

COUNTY COUNCIL OF BEAUFORT COUNTY

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COUNTY ATTORNEY

SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA COUNTY COUNCIL OF BEAUFORT COUNTY

Monday, December 13, 2010

4:00 p.m.

Council Chambers
Administration Building

Citizens may participate in the public comment periods and public hearings from telecast sites at the Hilton Head Island Branch Library as well as Mary Field School, Daufuskie Island.

4:00 p.m.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. INVOCATION
4. MOMENT OF SILENCE IN REMEMBRANCE OF
The Honorable Curt Copeland, former County Coroner
5. REVIEW OF MINUTES – [October 27, 2010](#) and [November 29, 2010](#)
6. SANTA'S BLESSED HELPERS
7. PUBLIC COMMENT
8. COUNTY ADMINISTRATOR'S REPORT
Mr. Gary Kubic, County Administrator
 - The County Channel / Broadcast Update
 - Two-Week Progress Report ([report](#))
 - Bluffton Parkway Extension Phase 5-A Construction Notification
 - Presentation / United States Department of Agriculture (USDA) Grant Offer / St. Helena Public Library at Penn Center
9. DEPUTY COUNTY ADMINISTRATOR'S REPORT
Mr. Bryan Hill, Deputy County Administrator
 - Two-Week Progress Report ([report](#))

Over



CONSENT AGENDA
Items 10 through 19

10. AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP) PLANS ([backup](#))
 - Public Facilities Committee discussion and recommendation to approve occurred November 30, 2010 / Vote 6:0
 - Funding: Local matching shares will be reflected in each Airports Annual Operating Budget

11. COUNTY MUNICIPAL BUILDINGS LIGHTING RETROFIT PROJECT ([backup](#))
 - Public Facilities Committee discussion and recommendation to approve occurred November 30, 2010 / Vote 5:0
 - Contract award: F. M. Young Co., Inc., Fairfax, South Carolina
 - Contract amount: \$149,276
 - Funding source: Total FY 2010 funding was provided through the Energy Efficiency and Conservation Block Grant (Fund 225) was \$235,607. In FY 2010 the County used \$11,050 to pay for professional engineering services. The current FY 2011 balance for lighting renovations at six locations is \$224,557.

12. DIRT ROAD PAVING CONTRACT #42 ([backup](#))
 - Public Facilities Committee discussion and recommendation to approve occurred November 30, 2010 / Vote 6:0
 - Contract award: REA Contracting, LLC, Beaufort, South Carolina
 - Contract amount: \$888,756.70
 - Funding source: County Transportation Committee and Motorized Vehicle Funds

13. HDPE PIPE FOR BEAUFORT COUNTY PUBLIC WORKS DEPARTMENT ([backup](#))
 - Public Facilities Committee discussion and recommendation to approve occurred November 30, 2010 / Vote 6:0
 - Contract award: Ferguson Enterprises, Bluffton, South Carolina
 - Contract amount: \$144,230 for an initial contract term of one year with four additional one-year contract renewal periods all subject to the approval of Council.
 - Funding source: Account 13531-52370 (Stormwater)

14. ACCEPTANCE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) GRANT OFFER OF \$2,500,000 AND LOAN AGREEMENT OF \$6,000,000 FOR THE ST. HELENA PUBLIC LIBRARY AT PENN CENTER ([backup](#))
 - Community Services Committee discussion and recommendation to approve occurred December 6, 2010 / Vote 6:0

15. AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE STORMWATER UTILITY ORDINANCE, ARTICLE II, SECTION 99-108,

GENERAL FUNDING POLICY (TO INCREASE THE SINGLE-FAMILY UNIT RATE)
([backup](#))

- Consideration of first reading approval December 13, 2010
- Natural Resources Committee discussion and recommendation to approve occurred December 6, 2010 / Vote 7:0

16. FUTURE LAND USE MAP AMENDMENT FOR R603-008-000-0623-0000 (1.13 ACRES AT THE NORTHWEST CORNER OF S.C. HIGHWAYS 170 AND 462, OKATIE, SC) FROM RURAL SERVICE AREA TO COMMUNITY COMMERCIAL ([backup](#))

- Consideration of first reading approval December 13, 2010
- Natural Resources Committee discussion and recommendation to approve occurred December 6, 2010 / Vote 6:1

17. ZONING MAP AMENDMENT/REZONING REQUEST FOR R603-008-000-0623-0000 (1.13 ACRES AT THE NORTHWEST CORNER OF S.C. HIGHWAYS 170 AND 462, OKATIE, SC) FROM RURAL (R) TO COMMERCIAL SUBURBAN (CS) ZONING DISTRICTS ([backup](#))

- Consideration of first reading approval December 13, 2010
- Natural Resources Committee discussion and recommendation to approve occurred December 6, 2010 / Vote 6:1

18. TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), APPENDIX J - DALE COMMUNITY PRESERVATION (DCP), DIVISION 2 - DALE MIXED USE DISTRICT (DMD), SECTION 106-1357 - COMMERCIAL COMMUNICATION TOWERS ([backup](#))

- Consideration of first reading approval December 13, 2010
- Natural Resources Committee discussion and recommendation to approve occurred December 6, 2010 / Vote 7:0

19. HEALTH / MEDICAL CARE SERVICES OF DETENTION CENTER ([backup](#))

- Public Safety Committee discussion and recommendation to approve occurred December 6, 2010 / Vote 7:0
- Contract award: Southern Health Partners, Chattanooga, Tennessee
- Contract amount: \$528,000 with four annual options to renew the contract at the discretion of Council.
- Funding source: Account 23170-51190, Medical/Dental Services

5:30 p.m. 20. RECESS – HOLIDAY TREE LIGHTING

21. [COMMITTEE REPORTS](#)

22. PUBLIC COMMENT

23. ADJOURNMENT

County TV Rebroadcast	
Monday	4:00 p.m.
Wednesday	9:00 p.m.
Saturday	12:00 p.m.
Sunday	6:30 a.m.

Cable Casting of County Council Meetings <i>The County Channel</i>	
Charter Cable	CH 20
Comcast	CH 2
Hargray Cable	CH 252
Hargray Video on Demand	600
Time Warner Hilton Head Cable	CH 66
Time Warner Sun City Cable	CH 63

Oath of Office
Monday, January 3, 2011
4:00 p.m.
Council Chambers
Administration Building

**Special Joint Session of Councils
October 27, 2010
Visual and Performing Arts Center
Hilton Head Island High School
70 Wilborn Road
Hilton Head Island, South Carolina**

Beaufort County Council

Weston Newton, Chairman
Steven Baer
Rick Caporale
Gerald Dawson
Brian Flewelling
Herbert Glaze
Stuart Rodman
Paul Sommerville
Jerry Stewart
Laura Von Harten

Gary Kubic
County Administrator

Hilton Head Island Town Council

Mayor Tom Peeples
Bill Ferguson
Bill Harkins
Ken Heitzke
Drew Laughlin
John Safay
George Williams, Jr.

Steve Riley
Town Manager

Talbert & Bright Consultants

Roy Johnson
Carl Ellington
Bill Pearson
Pat Turney
Judy Elder

County Councilman William McBride was absent.

Mayor Peeples called the meeting to order at 6:00 pm. Those assembled recited the Pledge of Allegiance.

FOIA Compliance – Public information of this Joint Session of Councils has been published, posted, and mailed in compliance with the Freedom of Information Act and Beaufort County and the Town of Hilton Head Island requirements.

Opening Remarks – Mayor Peeples said that the county, the Town of Hilton Head Island and the FAA have joined together to fund the study and Talbert & Bright had “have brought forth the study for our recommendation and hopefully approval.” Chairman Newton also remarked on the historic nature of the town and county working together on this matter. He reviewed procedural rules: each member of either council may speak up to five minutes at a time and each can only speak twice if everyone else has had the chance to talk.

Mayor Peeples said the resolutions under consideration were those sent out with the agenda package to all the council members.

MASTER PLAN PRESENTATION – TALBERT AND BRIGHT

Roy Johnson introduced Judy Elder, Pat Turney, and Carl Ellington, whom he said have worked on the plan from the beginning.

Mr. Johnson said the presentation of the final report would be posted on the county's website the following day for public viewing. He said the presentation would include a review of their past work over their last 16 months, the related financials, an environmental overview, and the airport layout plan sections of the master plan.

Mr. Johnson reviewed the timeline of the process, which included public meetings and presentations, comment and question opportunities to involve all interested citizens, organizations, etc. They have received roughly 1360 comments and 289 questions.

Talbert & Bright is ready to submit the master plan to the FAA and the South Carolina Aeronautics Commission for approval. He offered a recap of prior presentations. They developed an aviation forecast based on prior airport activity. They determined a recommended runway length based on a variety of criteria and determined that the appropriate recommendation was 5400'. This satisfies the FAA's design requirements, he said. He showed other length options. The 4300' runway length only satisfies the requirements of two of the family of potential aircraft. At 5400', 25 of the 48 aircraft can operate, fully loaded, from that runway.

The FAA supported their conclusion. To achieve 5400', he said, they looked at a series of development alternatives. He showed a diagram of the current 4300' runway with various boundaries and the noise contours and then one which is brought into compliance. He summarized how this would be achieved and said it would be of minimal benefit. Next, he showed a diagram of the 5400' runway, unconstrained (Alternative #1) which he said would have an enormous impact on the north end of the runway, including the need to move 3 roads, additional tree clearing, and an impact on the nearby church.

A 5400' constrained runway (Alternative #2) would be pulled back within the boundaries of the airfield except for a relocation of Beach City Road, which involves purchasing five parcels of land. There would still be some weight restrictions on some aircraft at some times of the year. The initial phase would be the 5000' runway, with the EMAS construction on the north end in phase 2 when it would be taken to 5400'.

The final alternative (#3) was a 5400' runway, realigned and constrained. A new runway and taxiway would be constructed, an EMAS would be on both ends of the new runway, the air traffic control tower and the aircraft rescue and fire fighting building would be relocated, more

property would be purchased, and additional trees cleared. This option was found to be unacceptable for several reasons.

He reviewed the costs of each of the various options. The total cost of the 5400' runway would be \$20,415,000. Other airfield projects, including tree removal, terminal expansion, etc. in the short- and long-term, would bring the total to \$22 million.

Mr. Johnson reviewed the airport layout plan drawings. He showed the proposed future work in graphic form. All anticipated projects are included in this, which is a key document, he said, to obtain FAA funding.

He summarized the 24-page environmental overview. Prior to each proposed project, each of these categories is examined and a determination is made as to whether there is a categorical exclusion or whether there's a need for an environmental assessment to be done.

The three questions they were to respond to, Mr. Johnson said, are

- 1. Verify the current airport facilities are sufficient for emergency evacuation and recovery, considering the town's and county's disaster plans as a baseline, and, if they are not sufficient, recommend improvements and alternatives.**

While he said they were deemed sufficient, there were recommendations made for improvements: installing an emergency backup generator for the commercial service terminal building; space on the commercial aircraft parking apron for emergency helicopter operations; coordinate the airport's role in emergency evacuation with the proposed merger of the town's and county's emergency operations plan.

- 2. Verify that the current airport facilities are adequate for *viable* commercial service to the Atlanta and Charlotte hubs; identify any possible risks to viability; identify the earliest time the risk to service might occur; and recommend improvements and alternatives.**

Current runway length and obstructions make the current configuration only marginally adequate for commercial service to the Atlanta and Charlotte hubs now. Mr. Johnson identified four risks to viability if the airfield is not improved. To maintain this service and possibly bring in other airlines in the future, Talbert & Bright recommend extension of the runway to 5400' (Alternative #2); an EMAS on each end of the runway; removal of obstructions at the approaches to the runway; relocation of Taxiway A; and acquiring property to relocate Beach City Road.

- 3. Determine what limitations current airport property size and configuration place on airport operations and safety, and determine the impact of those limitations on people and surrounding property if the current airport property is to be used to its full potential.**

Mr. Johnson reviewed the current limitations. The impact of those limitations could include: increased stormwater run-off; additional tree-trimming and/or removal; non-standard portions of the airfield; additional commercial flights would be necessary due to restricted load factors.

Mr. Johnson showed a letter from the FAA concurring with Talbert & Bright's finding of an ultimate runway length of 5400'. The Airport Board also recommended / endorsed a 5400' runway length. Mesaba Airlines (Saab 340) and Piedmont Airlines concurred with the recommendation.

Mr. Johnson then turned the presentation over to **Carl Ellington**, Talbert & Bright's principle in charge of the project, for closing comments. Mr. Ellington said he feels the master planning process has been a success. He said the master plan is intended to help with important decisions regarding the airport. Regarding the runway length, he clarified the means by which they determined the recommendation of 5400' for the length of the runway, as advised by the FAA. Talbert & Bright feels that 5400' "will nicely position the airport for commercial service and general aviation."

New Business

Chairman Newton presented changes to all three of following resolutions. Chairman Newton said in the third "Whereas" clause, language consistent with the master plan would necessitate the use of "a family of aircraft" instead of "a class of private planes."

Chairman Newton said in the fifth "Whereas" clause, it says in the first phase, "requiring no land acquisition" should be "minimal land acquisition" and "no relocation of roads."

- a. Joint County Council / Hilton Head Island Town Council Resolution – a joint resolution of Beaufort County Council and the Hilton Head Island Town Council to adopt the 2010 Hilton Head Island Airport Master Plan and direct staff to begin to implement the plan.

It was moved by County Councilman Sommerville, second by Town Councilman Harkins, to adopt the joint resolution modifying the: (i) third "Whereas" clause, language consistent with the master plan would necessitate the use of "a family of aircraft" instead of "a class of private planes." (ii) fifth "Whereas" clause, it says in the first phase,

“requiring no land acquisition” should be “minimal land acquisition” and “no relocation of roads.”

- b. Hilton Head Island Town Council Resolution – a resolution of the Hilton Head Island Town Council directing the Town Manager to begin the process of amending LMO Section 16-4-1307 to provide for a runway length of 5,000 linear feet.

It was moved by Mr. Laughlin, seconded Mr. Williams, to adopt the resolution including modifying the third “Whereas” clause, language consistent with the master plan would necessitate the use of “a family of aircraft” instead of “a class of private planes.”

- c. County Council Resolution – a resolution of Beaufort County Council to provide for a runway length of 5,000 linear feet at the Hilton Head Island Airport.

It was moved by Mr. Rodman, seconded by Mr. Stewart, to adopt the resolution including modifying the third “Whereas” clause, language consistent with the master plan would necessitate the use of “a family of aircraft” instead of “a class of private planes.”

Public Comments

Mayor Peeples told members of the public to limit their comments to three minutes and reviewed other procedural rules.

George Salome, Hilton Head Island, said the master plan does not have a sufficient cost-benefit analysis for each alternative. The draft report contains some incomplete cost data for the runway options, but it doesn't identify any of the benefits of those options. It doesn't follow the FAA's own cost-benefit guide for airport improvement programs, which provides capital improvement grants. He said if the town, county and FAA didn't direct Talbert & Bright to do cost-benefit analysis on all of their alternatives, “they were derelict in their duty.” If Talbert & Bright were told to do it and didn't, they have not complied with the terms of their contract. He asked that Talbert & Bright be directed to provide the information necessary to make an informed decision.

Tom Hatfield said the principle objection to runway expansion appears to be that people fear that “the longer the runway, the greater the noise,” but he said in fact the opposite is true. Regional jets – which can come in with an expanded runway - make less noise on takeoff and landing than do turbo props. Also, a procedure which is necessary for turbo props on take-off which makes a lot of noise will not be required for the regional jets under consideration.

Marge McDougal, Hilton Head Island, said the draft version of the master plan contains omissions of concern, including an incomplete cost-benefit analysis. There are important costs not noted, she said, including reduced property values on homes and real estate close to an expanded airport. She cited a study that showed the negative effects of noise on property values. Falling property values would also mean less tax revenue for the town and county. She said no reference is made to noise pollution, an ongoing noise study, or a commitment to noise mitigation.

Charles Raley said he'd run many companies in the past and decision-making about where to hold conferences and conventions is based on the area's accessibility to private jets. He strongly recommended the 5400' runway.

Pat Taylor lives in Palmetto Hall and has much piloting, navigation, and training experience. He said he has followed the issue closely. He's perplexed about the use of turbo prop aircraft with short field operations such as Hilton Head Island Airport. He feels the Talbert & Bright consultants' approach to turbo props is inconsistent with airport trends, which is a 700% growth in the use of turbo props, and they have evaded questions on the subject. When directly asked questions about this in their Q&A document, the consultant's response was "unable to answer," but then letters of support were included in the packet from regional carriers. He said that "the suggestion that Delta and US Air are getting rid of turbo props appears to be quite inaccurate and misleading." He cited data indicating that there is not a decrease in these numbers, as they are the least expensive for short-haul routes. He recommends not adopting the resolution at this time and feels council should direct Talbert & Bright to address the issue of turbo props and resubmit the draft with this issue addressed. He concluded that council should not approve the master plan report at this meeting.

Leo Brennan, Port Royal Plantation, discussed three technical points he felt needed to be addressed. First, clearances Talbert & Bright cited appear to be in error; they are shorter at Pineland Station and the steeple when other factors such as sea level are factored in. There is also a 150' difference in the size of the EMAS in the diagram and the report. The adjustment would have to be accomplished by "pushing the footprint north" by 370'. He said Talbert & Bright should be asked to explain the absence of the required 75' ramp and the recommended 35' setback, "if this is how they made the fit on the south end." Regarding load restrictions, Mr. Brennan said, Talbert & Bright's claims are "starting to sound a little too familiar." Before considering more expensive, less efficient planes, he feels they should explore what can be done with commercial turbo props, less aggressive runway expansion, and some tree trimming. Finally, he thinks the displaced thresholds may be a "placeholder" for when the airlines

complain about the load restrictions, and the big jet owners complain about the landing restrictions.

Don Schwarz asked “How much is enough?” for the airport to be successful. According to the report, 50 airports in the US have commercial and jet operations with runways of less than 5000’. He said the information in the report is misleading, i.e., Midway airport is shown to have two runways when it has 4; the 2 shown on the table are for general aviation only, not commercial. Those runways are 6400’ and 6500’. He provided another example and said the Talbert & Bright answer when questioned on this matter was “fuzzy and misleading.” There is no evidence that Hilton Head Island needs to have service to northern cities, given that it’s a warm weather destination. He said “there are no promises”: Delta has discontinued or threatened to discontinue service to facilities which have 5000’+ runways. None of the proposed runway lengths will support a regional jet with a full load of passengers. They will be “chasing a restricted load problem right down a \$30 million runway.” He said the plan should not be approved as written, and Talbert & Bright should be directed to address the regional jet issue.

Henry Sanders, Hilton Head Island, is concerned with planning for the next 20-25 years. No one can know exactly what traffic or operational patterns the airport will have. The recommendations of Talbert & Bright for Alternative #2 seem to be the only feasible thing to decide on for the future of the island. Aircraft can’t continue to operate at 60% of capacity indefinitely. The investment of the airport has been here since before the town was. He supports “looking to the future instead of getting hung up on statistics.”

Becky Pardue said she represents the “very silent majority” of people who own second homes on Hilton Head Island. Many of them rent out those homes, and she asked if the town or Talbert & Bright had questioned any of them, because they are concerned about property values. If the runway isn’t extended, fewer tourists/renters can fly into Hilton Head Island.

David Myers said he noticed a discrepancy between the Talbert & Bright report and the county’s numbers on commercial enplanement figures. The county showed a decrease and Talbert & Bright showed an increase. He feels if the numbers are off, the rest of the document is less trustworthy.

John Holstein, Palmetto Hall, feels the resolutions should be tabled for 90 days because there may be a different environment by then with the FAA and the Department of the Interior and they will know better by then what to do for the future benefit of the communities. A lot of things will change, and the information in the reports is based on information that has already changed in the last 18-24 months.

Bill Glickman, Hilton Head Island, said the South Carolina Aeronautics Group has given the impression that it wants to phase out small airports such as Hilton Head Island's and Lady's Island's in favor of a larger regional airport that would serve both Jasper and Beaufort County. Therefore, he's not sure why the current discussion is taking place. He stated that Beaufort County helps fund the airport, and it is a Beaufort County airport, not only Hilton Head Island's. The airport runs at a deficit currently and is funded in part by special interests that don't pay tax on their investment and bonds. He said in the big picture of Beaufort County, the possibility of closing the airport, giving Beaufort County control, and building something income-generating and tourist-producing is what's needed. He said there's also a safety issue. The FAA approved a plane which had a propeller fall off, and this incident could have been much more dangerous to people and property in the area of the airport. If the airport wasn't there now, they wouldn't build it, considering the zoning, so it shouldn't be expanded now.

John Reda, Hilton Head Island, said he takes issue with the data in the report that is based on commercial passenger enplanements. He feels they're overly optimistic. The capacity of current turbo props is 38-39 passengers. Given runway length and occasional weather, the figure becomes 28-30 passengers, which is about 100,000 annually. Talbert & Bright reported 75,000 passengers, which means the airlines undersold their available seats by 25%. The report does not include an assessment of the amount of business that is taken up by nearby competing airports. He asked, if the airlines don't currently sell all available seats, how increasing the runway length will help raise the number of passengers. He also asked how increasing the runway length will increase passenger loads, if the lower pricing at competing airports continues or increases. He said the resolutions before the councils should not be adopted. Talbert & Bright should be directed to correct the draft report to address the enplanement issues he mentioned and resubmit it. Council should not approve the current draft at this meeting.

Bob Wallhouse, Palmetto Hall, said Section 3.1 of the draft report, which discusses future aviation capability, has forecasts which are "significantly overstated." He wondered why that would be and went to the Talbert & Bright web site. He read a passage from the site about the positioning of the company "to allow clients to take advantage of funding opportunities." He said no standard forecasting methodologies can yield the sort of projections that are in the report. He offered a couple of examples of cases in the report in which there was a historical decline in operations when an increase was forecast.

Bill Coleman, Palmetto Hall, facetiously said that after years of fighting against the expansion of the runway, he is going to the other side. He cited figures that stated that out of 2 million tourists last year, 17,000 arrived at the Hilton Head Island airport. Those who come to Hilton

Head Island via the Savannah airport are still coming to Hilton Head Island, he said. He called upon the council members to not vote for something that serves 25 multi-millionaire plane owners and “a pinch increase of tourists.” He said the potential decrease in property values could equal \$10 million.

Jim Fischer, Port Royal Plantation, said a resident cost-benefit analysis committee was formed in the past 8 weeks to understand the costs in the master plan. He said the committee first agreed with Talbert & Bright that the current runway with tree trimming could provide viable service to Atlanta and Charlotte. Their rough estimate of project costs was not \$44 million but \$57 million, of which the county would need to provide \$1.6 million, excluding legal expenses. The consultants “missed” estimates of tree cutting, mitigation, stormwater, environmental mitigation and legal fees. An additional 20% would have to be added to construction fees for these items; this would be another \$8.8 million, with \$200,000 coming from the county. He said a lot of new information has come out that wasn’t disclosed to the public. For example, Port Royal residents and the airport will lose 25 acres of trees for hangar construction. He feels this is like a loaded congressional bill no one understands, and a vote is being forced.

Bob Ginsler, Palmetto Hall, focused on noise and the environment. The airport expansion wouldn’t be a problem if it weren’t in a residential community. He feels citizens have taken a “good neighbor” position, but the town and county have ignored them as evidenced by the councils’ actions. There’s no reference in the master plan to the environmental noise impact for more aircraft operating closer to communities. A noise study was approved at a previous council meeting. The general aviation jets were the most important issue for noise. The short duration of the September 11 study underrepresented the measurements of jet aircraft noise. No reference is made in the master plan for mitigation. He asked councils to deal with these critical environmental issues and send the consultants back to complete the job, considering trade-offs for each runway length. He asked councils to no longer ignore the community issues.

