for 4% properties and a reduction of \$1.14 per \$100,000 of assessed value for 6% properties.

Topic: Proprietary Funds
Date Submitted: May 8, 2018
Submitted By: Alicia Holland
Venue: Finance Committee

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater	Lady's Island	Hilton Head	Totals	Service Fund
	Utility	Airport	Airport		Garage
<u>ASSETS</u>					
Current Assets					
Cash and Cash Equivalents	\$10,010,300	\$ 250	\$ 200	\$ 10,010,750	\$ -
Receivables, Operating	208,004	13,461	102,913	324,378	172,055
Receivables, Federal and State Grants	-	4,229	2,237,173	2,241,402	-
Inventories	75,174	66,844	-	142,018	-
Prepayments	22,648	6,585	24,683	53,916	1,721
Total Current Assets	<u>10,316,126</u>	<u>91,369</u>	<u>2,364,969</u>	<u>12,772,464</u>	<u>173,776</u>
Capital Assets	4,705,439	4,833,031	32,201,172	41,739,642	445,159
Accumulated Depreciation	<u>(2,553,893)</u>	<u>(1,057,691)</u>	<u>(9,901,779)</u>	<u>(13,513,363)</u>	<u>(386,345)</u>
	<u>2,151,546</u>	<u>3,775,340</u>	<u>22,299,393</u>	<u>28,226,279</u>	<u>58,814</u>
Total Assets	<u>12,467,672</u>	<u>3,866,709</u>	<u>24,664,362</u>	<u>40,998,743</u>	<u>232,590</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Contributions to pension plan	157,425	10,574	73,458	241,457	-
Pension earnings differences	15,770	1,051	13,848	30,669	-
Pension experience differences	<u>285,996</u>	<u>19,226</u>	<u>125,811</u>	<u>431,033</u>	<u>-</u>
Total deferred outflows of resources	<u>459,191</u>	<u>30,851</u>	<u>213,117</u>	<u>703,159</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$12,926,863</u>	<u>\$ 3,897,560</u>	<u>\$24,877,479</u>	<u>\$ 41,701,902</u>	<u>\$ 232,590</u>
<u>LIABILITIES</u>					
Current Liabilities					
Account Payable	\$ 111,800	\$ 15,792	\$ 1,951,552	\$ 2,079,144	\$ 232,590
Accrued Payroll	68,919	4,871	29,002	102,792	-
Accrued Compensated Absences	9,644	912	3,499	14,055	-
Due to General Fund	-	374,502	1,131,396	1,505,898	-
Current Portion of Due to Debt Service Fund	-	-	161,455	161,455	-
Total Current Liabilities	<u>190,363</u>	<u>396,077</u>	<u>3,276,904</u>	<u>3,863,344</u>	<u>232,590</u>
Noncurrent Liabilities					
Accrued Compensated Absences	70,719	6,692	25,656	103,067	-
Net Pension Liability	2,741,940	185,371	1,089,981	4,017,292	-
Due to Debt Service Fund	<u>5,000,000</u>	<u>-</u>	<u>3,109,100</u>	<u>8,109,100</u>	<u>-</u>
Total Noncurrent Liabilities	<u>7,812,659</u>	<u>192,063</u>	<u>4,224,737</u>	<u>12,229,459</u>	<u>-</u>
Total Liabilities	<u>8,003,022</u>	<u>588,140</u>	<u>7,501,641</u>	<u>16,092,803</u>	<u>232,590</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Net change in expected pension experience	4,213	281	672	5,166	-
Deferred amounts from changes in proportionate share	<u>23,504</u>	<u>1,598</u>	<u>9,578</u>	<u>34,680</u>	<u>-</u>
Total deferred inflows of resources	<u>27,717</u>	<u>1,879</u>	<u>10,250</u>	<u>39,846</u>	<u>-</u>
<u>NET POSITION</u>					