Perry White, Hilton Head Island, said he’s concerned about the total impact on a community that has existed since 1861: the Mitchellville/Fish Haul area and St. James Baptist Church, which is at the north end of the runway. He’s been listening to similar proposals since 1973, and “it is the same old story,” only the consultants have changed. He questions if the plans are to serve the community or are simply a template from the FAA. He feels they should stay at 4300’ with improvements and “work with what they’ve got.” He said this is a case of collateral damage to the citizens of the community, and he asked that councils vote against the resolutions.

Ron Smetek, Hilton Head Island, is a retired Air Force officer and navigator. He said the draft of the master plan contains “a number of errors, inconsistencies, and omissions.” It understates the potential of the Q400 turbo prop aircraft, burying a statement about its “great fit” for

airports like Hilton Head Island's deep in the document. Pinnacle Airline has ordered 30 of the turbo props. Companies are moving away from regional jets "in droves" because of costs. Should the county and town adopt this draft of the master plan and tell staff to implement it, multi-millions in taxpayers fund are too valuable to spend on such a flawed plan. The impact is too significant to be based on bad rationale, and the councils' responsibilities too great to make decisions with no substantive benefit to the citizens they serve. A 5000' runway will do nothing to attract commercial aviation operations. He said councils should direct Talbert & Bright to correct the draft report to discuss the issues outlined at this public meeting, resubmit it and not approve the current airport master plan as written.

Ken Scodaseck, Hilton Head Island, said the island is in competition with neighboring communities for tourists and high-end resident dollars and Hilton Head Island is the only one that has a commercial airport at their doorstep. It needs to be kept current and safely viable for the future. The initial 5000' step would be "more than adequate" with the provision for 5400' later.

Bob Richardson, Hilton Head Island, is president of the Palmetto Hall POA board of directors. He noted that there is "nowhere near universal acceptance of the Talbert & Bright master plan report among the neighbors adjacent to the airport and those who would be most affected by your actions." He reaffirmed that the case for the runway needs to satisfy Delta and US Airways' requirements for profitable commercial flights in both the near- and far-terms. The case has not been made that runways of 5000' and 5400' would satisfy their needs. Members of both councils have been provided with information packets outlining the "many shortcomings" of the master plan study. He said there may be so much divisiveness because the fundamental question has gotten "lost in the shuffle": what changes to the current airport are needed to improve the probability that commercial service will continue at the airport? He said he had corresponded with an official at Masada Airlines whose opinion changed when the official was given information other than that which he had been provided by Talbert & Bright.

Dick Ellis, Hilton Head Island, said he's the "granddad of aviation employees." He said the suggestions of what might happen in the future of aviation are nothing but a guess by Talbert & Bright. Turbo props are "selling like mad." Delta, Northwest and Continental aren't buying them; they're going overseas, but small airlines *are* flying turbo props and can operate on a runway the size of Hilton Head Island's. An expanded runway will "only provide an insurance policy for their aircraft when they come in here," not solve any problems. He said 95% of the tourists who come to Hilton Head Island drive, and he can provide councils with a survey to this effect that he took at 4 area golf courses.

Charles Raley complimented Mr. Rodman's letter in the previous day's *Island Packet*. He thinks it makes less economic sense to expand the runway in two steps and gives the FAA "a way to bow out" at 5000'. He said there are a lot of misperceptions about government funding. He'd rather have the funding spent here than elsewhere. He said the airport is needed "desperately." Uncontrolled development in Bluffton and Jasper County will make the drive to Savannah far less convenient in the future, he feels. It's difficult to judge an airport by the length of its runway because it depends on the temperature and the elevation. The Q400s being purchased are for flying north, not south. When he was in the market for a home, he said he looked at Palmetto Hall and Port Royal and didn't buy there because it's near an airport and airports never stay the same; those residents who have concerns about the airport expansion should have anticipated that.

Joe Zimmerman quoted Joni Mitchell's song "Big Yellow Taxi" and said instead of paving paradise for a parking lot, they're paving it for a bigger airport. He described the environmental impact on many acres of trees and grass that will result from the runway expansion, parking lots, etc.. At least 3 acres will be replaced with concrete, and building and this will have a significant impact on the quality of life of the residents. The depressed values of homes will solve the problem of affordable housing on Hilton Head Island, he said facetiously. 20' of the 35' acres under discussion are outside of the current airport boundaries. He warned council members against a legacy as "the ones who paved paradise" and asked them to vote against the draft of the master plan.

Phillip Shembra, Hilton Head Island, commended Talbert & Bright on their report. He said the "big game changer is the St. James Baptist Church" which he commended them for "figuring out how to do this without moving the church." He said he'd speak for "the vast majority of owners and business people who don't live in Port Royal or Palmetto Hall." While the kind of progress they want may not happen in his lifetime, change needs to happen, and the airport is no exception. Without an expanded airport, they will lose "a huge amount of business" to retail, hotels, and restaurants, which residents near the airport aren't considering. He said there's no choice but to go for the 5400' option immediately.

Ed Batton, president of the Hilton Head Island Land Trust, said the trust owns the Ft. Howell site on Beach City Road, the relocation of which will send Beach City Road through the Ft. Howell site, significantly damaging it. The trust urges the 5400' option be removed from the plan and that the resolutions be rejected.

Lewis Rivers said the St. James Baptist Church "stands firm." In an era of downsizing everything but SUVs, one would think that an aircraft would be fully loaded and sent to one of the hubs. He said he knows there are safety issues, and he asked that councils "say 'No' to the solution."

Fran White finds it “unconscionable that within walking distance of an airport that you want to add pavement to, you have dirt roads and homes without sewer systems.” The community around the airport has asked town council repeatedly for help; the airport would only serve the 3% of the population who use it, as 97% come by car to Hilton Head Island. She feels the community’s real needs are being ignored.

John Morrisette said the surrounding communities’ objections are understandable, but the council members “were elected to be visionaries.” He asked them to keep the island competitive with a 5400’ runway. He offered Walterboro’s airport as an example of being “visionary.”

Penny Wallhouse said Talbert & Bright’s responses to the questions submitted were frequently “This is beyond the scope of the master plan” and “This needs to be addressed by the airlines.” She thinks citizens need better responses than those to their questions and concerns.

Burt Keenan, Hilton Head Island, said those responsible for managing the community’s affairs need “all the tools necessary.” Unemployment and commercial vacancy rates are currently the highest ever recorded in this area, he said. Foreclosures are up and property valuations are down by 25-35%. He said there are also a flat sales tax and an aging population. He supported the vote for the runway expansion.

Tom Jans, Hilton Head Island, was an executive at a major US carrier, so he said he knows how airlines make decisions. He thinks the Talbert & Bright study, “while well-done, is incomplete.” It does not cover airline operating costs, and doesn’t suggest that the CRJ200 aircraft is no longer in production. The airlines that use them are “bleeding profusely when they have to fly it less than 400 miles.” Airline-pilot agreements need to be considered. He’d like the council members to consider what happens when a low-cost carrier flies into Savannah. Southwest will likely extend operations into Savannah and offer low cost flights around the country. In daytime, summer hours, the CRJ400 will be severely restricted by the temperatures, which are considerably above the average that Talbert & Bright cites; load factors can be as low as 30%.

John Geisler, Hilton Head Island, said the majority of flights that land on Hilton Head Island are from the north end of the runway. “What you’re buying is not really what you’re getting,” he said. He hopes councils will look at the fact that at 5400’, they gain nothing on the north end. To county council, he said they own the property and will have the fiscal responsibility of additional growth. He feels the costs are significantly understated, and there are litigation risks to consider. “This community is quite fractured on this issue,” he said. This is just the beginning, and they need to be open and have a thorough understanding of what they’re voting on. He referred to an amendment made to the resolutions earlier in the meeting, and said that on the

web site at 4 pm, “it still said we’re not purchasing property,” so anyone, other than those who came to the meeting and learned at 6:30 pm of the amendment, was reassured that any property purchase would not have an impact on them.

Wilford Hamp, Port Royal Plantation, agreed with Mr. Geisler that “this is only the beginning.” The councils have heard a lot of dissent and concern about a matter that seems to be “a cut and dried matter” to the councils’ members. He said they seem “anxious to spend money that doesn’t exist.”

There being no further public comment, the public hearing was closed. A break was taken for ten minutes at 8:05.

DISCUSSION

Chairman Newton apprised those assembled of the procedures for this part of the meeting.

Mr. Baer said he has spent a great deal of time analyzing the Talbert & Bright plan. He showed the distances of the runway ends from the St. James Baptist Church wall and Pineland Station. There have been questions about the clearances, and he believes Talbert & Bright should demonstrate how those calculations were made. The EMAS may be expanded by 450’ or 600’ on both the north and south ends, “depending on which page of the report you read, and that has to be resolved.” The church steeple clearance is 12.5’. But because of the displaced threshold, even with a 5400’ runway, there are still only 4597’ to land in. Mr. Baer said this number stays the same for all runway options, 4600’ – 5400’. He challenged anyone to show a regional jet landing on a runway of this size, 4597’. He said they have repeatedly asked Talbert & Bright for a cost-benefit analysis and never received it, so he has attempted to do it himself. There are significant differences in costs among the original Talbert & Bright data, that which was presented later by the consultants, and that which was determined by a citizens’ group. Talbert & Bright’s estimate was raised when they were asked to include stormwater mitigation costs, for example. The FAA pays 95%, the county pays 2.5%, but Mr. Baer said there are “huge operations costs” associated with this that Beaufort County taxpayers will be paying. They will have to pull the money from libraries or parks, or they will have to raise taxes to get the operations costs.

Ms. Von Harten said she cannot support the master plan because of costs to the county. There have been layoffs in engineering, and work isn’t being done in other areas, such as the libraries, because of a shortage of money. She feels this isn’t the time; when they are practicing “smart decline,” it needs to include the airport. She also is not comfortable with the clearances. In addition, there are too many consequences to cultural resources. In terms of tourism, the island

is “a drive market,” and though they get some visitors by air, they needn’t “put all their eggs in the airport basket.” She feels the kind of people who have “patience” to fly commercially to Savannah are the ones they want to attract to do economic development. She said the county will not “end up in the poor house if we don’t expand this airport.” They are part of a regional economy, and they need to do what it takes to keep Hilton Head Island special. The regional economy will continue to grow.

Mr. Harkins said a key function of councils is to maintain the economic stability of the region and to nurture and grow it. When the study was commissioned, they wanted to know how to preserve commercial service. 70% of the economic engine is tourism. It’s dropped dramatically in the last 6-8 years, he said. Part of it is a national issue, but it’s also because other communities in the Southeast have become more competitive for tourist dollars. The commissioned task force has told the town that they need to diversify their revenue streams. The obstacles to this good idea have been recognized, such as telecommunications. Transportation is an obstacle that needs to be addressed now with a safer airport. He feels Talbert & Bright is the best at what they do, and they have come to a “thoughtful and respectful” conclusion that will “benefit the whole community.” Though this is a divisive issue, he believes “over time, people will realize the wisdom of this decision.” He is 100% behind this resolution.

Mr. Williams said he’d like the consultants to give them a timeline, so people don’t leave the meeting feeling that, when it’s approved, “we’re going to be shoveling dirt next week.”

Mr. Rodman thanked various county council members for yielding him a minute of their time so he could make his presentation. He believes the master plan is “very well done” and should be approved, and then the FAA “can do some tweaking.” There is a significant risk of discontinued commercial service. Delta’s last flight is next September, and US Air is phasing out their turbo props, so it’s less economical. He feels that “time really is of the essence,” and “to look at it in two phases and get on with it really makes sense.”

Mr. Rodman said that analysis of the Bombardier’s web site shows that planes carrying fewer than 70 passengers “are going to disappear as we go forward.” He doesn’t believe that turbo props are part of the solution. He believes because of their fuel economy “they’ll always be a factor,” but they don’t know which airlines will use them. He feels it’s “irresponsible to size the runway based on the *possibility* of a turbo prop.” Most of the Q400s are going to Europe. There is a risk of losing the certificate for commercial, which drives funding and is tough to get back. Among the implications, he feels, would be “writing off the Heritage.”

Regarding noise, Mr. Rodman said he has also heard “the longer the runway, the less the noise.” Jets are less noisy than turbo props. He presented a chart of the airport noises relative to other familiar noises. He believes there is a strong link between airport capability and successful development and redevelopment of the community and the entire county. If they go to 4600’ and “guess wrong, then it’s a gigantic mistake.” He said, “If the turbo props work out” at 5000’, “the most you’ve added is a couple hundred feet of runway.” The 5000’ accommodates the general aviation fleet that will fly to Hilton Head Island within a reasonable range. 5400’ may be required and so should be kept on the table. Newer aircraft will be quieter and require short runways. The 5000’ vs. 5400’ runway issue is a commercial issue, Mr. Rodman said, not a general aviation issue. “Whatever planes are out there (with the airlines) are the ones we’re going to have to live with,” he said, which may or may not be turbo props. He said the dilemma is that 5400’ is required in the shorter term, given the types of aircraft in use in the fleet, while 5000’ will be sufficient for newer aircraft in the longer term.

Mr. Rodman discussed the operational restrictions on the CRJ200 for take-off and landing in different seasons. In the winter, there’s not a significant difference in the passenger loads possible with either 5000’ or 5400’, but there is in the summer / peak season. As the planes get bigger, whether they’re turbo props or not, there will be fewer flights carrying more people in the winter. The peak restrictions are in the summer. He projected that “we would pick up a lot more people from Savannah that would come over here” with the CRJ200. If they operated the CRJ700, they would get even more people.

As to the impact of projected commercial service, Mr. Rodman said that if a quarter of the Savannah passengers shifted to the Hilton Head Island airport, “we would pick up 160.” With stops to New York and Washington, they could potentially pick up some of the 180,000 passengers that go to New York City. The expansion would mean increased volume, and “we would pick up \$2-3 million in operating costs.” He speculated that if “an extra 50,000 people decide to come in here,” it would mean \$100 million in revenue, at \$2000 spent per person. He then presented arguments for and against each of the expansion options.

Mr. Rodman said this is a critical decision, and if they’re wrong, they may not be able to recover from it. Unknowns include when US Air service will end, when the runway expansion can be completed, and how much of it can be extended “on airport,” which aircraft will be available, and whether Delta and US Air will continue service. They don’t have all the facts to make a final decision. He feels they should get on with the approval of the plan, keep options open. He said Net Jets, which serves high-end leisure and business travelers, has hundreds of thousands of users who are desirable to get onto Hilton Head Island. He feels this category of users is the single-most important thing for redevelopment and development for Hilton Head Island.

Mr. Rodman said he doesn't mind driving to Savannah, himself, but he presented a scenario of tourists' experiences who might fly into either airport.

Mr. Baer described two types of noise: catalog noise, which is theoretical and used by manufacturers to sell airplanes and engines, and real noise, which is actually observed and measurable. He has data to show that there is no perceptible difference between CRJ and turbo prop noise. He asked if a jet engine 803' closer to the church and communities would be quieter than a turbo prop 803' further away.

Mr. Baer presented essential data that he said had been requested of Talbert & Bright four times and not received. His chart showed the types of planes that might fly here. Bombardier did a computer run using actual runway data, not "some cookbook with a ruler on it like we saw in the Talbert & Bright study." At 95 degrees, the Q400 has a 100% load factor and can go 460 miles on a 4600' runway.

Mr. Baer said that the current airport can handle business jets. In 2009, it had 4002 jet operations, and at least 601 of those were large jet operations. In September 2010, he observed two jets that flew long distances (to New Hampshire and Kansas).

Mr. Baer presented a chart of the distribution of appraised values for homes on Hilton Head Island. The large business jets would only benefit 2% of those who have very expensive properties and could "take the medium-sized jet and leave the large jet at home." The main problem with the study, Mr. Baer said, is that it's "full of gaps, holes, and inconsistencies." Talbert & Bright had admitted, earlier in the week, that the passenger forecasts had been overstated. Other problems include costs, vertical clearance, and mitigation. He said the real question for councils is, "considering the poor data in this report, do we want to rush to vote on this, given the tremendous impact it has, and the tremendous amount of missing and loose data that we have been provided?" He said he fears that history will reflect poorly on the councils, and lawyers will wonder how the decisions were made with "that quality of data."

In response to Mr. Williams' question earlier in the meeting, Mr. Ellington said that the contract will typically be awarded in 3-3.5 years. Mr. Williams said he has experience enough to understand how a planning document's holes will be filled as they go forward. Like Mr. Rodman, he feels that it is time to do something, and they must rely on the consultants and make a decision tonight.

Mr. Ferguson asked for clarification of the fifth "Whereas" clause in the joint resolution regarding runway length and property acquisition. Chairman Newton clarified the clause for him. Mr. Ferguson asked why two different figures are used and said it's unclear whether it's a

5000' or 5400' runway. Chairman Newton said the Whereas clauses provide the background, and the conclusion is in the "let it be resolved" section. Mr. Ferguson said he "can't vote for it anyway because it doesn't make sense." Mayor Peebles said that if they approve the resolution, they are approving a master plan that has the possibility of going to 5400', but they are going to do it in two stages, and stage one will be 5000'. So a vote for this resolution is a vote for a potential 5400' runway. Mr. Ferguson said he understood.

Mr. Ferguson asked what agencies will be required to pay for these improvements. Mr. Ellington said the project qualifies for 95% FAA funding, 2.5% state funding, and 2.5% local (the sponsor, or owner of the airport). A grant will have to be applied for and approved. If passenger facility charges (PFCs) are enacted again, he said, that money can be used for the local match.

Mr. Ferguson asked if both ends of the runway would need to be lengthened, and Mr. Ellington said yes. To go to 5000', the north end would add 400' and the south end would add 300'. Mr. Ferguson clarified that this would be without impact on the church or Beach City Road. Mr. Ellington stated that the 12.5' clearance on the church steeple with the expansion is the same as it is now, without doing any expansion. The alternatives were designed to use the current approach clearance surfaces.

Mr. Ferguson asked Mr. Ellington who would "benefit, profit-wise, from the airport extension improvement." Mr. Ellington said the money generated by the airport will continue to stay with the airport. When a federal grant is received, a grant assurance is signed which requires that money collected by the airport has to stay with the airport for the 20-year period of the grant, and cannot be moved elsewhere to another account. Mr. Ferguson asked if the county would get additional profits from the airport. Mr. Ellington said no. The county as the sponsor of the airport is responsible for the collection and administration of the money, but it "has got to remain on the airport." The town, if it's not a sponsor, will not profit from the airport. They would only receive revenue if they were an owner of the facility, and they currently are not. It is owned by the county.

Mr. Laughlin said he believes improvement of the airport is important to the future economic well-being of Hilton Head Island to attract the affluent and business travelers. He thinks it will be important to enhanced property values, and it would be "irresponsible to do nothing." If this opportunity is missed, they might not get it again. However, he's not convinced, based on current information, that it's necessary to go beyond 5000' and it may never be. The impact on surrounding property owners dictates that they not make a decision based on speculative thinking. He intends to vote for the resolution.

Mr. Heitzke said he's learned that when faced with difficult decisions, it should be broken down into small pieces and not made until it's absolutely necessary to do so. He had supported the idea of a 4600' runway, but he "is ascertaining that that is out of the window as an alternative," so he will support the 5000' alternative and make clear that the 5400' option is "far out in the future."

Mr. Safay said he shares concerns about the economic future of Hilton Head Island, but he is convinced that the boundaries of the existing airport don't need to be increased. He's concerned that "the next argument that will come up" if they go to 5000' will be that they really need to go to 6000'. He suggested a compromise of going to 5000', which should be "more than sufficient to ensure commercial service into the future." He won't vote for the resolutions tonight, but if they are not passed, he would reintroduce a new resolution capping the expansion at 5000'.

Chairman Newton read from a press release from Delta released at 4 pm in which Delta announced that they would discontinue seasonal service November 1 to Atlanta from Hilton Head Island, "due to poor performance of the route." They will continue service at the Savannah airport with daily non-stop flights to its hubs in Atlanta, Detroit and La Guardia. The decision to terminate service at Hilton Head Island and three other regional airports is part of an effort to retire turbo props and small fleet aircraft, according to the press release, and the Hilton Head airport doesn't accommodate other aircraft.

Mr. Caporale said the word "minimal" had been added to the resolutions with regard to land acquisition, and he asked a Talbert & Bright consultant to clarify what is meant by minimal. Mr. Ellington said to bring the airport into compliance they will need to purchase 4 parcels of land on the south end. To extend the runway to 5000', on the north end, portions of 3 parcels of land would be required. Mr. Caporale asked for an estimate of the cost of acquisition. Mr. Ellington said possibly \$8 million and explained how the figure was obtained. Mr. Caporale asked if the FAA would fund 95% of that, and Mr. Ellington said yes, if the money is available. Mr. Caporale suggested that the dollar figure could be inserted in the resolution instead of "a term as vague as 'minimal'." Mr. Ellington said it's approximately 10 acres.

Mr. Caporale asked Mr. Ellington about regional jets being able to land on a runway with 4597' of landing length, referring to Mr. Baer's figures stated earlier. He asked if that statement was accurate with respect to the CRJ. Mr. Ellington said Talbert & Bright takes exception to Mr. Baer's statement. That is an airline decision, as to how they want to operate their planes, but their calculations show that regional jets can land on that amount of landing with limited loads. Mr. Caporale asked if Mr. Ellington had a guess about what airlines might be serving Hilton Head Island airport in four years (hypothetically) when then 5000' runway is complete. Mr.

Ellington said some limited regional jets and turbo props could service the facility. Within 600 miles, there are 12 airline hubs, and as the runway is lengthened, “those come into play.”

Mr. Baer told Mr. Ellington that Talbert & Bright has been asked for load factors and lengths and aircraft types by calculation, and has not given those numbers when requested to do so four times. Mr. Baer said he looks forward to seeing the data to back up the statement Mr. Ellington just made. Mr. Baer added that in the Talbert & Bright, he had counted 14 properties for a total of \$8.75 million that would be acquired to get to the 5000’ runway. Mr. Ellington clarified that several owners may own a single parcel, and the answer he’d given was 7 *parcels*.

Mr. Stewart said he’s convinced that the expansion of the airport is very important to the economic well-being of Hilton Head Island and the county. Passing the resolutions is “keeping our options open.” To not move forward “would be very wrong” because they would take themselves out of the running for FAA funding. There will be “plenty of opportunities for more information” as the process unfolds, he said, and there will be plenty of time for further discussions and decisions. They have yet to get the actual grant, at which time they will have to go out with bids, select contractors, etc. No final decisions will be made for some time. He’s going to vote for the resolution “to keep our options open.”

Mr. Safay said the Delta announcement “is another reason it’s impossible to predict what the airlines are going to do.” He said he’d be curious to know the lengths of the runways in the other airport where service was stopped, since they must have lost service despite having longer runways than Hilton Head Island’s. He feels a “philosophical decision” needs to be made. He’s in favor “of passing something tonight so we can get on with it,” but they should decide if they stay within or extend beyond the current airport footprint. Going outside that creates an exponentially greater cost both financially and to the community. He believes the 5000’ expansion and tree-cutting will enhance the capabilities of regional jets and private aircraft. He would have preferred 4600’ but compromises on this and urged others to support a cap at 5000’.