Net investment in capital assets	2,151,546	3,775,340	22,299,393	28,226,279	58,814
Unrestricted (Deficit)	<u>2,744,578</u>	<u>(467,799)</u>	<u>(4,933,805)</u>	<u>(2,657,026)</u>	<u>(58,814)</u>
Total Net Position	<u>\$ 4,896,124</u>	<u>\$ 3,307,541</u>	<u>\$17,365,588</u>	<u>\$ 25,569,253</u>	<u>\$ -</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$12,926,863</u>	<u>\$ 3,897,560</u>	<u>\$24,877,479</u>	<u>\$ 41,701,902</u>	<u>\$ 232,590</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Garage
Operating Revenues					
Garage Billings	\$ -	\$ -	\$ -	\$ -	\$ 148,578
Fuel and Oil Sales	-	403,296	-	403,296	836,174
Stormwater Utility Fees	4,956,407	-	-	4,956,407	-
Stormwater Utility Project Billings	862,308	-	-	862,308	-
Fixed Base Operator Revenue	-	-	314,544	314,544	-
Passenger Facility Charges	-	-	126,607	126,607	-
Operating Agreements/Commission Revenue	-	1,182	403,035	404,217	-
Concession Sales	-	3,121	-	3,121	-
Firefighting/Security Fees	-	-	281,731	281,731	-
Landing Fees	-	13,850	53,117	66,967	-
Parking/Taxi Fees	-	-	16,692	16,692	-
Rentals	-	-	194,367	194,367	-
Hangar Rentals	-	130,570	178,855	309,425	-
Other Charges	3,444	15,010	36,865	55,319	-
Total Operating Revenues	<u>5,822,159</u>	<u>567,029</u>	<u>1,605,813</u>	<u>7,995,001</u>	<u>984,752</u>
Operating Expenses					
Costs of Sales and Services	-	248,297	-	248,297	-
Personnel	2,504,523	148,995	639,758	3,293,276	-
Purchased Services	991,111	53,934	475,692	1,520,737	835,892
Supplies	357,099	8,836	71,486	437,421	823,813
Depreciation	211,134	57,629	566,554	835,317	9,711
Total Operating Expenses	<u>4,063,867</u>	<u>517,691</u>	<u>1,753,490</u>	<u>6,335,048</u>	<u>1,669,416</u>
Operating (Loss) Income	1,758,292	49,338	(147,677)	1,659,953	(684,664)
Non-Operating Revenues (Expenses)					
Operating grant - Transportation Security Administration	-	-	50,560	50,560	-
Interfund Transfer from General Fund	-	-	-	-	668,434
Non-Operating Grant Expenses	-	(93,023)	(9,663,843)	(9,756,866)	-
Interest Income	19,226	75	393	19,694	-
Interest Expense	-	-	(87,845)	(87,845)	-
Total Non-Operating Revenues (Expenses)	<u>19,226</u>	<u>(92,948)</u>	<u>(9,700,735)</u>	<u>(9,774,457)</u>	<u>668,434</u>
(Loss) Income before capital contributions and special items	1,777,518	(43,610)	(9,848,412)	(8,114,504)	(16,230)
Capital Contributions					
Capital Grants - Federal Aviation Administration	-	76,119	9,405,574	9,481,693	-
Capital Grants - South Carolina Aeronautical Commission	-	4,229	609,531	613,760	-
Total Capital Contributions	<u>-</u>	<u>80,348</u>	<u>10,015,105</u>	<u>10,095,453</u>	<u>-</u>
Change in Net Position	1,777,518	36,738	166,693	1,980,949	(16,230)
Net Position, Beginning	<u>3,118,606</u>	<u>3,270,803</u>	<u>17,198,895</u>	<u>23,588,304</u>	<u>16,230</u>
Net Position, Ending	<u>\$ 4,896,124</u>	<u>\$ 3,307,541</u>	<u>\$ 17,365,588</u>	<u>\$ 25,569,253</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Service Fund Garage