Mr. Ferguson wondered, if the runway were extended to 10,000’, if Delta would come back and resume services. Chairman Newton said he had only shared the information when it was made available to him, and he wanted the members of the councils to have the information. He didn’t read it in support of or against the resolution. He said he wouldn’t presume to speak for Delta Airlines in response to Mr. Ferguson’s question.

Ms. Von Harten said, in answer to Mr. Ferguson’s question, that “everything now is determined by computer algorithms,” so a larger runway means larger planes which means each seat is less

expensive, and they might sell more seats at Hilton Head Island if they had a larger runway, but they can only speculate.

Mr. Harkins hopes there will be serious reflection on the intent of the Talbert & Bright master plan, which he said is to provide the highest probability of commercial service in the future. Talbert & Bright suggested Alternative #2, which gives the ability to move to 5400' if it's warranted. He thinks the community will be sold short without this flexibility to expand the runway further. He said this is "a one-time chance," and it will go away "if we don't embrace this today."

Mayor Peebles said that in resolution 6B, the LMO change would go to the planning commission, then go through two readings at town council, so this meeting's decision isn't the end of this matter. Town council can still restrict it to 5000'. He supports the 5400' option for flexibility. This needs to be approved "to get the FAA on board and maybe get funding." He doesn't feel going straight to 5400' is an option and pointed to "what we're going through legally just to get the trees cut." He said "We need to get what we can get as quickly as we can get it," which means staying on county-owned land for now. He said this is a 20-year plan. He feels that the 3-3.5 year estimate Mr. Ellington made for beginning construction was "as optimistic as you can be" because "there will be legal battles all the way," and to minimize those, Alternative #2 is the best idea. He hopes they approve all of the resolutions.

Mr. Glaze said he is "100% terrestrial" in his travel habits, so the airport doesn't affect him. Listening to the public comments, he counted 28 people against the expansion and 8 in support of it. He is concerned about the discrepancies in the runway lengths in the "Whereas" clauses in two of the resolutions. He's definitely opposed to the 5400' runway, and thinks the 5000' might be a compromise for the 4600' since that's not presented as an option. He doesn't like "the 5400' being in there anywhere." He also is concerned about "the shelf life of this plan." Several council members have stated that if this isn't supported today, it goes away. He asked if there would be several readings on the matter. Chairman Newton said the resolution to support the master plan is a single action. Mr. Glaze reiterated his concern about the 5400' option and said he cannot support it as written.

Mr. Safay said he'd like to speak in support of what Mayor Peebles had said. He agrees that it should be done within the boundaries of the airport, and if they do, there will not be the kinds of legal problems that they will have if they go further. He differs with Mayor Peebles in that he feels the community needs to be assured that 5000' is "the end of it." If they keep the possibility of 5400' in play, they open the door for "a level of expansion that I do not approve of." Mr. Safay feels that the sixth "Whereas" clause in the town's resolution essentially says

that the town council agrees with the joint resolution, which provides for the 5400'. He asked that they consider taking that paragraph out of the town resolution.

Mr. Rodman continued his example of two tourists, which had ended when his time was called. His point was that the happier traveler would come back to Hilton Head Island and possibly bring a business or property. He believes, in regard to the commercial piece, that the planes will be less noisy, and there will be no more flights than they have today. He feels it's short-sighted to gamble on going to less than 5000', assuming they can use turbo props. He said time is of the essence, and the Delta announcement reinforces that. The county should get on with the design, perhaps even while the master plan is going to the FAA. He asked the Talbert & Bright consultants if the master plan were backed down to 5000' if there were a risk of it being rejected by the FAA. He was under the impression that if they don't list options, they might have to go to a new master plan. Mr. Ellington said he thinks Mr. Rodman's "analysis is correct." They have been consistent with 5400' in a two-stage process, and the FAA and the airlines have supported that. There could be a risk in backing it down to 5000' in terms of the 20-year plan.

Mr. Baer said the figures show an 8.8 acre increase in the noise zones, which disproves the theory that bigger is quieter. He went on to suggest that with Delta gone, it will probably be better for US Air, who will absorb the Delta passengers. And with the Q400 at a 4600' runway, they will have 100% load factor, so it could be an economical single-airline service. He added that Delta had only been on Hilton Head Island for 3-4 years, so he doesn't feel "we should let the tail wag the dog." He said that the council should control what goes on in their communities, not "an FAA bureaucrat in Atlanta." And if it is the FAA person who's making these decisions, "we need to go over his head," Mr. Baer said, because he has read him vacillating through letters and e-mails "to the point where it's political manipulation."

Mr. Stewart asked Mr. Ellington to confirm that if the resolution were passed for 5000' instead of 5400', they would be taking the master plan to 5000'. So if they decided they needed the 5400', they would have to go through another master planning process. Mr. Ellington said that's correct. Mr. Stewart said the master plan is paid for and very good. He feels they should "keep their options to the maximum." A lot of things will change that they have no concept of now and doing so would keep them in control without having to waste what's been done and have to go back to the table. The town still has control of the LMO at 5000'.

Mr. Safay said he believes in keeping options open, but doing so on this kind of plan sends a message to the surrounding community and residents elsewhere on Hilton Head Island that in five years they may or may not decide to extend the runway, and "you're just going to have to live with that" and its potential effects on property values and quality of life.

Mayor Peeples said the two councils will vote on 6A jointly, then he will run the vote on 6B, so if there are amendments to be proposed, that would be the time to do them. Then the vote on 6C will follow, by the county only.

Mr. Ferguson said there have been references to “the type or financial qualification of people that we are trying to attract to Hilton Head Island,” and he wanted to say for the record that he does not discriminate: He welcomes anyone who has the funds to build on Hilton Head Island.

Mayor Peeples said there has been an issue about 6-laning Highway 278 from the Cross Island Parkway to the bridges. His position has been to go about it systematically and to create the possibility to do it, if they needed to, in the future. They hope not to have to do it, but they need to be prepared to do it if it’s necessary, and that’s the approach the resolutions on the master plan take, too, in his opinion.

Mr. Harkins endorsed what Mayor Peeples said and suggested a vote. Chairman Newton said he couldn’t yet call the question because Ms. Von Harten wanted to speak, and he wanted to ask Mr. Ellington a few questions.

Ms. Von Harten said they would be “betraying the people who live at the north end of the runway if we agree to go to 5400’.” She feels they’ve been told “we’re going to go this far and that’s all,” before, and she is concerned about people losing “faith in their government when they’re lied to.” She added that the county is “in the hole” approximately half a billion dollars as far as infrastructure goes. The 2.5% that the county would be responsible for paying “is money we do not have.” As far as economic development, it would not be catastrophic not to have commercial service on Hilton Head Island, as Savannah is so nearby. There are numerous possibilities for the future that don’t necessitate airport expansion. She said there are also “big holes in the data.” She went on to say that she has concerns about “crashholes,” a term she coined to describe influential, affluent people who come to Hilton Head Island to spend money but don’t respect the culture or feel that Hilton Head Island is “a place to be lived in and loved.”

Chairman Newton asked Mr. Ellington to explain what the next steps are relative to the master planning process. Mr. Ellington said the master plan is prepared to help the sponsor make decisions on airport planning for the next 20 years. It compiles historic data and Talbert & Bright’s best information in a document to show “potential development areas” so leaders have information to make decisions on things that may happen in the future. The next step needs to be implementation of the projects they want to proceed with. The runway, for example, will require a thorough cost-benefit analysis because of FAA policy. An extensive environmental analysis will also need to be done, which will take 18-24 months. Non-compliant features at the airport will be required by the FAA to be fixed; in this case it will require acquisition of property

and other matters. It could take longer than 3.5 years, depending on what happens with these factors plus possible litigation. The design can start during this time, but these other steps will have to be completed before a grant will be given. Some things that could be done on the airport that either don't qualify for federal funds or only partly qualify could be done, such as parking lot expansion or hangar-building. Local rules and regulations would be followed for these types of things.

Chairman Newton reiterated what Mr. Ellington had said and concluded that this is just the beginning, and that at any point they could determine that they will continue to move forward or not in the process. Mr. Ellington agreed and said he's concerned that some of the councils' members are "looking at a bottom line number for every piece of the master plan." Some things won't need to happen "until Year 15." These things could be - but probably aren't - immediate needs. To ask for those things in a grant, they need to have gone through the process as part of a master plan, so if those things might be considered in the future, they need to be shown on the master plan for granting purposes.

Chairman Newton agreed that "doing nothing is not an option." He believes it's important to the economic future, and that a 5000' phase one is a responsible approach that leaves open the possibility of going to 5400' if it's determined to be necessary by the community and respective councils in the future. After the votes, he will ask the county council to pass a resolution to formalize the relationship with the council and the Town of Hilton Head Island "approaching this airport." This would be to ensure that there would be no future land acquisition or further master planning efforts without the county formally consulting the Town of Hilton Head Island. They will make better decisions if they work together on this community asset.

Mr. Baer said while "that's a wonderful idea in spirit," he recalled a resolution "casting in stone" the runway length at 4300'. He said "a resolution is a piece of paper and can be rescinded at a moment's notice."

Mr. Heitzke requested the following changes to the joint resolution: in the ninth "Whereas," where it says "resolutions that may be in conflict with this plan," he suggested adding "for Phase one of Alternative #2" for clarification. Similarly, in 1) of the resolution, he suggested that it read "IN CONFLICT WITH THIS PLAN FOR PHASE ONE OF ALTERNATIVE #2." Mr. Harkins asked if this removes the 5400' as part of this approval.

Mr. Heitzke said it does not. It only clarifies what the plan is. Mr. Harkins said he thinks it's confusing and respectfully suggested not making the change.

Mr. Riley said what Mr. Heitzke is trying to accomplish does not eliminate the option of 5400' per the master plan. The next resolution directs the town to do what Mr. Heitzke would ask them to insert. It is also already stated in subsection 3 of the joint resolution. While it may be unnecessary, "it reinforces the master plan and reinforces Alternative 2 and says we're moving forward with Phase 1 and doesn't compromise your options whatsoever."

Chairman Newton asked the maker of the original motion, Council member Paul Sommerville, if he agreed to the proposed amendments.

The maker of the motion, County Councilman Sommerville, and the second, Town Councilman Harkins, were not satisfied with the change.

Joint County Council / Hilton Head Island Town Council Resolution

It was moved by Town Councilman Laughlin, seconded by Town Councilman Ferguson, to amend the motion by substituting "Alternate 2, Phase 1" for the word "plan" in the stated "Whereas" and the "Now therefore" sections of the resolution. Town Council vote to approve: Mayor Peeples, Mr. Heitzke, Mr. Laughlin, Mr. Harkins Mr. Williams, Mr. Safay, Mr. Ferguson. County Council vote to approve: Mr. Caporale, Chairman Newton, Mr. Rodman and Mr. Stewart. County Council vote to oppose: Mr. Baer, Mr. Dawson, Mr. Flewelling Mr. Glaze, Mr. Sommerville and Ms. Von Harten. The motion to amend by substitution failed.

Vote on the joint County Council / Hilton Head Island Town Council resolution -- to adopt the joint resolution modifying the: (i) third "Whereas" clause, language consistent with the master plan would necessitate the use of "a family of aircraft" instead of "a class of private planes." (ii) fifth "Whereas" clause, it says in the first phase, "requiring no land acquisition" should be "minimal land acquisition" and "no relocation of roads." County Council vote to approve: Mr. Caporale, Mr. Flewelling, Chairman Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart. County Council vote to oppose: Mr. Baer, Mr. Dawson, Mr. Glaze and Ms. Von Harten. Town Council vote to approve: Mayor Peeples, Mr. Heitzke, Mr. Laughlin, Mr. Harkins, Mr. Williams. Town Council vote to oppose: Mr. Ferguson and Mr. Safay. The motion to adopt the joint resolution passed.

Hilton Head Island Town Council Resolution

It was moved by Mr. Ferguson, to amend the motion by substituting in the third "Whereas" as to the size of the runway. The motion died for lack of a second.

Vote on the motion to adopt the Hilton Head Island Town resolution -- to adopt the resolution including modifying the third "Whereas" clause, language consistent with the master plan

would necessitate the use of “a family of aircraft” instead of “a class of private planes.”
Approve: Mayor Peeples, Mr. Harkins, Mr. Heitzke, Mr. Laughlin and Mr. Williams. Oppose:
Mr. Safay and Mr. Ferguson. The motion to adopt the resolution passed.

County Council Resolution

Vote on the motion to adopt the County Council resolution -- to adopt the resolution including
modifying the third “Whereas” clause, language consistent with the master plan would
necessitate the use of “a family of aircraft” instead of “a class of private planes.” Approve:
Mr. Caporale, Mr. Flewelling, Chairman Newton, Mr. Rodman, Mr. Sommerville and Mr.
Stewart. Oppose: Mr. Baer, Mr. Dawson, Mr. Glaze and Ms. Von Harten. The motion to adopt
the resolution passed.

Chairman Newton asked for a motion to the effect that Beaufort County would not proceed with any future land acquisition or future master plan efforts for the Hilton Head Island airport without formal consultation with town council.

It was moved by Ms. Von Harten, second by Mr. Flewelling, that County Council will not
proceed with any land acquisition or future further master planning efforts at the Hilton Head
Island Airport without the formal consultation of Town Council.

Mr. Caporale made some summarizing statements about the votes and the process that evening.

Mr. Stewart said, regarding the resolution, that he thinks it’s appropriate and in the “spirit of working together.”

The vote: Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr.
Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion to adopt the
resolution passed.

Mayor Peeples thanked county council and Chairman Newton for the resolution.

Adjournment

There being no further business, the meeting was adjourned at 10:31 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

Ratified:

By: _____
Wm. Weston J. Newton, Chairman

Official Proceedings
County Council of Beaufort County
November 29, 2010

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

The regularly scheduled meeting of the County Council of Beaufort County was held at 4:00 p.m. on Monday, November 29, 2010, in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman Hebert Glaze gave the Invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD NOVEMBER 8, 2010

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council approve the minutes of the regular meeting held November 8, 2010. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling and Ms. Von Harten. The motion passed.

PUBLIC COMMENT

The Chairman recognized Mr. Tommy O'Brien, a Burton resident, who stated, "Contractor picks up dinner tab." Maybe nothing shady went on; maybe something shady did go on. We should always avoid the appearance of anything improper at all cost. None of you should have gone and taken dinner from a contractor on which you are going to end up possibly voting to give a contract to -- should not happen. With everything else that has happened in the County in the past 18 months or longer, Clerk of Court's office issues, Treasurer's Office issues, you want this County to look good. It looks like they are doing everything correctly, above board, with full sunshine and then this comes out in the paper. Gentlemen, for shame those of you who went; for shame, those of you who took the dinner. It should not have happened. You ought to spend your time coming out looking at some of the hideous construction work being done along

Highway 802 in Shell Point. But, no, you got time to go to dinner, some of you with a company that you might give a contractor to oversee the construction that you have already pulled the contract from another contractor. For shame, you ought to know better than that.

Rev. V. A. Young, a Seabrook resident, stated it has been sometime since he was last here. Some very serious issues have come up that have brought him here this afternoon. This year Council is putting a road in right next to his house. The tractor that comes through there has shaken his house two or three times. He does not appreciate that. A few years, when they paved Young Circle, they came through there with a tractor and they did not touch his house. And both roads are adjacent to his property. He does not appreciate it. He made a few calls. He spoke with Mr. Newton and he gave him a promise. He has not heard any more since he gave him the promise. An engineer has reviewed the site. The contractor has left debris on the state highway. A contractor broke a cornerstone on property located on Patterson Drive. As of today, the cornerstone has not been replaced. He and all taxpayers need to be treated right. When we address Council, we get no response. He called last week to talk with the County Administrator. He has yet to receive a response from him. That is not looking out for the citizens of Beaufort County. He needs an answer immediately or he will go further. It is not a threat; it is a promise.

Mr. Dawson asked if staff would help Rev. Young rectify his problem. The Chairman asked Mr. Rob McFee, Division-Director Engineering and Infrastructure, to assist Rev. Young.

Mr. Reed Armstrong, representing the Beaufort Office of the Coastal Conservation League, expressed support for the County's position on the total maximum daily load (TMDL) proposal for the Okatie River. The issue seems to be that the TMDL document basically sets the standards for stormwater permitting that DHEC will do for new projects in the watershed. This seems to be contrary to what the County guidance is for stormwater permitting. He expressed support for the County's support on this issue.

Mr. Aaron Crosby, a Daufuskie Island resident, thanked Mr. Morris Campbell, Division-Director Community Services, and Mr. Dave Thomas, Purchasing Director, for their prompt attention regarding Daufuskie Island ferry prices and services for next year. However, we are not doing enough to address a strategic solution with a large, long-term picture of perhaps a regional bi-state ferry system. The Daufuskie Island Council is ready and willing to meet with appropriate members of County staff and Council to get that process started. As Mr. Kubic has said in the past, "Working on the County solution is the number one issue that the County can do to stabilize property values on Daufuskie." Regarding the CIP process, two weeks ago at a meeting of the Daufuskie Island Community Preservation Committee, a member of the County planning staff announced that projects for the CIP needed to be turned in by that Friday. Mr. Crosby registered his strong dissatisfaction with this process. The recently approved Daufuskie Island Plan recognizes numerous capital projects that will need to be addressed at some point. Roads and acquisition of rights of way is another CIP effort that can be broken down into smaller projects. We have committees dedicated to working on these Island issues. We would have greatly appreciated the opportunity to work with County staff and prepare some of these projects for consideration as part of the CIP process. We may have missed the process to be actively

involved in the CIP process for this fall, but it is our expectation that somehow we can work out a process with staff whereby next year we are formally and actively involved in this process.

COUNTY ADMINISTRATOR'S REPORT

The County Channel / Broadcast Update

Mr. Gary Kubic, County Administrator, announced The County Channel will be videotaping the Beaufort High School Winter Concert. The concert will be held at the Beaufort High School Performing Arts Center on Wednesday, December 1 and again on Thursday, December 2 at 8:00 p.m. The County Channel will record the concert for payback later next week.

The County Channel will be front and center at this year's Bluffton Christmas Parade. The parade will be Saturday, December 4 at 11:00 a.m. The parade begins at the corner of Prichard and Bridge Street and ends at Oscar Frazier Park. The County Channel will be on hand to catch all the action and provide an on-air emcee. The broadcast will be taped and re-aired Sunday, December 5 at 8:30 p.m.

Three-Week Progress Report

Mr. Gary Kubic, County Administrator, submitted his Three-Week Progress Report, which summarized his activities from November 8, 2010 through November 26, 2010.

The Asa C. Godowns, EMS Professional of the Year Award

Mr. Gary Kubic, County Administrator, announced Ms. Jennifer Cespino has been honored by the Harmony Masonic Lodge for her work as paramedic. Jennifer earned The Asa C. Godowns, EMS Professional of the Year Award, which is named for the County's late EMS Deputy Director who served for more than 24 years and who lost his life in an automobile accident in March 2001. The award is given annually to an EMS professional who has demonstrated outstanding contributions and excellent service to the citizens of Beaufort County.

Okatie River Total Maximum Daily Load (TMDL)

Mr. Gary Kubic, County Administrator, commented this issue pertains to the County's standards at the Okatie River and how those standards were addressed by the State of South Carolina and DHEC.

Mr. Dan Ahern, Stormwater Manager, gave a PowerPoint presentation on the background of the Stormwater Management Utility reservations and risks on the Okatie River total maximum daily load (TMDL).

What is a TMDL. TMDL stands for total maximum daily load. It is an analysis to determine maximum pollutant load a water body can receive and still meet water quality standards. It is a requirement to be developed for all impaired waters that the state lists on their impaired waters'

list. The only other TMDL in Beaufort County was for oxygen levels in the Beaufort River that was developed for implementation of B/JWSA's discharge to this river. Council has been provided some additional information on TMDLs from the EPA website.

Okatie River Problem. The problem is the upper reaches of the Okatie River have seen elevated fecal coliform levels above the stringent standards set to protect human consumption. Shellfish harvesting measurements at monitoring stations must average below 14 colonies/100ml and no more that 10% greater than 43 colonies. Since three stations were above this standard, these waters were closed, and, as a result, listed as impaired on the 2008 state impaired waters' list.

Okatie TMDL Issues: Lack of load analysis. The definition of a TMDL is an analysis to determine a maximum pollutant "load" a water body can receive. This TMDL says that it is difficult in this watershed since current concentration at Station18-08 is double the standard. The TMDL requires a 50% reduction in concentration at this station. This is not determining a "load" as expected in a TMDL.

Allocation of loads. There are four jurisdictions within this TMDL watershed boundary. When a TMDL determines a "load", this allows for negotiation and allocation among the various jurisdictions. For example, a load for one of the reaches could be established at 10 billion fecal coliform units and the current load is 21 billion fecal coliform units. Then jurisdictions contributing to this reach could agree on an allocation of the needed 11 billion fecal coliform unit reductions. A concentration reduction does not allow for this and this was one of the initial comments on the draft TMDL.

Responsive summary made implementation issues worse. In responding to the initial comment we think the State made the situation worse. In response to problems we raised, DHEC came up with a bad solution. It could now drive solutions that would meet TMDL as written, but not solve the problem. Load = concentration x volume. This again is requiring the way we were controlling stormwater discharges before the Volume Control Ordinance. As an example, Sun City, based on their monitoring, is contributing about ten percent of fecal coliform load to the watershed draining their Okatie watershed. Reducing their concentration by 50% will only lead to a 5% reduction from the watershed.

Impervious surface impacts on water quality. DHEC would not consider an impervious cover-based TMDL even though the EPA is endorsing this type of TMDL as innovative. The State is considering this for aquatic life TMDLs. This is the final issue and was proposed in our appeal. We have heard considerable input from our scientific and environmental community on the relationship of impervious surface and its impact on water resources. This has recently been championed by Dr. Fred Holland, who served as Director of the National Oceanic and Atmospheric Administration's Hollings Marine Laboratory until his retirement in 2008. Since 1998 the County had adopted water quality goals based on impervious surface. It was very disappointing that the State told us in a mediation session that they are considering these types of TMDLs but only when there are aquatic life violations and "cannot" do this for fecal coliform TMDLs. Based on what we are hearing from fishery scientists like Mr. Al Stokes, Director of

Waddell Maricultural Center, excess stormwater volume may be a bigger issue to “aquatic life” than closure of shellfish harvesting.

History of TMDL. January 2008 TMDL started, March 2010 draft issued, June 2010 County comments, October 8 Notice of DHEC Decision, October 21 appeal by Stormwater Utility, November 1 mediation session, November 10 DHEC Board decision and November 15 notification. As reported to us by DHEC since the DHEC Board declined to hear our appeal, the TMDL is being sent to EPA in Atlanta. The 30-day clock to take action is progressing from the November 15 notification letter.

Okatie TMDL Risks. Source concentration reductions will not restore watershed uses. County retrofits would not reduce source concentration. Expected stormwater permit will place requirement / liability on the County to implement TMDL. Various jurisdictions will approach implementation differently. Staff is not recommending further action at this time since we do not face any risk and we can continue our planned retrofits and 319 Grant volume reduction efforts to restore the watershed. We will recommend that action be taken when National Pollutant Discharge Elimination System (NPDES) stormwater permits are proposed to the County. These permits will mandate implementation of the TMDL and we will need to appeal percentage reduction only requirements of the TMDL. Hopefully, by then the State will have a better understanding of stormwater volume and impervious cover-based TMDLs.

Mr. Ladson Howell, Staff Attorney, stated he and Mr. Ahern attended a mediation of sorts with senior members of DHEC staff which included legal representation of DHEC to discuss this issue very candidly and we did. Their particular action, as voiced by them and that is what we asked them to put in writing, was predicated upon their compliance with the Clean Water Act (Act). In other words, a Congressional requirement of the terms of the Act, a TMDL has to be created when you have impaired waters. They state, unequivocally, that they had met minimum standards of that particular Act and requiring us to do this TMDL they were not equipped nor would they implement what Mr. Ahern and his team had suggested and that is dealing with impervious surfaces and dealing with volume of stormwater. Mr. Howell’s assessment of the issue from a layman’s standpoint is that this is an issue where government, and in this particular instance state government, is not willing to step up the advanced technology that may be available for us to deal with some of our pristine waters and bring them back into compliance. There is some comfort in the fact that they applauded us for implementing this standard and applauded Mr. Ahern. But they said they are not willing to make that a requirement of and to alter the legal requirements of the TMDL to include volume and they were not required to that under the guidelines of the Act and, of course, they were not going to do it. They did tell us that they would write a letter outlining these facts after the approximate hour long mediation. They apparently, upon legal advice, decided not to do that and simply sent it to the Board. There may be some feeling why don’t we just go ahead and appeal the Board’s decision not to even hear our appeal. The problem with that is, and Mr. Ahern touched on it a little bit, in layman’s terms, from a legal standpoint, if the County decides to appeal, we would go to the Administrative Law Court. Mr. Howell’s opinion, however, we have not reached the point where there is a justiciable issue. In other words it is not ripe for litigation at this point and it is not ripe for

appeal because the only thing that triggers whether or not we can comply with the TMDL is our application for a permit two or three years hence from now.

Mr. Howell recommends to Council and has already recommended it to Mr. Ahern, that we not appeal. It is simply a waste of time, effort and, more importantly, taxpayers' funds to go on and appeal, when, frankly, there is not a justiciable issue at this point in time. This was simply an arbitrary issuance of a requirement DHEC placed upon us that is going to happen at some point in the future. They asked us to be a part of it and did we object to it. We did. They listened to us, paid us no heed and now we will have to wait until it is ripe and that time is when we ask for a stormwater permit. That could be two years from now or four years from now. It is undetermined as to when that could be.

Mr. Newton stated the comment, "when we ask for a stormwater permit" is it relative to retrofitting of existing systems? Mr. Howell replied in the affirmative. Mr. Ahern can explain the permitting process and when we would ask for that.

Mr. Ahern replied the permit would be a permit that said we had to manage stormwater in the unincorporated County or the designated area. We would then be responsible for overseeing the requirements for that, but DHEC requirements would be responsible for that and also responsible for implementing any regulatory requirements including this TMDL.

Mr. Newton asked, "Can we seek reconsideration instead of a formal appeal"? Is there a methodology to where we might ask the DHEC Board to reconsider and perhaps elicit members of our Legislative Delegation?

Mr. Howell replied we can certainly ask the question. There is no written provision for reconsideration (like there is in a normal appeal as Mr. Newton is aware of) when going through the court system, because you are dealing with an administrative appeal to an administrative board of the state. There is no mention in the rules for a motion for reconsideration, but we can write a letter and ask for reconsideration.

Mr. Newton said they applaud us for doing good work to try to protect our waterways. However, since the Act does not require it, they are going to adhere to the minimum requirements we have rather than looking at doing something that is, perhaps, more protective of our waterways. Government is getting in its own way.

Mr. Howell said that is about it in a nutshell. Moreover, it makes it even more frustrating when you consider that other counties and other jurisdictions will not apply the new technology. One of the reasons why Mr. Ahern and his team wanted to change this TMDL, was that it would be applied uniformly among other jurisdictions because you realize our rivers are not affected by the land area located in Beaufort County, but they are affected by other counties and other towns.

Mr. Newton commented in the absence of pursuing an appeal if there is no justiciable issue, there is a possibility of reconsideration by the DHEC Board and perhaps our Legislative Delegation might help in that regard.

Mr. Howell anticipated that perhaps that could happen. Council, audience and television viewers viewed a list of the names, addresses, and telephone number of the members of the DHEC Board, Legislative Delegation and DHEC office. If the public is so inclined, they can contact their representative about this most important issue. It is really an issue we are asking an administrative board of South Carolina to reach out for new technology as we have, not just applaud us that we are doing it, but join us as a partner so that we can try to protect our rivers. One of the more frustrating issues is, Mr. Ahern will tell you, we can pretty easily, probably meet this TMDL criterion, but you can meet it and it will still result in pollution of the river. Because you cannot control, number one, the other jurisdictions and, number two, we know the pollution is not coming just the outfalls. It is coming from the wetlands, the brackish areas where you get the most rainfall. Those are the areas where we have absolutely no control except we could control volume at our point of source.

Mr. Newton asked if there is a deadline for formal appeal to the Administrative Law Court. Mr. Howell replied 30 days.

Mr. Sommerville asked if OCRM, under their geographic areas of particular concern, could help us in this area. DHEC sounds like a one-size-fits all. They have a statewide regulation.

Mr. Howell replied OCRM is simply a division of DHEC. This same Board that made the decision not to hear the appeal is the Board for OCRM.

Mr. Howell has asked the Board for a copy of their reasoning in making their decision to be outlined to us. They indicated to us that they would provide that, but they did not. They chose not to. They were not required to. This was simply mediation. They were not required to reduce anything to writing. All of it was with a telephone conference with key members of DHEC staff and key members of our staff.

Mr. Caporale asked if this is a philosophical or scientific debate between the agencies.

Mr. Howell believes it is more scientific than philosophical. It is just the ability of an agency not to bend rules to try to adopt some new technologies available to them.

Mr. Caporale asked if, at some point, economics will enter into it as well. Do they give themselves to any more exposure if they change policy, or lean towards ours, or they take other interpretations?

Mr. Howell thinks they would take the position that they would open themselves up to criticism and, perhaps, appeals on the other side of this coin if they adopt more stringent measures or at least listen to what we have to say and not implement the TMDL until enough scientific data available to make a certainty.

Mr. Caporale commented there is a certain amount of expediency here. Their scientists are no better than the people they are relying on are no better than the people we are relying on. Correct?

Mr. Howell assumes that to be true. Yes, sir.

Mr. Newton remarked while it may not be necessary to do so it would certainly be appropriate to entertain a motion to ask Mr. Howell to send a letter requesting the DHEC Board reconsider its determination not to allow the County to present our issues relative to the TMDL – impervious surface and volume – and elicit the support of our Legislative Delegation.

It was moved by Mr. Sommerville, seconded by Mr. Stewart, that Council instruct the Staff Attorney to send a letter requesting the DHEC Board reconsider its determination not to allow the County to present our issues relative to the TMDL – impervious surface and volume – and elicit the support of our Legislative Delegation.

Mr. Rodman stated this is something that ought to be pursued because so much of the problem is outside of our direct control. Therefore, it is appropriate.

Mr. Newton asked if the County is within its 30 days. Could we perfect our appeal at the same time we are asking for reconsideration?

Mr. Howell replied we can go to the Administrative Law Court. Frankly, it would be dismissed for lack of justiciable issue.

Mr. Newton asked if we are required to file a formal brief or simply a notice of intent to appeal.

Mr. Howell replied we need to file the brief. He does not think the County should waste time and money on that phase of it, when the issue is not ripe for appeal from the State Board.

Mr. Sommerville commented if two years hence, somebody applies for a stormwater permit and DHEC grants them one, then they come to the County. At what point are we in conflict?

Mr. Howell replied the permit application will be from the County. Then the question will be whether we can comply with the TMDL. Then it will be a justiciable issue. This affects us as a County. This does not affect private enterprise.

Mr. Newton said the two could intersect.

Mr. Howell said they do intersect when we require less pervious surface and pavement. More pavement, whether in our jurisdiction or otherwise, creates more volume of runoff water. We have recognized that for years. It does intersect with the private development because when we place burdens on them, with regard to development, then that translates into an affect that the private development has. That is another one of the issues / problems -- Beaufort County's regulations are more stringent than other jurisdictions.

Mr. Sommerville gave the example -- someone in the Okatie headwaters wants to develop something and comes to the county for the stormwater permit, we say no because they are not in compliance with our regulations, they annex, go into the DHEC regulations and then off they go.

Mr. Howell replied that could happen.

Mr. Sommerville replied that is when the private sector starts gaming the system, potentially.

Mr. Stewart, following up on Mr. Sommerville's comments, said disregarding the fact of the annexation or going into a different jurisdiction, we can apply for a permit and meet the standards of DHEC they set forth and we can be more stringent than what they are in our application or implementation, can we not?

Mr. Howell replied in the affirmative. That was part of DHEC's arguments. But the part of the equation is that even if we do everything to the letter that is required, it does not protect our waters.

Mr. Stewart commented they are talking about a concentration. What we are saying is you beat the system by diluting. You just add more volume to reduce the concentration, but you are not solving the problem because the volume, itself, is what is adding to the problem. You can game the system by just diluting your effluent / what you are discharging as opposed to reducing.

Mr. Sommerville inquired of point source versus runoff. Where do you measure the concentration?

Mr. Ahern said when the County gets a permit, outfall pipes or ditches that we maintain become intermittent point sources and that theoretically would make a liability if that was above certain standards. Right now if it is running off a wetland or whatever. One of the problems we have seen in the May River and everywhere else we have tested, we have good clean water going into a natural waterway and coming out with high levels of fecal coliform on the other end. Large volumes might be causing fecal coliform on the other side of that natural way. You may not be a source of the fecal coliform; you may be a cause of that fecal coliform going into that watershed.

Mr. Newton said clearly adopting volume controls in our County ordinances, has demonstrated that we do not believe the state's minimum standards are sufficient.

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

DEPUTY COUNTY ADMINISTRATOR’S REPORT

Three-Week Progress Report

Mr. Gary Kubic, County Administrator, submitted the Deputy Administrator’s Three-Week Progress Report, which summarized his activities from November 8, 2010 through November 26, 2010.

U.S. Highway 17 Widening

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the U.S. Highway 17 project is a design-build contract for the widening of six miles of divided highway and major intersection in Beaufort County. The contractor is Phillips and Jordan of Knoxville, Tennessee. The project cost is \$100,471,305. The contract completion date is October 15, 2010. The project is 96% complete. The contractor continues to work on ramp 4 from US 17 north to US 21 at the Gardens Corner interchange. Paving and landscape work is underway.

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

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

S.C. Highway 802 Roadway Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of 5.2 miles of SC Highway 802 (two sections). The contractor is Sanders Bros. of Charleston, South Carolina. The cost is \$10,852,393. The completion date is December 2010. Final asphalt surface was placed on the Lady’s’ Island section from Meridian Road to US Highway 21. Shell Point grand operations continue and asphalt base operations have begun.

Mr. Glaze asked Mr. McFee for his assessment on the SC Highway 802 project.

Mr. McFee replied state inspectors are on site on a daily basis, not our inspectors with Foundation and Material Engineers (F & ME). Certainly a road project is disruptive to local businesses. It is our daily hope that we minimize the disruption with local businesses. Insofar as the quality of the work, it is where it should be. The progress has been slower than we would have liked for a number of different reasons – weather, utility issues – are past most of those and we are going very hard to minimize the disruption businesses.

Mr. Newton remarked at the November 9, 2010 Council meeting there were questions raised about the inspections on SC Highway 802 and the bridge. There were questions raised about the timeliness of certain inspections relative to concert pours on the bridge, the pilings, etc. He wants to make certain staff has looking into all of those issues. We referred them to Public

Facilities Committee, but County staff has given Council all assurances that all appropriate inspections have been conducted with regard to the construction project.

Mr. McFee replied the quality of work being performed by Sanders and United is very good. We are moving forward.

SC Highway 46 and Simmonsville Road

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of SC Highway 46 to the Bluffton Branch Library and Simmonsville Road to Bluffton Parkway for a total of 2.15 miles. SCDOT is administering this project. The contractor is Rea Contracting of Columbia, South Carolina. The cost is \$7,503,367.03. The completion date is December 2010. Pipe placement and storm drain basin construction is complete on SC Highway 46. Asphalt base is 85% complete. Curb, gutter and sidewalk work is 95% complete. Simmonsville pipe placement is 98% complete.

Disabilities and Special Needs Adult Day Care Center and Administration Center

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a 25,000 square foot multi-use facility with client activity and program areas and administrative space. The contract is Emory J. Infinger and Associates of Charleston, South Carolina. The cost is \$6,436,974. The completion date is March 2011. Work on masonry walls are 98% complete. Installation of roof system and geothermal wells continues.

Hilton Head Airport Aircraft Rescue Firefighting Facility

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a 7,200 square foot facility with two equipment bays and administrative space. The contractor is Creative Structures of Knoxville, Tennessee. The cost is \$1,787,638.43. The completion date is March 2011. Exterior walls for the building are complete. Working on interior ceiling and vanishes.

US Highway 278 Resurfacing

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves milling and resurfacing of US Highway 278 on Hilton Head Island from Sea Pines to Pinckney Island. The contractor is APAC Southeast of Ridgeland, South Carolina. The cost is \$3,898,690.24. The completion date is March 2011. Resurfacing is complete. The contractor is working on shoulders and permanent markings.

Mr. Baer inquired as to the status of nailing down the price on Route 278 widening to SC Highway 170, including stormwater work on the new bridge.

Mr. McFee commented SCDOT is in the process of undergoing the advertisement for the additional monies that we were able to secure. Insofar as the bid estimate, at this point the cost

of the widening all the way out to SC Highway 170 for construction is approximately \$18 million. Beaufort County has the earmark and additional monies that we put up total around \$15 million. The \$5 million, we hope to secure in addition, put us at \$20 million. All right-of-way, all design work, all construction engineering inspection will be out of that pot of money. We are anticipating a total cost – all right-of-way, all design, all construction engineering inspection to be performed by the department somewhere in the area of \$22 million. Of course, the construction bid is the largest component of that. The bidding is expected in February 2011.

Mr. Baer comment the construction bidding has not happened yet. When can we expect to see an update of the spreadsheet which shows how much is going to actually have to be spent after this bidding and how much will be left to make sure we have all of the other projects funded that we knew were going to be funded per an agreement a year ago?

Mr. McFee replied Mr. David Starkey, Chief Financial Officer, is in the process of preparing that worksheet. The bidding is expected February 2011.

Mr. Baer commented sometime in February / March 2011 we should have an update of that spreadsheet and have a meeting of the Transportation Advisory Group.

Mr. Stewart referred to the bridge portion over the Okatie River. Has that been resolved insofar as the stormwater runoff and the environmental issues that were raised predominantly by the Town of Bluffton?

Mr. McFee replied both the Town of Bluffton and County staffs had reservations, because it had the possibility of deteriorating the waterway further. Given the County stance at this time, we dealt with SCDOT staff in Columbia and had very good discussions with them and they are in concert with us in the process of changing those plans so we have a more controlled discharge of those waters off the bridge to water quality unit. Those plans have not yet been finalized.

Mr. Stewart said there were also issues with the barrier point where the highway would divide there, *i.e.*, the aesthetic issues.

Mr. McFee replied the aesthetic issues are more difficult. It is still an open topic with regard to how we need to deal with the geometry that is required. Mr. Criscitiello and he met and provided SCDOT with some comments with regard to options for their review and feedback in enough time to incorporate aesthetic changes. We are not talking structural changes. We are not talking changes in project geometry. We are talking about what something looks like. What it looks like at the end of the project. It is going to be quite some time before the contractor actually builds that aspect of it. We have some time to deal with the aesthetics.

Mr. Stewart remarked the price is going up from \$18 million to approximately \$22 million. How does that impact or will that impact the ability to go forward with the widening of SC Highway 170 from US Highway 278 to the Bluffton Parkway.

Mr. McFee said at present we are forecasting.

Mr. Stewart said does that mean there is now going to a \$2 million to \$4 million shortfall or less monies for the SC Highway 170 project?

Mr. McFee replied at this point there is forecasting of about \$2 million. We will have to determine where we are going to allocate those funds.

Mr. Newton commented there are many berms that have been left along the side of the roadway up and down the highway from where the new surfacing went in. He asked Mr. McFee to inquire of the contractor as to the status of removing those berms.

May River Action Plan

Mr. Newton understands the Town of Bluffton is proceeding with engaging a consultant to develop an action plan with regard to the May River. This is the topic we talked about over the last two years. What is the pathway forward? How do we attempt to fix this problem and reverse the trend? It appears the Town has engaged a consultant to do that. He is aware the Town Implementation Committee has weighed in on this issue. Is Beaufort County plugged into the process?

Mr. Ahern replied the County is still coordinating with the Town and was invited to the kick-off meeting. This is the Action Plan for the 319 Grant the Town has that includes the whole watershed.

PRESENTATION / GENERAL PRINCIPLES OF REDISTRICTING

Mr. Bobby Bower, Director, South Carolina Budget and Control Board, Office of Research & Statistics, discussed the general principles of redistricting. Census data, at the state level, is expected December 31, 2010. Census Bureau must provide to The President state totals by December 31, 2010 for apportionment of the US Congress. Folks in the General Assembly are waiting to see if South Carolina is going to get the seventh Congressman. Sometime during the February 15 to March 15 timeframe, we will get the public law PL-94-171 data file, which is the data file everybody will use. It has unique data all the way down to the block level. That file will contain total population by race and voting age population by race. That will be the basis upon which you will use for developing your redistricting plan for County Council.

There are redistricting criteria Mr. Bowers encourages people to follow: (i) Adherence to the Constitutional requirement of one person, one vote (*i.e.*, mathematically equal districts), (ii) County Councils must adhere to state law of population variance under 10%, (iii) Adherence to the 1965 Voting Rights Act, as amended, (iv) Ensure that parts of districts are contiguous, (v) Respect Communities of Interest, (vi) Attempt to maintain constituent consistency, (vii) Avoid splitting Voting Precincts and (viii) Solicit Public Input.

Adherence to the Constitutional requirement of one person, one vote (*i.e.*, mathematically equal districts). That means that districts need to be as near mathematically equal as practicable.

County Councils must adhere to state law of population variance under 10%. In the counties case, the Home Rule Law of 1975 states that you must draw your districts. It used to say within a year; but now it says, within a reasonable time before your next election after the adoption of the next decennial census to a population deviation not to exceed 10%. That means anyway you can juggle the districts to come up with less than 10%. While lecturing at Duke University Law School several months ago, some of his colleagues from other states told him that it is now their interpretation the courts are going to be looking at a much closure deviation than 10%, probably in the range of 2% and 3%. Of course, the tighter you draw the deviation, obviously, the more you cut the County. If it should wind up in court, the court is mandated to draw it within about 1% to 1½%. For example, most people do not realize the present Congressional Districts, which were drawn by the court in 2001, vary only by one person, not by one percent. That was based on the 2000 census.

Adherence to the 1965 Voting Rights Act, as amended. In terms of the County plan, if you draw it with that criterion, then also you have look at the Voting Rights Act of 1965, which was extended to Year 2032. What that means is you cannot have retrogression in your proposed plan.

There are two types of retrogression. Retrogression means that the proposed plan does worse for minorities than the present plan. There is policy retrogression, where you adopt a plan that does worse for minorities. There is natural retrogression where population growth and population shifts make it impossible for you to do better than your present plan. Mr. Bowers stated that is probably going to be the position Council is in this time. Mr. Bowers has been told the new Chief of the Voting Rights Section, Washington, DC, is very much enforcement oriented and told that we need to look at everything in terms of following the strictest interpretation of the 1965 Voting Rights Act.

Ensure that parts of districts are contiguous. That means that each piece of every district must touch the district. You need to, if at all possible, avoid as many precinct cuts as you can. Although it is not as difficult now with computers as it used to be with paper, we can now use our GIS system and decide using a person's address what district they should be in. Mr. Bowers' office receives a very good center line file from Beaufort County. In fact, Mr. Bowers is going to be talking with County staff about some of the precincts that are 3,000, how we can split them even though we do not have a natural boundary to split them by, and assign the people to the right districts.

Avoid splitting Voting Precincts. Given the many districts Beaufort County has, it will be very difficult to avoid splitting precincts. Even though Senator McConnell issued a statement that required the counties not to split any precincts after 2009 because he wanted the voting tabulation districts, where we are going to get the census data, to be the same as precinct and because they are hoping to draw House, Senate and maybe Congressional districts by precinct as much as possible to avoid some voter confusion. Mr. Bowers stated it is important you have the voter assigned to the right election district. That is the important part.

Solicit Public Input. You must get as much public input as possible. The US Justice Department is very, very keen on public input at public meetings. Mr. Bowers is advising everybody in this process to document everything you do. Watch what you say as Council members because it will be on record. Document the entire process. We are looking at every one of them. Once we submit them to the US Justice Department, if they do not preclear them or somebody sues, we are going to be in court the next day. Everything we do we are documenting with the intent that we may be in court defending it the next day or presenting it.

Attempt to maintain constituent consistency. Beaufort County has an unusual task this time, unlike some of the counties. There are counties that have lost population on the projection for 2010. We have counties that have grown a little bit. We have counties like Beaufort County that have grown a lot, almost 30% according to the estimates, which means you are going to have some dramatic shifts in Council districts. There are districts that have grown substantially and districts that have not grown at all. That is not unlike some of our other counties.

Mr. Bowers took the liberty of looking back at the County's present plan. You had 120,037 people. You had two African-American Districts slightly over 50%, one at 50.11% and one at 56.51%. The other was an influence district with 40.28% African-American. You only have one of them with voting age population over 50% and that was District 6 with 54.82%. This is the chore Council has. If we stick with the estimate of about 155,000 people, each new district is going to need slightly over 14,000 people when you had right at 11,000 the last time. You have districts that have not grown, that have got to pick up growth, pick up an additional 3,000 people and you have districts that have just grown so fast.

Mr. Bowers also took the liberty at looking at voter registration statistics. Redistricting is based on total resident population. That is every man, woman and child who is in the County. Registered voters do not always follow that. He looked at registered voters by districts for October 1, 2010 which is pretty close to the census date. As an example, District 10 had 10,524 people in it in 2000. Now it has 10,911 registered voters. That should give you some idea how much it has grown. District 4 had 13,326 people in 2000. Now it has 14,635 registered voters. Those two districts have outstripped the growth so much faster. Even District 1 has 9,200. Then you get to some of the smaller districts. District 8, which had 10,516 people in 2000, now only has 4,000 registered voters. Obviously, District 8 has not grown like the other districts. Districts 5 and 6 are the other smaller districts in the same situation. It just happened that all three of those districts are represented by minority candidates. Your chore is going to be to try, as best you can, to protect as much as you can the minority candidates you have to get passed the US Justice Department. We have an issue with them right now regarding a school district. Mr. Bowers called them and asked them to send him the data file that he sent to them through the South Carolina Attorney General Office. Justice made him send a FOIA to get his own data back. They are gearing up in Washington, too.

School districts and cities do not have to redistrict like County Councils. State law only requires County Councils to redistrict. Mr. Bowers is recommending that they at least look at their city in terms of the Constitutional requirement one person, one vote and also minority representation to be sure that both are protected. We have some cities that have gone un-redistricted for the last

two decades. In voting rights litigation, if the plan prevails, the defendants have to pay not only all of their fees, but they have to pay all of the plaintiff's fees. When Charleston County went through its Section 2 violation, they spent more than \$3 million and lost all the way to the US Supreme Court. You can see the cost of litigation. His goal is to keep from having any litigation whatsoever. Before state budget cuts, we had already taken every county, city, school district and public service district and loaded it into our computer system with what we call "will be the present plan" and that will become the benchmark plan. When we put the new data on that plan, it becomes the benchmark plan the US Justice Department will view us by. We have the files ready to plug in the new census data so everybody can see where you stand population wise, racial percentage and then you go from there. That is the benchmark plan that you are required to furnish to them. Then they will look at that plan relative to what you sent them as the adopted plan. They will not give any advice. They will only review it once you accomplished a complete ordinance. The staff attorney will submit it. Anything that appears in the newspaper and materials you can get together to support your plan, needs to be part of your submission.