Cash Flows from Operating Activities:					
Cash Received from Customers and Users	\$ 5,731,391	\$ 577,505	\$ 1,415,249	\$ 7,724,145	\$ 1,018,846
Cash Paid to Employees	(2,101,587)	(138,938)	(895,552)	(3,136,077)	-
Cash Paid to Suppliers	(1,545,102)	(425,967)	(539,612)	(2,510,681)	(1,687,280)
Total Provided By (Used For) Operating Activities	<u>2,084,702</u>	<u>12,600</u>	<u>(19,915)</u>	<u>2,077,387</u>	<u>(668,434)</u>
Cash Flows from Noncapital Financing Activities:					
Operating Grant - TSA	-	-	50,560	50,560	-
Interfund transfer from the General Fund	-	-	-	-	668,434
Non-Operating Grant Expenses	-	(93,023)	(9,663,843)	(9,756,866)	-
Principal Payment on Note Payable	-	-	(157,397)	(157,397)	-
Interest Paid on Note Payable	-	-	(87,845)	(87,845)	-
Total Used For Noncapital Financing Activities	<u>-</u>	<u>(93,023)</u>	<u>(9,858,525)</u>	<u>(9,951,548)</u>	<u>668,434</u>
Cash Flows from Capital and Related Financing Activities:					
FAA Grants	-	76,119	9,405,574	9,481,693	-
SCAC Grants	-	4,229	609,531	613,760	-
Advance from Debt Service Fund	5,000,000	-	-	5,000,000	-
Purchase of Capital Assets	(801,489)	-	(137,058)	(938,547)	-
Total Provided By (Used For) Capital and Related Activities	<u>4,198,511</u>	<u>80,348</u>	<u>9,878,047</u>	<u>14,156,906</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest Earned	19,226	75	393	19,694	-
Net Increase in Cash and Cash Equivalents	<u>6,302,439</u>	<u>-</u>	<u>-</u>	<u>6,302,439</u>	<u>-</u>
Cash and Cash Equivalents, July 1, 2016	<u>3,707,861</u>	<u>250</u>	<u>200</u>	<u>3,708,311</u>	<u>-</u>
Cash and Cash Equivalents, June 30, 2017	<u>\$ 10,010,300</u>	<u>\$ 250</u>	<u>\$ 200</u>	<u>\$ 10,010,750</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Garage
Reconciliation of Operating Income to Net Cash					
Flows Provided by (Used for) Operating Activities:					
Operating (Loss) Income	\$ 1,758,292	\$ 49,338	\$ (147,677)	\$ 1,659,953	\$ (684,664)
Adjustments to Reconcile:					
Depreciation	211,134	57,629	566,554	835,317	9,711
Changes in Assets and Liabilities:					
Decrease (Increase) in Accounts Receivable	(90,768)	10,476	(190,564)	(270,856)	34,094
Decrease (Increase) in Inventories	32,073	(15,177)	-	16,896	-
Decrease in Other Current Assets	(3,155)	(1,073)	(1,039)	(5,267)	(462)
Increase (Decrease) in Accounts Payable	(225,809)	(10,525)	379,414	143,080	(27,113)
Increase (Decrease) in Due to General Fund	-	(88,125)	(370,809)	(458,934)	-
Increase (Decrease) in Accrued Payroll	13,800	1,098	(319)	14,579	-
Increase (Decrease) in Accrued Compensated Absences	2,609	1,956	(2,020)	2,545	-
Increase (Decrease) in pension deferred inflows/outflows and liability	386,526	7,003	(253,455)	140,074	-
	115,276	(94,367)	(438,792)	(417,883)	6,519
Net Cash Flow Provided by (Used for)					
Operating Activities	\$ 2,084,702	\$ 12,600	\$ (19,915)	\$ 2,077,387	\$ (668,434)

The accompanying notes are an integral part of these financial statements.