Mr. Bowers has worked in the past with Mr. Dan Morgan, MIS Director. The County is fortunate to have someone like Mr. Morgan on staff. Mr. Bowers is committed to helping Mr. Morgan and Beaufort County.

Mr. Newton thanked Mr. Bowers for briefing Council today. State law previously said we had to complete the process within a year. It has now changed to within a reasonable time.

Mr. Bowers commented a reasonable time is before the next Council election which is 2012. Council needs to have a process completed within a year and get it to the US Justice Department because they have 60 days to review it once you get it to them. Then, if they ask for additional information, they have 60 more days to review before they give you an opinion. They actually have 120 days. Council needs to jump on this project quickly. The Beaufort County Board of Education follows Council district lines. If the General Assembly decided otherwise, they could usurp that, change the law, and do whatever they wanted to with the Board of Education. The counties are responsible for the County. Cities are responsible for the cities. But two law cases – *Moye B. Coffman vs. Lexington County* and *Knotts vs. Aiken County* – determined that the General Assembly was the supersized School Board and any redistricting would be the responsibility of the General Assembly through their local Delegation. We have one school district by Local Law that has the right to draw their own district lines, which many people think is unconstitutional, but nobody has ever challenged it. The school district could change. Mr. Bowers will be talking to the cities in February 2010 at least advising them to look at where they are in order to avoid litigation. There are people out there looking for ways to sue cities and counties because, in a lot of cases, it is a revenue generator.

Mr. Newton remarked Mr. Bowers is going to get the census data by December 31, 2010.

Mr. Bowers replied that will only be state data that will go to The President. Then we will know if we are going to get a seventh congressional seat. Then we will get the Public Law file PL-94-171 which is used in redistricting. Somewhere between February 15 and March 15, 2011 is when we will get the massive file that has some 50,000 observations of data included.

Mr. Newton referenced the timeline used in the 2000 process. Council started working in April 2001 and completed the process September 2001 one year in advance of the 2002 election. That would probably be a pathway forward next year.

Mr. Bowers commented one year the Federal Court delayed the Primary for the State Legislature until August because they did not complete the process and get it out of court in time of the Voter Registration Board and Election Commission.

Mr. Caporale asked Mr. Bowers for his recommendation.

Mr. Bowers mentioned one other criterion. It is legally permissible to separate incumbents provided it does not adversely affect the one person, one vote or the voting rights of minorities. Council members should be interested in how their district looks. It is as important who you draw out sometimes as who you draw in.

Mr. Newton contemplates at the beginning of 2011, at the time we receive the census data, appointing a Redistricting Committee consisting solely of members of County Council. That committee would then adopt criteria that would drive the process. Adopt the schedule. Adopt the plans. Council members will meet individual with the MIS Director to review the plans and look at particular district issues. Council will be working with Mr. Bowers throughout the process to make those plans that are being recommended, attempt to fulfill as many of those criteria as possible, understanding US Justice Department Preclearance and then come before Council for a vote. Along the way there will be public hearings, public displays of the various plans and proposals at various sites throughout the county, the libraries and otherwise.

Mr. Newton asked if two members of County Council end up in a redrawn plan in the same district, but they are on different election cycles, what happens in that case.

Mr. Bowers replied at the earliest election, 2012.

Mr. Newton inquired of the fees to the State Budget and Control Office. He understands it is reimbursement of costs.

Mr. Bowers stated the service was provided free in the past. The Office will charge for mileage and minimal fees to assist.

Mr. Rodman understands we will keep the same districts for the Board of Education and Council unless the Legislature decides they want to do it differently.

Mr. Rodman inquired of the public hearing process and ordinance readings.

Mr. Newton replied the maps will go on display at public facilities throughout the county and a handful of public hearings will be held. But the prescribed public hearings will be held as part of

the ordinance reading process. It is his understanding the Board of Education will follow Council district lines, unless the Legislature changes their lines.

Mr. Baer inquired of water boundaries.

Mr. Bowers commented James Island in Charleston County has water boundaries and non-water boundaries they use for contiguous. You could have some minor water boundaries, but not major boundaries. It would not hurt if Council invited the Board of Education into the process so that they don't run to the Legislative Delegation and want it changed.

Mr. Glaze remarked Bluffton has experienced significant population growth while his district has seen a reduction in growth. Will district lines move north or south in order to keep his district whole?

Mr. Stewart commented his district represents a large retirement community. How is that going to affect his district? Mr. Bowers said this particular district will have a greater population over the age of 18 than in some of the other districts while some of the other districts have a larger population under the age 18.

Mr. Newton remarked constituency consistency is an appropriate criterion which means certain incumbents have rights to their districts.

Mr. Bowers replied you want some consistency on who you represent and your constituents want some consistency on who represents them as much as possible.

Mr. Sommerville inquired about District 7. Mr. Bowers replied there were 9,472 registered voters on October 1, 2010.

Mr. Rodman inquired about District 3. Mr. Bowers replied there were 8,142 registered voters on October 1, 2010.

Mr. Bowers stated South Carolina is one of maybe two or three states that have registration by race. When we make a submission package to the US Justice Department, on each district we have to send total population by race, voting age population by race, registration statistics by race and voter turnout, if possible, by race.

Mr. Baer commented if there is to be 14,000 per district and you add up the three districts on Hilton Head Island, implies the representatives have to expand into Bluffton.

Mr. Bowers said the three districts together would be close but it may need, depending upon registration to population, if they have a higher population than registration they would be alright. If they do not, they may have to come across into Bluffton.

PUBLIC HEARINGS

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO EXTEND THE 2010 SUNSET DATE FOR GREENHEATH PLANNED UNIT DEVELOPMENT, INVOLVING 97.80 ACRES ON LADY’S ISLAND, FOR AN ADDITIONAL TEN YEARS WITH CONDITIONS

AN ORDINANCE TO APPROVE A DEVELOPMENT AGREEMENT BETWEEN BEAUFORT COUNTY AND GLEASON PLACE, L.P., A SOUTH CAROLINA LIMITED PARTNERSHIP, PURSUANT TO SECTION 6-31-30 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED

The Chairman remarked tonight’s two public hearings are related with respect to subject matter. One is with regard to the ordinance for Greenheath Planned Unit Development and one is with the development agreement between Beaufort County and Gleason Place regarding the Greenheath tract. As these are related and unless there is an objection or problem taking the public hearings concurrently, Council will run those together.

Mr. Sommerville, as Natural Resources Committee Chairman, stated the two items are related. One ordinance pertains to extending the sunset date for Greenheath Planned Unit Development, involving 97.8 acres for an addition ten years subject to conditions: (i) Concurrent with this PUD action, the applicant shall address school deficiencies through a development agreement with Beaufort County. (ii) Improved access shall be provided between the development and Coosa Elementary. If golf cart type vehicles are envisioned for Greenheath residents, then connectivity to the school should allow for golf cart type vehicle access. (iii) The landscape buffer along Brickyard Point Road shall include a 15-foot easement to allow construction of a future 10-foot wide multi-use pathway. (iv) Incorporation of environmental development requirements of the ZDSO. (v) Providing for all current impact fees to apply to this PUD. (vi) A Development Agreement must accompany this PUD and include, a sunset date for this project should be considered.

When the proposed ordinance reached Council for consideration of third and final reading on November 9, 2009, at that time the question was raised would the municipalities consider this a violation of the School Capital Construction Fees resolution. Mr. Sommerville was charged at that time with visiting the four municipalities that adopted similar / almost identical resolutions – Beaufort City, Port Royal Town, Bluffton Town and Town of Hilton Head Island as well as the Board of Education. The question came about because the School Capital Construction Fee resolution required \$6,000 per roof top and \$2.50 per commercial square foot. When this PUD was initially approved in 1997 there was then in effect a school impact fee of approximately \$1,000. What we agreed to with the developer was to charge them that then existing fee, that \$1,000 adjusted for inflation, for the underlying density which is approximately 200 units and then for the units in excess of the underlying density, approximately 100 units, they agreed to pay \$6,000. When Mr. Sommerville appeared before the Board of Education, they unanimously approved that recommendation as did Beaufort City, Port Royal Town, Bluffton Town and Town of Hilton Head Island. At that point the issue came back to Natural Resources Committee for

approval to forward to Council for consideration of third and final reading. At that point the applicant raised the question of whether or not he could have the option of developing under the PUD, which Council is being asked to extend, or by-right in the event that he later on decided that by-right would be preferable to the PUD. That question was taken under advisement, but before the answer could be given the applicant withdrew the request so it made a moot point. The PUD is sent forward by Natural Resources for third and final reading by Council today.

The Chairman opened a public hearing at 6:08 p.m. for the purpose of holding a combined public hearing on two ordinances: (i) an ordinance of the County of Beaufort, South Carolina, to extend the 2010 sunset date for Greenheath Planned Unit Development, involving 97.80 acres on Lady's Island, for an additional ten years with conditions and (ii) an ordinance to approve a Development Agreement between Beaufort County and Gleason Place, L.P., a South Carolina Limited Partnership, pursuant to Section 6-31-30 of the *Code of Laws of South Carolina, 1976*, as amended. After calling once for public comment, the Chairman recognized Mr. David Tedder, legal counsel for the applicant, who publically thanked the subcommittee of Natural Resources that worked so hard on this development agreement, especially Mr. Sommerville, who went above and beyond to go and get the answers to the questions we had about the School Capital Construction Fee and the extra hours he spent going to the different jurisdictions. The development agreement does address each of the concerns that were in the PUD ordinance. We do provide specific language dealing with potential golf cart access, placement of the pathway, the environmental, all those things have specific provisions in the development agreement we spent hours making certain is was to everyone's consensus.

Mr. Sommerville noted while agenda item 12 asks for an extension of the PUD for ten years, one of the contingencies of extension of the PUD is a development agreement. The development agreement by statute can only last five years. At the end of five years, the applicant will have to come forward and ask for another development agreement in order for the PUD to be extended for the last five years.

After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 6:10 p.m.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman, that Council approve on third and final reading (i) an ordinance of the County of Beaufort, South Carolina, to extend the 2010 sunset date for Greenheath Planned Unit Development, involving 97.80 acres on Lady's Island, for an additional ten years with conditions and (ii) an ordinance to approve a Development Agreement between Beaufort County and Gleason Place, L.P., a South Carolina Limited Partnership, pursuant to Section 6-31-30 of the *Code of Laws of South Carolina, 1976*, as amended.

Mr. Newton remarked the ordinance giving the ten-year extension says that we are requiring the incorporation of environmental development requirements. Does the development agreement provide that whatever the most current environmental regulations are that this developer has to live with those standards?

Mr. Criscitiello replied volume regulations would be the most current ones adopted by Council. That is in the drainage section of this development agreement. In regard to the other environmental issues, such as tree protection, buffers, those kinds of things it is the standards in the Zoning and Development Standards Ordinance at the adoption of this development agreement that apply.

Mr. Newton questioned if this development agreement provides the most current BMPs are applicable to development. Mr. Criscitiello replied in the affirmative. Environmental standards include more than water quality.

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

RADIO FREQUENCY IDENTIFICATION (RFID) FOR COUNTY LIBRARY SYSTEM

This item comes before Council under the Consent Agenda. It was discussed and approved at the November 15, 2010 joint Finance and Community Services Committee.

It was moved by Mr. Glaze, seconded by Mr. Sommerville, that Council award an initial contract of \$970,711 to ITG of Norcross, Georgia, for the RFID equipment and services, and an additional contract for services in the amount of \$79,075 per year for maintenance with the possibility of four additional, one-year contracts subject to County Council's approval.

Mr. Baer intends to votes for this motion, but wants to make a few points. First, he referenced some reservations in comments in the November 15, 2010 minutes by way of a cross reference into tonight's minutes. Second, Council was provided the data he requested with regard to where the savings coming from. He made note that two-thirds of the savings come from inventory savings, 19% come from check in and almost half the funding is from conveyors and check in. The message he wants to leave is we are spending a lot of money for those conveyors and they are not producing a proportion amount of savings. Most of the RFIP savings in coming from the inventory part of the system. Third, there are a couple of missing items in the table for St. Helena Library – software licenses and inventory and shelf reading. Are those amounts to be paid later after the building is completed? Last point, he is concerned about the level of service in all of our libraries. Over the next few months, as we develop the budget, we need to pay very close attention to the level of service in each of our branches and a comparison of that level of service in terms of operations dollars per person that we assign to each of the branches of the library. He made this point last year; he makes it again this year.

Mr. Alan Eisenman, Financial Analyst, took the quote from ITG and sorted by function. St. Helena Library was not included for inventory and software licenses.

Mr. Baer remarked does that mean they are free or they are going to be added costs that we do not know of today?

Mr. Eisenman stated that was not part of the updated quote from ITG.

Mr. Baer responded that is added money that we will have to appropriate later on after St. Helena Library is finished (approximately \$20,000).

Mr. Rodman commented this covers all of the libraries and there are impact fees that covering all of this except for the Beaufort Branch Library, which comes out of CIP / county money. In a sense Beaufort is being subsidized compared to the other libraries because they do not have an impact fee. There was discussion about whether or not that library should be excluded, but the consensus was it would cost the overall system more than by trying to exclude them than, in fact, include them. It is worth noting as we go forward that the lack of library impact fee in the City of Beaufort is, in fact, causing a subsidy on the part of the balance of the system.

Mr. Caporale stated we ought to look at some opportunity for leverage as we go down the road. And try to get the City of Beaufort to participate in libraries the way all of the municipalities do. It only seems fair.

Mr. Newton noted he had a conversation with Beaufort City Mayor Keyserling within the last two weeks that is issue had been raised by Finance Committee and it would be appropriate if we were all on the same page. The dialogue is at least being had. They understand our concern. They understand that we view it as one library system. They understand we are doing the best we can with the limited resources available. Having those impact fees charged and collected in each and every other district or library area throughout the county would be welcomed.

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

ADOPTION OF THE 2010 BEAUFORT COUNTY COMPREHENSIVE PLAN (A COMPILATION OF PREVIOUSLY APPROVED UPDATED ELEMENTS, THE DEMOGRAPHICS ELEMENT, A NEW INTRODUCTION AND HISTORY CHAPTER, AND ALL OF THE 1997 COMPREHENSIVE PLAN APPENDICES)

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

It was moved by Mr. Glaze, seconded by Mr. Sommerville, that Council approve on second reading an ordinance adopting the 2010 Beaufort County Comprehensive Plan (a compilation of previously approved updated Elements, the Demographics Element, a new introduction and History Chapter, and all of the 1997 Comprehensive Plan Appendices). The vote was: FOR - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling and Ms. Von Harten. The motion passed.

The Chairman announced a public hearing on this issue would be held January 10, 2011 beginning at 4:00 p.m. in Council Chambers of the Administration Building.

Fiscal Year 2010 - 2011 Allocations to Outside Agencies

This item comes before Council under the Consent Agenda. It was discussed and approved at the November 15, 2010 joint Finance and Community Services Committee.

It was moved by Mr. Glaze, seconded by Mr. Sommerville, that Council approve the FY 2011 allocations to the outside agencies as follows: Department of Environmental Control - \$65,000, Coastal Empire Community Mental Health Center - \$121,000, Clemson University Extension - \$5,000, Beaufort Soil and Water Conservation District - \$19,000, Lowcountry Regional Transportation Authority - \$246,000, Child Abuse Prevention Association (CAPA) - \$30,000, Children Opposed to Domestic Abuse - \$15,000, Hope Haven of the Lowcountry - \$15,000, Beaufort/Jasper Economic Opportunity Commission - \$5,000, Senior Services of Beaufort County - \$55,000, and Literacy Volunteers of the Lowcountry - \$10,000, totaling \$586,000. The net balance of \$140,000 is to be used for Alliance grants -- \$90,000 for grants to coalitions and Alliance members and \$50,000 for Grant Writers Program and matching funds. Further, the Alliance must provide Council with a report on FY2010 outside agencies funding and from here-out must provide mid-year reports. The vote was: FOR - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling and Ms. Von Harten. The motion passed.

Mr. Rodman commented this item has to do with the money that we allocate to the outside agencies. We reached the conclusion a couple of years ago that we would move toward a block grant type of approach. This is probably the last year where we will be involved in allocating money to specific outside agencies and move toward actually setting aside money in the budget that would go to the Alliance in order to allocate that money. The concept is rather than try to allocate a portion of the money, we are better off to rely on those other groups that have a broader look at all of the agencies and might consider some agencies that we might have been considering. The roughly \$250,000 that we allocate to LRTA would probably be better left within the administration budget as opposed to leaving that as part of the block grant.

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

COMMITTEE REPORTS

Community Services Committee

Foster Care Review Board

Doris Williams

Mr. McBride, as Community Services Committee Chairman, nominated Ms. Doris Williams to serve as a member of the Foster Care Review Board.

Finance Committee

Lemmon Tract Purchase for Relocation of Bluffton Fire District Station 30

Mr. Rodman, as Finance Committee Chairman, reported the building that serves Station 30 was constructed in 1979 and was a volunteer fire department and volunteer rescue squad. It is actually on School District property. It is a very small piece. All of the studies have indicated that it is probably time to move on to another station and it cannot be on that property. The proposal is to purchase 9.2 acres of property, known as the Lemmon Tract for relocation of Station 30. The purchase price is \$1.2 million. The funding sources are \$763,885 from impact fee fund and \$436,115 for the District's general reserve fund.

It was moved by Mr. Rodman, as Finance Committee Chairman, that Council authorize the Bluffton Fire District to purchase 9.2 acres of land known as the Lemmon Tract for relocation of Station 30 at a cost of \$1.2 million. The funding sources are \$763,885 from impact fee fund and \$436,115 for the District's general reserve fund. The vote was: FOR - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling and Ms. Von Harten. The motion passed.

Audit Special Procedures Findings

Mr. Rodman, as Finance Committee Chairman, reported members had a good presentation on the audit special procedures findings from the external auditor. Staff will take on the task of analyzing the findings / problems and will come back to committee with any policy changes, if needed, and any significant dollar impacts from those. Some of the comments related to the County Auditor, several related to the Treasurer. Many members were very concerned about the comments relative to the Treasurer because we basically had a 100% of the checks not being marked for deposit only and 100% of the payments that were sampled as not having been processed in less than five days. There were also millions of dollars that were not paid to municipalities and School District on a timely basis. The Treasurer is the bank. We need to understand those issues in more detail. Those are very alarming issues from a fiduciary standpoint over and above the issues that were previously raised about the embezzlements within the department.

Public Facilities Committee

Airports Board

Mr. Richard Wirth

The vote was: FOR - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling and Ms. Von Harten. Mr. Richard Wirth, representing qualifications, garnered the six votes required to serve as a member of the Airports Board.

PUBLIC COMMENT

There were no requests to speak during public comment.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Glaze, seconded by Mr. Caporale, that Council go immediately into executive session for the purpose of discussing employment of a person regulated by the County Council. The vote was: FOR - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling and Ms. Von Harten. The motion passed.

Ms. Von Harten arrived at 6:45 p.m.

EXECUTIVE SESSION

RECONVENE OF REGULAR SESSION

It was moved by Mr. Sommerville, seconded by Mr. Glaze, that Council extend Mr. Kubic's contract one year.

Mr. Sommerville stated there were a lot of things said in executive session. To summarize they were all positive. They had to do with Mr. Kubic's excellent leadership ability, his intellect, his proactive management style which was commented on considerably, his leadership by example, he has built a quality team which we are all proud of, and we are lucky to have him and hard pressed to replace him.

For the record Mr. Rodman remarked one year is the maximum that we can extend Mr. Kubic's contract.

Mr. Newton stated it is worthy to note the contract has a provision that the term will be no greater than three years. In addition, Mr. Newton thanked Mr. Kubic for what he has done for Beaufort County. It is admirable that he has specifically requested that we not consider compensation adjustments in this recessionary period. It clearly falls in line with Mr. Kubic's leadership by example style. We appreciate it.

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

ADJOURNMENT

Council adjourned at 7:20 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST: _____
Suzanne M. Rainey, Clerk to Council

Ratified:

DRAFT

**OFFICE OF THE COUNTY ADMINISTRATOR
COUNTY COUNCIL OF BEAUFORT COUNTY**

GARY KUBIC
COUNTY ADMINISTRATOR

CHERYL HARRIS
EXECUTIVE ASSISTANT

ADMINISTRATION BUILDING
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2026
FAX: (843) 255-9403
www.bcgov.net

BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL
STAFF ATTORNEY

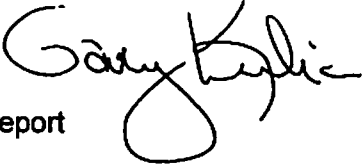
**COUNTY ADMINISTRATOR'S REPORT
Monday, December 13, 2010
County Council Chambers, Administration Building**

INFORMATION ITEMS:

- The County Channel / Broadcast Update
- Two-week Progress Report (Enclosure)
- Bluffton Parkway Extension Phase 5-A Construction Notification (Enclosure)
- Presentation / United States Department of Agriculture (USDA) Grant Offer / St. Helena Public Library at Penn Center



Memorandum

DATE: December 10, 2010
TO: County Council
FROM: Gary Kubic, County Administrator 
SUBJ: County Administrator's Progress Report

The following is a summary of activities that took place November 29, 2010 – December 10, 2010:

November 29, 2010

- Finance Committee
- County Council meeting

November 30, 2010

- Meeting with Tony Criscitiello, Division Director of Planning and Development and Garrett Budd, Beaufort County Open Land Trust Re: Rural and Critical Lands

December 1, 2010

- Meeting with Fitz McAden, Executive Editor, The Island Packet, and David Starkey, Chief Financial Officer

December 2, 2010

- Meeting with Tony Criscitiello re: DRT issue

December 3, 2010

- No meetings

December 6, 2010

- Natural Resources Committee meeting
- Community Services Committee meeting
- Public Safety Committee meeting

December 7, 2010

- Meeting with Georgia Ports Authority representatives to tour the Port facility and receive briefing on the Savannah Harbor Expansion Project and the economic impact to the Lowcountry Region

December 8, 2010

- Meeting with City Manager Scott Dadson
- Agenda review with Chairman, Vice Chairman and Executive Staff
- Staff meeting with Planning to discuss procedures for conceptual subdivision and land development review
- Staff meeting re: Stormwater issues
- Speak to Hilton Head Island / Bluffton Leadership Class in Council Chambers

December 9, 2010

- Meeting with Andy Patrick, Advance Point Global
- Continuation of December 8th staff meeting re: Stormwater issues

December 10, 2010

- Meeting with Ladson Howell, Staff Attorney, and Edra Stephens, Business License Director, to discuss hospitality taxes / PUDs
- Staff meeting re: Tax Billing Process
- Meeting with Rob McFee, Division Director of Engineering and Infrastructure

Bluffton Today Wed, 12-08-2010

BLUFFTON PARKWAY EXTENSION

PHASE 5-A

Beaufort County, SC

Construction Notification

Meeting:

Tuesday, December 21, 2010 between 4:00 p.m. and 6:00 p.m. at the Bluffton Library, 120 Palmetto Way, Bluffton, SC 29910. The meeting will have a drop-in type format with project displays for viewing.

Purpose:

The purpose of the meeting is to notify the local residents of the anticipated construction activities and projected schedules. The project will include construction of the Bluffton Parkway-Phase 5A from Burnt Church Road to Buckingham Plantation Drive, including improvements to Buckingham Plantation Drive between Phase 5A and US 278. The proposed flyover bridge from the Parkway to US 278 will not be constructed as part of this contract. The Parkway will be constructed in accordance with the final design, which was previously presented to the public and approved by County Council. Beaufort County personnel and project representatives will be available to discuss the project with interested citizens.

Contact:

Mr. Robert Klink, P.E., Beaufort County Engineer, Beaufort County, (843)255-2700.



Beaufort County

From: <http://npaper-wehaa.com/bluffton-today/2010/12/08/?article=1104447>



Memorandum

DATE: December 10, 2010
TO: County Council
FROM: Bryan Hill, Deputy County Administrator
SUBJECT: Deputy County Administrator's Progress Report

The following is a summary of activities that took place November 29, 2010 thru December 10, 2010:

November 29, 2010 (Monday):

- Meet with Mark Roseneau, Facilities Director re: Electrician Position
- Finance Committee Meeting
- County Council

November 30, 2010 (Tuesday):

- Meet with Gary Kubic, County Administrator and Jay White, Liollo Architecture re: St. Helena Library at Penn Center
- Meet with Carolyn Wallace, Stormwater re: Financial and MUNIS Review
- Meet with Dan Morgan, Director of MIS re: Operations
- Meet with School Board Representatives
- Public Facilities Committee

December 1, 2010 (Wednesday)--Bluffton:

- Conference call with Jay White, Liollo Architecture re: St. Helena Library Project
- Meet with David Starkey, CFO re: Consolidation of Financial Functions
- Meet with Duffie Stone, Solicitor
- Meet with Gary Kubic, County Administrator

December 2, 2010 (Thursday):

- Meet with David Starkey, CFO
- Meet with Ladson Howell, Staff Attorney

December 3, 2010 (Friday):

- PLD

December 6, 2010 (Monday):

- DA Meeting
- Prepare CIP
- Community Services Committee
- Public Safety Committee

December 7, 2010 (Tuesday):

- Meet with David Starkey, CFO
- Meet with Robert McFee, Engineering and Infrastructure Director re: Dennis Corporation
- Meet with Fred Leyda, Sandra Saad, Billie Lindsay and David Starkey re: Smart Decline

December 8, 2010 (Wednesday):

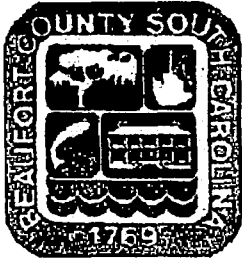
- Agenda Review
- Meet with Eddie Bellamy, Public Works Director, Doug Baker, Public Works and David Thomas, Purchasing re: Fuel Card Transition
- Meet with Eddie Bellamy, Public Works Director, Dan Ahern, Stormwater and Gary Kubic, Administrator

December 9, 2010 (Thursday)--Bluffton:

- Bluffton Hours

December 10, 2010 (Friday):

- Meet with Gary Kubic, County Administrator, Dan Morgan, MIS Director, Ed Hughes, Assessor, David Starkey, CFO and Joanne Romine and George Wright of MIS re: Tax Billing Process



County Council of Beaufort County
Hilton Head Island Airport – www.hiltonheadairport.com
Beaufort County Airport – www.beaufortcoairport.com
Post Office Box 23739 – 120 Beach City Road
Hilton Head Island, South Carolina 29925-3739
Phone: (843) 689-5400 - Fax: (843) 689-5411

TO: Councilman Herbert Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator *GKubic*
Bryan Hill, Deputy County Administrator *BHill*
David Starkey, Chief Financial Officer *DStarkey*
Rob McFee, Director, Engineering and Infrastructure Division *Rob McFee*

FROM: Paul Andres, Director of Airports *PA*

SUBJ: **Airport Capital Improvement Program (ACIP) Plans**

DATE: November 19, 2010

BACKGROUND. Every year the Airports are required to submit an updated ACIP Plan for the upcoming fiscal year along with a five year ACIP projection. Attached are the FY-2011 Updates and Five Year ACIP Plans for both the Hilton Head Island and Beaufort County Airports. The FAA uses these submissions to arrange funding for future grant offers. These plans are consistent with those previously submitted and have been revised to reflect the recommendations contained in each of the Airport Master Plan Updates. These ACIP Plans are due to the FAA by January 1, 2011. The Airports Board voted unanimously to endorse these plans.

FUNDING. Funding of the local matching share will be reflected in each Airport's Annual Operating Budget as appropriate.

RECOMMENDATION. That the Public Facilities Committee approve and recommend to County Council approval of the FY-2011 Updates and Five Year ACIP Plans for both airports for submission to the FAA.

PAA/paa

Attachments: Hilton Head Island Airport FY-2011 Update and 5 Year ACIP Plans
Beaufort County Airport FY-2011 Update and 5 Year ACIP Plans

HILTON HEAD ISLAND AIRPORT (HXD)

NPIAS 45-0030

CITY: Hilton Head Island, South Carolina

AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP)
FUNDING SCENARIO

FISCAL YEAR	PROJECT DESCRIPTION	TOTAL EST. COST	FAA SHARE	ENTITLEMENT FUNDS	DISCRETIONARY FUNDS	STATE SHARE	LOCAL SHARE
11	Runway 21 Off Airport Approach Tree Removal (Construction and Mitigation)	\$1,600,000	\$1,520,000	\$1,000,000	\$520,000	\$40,000	\$40,000
	Runway 03 Off Airport Approach Tree Removal (Construction and Mitigation)	\$750,000	\$712,500	\$0	\$712,500	\$18,750	\$18,750
	Master Plan Update (Reimbursement)	\$423,896	\$260,701	\$0	\$260,701	\$10,597	\$10,597
	Commercial Terminal Apron Joint Material Replacement (Construction)	\$110,000	\$104,500	\$0	\$104,500	\$2,750	\$2,750
	Runway 03/21 Lighted Sign Relocation (Construction)	\$145,000	\$137,750	\$0	\$137,750	\$3,625	\$3,625
	Runway 03/21 Extension to 5,000 Feet BCA/EA	\$500,000	\$475,000	\$0	\$475,000	\$12,500	\$12,500
	Part 150 Noise Compatibility Study (Reimbursement)	\$284,000	\$269,800	\$0	\$269,800	\$7,100	\$7,100
	2012 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$3,822,896	\$3,489,761	\$1,000,000	\$2,489,761	\$85,572	\$85,572

HILTON HEAD ISLAND AIRPORT (HXD)

NPIAS 45-0030
 CITY: Hilton Head Island, South Carolina

AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP)
 FUNDING SCENARIO (FY '12 to '18)

FISCAL YEAR	PROJECT DESCRIPTION	TOTAL EST. COST	FAA SHARE	ENTITLEMENT FUNDS	DISCRETIONARY FUNDS	STATE SHARE	LOCAL SHARE
12	Commercial Service Terminal Improvements (Construction)	\$1,900,000	\$1,805,000	\$1,000,000	\$805,000	\$47,500	\$47,500
	Runway 03/21 Extension to 5,000 Feet (Design Services Only)	\$640,000	\$608,000	\$0	\$608,000	\$16,000	\$16,000
	Land Acquisition (Runway 03 End)	\$3,600,000	\$3,420,000	\$0	\$3,420,000	\$0	\$180,000
	2013 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$8,150,000	\$6,842,500	\$1,000,000	\$4,842,500	\$83,750	\$243,750
13	Runway 03/21 Extension to 5,000 Feet (Construction, Mitigation, and Engineering Construction Services)	\$5,300,185	\$5,035,185	\$1,000,000	\$4,035,185	\$132,505	\$132,505
	Land Acquisition (Runway 21 End)	\$5,100,000	\$4,845,000	\$0	\$4,845,000	\$0	\$255,000
	2014 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$10,410,185	\$9,889,685	\$1,000,000	\$8,889,685	\$132,755	\$387,755
14	Runway Safety Area East-West Drainage Improvements (Design Services Only)	\$300,000	\$285,000	\$1,000,000	(\$715,000)	\$7,500	\$7,500
	Transition Surface Tree Removal (Design Services Only)	\$350,000	\$332,500	\$0	\$332,500	\$8,750	\$8,750
	VPG Runway 21 (Design Services Only)	\$75,000	\$71,250	\$0	\$71,250	\$1,875	\$1,875
	General Aviation Ramp (Design and Construction)	\$1,600,000	\$1,520,000	\$0	\$1,520,000	\$40,000	\$40,000
	2015 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
Total	\$2,335,000	\$2,218,250	\$1,000,000	\$1,218,250	\$68,375	\$68,375	
16	Runway Safety Area West Drainage Improvements (Construction)	\$1,100,000	\$1,045,000	\$1,000,000	\$45,000	\$27,500	\$27,500
	Transition Surface Tree Removal (Construction and Mitigation)	\$1,720,000	\$1,634,000	\$0	\$1,634,000	\$43,000	\$43,000
	2016 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
Total	\$2,830,000	\$2,688,500	\$1,000,000	\$1,688,500	\$70,750	\$70,750	
16	Runway Safety Area East Drainage Improvements (Construction)	\$1,100,000	\$1,045,000	\$1,000,000	\$45,000	\$27,500	\$27,500
	ARFF Vehicle Replacement	\$350,000	\$332,500	\$0	\$332,500	\$8,750	\$8,750
	2016 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$1,460,000	\$1,387,000	\$1,000,000	\$387,000	\$38,500	\$38,500
GRAND TOTAL		\$23,185,185	\$22,026,835	\$6,000,000	\$17,026,835	\$382,130	\$797,130

BEAUFORT COUNTY AIRPORT (ARW)

NPIAS 45-0008
CITY: Beaufort, South Carolina

**AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP)
 FUNDING SCENARIO**

FISCAL YEAR	PROJECT DESCRIPTION	TOTAL EST. COST	FAA SHARE	ENTITLEMENT FUNDS	DISCRETIONARY FUNDS	STATE SHARE	LOCAL SHARE
11	Parking Lot Relocation and Utility Connection to Terminal (Design Services Only)	\$100,000	\$95,000	\$95,000	\$0	\$2,500	\$2,500
	Runway 07 Tree Removal Phase III (Construction and Mitigation)	\$800,000	\$760,000	\$205,000	\$760,000	\$20,000	\$20,000
	2012 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$910,000	\$864,500	\$300,000	\$769,500	\$22,750	\$22,750

BEAUFORT COUNTY AIRPORT (ARW)

NPIAS 45-0008
CITY: Beaufort, South Carolina

**AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP)
 FUNDING SCENARIO (FY '12 to '18)**

FISCAL YEAR	PROJECT DESCRIPTION	TOTAL EST. COST	FAA SHARE	ENTITLEMENT FUNDS	DISCRETIONARY FUNDS	STATE SHARE	LOCAL SHARE
12	Runway Safety Area and Runway Extension to 4,400 Feet (BCA/EA)	\$350,000	\$332,500	\$150,000	\$182,500	\$8,750	\$8,750
	Parking Lot Relocation and Utility Connection to Terminal (Construction) 2013 DBE Plan	\$1,080,000	\$1,026,000	\$0	\$1,026,000	\$27,000	\$27,000
	Total	\$1,430,000	\$1,358,500	\$150,000	\$1,208,500	\$35,750	\$35,750
13	Runway Safety Area and Runway Extension to 4,400 Feet (Design Services Only) 2014 DBE Plan	\$475,000	\$451,250	\$150,000	\$301,250	\$11,875	\$11,875
		\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$485,000	\$460,750	\$150,000	\$310,750	\$12,125	\$12,125
14	Runway Safety Area and Runway Extension to 4,400 Feet (Construction) 2015 DBE Plan	\$8,970,000	\$8,621,500	\$150,000	\$6,471,500	\$174,250	\$174,250
		\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$8,980,000	\$8,631,000	\$150,000	\$6,481,000	\$174,500	\$174,500
16	Partial Parallel Taxiway and Apron Expansion (Design Services Only)	\$200,000	\$190,000	\$150,000	\$40,000	\$5,000	\$5,000
	Helipad (Design and Construction) 2016 DBE Plan	\$200,000	\$190,000	\$0	\$190,000	\$5,000	\$5,000
	Total	\$410,000	\$380,000	\$150,000	\$239,500	\$10,250	\$10,250
18	Partial Parallel Taxiway and Apron Expansion (Construction) 2017 DBE Plan	\$1,950,000	\$1,852,500	\$150,000	\$1,702,500	\$48,750	\$48,750
		\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$1,960,000	\$1,862,000	\$150,000	\$1,712,000	\$49,000	\$49,000
GRAND TOTAL		\$11,275,000	\$10,711,250	\$760,000	\$9,961,250	\$281,875	\$281,875



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) 470-2738

TO: Councilman Herbert N. Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator *OK*
Bryan Hill, Deputy County Administrator *Bryan Hill*
Robert McFee, Director of Engineering and Infrastructure *Robert McFee*
David Starkey, Chief Financial Officer *David Starkey*
Mark Roseneau, Director of Public Facilities Management *Mark Roseneau*

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

SUBJ: IFB # 2285/110811 County Municipal Buildings Lighting Retrofit Project

DATE: October 28, 2010

BACKGROUND: Beaufort County was allocated \$636,000 by the United States Department of Energy under the Energy Efficiency and Conservation Block Grant (EECBG) Program. The County established an Energy Action Team (EAT) to develop energy conservation and efficiency projects meeting the grant program guidelines. Grant funds are now available and we have been notified to proceed with the grant projects. The purpose of this activity is to decrease energy consumption by replacing older lighting fixtures with more energy efficient fixtures. The County received bids on September 22, 2010 for lighting retrofits for the following six buildings: Beaufort County Courthouse, Beaufort County Detention Center, Beaufort County Law Enforcement Center, Beaufort County Library, Beaufort County Social Services Building, and the Beaufort County Public Works Office. This entails the retrofit of existing fluorescent lighting fixtures which includes testing, removal, replacement, and disposal of existing lamps, ballasts, and sockets. Additionally, the contract requires cleaning or replacement of fixture lenses, and replacement of incandescent lamps in down lights and exit signs with high efficiency lamps. A certified tabulation of the bid results is attached and totals for each of the 6 companies submitting bids as follows:

<u>Company Name</u>	<u>Location</u>	<u>Bid Price</u>
F.M. Young Co.Inc.	Fairfax, South Carolina	\$149,276
Ocean Light Corporation	Beaufort, South Carolina	\$164,715
Quality Electrical Systems	Beaufort, South Carolina	\$195,542
Beacon Electrical	Beaufort, South Carolina	\$226,763
United Energy Plus, LLC	Strawberry Plains, Tennessee	\$247,045
Powell Electric	Beaufort, South Carolina	\$260,003

F.M. Young submitted the lowest responsive/responsible bid of \$149,276. F.M. Young's bid was reviewed and found to be reasonable and is in compliance with County and Federal requirements. There is no apparent cause for rejecting their bid.

FUNDING: Total FY 2010 funding provided through the Energy Efficiency and Conservation Block Grant (Fund 225) was \$235,607. In FY2010, the County used \$11,050 to pay for professional engineering services to Mr. William Fielder, P.E., a local engineering company. The current FY 2011 balance for lighting renovations at six locations is \$224,557.

RECOMMENDATION: The Public Facilities Committee approve and recommend to County Council the contract award to F.M. Young for the Lighting Retro Project in the amount of \$149,276.

Attachments: 1) Bid Certification

CC: Richard Hineine, Elizabeth Wooten, Alicia Holland, Billie Lindsay



**COUNTY COUNCIL OF BEAUFORT COUNTY
BEAUFORT COUNTY ENGINEERING DIVISION**
102 Industrial Village Road, Building #3, 29906
Post Office Drawer 1228, Beaufort, SC 29901-1228
Telephone: 843-255-2692 Facsimile: 843-255-9420

TO: Councilman Herbert Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator *GKubic*
Bryan Hill, Deputy Administrator *BHill*
David Starkey, Chief Financial Officer *DStarkey*
Robert McFee, Director of Engineering & Infrastructure *RMcFee*

FROM: Bob Klink, County Engineer *BKlink*

SUBJ: Contract #42 – Dirt Road Reconstruction for East River Drive, West River Drive, Central Drive and Rose Island Road IFB #2906/111120

DATE: November 19, 2010

BACKGROUND. On 11/18/10, Beaufort County received six bids for the above referenced project. The Engineering Division reviewed the bid proposals submitted. A tabulation of the bids is attached, with the total as follows:

<u>Contractor</u>	<u>Address</u>	<u>Bid Total</u>
J. R. Wilson Construction	4985 Savannah Hwy, Hampton, SC	\$ 882,277.08
REA Contracting	42 Jeter Road, Beaufort, SC	\$ 888,756.70
J. H. Hiers Construction	715 Green Pond Hwy, Walterboro, SC	\$ 967,363.90
Melend Site Prep, Inc	2894 Argent Blvd, Ridgeland, SC	\$ 973,482.22
Sanders Brothers Construction	1990 Harley N. Charleston, SC	\$1,010,310.77
APAC-Southeast, Inc.	47 Telfair Place, Savannah, GA	\$1,270,894.15
Engineers Estimate		\$ 910,000.00

J. R. Wilson Construction submitted the lowest bid but REA Contracting, as per the attached 11/18/10 correspondence, has requested to exercise local vendor preference participation in accordance with the County's Code of Ordinances for Local Vendor Preference. REA Contracting has submitted their participation affidavit in their bid proposal and will match the lower bid amount. An analysis of their bid submittal and prices was reviewed and there is no apparent cause for rejecting their bid. We also reviewed this bidder's proposal and have determined that they made a "Good Faith Effort" and in compliance with respect to Beaufort County's requirements regarding the Small & Minority Business Subcontractor Ordinance. Based on this analysis, the Engineering Division recommends award of this contract to REA Contracting LLC, for \$ 882,277.08.

The reconstruction of the County dirt roads in this contract will be funded with BCTC/TAG Funds from the following accounts: East River Road, Acct # 3322C-54725 (\$146,892.); West River Road Acct #3322C-54726 (\$277,444); Central Drive Acct# 3322C-54727 (\$200,352.30) and Rose Island Road, Acct #3322T-54748 (\$314,068.40).

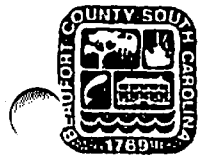
RECOMMENDATION. The Public Facilities Committee approves and recommend to County Council the award of Contract #42 to REA Contracting LLC, for the construction and paving of East River Drive, West River Drive, Central Drive and Rose Island Road in the amount of \$ 882,277.08 from BCTC/TAG Funds.

REK/mjh

Attachments: 1) Bid Certification, 2) Local Vendor Preference Participation, 3) REA Contracting 11/18/10 Ltr
4) Location Maps, 5) SMB Documents

cc: Dave Thomas
Eddie Bellamy

Contract/42.rds/PFCapp



**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 Herbert N. Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator *GKubic*
Bryan Hill, Deputy County Administrator *BHill*
Robert McFee, Director of Engineering and Infrastructure *RMcFee*
David Starkey, Chief Financial Officer *DStarkey*
Eddie Bellamy, Director of Public Works

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

SUBJ: IFB # 1658/111122 HDPE Pipe for Beaufort County Public Works Department

DATE: November 18, 2010

BACKGROUND: Beaufort County received the following three (3) bids from qualified HDPE pipe suppliers in support of our County's stormwater departments operations on November 8, 2010:

- | | |
|---|-----------|
| 1. Ferguson Enterprises, Bluffton, SC | \$144,230 |
| 2. HD Supply Waterworks, Charleston, SC | \$167,784 |
| 3. Atlantic Supply & Equipment, Augusta, GA | \$171,972 |

The County's intent is to create an annual contract for the purchase of HDPE pipe supplies and take advantage of the volume buying cost savings. Ferguson Enterprises submitted the lowest responsive/responsible bid of \$144,230. Ferguson Enterprises bid was reviewed and found to be reasonable and is in compliance with County's small and minority requirements. There is no apparent cause for rejecting their bid.

FUNDING: Account 13531-52370. As of 11/18/2010 fund 530 (Stormwater) has a fund balance of \$629,733.

RECOMMENDATION: The Public Facilities Committee approve the HDPE pipe contract award to Ferguson Enterprises in the amount of \$144,230 for an initial contract term of one (1) year with four (4) additional one (1) year contract renewal periods all subject to the approval of Beaufort County.

Attachments: 1) Bid tab
2) Pricing information

CC: Richard Hinehline, Elizabeth Wooten, Dan Ahern, Carolyn Wallace

RESOLUTION

WHEREAS, Beaufort County has an opportunity to apply for a Grant offer of \$2,500,000.00 and a Loan Agreement of \$6,000,000 from the United States Department of Agriculture Rural Development (USDA) for a Community Facilities Project for the St. Helena Branch Library to be located within Penn Center, St. Helena Island, Beaufort County, South Carolina; and

WHEREAS, the Grant and Loan would assist in the development of a Library to provide after-school learning activities to children who attend St. Helena Elementary School as well as to provide adults who need workforce resources and skills development opportunities and would also result in employment opportunities for at least 13 - 18 persons; and

WHEREAS, the project is in keeping with the County's efforts to encourage the use of grant funds to create new opportunities to the overall benefit of the economic health of our County; and

WHEREAS, Beaufort County has been a partner with the historic Penn Center on other mutually beneficial ventures; and

WHEREAS, the County Council of Beaufort County considers economic development a vital part of increasing and improving employment opportunities for many of our residents.

NOW, THEREFORE, BE IT RESOLVED, by the County Council of Beaufort County, South Carolina, that:

1. County Council hereby endorses the St. Helena Branch Library Project because it will greatly improve the quality of life for the residents of the St. Helena Community.
2. The County Administrator is authorized to accept the aforementioned Grant for the St. Helena Branch Library Project from the USDA.

Adopted this 13th day of December, 2010.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST:

Suzanne M. Rainey, Clerk to Council

2011 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE STORMWATER UTILITY ORDINANCE, ARTICLE II, SECTION 99-108, GENERAL FUNDING POLICY (TO INCREASE THE SINGLE-FAMILY UNIT RATE).

Whereas, Standards that are underscored shall be added text and Standards ~~lined through~~ shall be deleted text.

Adopted this ____ day of _____, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson F. Howell, Staff Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

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

(Amending 2005/33)

Sec. 99-108. General funding policy.

(d) The stormwater service fee rate may be determined and modified from time to time by the Beaufort County Council so that the total revenue generated by said fees and any other sources of revenues or other resources allocated to stormwater management by the county council to the stormwater management utility shall be sufficient to meet the cost of stormwater management services, systems, and facilities, including, but not limited to, the payment of principle and interest on debt obligations, operating expense, capital outlays, nonoperating expense, provisions for prudent reserves, and other costs as deemed appropriate by the county council. Each jurisdiction may have a different fee predicated upon the individual jurisdiction's revenue needs. The following stormwater service fee rates shall apply:

TABLE INSET:

Jurisdiction	Annual Stormwater Service Fee (\$/SFU/year)
City of Beaufort	44.43 <u>65.00</u>
Town of Bluffton	98.00
Town of Hilton Head Island	50.76 <u>108.70</u>
Town of Port Royal	44.43 <u>50.00</u>
Unincorporated Beaufort County	50.00

2011 /

COMPREHENSIVE PLAN FUTURE LAND USE MAP AMENDMENT FOR R603-008-000-0623-0000 (1.13 ACRES AT THE NORTHWEST CORNER OF S.C. HIGHWAYS 170 AND 462, OKATIE, SC) FROM RURAL SERVICE AREA TO COMMUNITY COMMERCIAL.

BE IT ORDAINED, that County Council of Beaufort County, South Carolina, hereby amends the Comprehensive Plan Future Land Use Map of Beaufort County, South Carolina. The map is attached hereto and incorporated herein.

Adopted this _____ day of _____, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson F. Howell, Staff Attorney

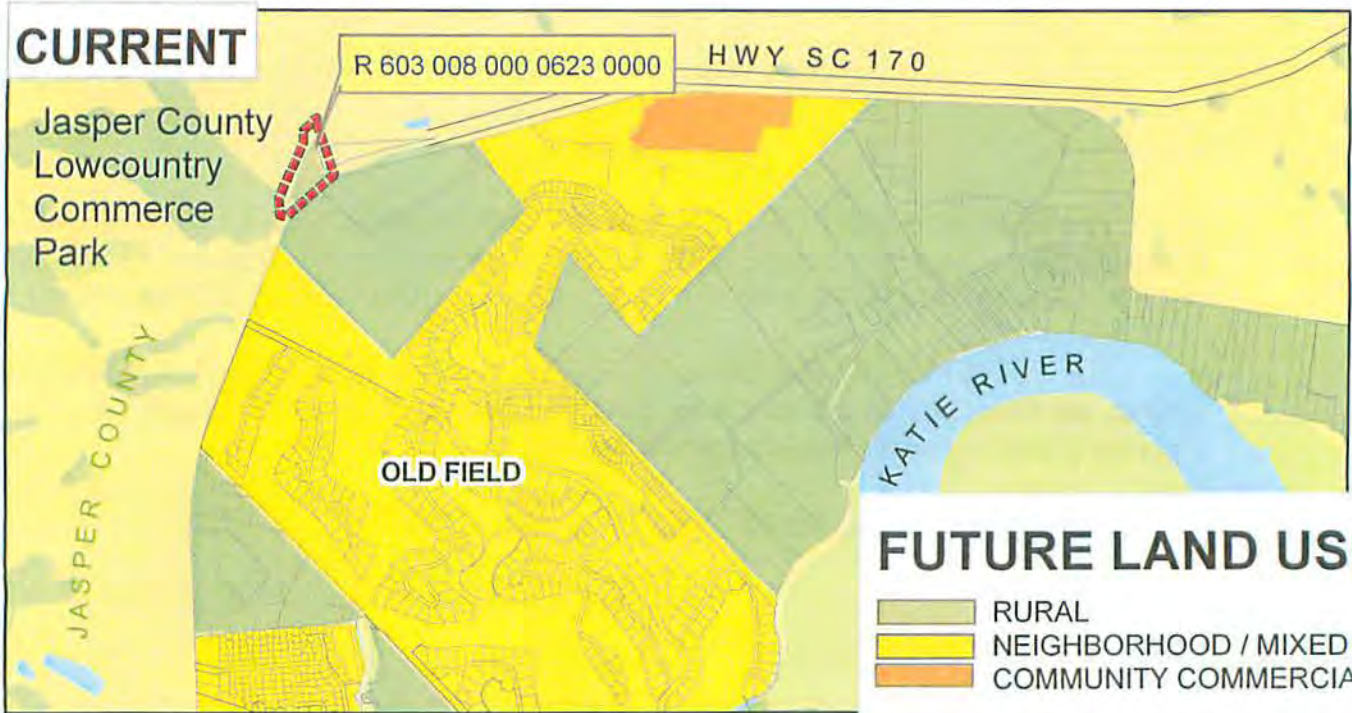
ATTEST:

Suzanne M. Rainey, Clerk to Council

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

(Amending 99/12)

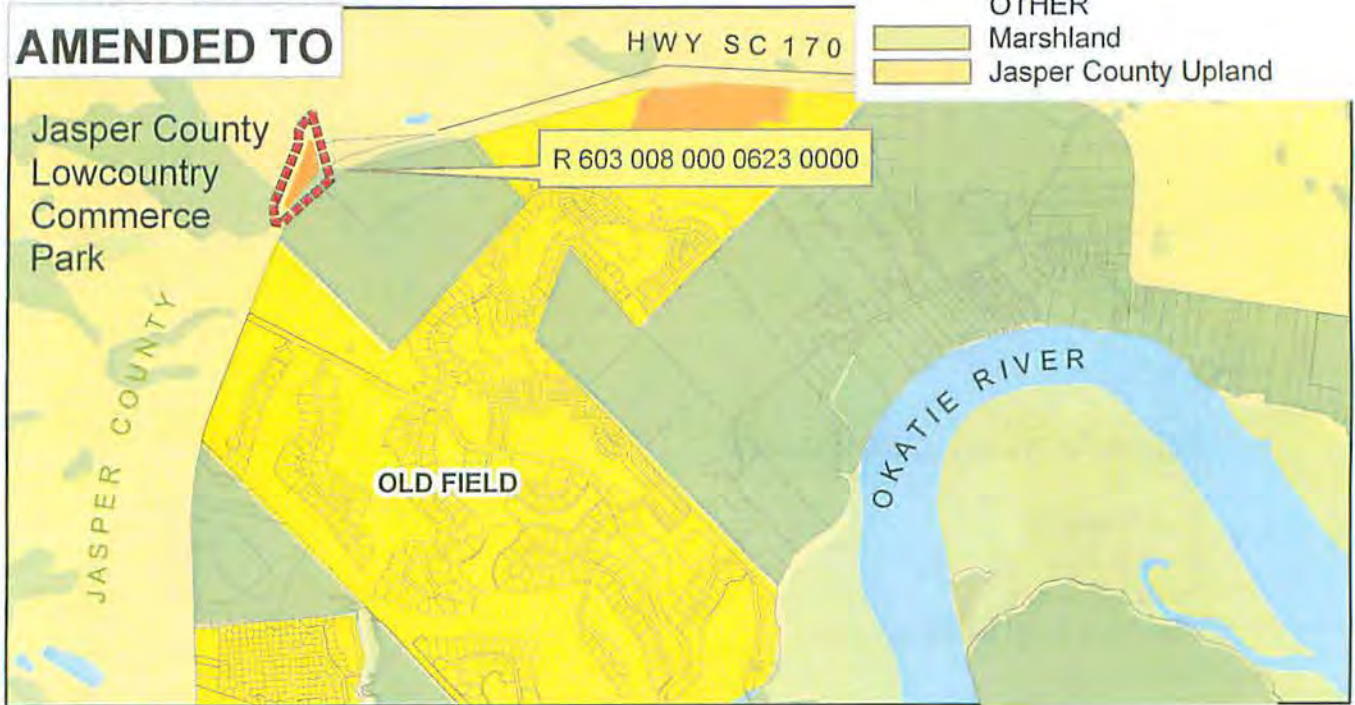
CURRENT



FUTURE LAND USES

- RURAL
- NEIGHBORHOOD / MIXED USE
- COMMUNITY COMMERCIAL
- OTHER
- Marshland
- Jasper County Upland

AMENDED TO



FUTURE LAND USE MAP

R 603 008 000 0623 0000

FROM RURAL TO COMMUNITY COMMERCIAL



2011 /

BEAUFORT COUNTY ZONING MAP AMENDMENT / REZONING REQUEST FOR R603-008-000-0623-0000 (1.13 ACRES AT THE NORTHWEST CORNER OF S.C. HIGHWAYS 170 AND 462, OKATIE, SC) FROM RURAL (R) TO COMMERCIAL SUBURBAN (CS) ZONING DISTRICTS.

BE IT ORDAINED, that County Council of Beaufort County, South Carolina, hereby amends the Zoning Map of Beaufort County, South Carolina subject to the following condition:

- There will be no direct access from this parcel to S.C. Highways 170 and 462.

The map is attached hereto and incorporated herein.

Adopted this ____ day of _____, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson F. Howell, Staff Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

First Reading:

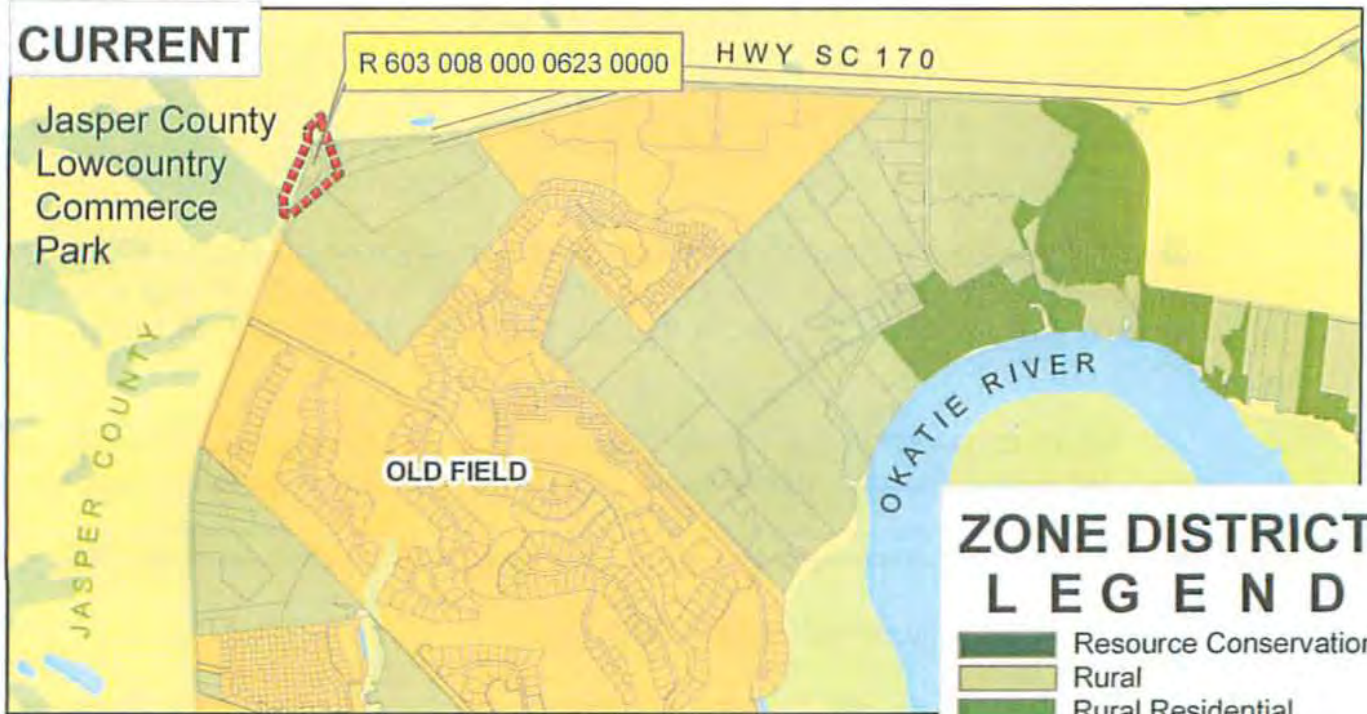
Second Reading:

Public Hearing:

Third and Final Reading:

(Amending 99/12)

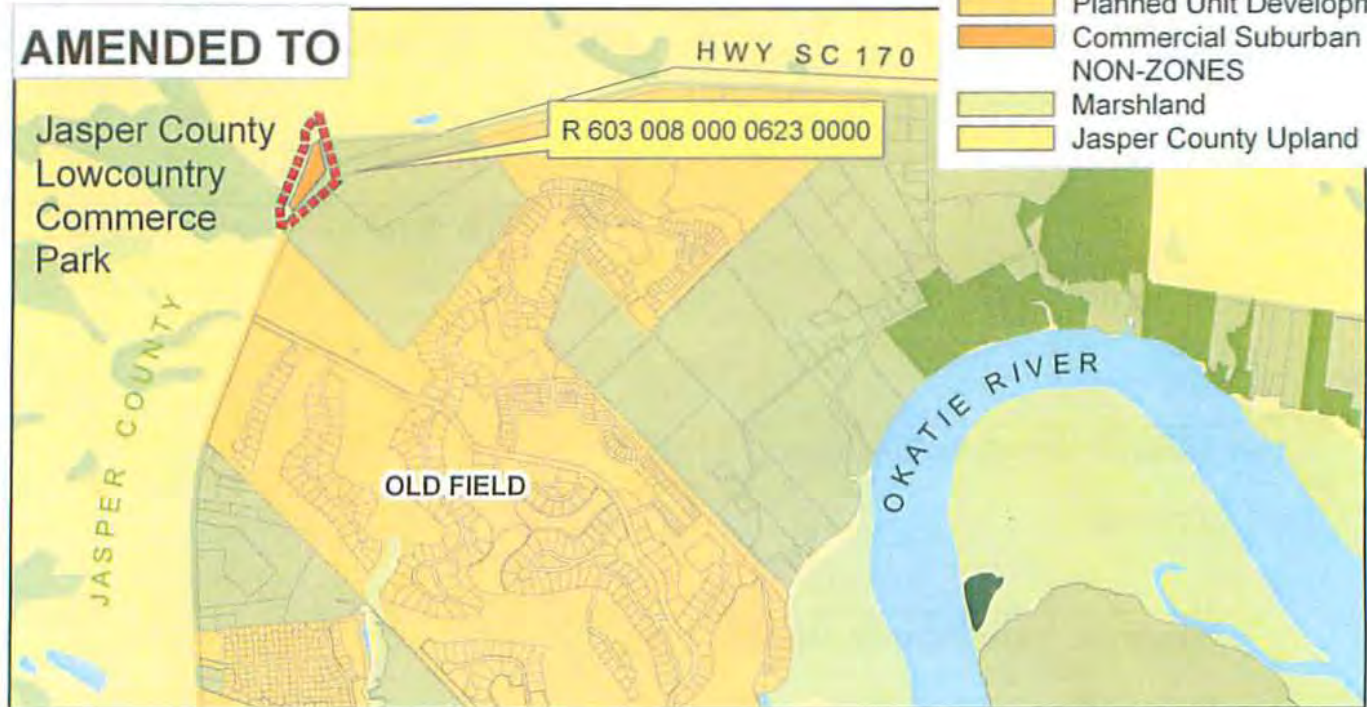
CURRENT



ZONE DISTRICT LEGEND

- Resource Conservation
- Rural
- Rural Residential
- Planned Unit Development
- Commercial Suburban
- NON-ZONES
- Marshland
- Jasper County Upland

AMENDED TO



REZONING AMENDMENT

R 603 008 000 0623 0000

FROM RURAL [R] TO COMMERCIAL SUBURBAN [CS]



2011 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), APPENDIX J - DALE COMMUNITY PRESERVATION (DCP); DIVISION 2 - DALE MIXED USE DISTRICT (DMD), SECTION 2.4, TABLE 1 (LAND USES) AND SECTION 2.5 (LIMITED AND SPECIAL USE STANDARDS); AND ARTICLE V (USE REGULATIONS), SECTION 106-1357 - COMMERCIAL COMMUNICATION TOWERS.

Whereas, Standards that are underscored shall be added text and Standards ~~lined through~~ shall be deleted text.

Adopted this ____ day of _____, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson F. Howell, Staff Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

(Amending 99/12)

DIVISION 2. DALE MIXED USE DISTRICT (DMD)

Sec. 2.4. Permitted activities.

The permitted uses are restricted to residential uses and consumer-oriented businesses catering primarily to the needs of the local population. For the purpose of this section, the allowable uses in the DMD zoning district and are controlled by the land use development standards of this section, the Beaufort County Comprehensive plan, the ZDSO, and the chart of permitted uses (Table 1). The following are descriptions of permitted uses, permitted accessory uses and structures for DMD districts:

TABLE 1. LAND USES

<i>Land Use</i>	<i>Use Definition</i>	<i>Use Permission</i>
Accessory dwelling unit	A second dwelling unit, clearly subordinate to the principal unit, either in or added to an existing single-family detached dwelling, or in a separate accessory structure on the same lot as the main dwelling, for use as a complete, independent living facility. Maximum building size shall not exceed 50% of the principal unit's floor area.	L
<u>Industrial Uses</u>		
<u>Commercial communication towers</u>	<u>A tower, pole or similar structure which supports a telecommunications antenna operated for commercial purposes above ground in a fixed location, freestanding or guyed, or atop a structure. This does not include television antennas or satellite dishes. Towers for radio or television station use are regulated as regional utilities. Speculation towers are prohibited.</u>	<u>S</u>

Sec. 2.5. Limited and special use standards.

RESIDENTIAL USES

The affordable housing density bonuses allowed in section eight of the Beaufort County Zoning and Development Standards Ordinance shall not apply to the permitted densities within the Dale CP Districts.

Accessory Dwelling

- This use is limited to 50 percent of the floor area (heated) of the primary structure.

INDUSTRIAL USES

Commercial Communication Towers

- **This use must comply with the standards set forth in Section 106-1357.**

ARTICLE V. USE REGULATIONS

DIVISION 2. LIMITED AND SPECIAL USE STANDARDS

*Subdivision VIII. Industrial**

Sec. 106-1357. Commercial communication towers.

The purpose of this section is to provide service to the public while minimizing the number of towers, and the individual impact of towers, in Beaufort County.

- (a) *Collocation.* Procedures for collocation of commercial communication towers are as follows:
- (1) All new applications for this use shall provide a collocation study to demonstrate that there is not a suitable collocation site that can serve needs of the user. Placement on water towers or other tall structures shall be fully considered prior to making an application. Existing uses shall be required to demonstrate cooperation in that there is not an undue proliferation of towers.
 - (2) All new towers shall provide for collocation. This means the tower shall have additional location points and the design of the ground structures shall be such that modular expansion is feasible. The following collocation standards shall also apply:
 - a. All structures less than 125 feet in height shall make provision for at least two locations.
 - b. Towers between 125 feet and 200 feet in height shall have at least four locations.
 - c. When a tower is proposed within two miles of an existing tower, the applicant will be expected to prove that there is no technologically and structurally suitable space available within the search ring. The applicant shall submit satisfactory written evidence such as correspondence, agreements, contracts etc., that alternative towers are not available for use within the search ring. The proposed tower, if approved, must be either camouflaged or stealth in design.
- (b) *Maximum height.* Maximum height shall be as follows:
- (1) For towers with provisions for one to three locations, 125 feet.
 - (2) For towers with provisions for four to five locations, 200 feet.
 - (3) In the rural district, where the tower is located on a property with a conservation easement in place, such locations shall only be approved where the location of the structure will be completely screened at least one mile in sight distance, from roads or riverways having visual access of the subject property. In the rural district, the required resource protection plan shall show how harvesting of the buffer will be done so as to retain the screening of the tower.
- (c) *Lighting.* Lighting shall be in accordance with Federal Aviation Administration (FAA) Advisory Circular AC 70/7460-1K (and all future updates) and FAA Advisory Circular AC 150/5345-43E (and all future updates) and shall be red strobe lights (L-864) at night and medium intensity flashing white lights (L-865) during daylight and twilight use unless otherwise required by the FAA. No general illumination shall be permitted. All towers 150 feet or taller shall be lighted. All commercial

communication towers approved by Beaufort County and by the South Carolina State Historic Preservation Office prior to the adoption of this amendment [Ord. No. 2007/1] and operating in conformance with those approvals shall be deemed to be lawful nonconforming uses and structures and are not subject to these lighting requirements. Status as a lawful nonconforming use or structure under this section shall terminate upon the expiration or revocation of a commercial communication tower's permit or upon any modification to the height of the tower.

(d) *Additional standards for all towers.* Additional standards for all towers are as follows:

- (1) No structure shall adversely affect any historic structure or site.
- (2) A 50-foot forested buffer shall be provided around all sites. For camouflage and stealth towers, the DRT may approve a buffer modulation based on site design. If a forested buffer does not exist, a new buffer shall be planted in accordance with section 106-1680.
- (3) A collapse zone shall be designed so that tower collapse will occur only within the property owned or controlled by an easement.
- (4) A sign of no more than two square feet shall be mounted in an easily noticeable location, no more than four feet above the ground, providing tower identification and an emergency notification number.
- (5) If disputed evidence occurs before the DRT or ZBOA, the county may hire, at the developer's expense, a communications expert or engineer of its own choosing to assist in determining the facts.
- (6) When any tower is abandoned for 60 days, it shall be removed by the landowner and the site restored within six months.
- (7) Speculation towers are prohibited.
- (8) New uses are strictly prohibited in corridor overlay, historic overlay and community preservation areas, **unless specifically provided for in a specific community preservation district (CPD)**, and shall not adversely affect any property, road or waterway which has been officially recognized or designated as scenic within the county. The expansion or replacement of existing towers in a community preservation area shall require a special use permit and are limited to 150 feet in height.
- (9) The base of any new tower shall be set back no closer to a residential structure than a distance equal to one foot for each one foot in height of the proposed tower, plus an additional 50 feet.
- (10) No tower shall be located within 500 feet, plus one foot for each foot of height of the proposed tower, of the OCRM critical line. All towers shall comply with the airport overlay district standards.

(e) *Reports/studies required.* All applications for this use shall include a community impact statement including a visual impact analysis.

(Ord. No. 99-12, § 1 (03.244), 4-26-1999; Ord. No. 2000-6, 2-14-2000; Ord. No. 2004/32, 10-4-2004; Ord. No. 2007/1, 1-8-2007)



**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: Jerry Stewart, Chairman, Public Safety Committee

VIA: Gary Kubic, County Administrator *G Kubic*
Bryan Hill, Deputy County Administrator *BH*
David Starkey, Chief Financial Officer *DS*
William Winn, Director of Public Safety *W*
Colonel Phillip Foot, Director Detention Center *PF*

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

SUBJ: RFP# 3948/110806 Health/Medical Care Services for the Beaufort County Detention Center

DATE: November 15, 2010

BACKGROUND: Beaufort County received five (5) proposals from qualified medical services providers on August 25, 2010. The evaluation committee consisted of Colonel Phillip Foot, Director Beaufort County Detention Center, Major Charles Allen, Deputy Director Beaufort County Detention Center, Deena McCullough, Fiscal Technician, Beaufort County Detention Center, and Rusty Hollingsworth, Retired Beaufort County EMS Director. The evaluation committee conducted the initial evaluation on September 10, 2010 and selected Southern Health Partners and Advanced Correctional Health Care for interviews. The evaluation committee held the final interviews on October 20, 2010, and requested best and final offers from each firm. On November 1, 2010, after reviewing the best and final offers submitted by the two firms, the evaluation committee ranked Southern Health Partners as the number one ranked firm.

FINAL EVALUATION AND RANKING:

	Initial Cost	Best/Final Offer
1. Southern Health Partners, Chattanooga, TN	\$563,400	\$528,000
2. Advanced Correctional Health Care, Peoria, Illinois	\$576,401	\$550,741
3. Correct Health, Stockbridge, GA	\$608,680	
4. Carolina Center for Occ. Health, N. Charleston, SC	\$633,543	
5. STG International, Alexandria, VA	\$922,256	

FUNDING: Account 23170-51190, Medical/Dental Services. The current FY 2011 balance is \$313,606; which is sufficient to fund the remainder of FY 2011, as the initial contract term will begin January 1, 2011 and end December 31, 2011(which includes half of FY 2011 and half of FY 2012).

RECOMMENDATION: The Public Safety Committee approve and recommend to County Council the contract award of \$528,000 to Southern Health Partners for health and medical care services with four annual options to renew the contract at the discretion of County Council.

cc: Richard Hineine, Elizabeth Wooten

Committee Reports

December 13, 2010

A. COMMITTEES REPORTING

1. Community Services

① [Minutes](#) provided from the December 6 meeting. See main agenda item 13.

② Foster Care Review Board

<i>Nominated</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
11.29.10	Doris Williams	Countywide	Appoint	6 of 11

③ Alcohol and Drug Abuse Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
12.13.10	Frances Kenney	Countywide	Appoint	6 of 11

④ Library Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
12.13.10	Charles Morse	District 4	Appoint	6 of 11

2. Finance

① [Minutes](#) provided from the November 29 meeting. No action items.

3. Natural Resources

① [Minutes](#) provided from the December 6 meeting. See main agenda items 14, 15, 16 and 17.

4. Public Facilities

① [Minutes](#) provided from the November 30 meeting. See main agenda items 9, 10, 11 and 12.

5. Public Safety

① [Minutes](#) provided from the December 6 meeting. See main agenda items 18.

B. COMMITTEE MEETINGS

1. Community Services

William McBride, Chairman

Gerald Dawson, Vice Chairman

➔ Next Meeting – Tuesday, January 18 at 4:00 p.m., BIV #2

2. Executive

Weston Newton, Chairman

➔ Next Meeting – To be announced.

3. Finance

Stu Rodman, Chairman

William McBride, Vice Chairman

➔ Next Meeting – Tuesday, January 18 at 2:00 p.m., BIV #2

4. Natural Resources

Paul Sommerville, Chairman

Jerry Stewart, Vice Chairman

➔ Next Meeting – Monday, December 13 at 2:00 p.m. / Development Agreement Subcommittee

➔ Next Meeting – Tuesday, January 4 at 2:00 p.m.

5. Public Facilities

Herbert Glaze, Chairman

Steven Baer, Vice Chairman

➔ Next Meeting – Tuesday, January 25 at 4:30 p.m.

6. Public Safety

Jerry Stewart, Chairman

Brian Flewelling, Vice Chairman

➔ Next Meeting – Tuesday, January 4 at 4:00 p.m.

7. Transportation Advisory Group

Weston Newton, Chairman

Stu Rodman, Vice Chairman

➔ Next Meeting – February or March 2011

COMMUNITY SERVICES COMMITTEE

December 6, 2010

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

The Community Services Committee met on Monday, December 6, 2010 at 3:00 p.m. in the Executive Conference Room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Community Services Committee members: Chairman William McBride, Vice Chairman Gerald Dawson, and members Steven Baer, Rick Caporale, Herbert Glaze, Stu Rodman and Laura Von Harten attended. Non-Committee members Brian Flewelling, Paul Sommerville and Jerry Stewart also attended.

County staff: Morris Campbell, Division Director – Community Services; David Coleman, County Capital Improvements Manager; Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; David Starkey, Chief Financial Officer; Wlodek Zaryczny, Libraries Director.

Media: Richard Brooks, *Bluffton Today*

Public: Eleanor Barnwell, Penn Center Board of Trustees; Rosalynn Browne, Penn Center.

ACTION ITEMS

- 1. Acceptance of the United States Department of Agriculture (USDA) Grant Offer of \$2,500,000 and Loan Agreement of \$6,000,000 for the St. Helena Public Library at Penn Center**

Discussion: Mr. Gary Kubic, Beaufort County Administrator, addressed the Community Services Committee and gave them a summarization of the United States Department of Agriculture (USDA) grant and loan offers. There are two parts: 1. a grant offer of \$2.5 million and 2. a loan agreement for \$6 million for the construction of the St. Helena Library at Penn Center. He highlighted a few items in relation to the library. First, he congratulated his staff and all those involved. This project represents, in terms of monies from external sources, \$2.5 million grant from the USDA, a Community Development Block Grant of \$1.5 million, a land donation by the Penn Center Board of Trustees for only the footprint of the building representing a value from \$400,000 to \$450,000, and to the developers who had to pay an impact fee over the years a value of about \$1.1 million. If viewing it as a stimulus, that is more than \$5.5 million coming into our area, from outside sources, for the construction of this facility. Second, Mr. Kubic reviewed the details of the library. The library itself is approximately 23,000 ft.². The materials for this meeting contain a budget breakdown showing this project, with only the USDA grant offer, it accounts for \$10 million of the project cost. The impact fees are an additional \$1.1 million. In terms of a project, the total funding budget we are working with represents about

\$11.1 million. Within that total: \$1.2 million is scheduled for architects and engineering fees. The site development (including roadways, amenities such as waterline development, and the building) runs about \$6.9 million to \$7 million. The equipment is at about \$1.3 million. There is a contingency of about \$500,000.

Mr. Kubic advised Council members present at the Community Services Committee meeting, he told those involved in the spec writing process that the County would like to see a base bid, several alternates that include different things, and the pricing of those items. Hopefully, then they could increase or decrease the included items according to the base bid. The building itself has been debated among staff members. Here he segued to say the grant offer came in September and the County has 120 days to accept. He said, “You may ask, ‘What’s taking so long?’” It is the constant debate about the community input when developing a project to ensure the development meets community input, as well as working with the partner, Beaufort-Jasper-Hampton Comprehensive Health Services through Chief Executive Officer Roland Gardner. Beaufort-Jasper-Hampton Comprehensive Health Services has an accent piece to this project — a health facility. This lends to characteristics of a partnership. For example, Mr. Gardner’s project does not have sufficient open space, but by combining his projects with the County library project, he is able to show we can both build to a benefit for the community on St. Helena Island.

Mr. Kubic then discussed the millage rate impact the library is estimated to have. If we only look at the library as the only Capital Improvement Program (CIP) piece approved this year, it has a change in the overall impact of 0.22 mills. For example, if the change was instead 1 to 1.2 mills (the reason why Mr. Kubic stated he picked that number is because the other projects anticipated have that number), it would have an increase on a \$300,000-home of \$15, or on a \$1 million-home of \$48.

Mr. Kubic then reviewed some other projects on the pipeline, in addition to the library, in order to give the Community Services Committee members context. He reiterated, if the County accepts the USDA grant and loan offers, the loan is \$6 million, covering 40 years with a net yield of 2.2% of an effective interest rate. He noted the County already included \$5 million in its debt for the St. Helena Library at Penn Center. There is a Courthouse project, which has \$6 million available in litigation settlements, but the estimated cost for total renovation is about \$14 million. The actual increased debt anticipated in the CIP, along with the St. Helena Library at Penn Center, would be \$3 million. We would simply reclassify the \$5 million the County already borrowed, call it the Courthouse renovation, add \$3 million so that project can be bid out, Mr. Kubic stated. Again, those are estimates, he qualified. He added the County is not sizing the bond based on estimates, but will sign the final product based on bids received for the construction. This gives the Committee an example. There are two other items being considered for inclusion into the CIP proposal to Council. One is a potential land purchase based on the economic development for land purchase on U.S. 21, Lowcountry Economic Network property partnership Beaufort Commerce Park, which is being negotiated. To give the Committee some information, the current loan balance for the Network is somewhere around \$2.4 million. The second is the southern Beaufort County offices, and whether or not Council wants to continue to provide those. Currently the Myrtle Park building, at the intersection of S.C. 46 and S.C. 278A,

is under a lease agreement only. The County is not developing equity into that facility. He said they are entertaining and involved in negotiations for the purchase of that piece. That may be the second item administration proposes for the CIP. Mr. Kubic stated the rent on the southern Beaufort County offices would then apply to the debt for an outright purchase. He added staff is convinced it should consider buying the building and using the line item allocated in the past for rent to instead go toward the purchase.

Mr. Kubic concluded the overview of the St. Helena Island Library at Penn Center by saying his staff recommends endorsement of the proposal to enter into the grant and loan agreements.

The Committee members then questioned Mr. Kubic and his staff on the project details.

Mr. Caporale noted architectural engineering seems to account for about 12% of the project estimates. He asked if that is standard or unusually high.

Mr. Coleman said 14% would be considered high, but 12% is a fair amount. As this is a medium-sized project and is in line with the state standards, he said.

Mr. Caporale cited a School District project in which the architectural engineering accounted for about 7%. Mr. Rodman said he recalled that project.

Mr. Hill stated a sliding fee scale was used with Liollo, the contracted architectural firm for the library project; the cost depends on the square-footage. In the contract, the County placed a placeholder at \$1.2 million, based on a 35,000-ft² building. That number will come down as we size the building. Right now, we are estimating the building at 23,500 feet.

Mr. Kubic asked the Community Services Committee members to keep in mind there were three or four community charettes, which the County does not ordinarily do on other projects. As a consequence, Liollo was contracted for not only architectural engineering but for organizing charettes. Mr. Kubic added he also asked Liollo to explore geothermal and Leadership in Energy and Environmental Design (LEED) silver certification, to give design concepts on what it requires in terms of funding. So the County knows it will not include geothermal in the \$11.1 million because of the expense, nor will it go for the LEED silver certification because of the expense. Liollo also looked at pre-cast concrete in comparison to steel, but because of the expense with pre-cast concrete went with steel instead. We gave the architect parameters and margins to help determine a final product because we calculated we would only have, assuming Council approves, \$11.1 million in funding.

Mr. Baer said the Council approved \$6 million for the library so far; there is a \$2.5 million grant, a \$6 million loan and \$1.1 million in impact fees. Adding those totals \$9 million, not \$11 million. Mr. Caporale said Mr. Baer needs to add the \$1.5 million Community Development Block Grant. This brings the sum to \$11.1 million.

Mr. Baer asked for clarification on this project. He asked, “So [Council] is not approving any additional expenditure beyond what Council already approved, or will be used as impact fees or grants?” Mr. Kubic agreed. He added, one dilemma the administration has is because of the

impact of a library as an iconic structure on the island, he asked the architects to do several things, but if all scenarios are adopted the project could be driven to 35,000 ft². At least we vetted that possibility. Now, we are working to see what we can buy for the \$11.1 million. He asked the Committee to keep in mind when he asks what can be bought; he includes the amenities to get to the site.

Mr. Baer asked if amenities include books and furniture. Mr. Kubic stated he believes it does, as a value of \$1.3 million for equipment. Mr. Baer further asked if this included the Radio Frequency Identification (RFID) approved last week. Mr. Hill confirmed it does.

Mr. Baer asked about the 0.22 mills and whether it is for just the debt service or anything additional. Mr. Kubic stated, “That would be once [the County] agrees to this, [the County] would add to our debt service an additional requirement that is equivalent to 0.22 mills to offset the principal and interest due on this loan.”

Mr. Baer asked about the operations budget. Mr. Hill said at 35,000 ft², he estimated it to be about \$875,000. Doing quick math, he said it would be about \$700,000. He added, they would do more due diligence on the operating budget, obviously, as the budgeting process continues into the next fiscal year. Council dictates if there will be operating increases, or not, and if not two years down the road when this building comes online, Mr. Starkey, Mr. Kubic and he will have to make sure there are sufficient funds to ensure the building moves forward.

Mr. Baer stated since the County is adding a library to the system he would not be against raising the total library budget to account for an added facility, so long as it was allocated equitably amongst all facilities. Mr. Hill said they would take that under advisement as they move forward with the budget process. Mr. Baer thanked Mr. Hill for the detail; he said he loves the detail.

Mr. Flewelling asked about the status of a conference center in the library. Mr. Kubic stated in the numbers presented to the Committee is a community room with capacity for about 75 people. He expanded to say he asked the architects to look at the bid specifications and include various alternates so the relationship between Council and administration on this project is this: Council gives administration a number on December 13 if they approve the loan and grant offer, administration will then get the architects and engineers together to draft a specification to go on the street for bid with a shopping list, of sorts. This provides variety in the event the base bid comes in lower than anticipated to add some of the alternates. He said what he would like to do on future building projects is agree to bring on an engineer first and size whatever bond the County has so it is based on an actual bid. Then, borrow the money and build the building within the same year.

Mr. McBride asked about the status of a post-hurricane recovery designation for the facility. Mr. Kubic said the facility will be bid for an emergency generator. The capacity to have strengthened and height from the current elevation will be bid as alternates. The idea is still available, but he cannot guarantee with the pricing. The Council will be provided with options. The ability to fund is associated with the alternates on the project.

Mr. Sommerville asked if the 0.22 mills were over the course of 40 years. Mr. Kubic said they were the principle interest. Mr. Starkey said the present value is \$1,742,000.

Mr. Rodman said the County ends up with the \$11.1 million, then will go out to get bids designated for that amount of money, and depending on the bids, County will include or exclude certain items in the library. Mr. Kubic nodded. Mr. Rodman said he thinks it would be useful to provide a list of the alternate items when this goes before Council.

Mr. Kubic listed some of the alternates: the size of the gathering space, amount of services offered as desired by the community such as teen centers or computer labs, steel versus concrete construction, etc.

Mr. Rodman asked if this will become the community center for St. Helena. Mr. McBride joked it depends on how it turns out. Then, he said he hopes it does become a community gathering place.

Mr. Kubic said the idea of building a library on Penn Center and the partnership between Penn Center and the library in terms of teaching and preserving the history, the potential coordination among the two and Mitchelville, attraction of tourism, etc. are possible, but the core of the library is to provide an education to the children of St. Helena Island. That is what we believe we will be able to do, first and foremost, Mr. Kubic said.

Mr. Rodman commented on the Mitchellville and Gullah-Geechee Corridor connection to this project and how they will build upon each other. He also asked about the School District abandoning the Early Learning Center on St. Helena and whether that facility could be utilized. Mr. Kubic answered they looked at the facility, and did so very quietly. The article raised a point we wanted to vet; if the taxpayers already invested in the development of a facility, can it be converted to a second use rather than paying for two buildings? Unfortunately, it was built as a school with several hallways and segregated into a variety of things, the location, and contrast with the community expressed desires. Mr. Kubic said they decided to build on the Penn Center location.

Mr. Caporale asked for a review of how the library will occupy the land on Penn Center. Mr. Kubic explained the County will lease the property. Mr. Caporale asked if it would be like a 99-year lease. Mr. Kubic confirmed by saying, “it’s so long that effectively we own.” Mr. Campbell added the lease is \$1 per year.

Mr. Stewart asked about the status of building this facility in two parts — first a library, then a Gullah cultural hub. Mr. Kubic explained that within the \$11.1 million if anything is referred to as a cultural resource center, it is the duality of use for the community room within the library. Because of restricted funds, the County has not pursued a cultural resource center as is typical, he said. However, the County would eventually like to expand to that type of center.

Mr. Stewart stated Mr. Kubic spoke about the other renovations and municipal park slated for the County already in the capital budget; he then asked Mr. Kubic how he envisions the County going forward with that total capital. When are we going to make that decision? Mr. Kubic answered, his objective today is to only present the USDA grant and loan offers, but he

knew he could not present without a flavor of what lies ahead in the CIP. He asked staff to focus on three or four major projects because he does not know Council's position on next year's budget and the relationship of millage increases. He made the presumption of making as little a millage increase as possible, however based on need he looked at what necessitates correction in the near future so concentrated on major facilities only — the Courthouse. So, the library, the Courthouse, the partnership on the Beaufort Commerce Park and the lease of the southern Beaufort County offices are the projects anticipated for next year. The list itself is well more than \$56 million, Mr. Kubic said. In the out years, he said he is looking at major roof replacements in County facilities. As a guideline for these projects within the CIP, he reviewed the Retreat information to try to satisfy Council's action plans, which call for the Courthouse, Beaufort Commerce Park and St. Helena Library at Penn Center.

Mr. Stewart stated the County is approaching a critical time constraint as far as the Beaufort Commerce Park in terms of the bank loan situation. He said this is why he put Mr. Kubic on the spot; Council has to make a decision. Mr. Kubic responded it is likely he will come to Council by December 13 with a number needed to purchase the Beaufort Commerce Park property, and he added he assumes from the documentation he has from Council as far as the intent, purpose and demand, without formal approval, Mr. Kubic has the approval to place the Commerce Park into the CIP, which he will likely do.

Mr. Baer said with regard to the hint of millage increases, the mood in his district is unresponsive as many see investment income dropping, health insurance costs rising, no Social Security increase, no raises for those working and this year they saw a 6% increase in their County tax bills. He said he knows the County held operations in the budget flat, but debt service and various other fees rose. He added without support for the increase, there better be a "darn good reason to increase," for example the Commerce Park needs a business plan. He stated he was encouraged by the plan for the St. Helena Library at Penn Center. He then requested clarification on the relationship between the County and the Beaufort-Jasper-Hampton Comprehensive Health Services property.

Mr. Kubic explained independent of what the County is doing with the St. Helena Library at Penn Center, the Penn Center Board of Trustees agreed to expand the medical health services offered through Beaufort-Jasper-Hampton Comprehensive Health Services by building a medical facility and senior center.

Mr. Baer asked if they need some density. Mr. Kubic answered in the area's zoning requirements, if the County were not available to share the open space requirement, it would need a zone change or text amendment to the existing requirements, which would likely be granted given the facility and location. Essentially, this partnership is a convenience we are capable of performing because the County and Comprehensive Health are next to each other.

It was moved by Mr. Rodman, seconded by Mr. Baer, that Natural Resources Committee approves and forwards to Council the acceptance of the United States Department of Agriculture (USDA) grant offer of \$2,500,000 and loan agreement of \$6,000,000 for the St. Helena Public Library at Penn Center. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr.

McBride, Mr. Rodman and Ms. Von Harten. Mr. Glaze was not in the room for the vote. The motion passed.

Recommendation: Council approves the acceptance of the United States Department of Agriculture (USDA) grant offer of \$2,500,000 and loan agreement of \$6,000,000 for the St. Helena Public Library at Penn Center.

2. Consideration of Reappointments and Vacancies

Alcohol and Drug Abuse Board

Mr. McBride said there is a letter of recommendation in the packet from Mr. Bud Boyne for Ms. Frances Kenney.

Ms. Von Harten brought forth Ms. Judy Lohr's name, but withdrew and agreed to put it forward before full Council.

Mr. Stewart said he wanted to bring forward Ms. Kenney, but was not a voting member of the Community Services Committee. Mr. Rodman agreed to put forward her name.

It was moved by Mr. Rodman, seconded by Mr. Dawson, the Natural Resources Committee forwards to Council Ms. Frances Kenney for consideration of appointment to the Alcohol and Drug Abuse Board. The vote was: FOR - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride and Mr. Rodman. OPPOSED – Ms. Von Harten. The motion passed.

Library Board

Mr. McBride stated many applicants came forward for this County Council District 4 seat on the Library Board. Council Chairman Weston Newton, who represents Council District 4, recommends Mr. Charles Morse.

It was moved by Mr. Baer, seconded by Mr. Caporale, the Natural Resources Committee forwards to Council Mr. Charles Morse, for consideration of appointment to the Library Board's District 4 seat. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Rodman and Ms. Von Harten. The motion passed.

Recommendation: Council approves nominating Ms. Frances Kenney to the Alcohol and Drug Abuse Board, and nominating Mr. Charles Morse, representing District 4, to the Library Board.

FINANCE COMMITTEE

November 29, 2010

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

The Finance Committee met on Monday, November 29, 2010 at 2:00 p.m. in the Executive Conference Room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Finance Committee members: Chairman Stu Rodman, Vice Chairman William McBride, and members Steven Baer, Paul Sommerville, and Jerry Stewart attended. Members Brian Flewelling and Laura Von Harten were absent. Non-committee members Rick Caporale, Gerald Dawson, Herbert Glaze and Weston Newton were also present. Weston Newton, as Council chairman, is a voting member of each Committee and attended the meeting.

County Staff: Sharron Burris, Auditor; Alan Eisenman, Financial Analyst; Bryan Hill, Deputy County Administrator; Alisha Holland, Financial Analyst; Ed Hughes, Assessor; Gary Kubic, County Administrator; David Starkey, Chief Financial Officer.

Media: Richard Brooks, *Bluffton Today* and Joe Croley, Hilton Head Association of Realtors.

Public: Ed Olsen, Bluffton Fire Commissioner; Larry Holman, Beaufort Black Chamber of Commerce; Tom McNeish, Elliott Davis; Ryan Miller, Elliott Davis; Jerry Reynolds, Bluffton Fire Commissioner; Tom Thompson, Bluffton Fire District; Barry Turner, Bluffton Fire Chief; Caroline Wallace, Stormwater Manager.

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

ACTION ITEM

1. Lemmon Tract Purchase for Relocation of Bluffton Fire District Station 30

Discussion: Bluffton Fire Chief Barry Turner reviewed this item with the Committee. The Fire District wants to purchase 9.2 acres of property, known as the Lemmon Tract for relocation of Station 30. We feel this purchase is a good purchase. It is an asset to the Fire District now and for future use. When we submitted our operational budget, we submitted a figure to use \$763,885 from impact fee fund and \$436,115 for the District's general reserve fund, totaling \$1.2 million.

In the Committee meeting packet he provided members with the history of the fire station, its location, current condition of the building, description of the Lemmon Tract, and why we feel the purchase is a wise one.

Mr. Newton asked the Chief to speak to the current site, why new land purchase is necessary, current issues relative to the existing land and alternatives considered in selecting this site.

Chief Turner stated the first option was to build on the existing site. That building was built in 1979 and was a volunteer fire department and volunteer rescue squad. Volunteer went to the School District and asked if they could borrow property to build the station. They granted it. There is no paperwork to be found on what the agreement was. There has not been any money exchange. The School Board said they would not say no, but that they did not want us to expand on the current site. With today's ordinances and codes, the building required would not fit on the property. The property is .77 acres. The building we use now is a pre-engineered steel building. It was never designed to do what it is doing. It was designed to house two trucks and a small kitchen area. Now we have EMS, a kitchen area, sleeping facilities and three trucks running out of it. It is definitely not suiting its purpose.

Chief Turner stated the second option was to look for property to purchase to relocate the station. We had to maintain was our insurance services criteria, which gives us a five mile travel distance from that fire station. We identified three parcels of property within .25 mile of that station. Out of those three parcels, we chose the 9.2 because it gives us a lot of flexibility for future expansion and future needs. The other parcels were 3, 5, 10 or 20-acre parcels at a much higher price or a 5-acre parcel at a much higher price.

Mr. Baer wanted to know if the .77 acres is owned by the School District. Chief Turner stated yes. He added the District's attorney, Robert Vaux, stated since nothing was in agreement any improvements to the property go back to the School District.

Mr. Baer asked, "After the money in the reserve fund is used, what is left?" Chief Turner introduced Chief Thompson, Deputy Fire Chief and Administrator, to provide the information. Chief Thompson stated the reserve fund currently contains approximately \$3.5 million. After using the dollars necessary we will have more than \$3 million remaining in the general reserve fund.

Mr. Newton asked, "In terms of the other tracts looked at, were they higher in total price or per acre price?" Chief Turner stated it was per acre price. If we were to purchase three acres (the minimum size needed) it was less than the total price of \$1.2 million. The five acres was comparable with the 9.2 acres. The 10 and 20 acres were higher. The other five acre parcel came in at \$160,000 per acre. We are getting this for \$130,000 per acre.

Chief Turner stated the District choose the 9.2 acres because it gives our future flexibility for expansion, training facilities and whatever else we or the County may need. The District is willing to share the property, if needed. He stated they have spoken with the Sheriff's Office and when a training facility is built, they will also benefit from it.

Mr. Newton spoke in regard to the general reserve fund and the District's budget projects use of a portion of that fund.

Chief Thompson stated in the models run, when the reserve fund goes down to \$3 million, we will start to use that fund for operations. Over the last three years we decreased our revenue by almost \$700,000. Guidance from the County indicates that at best that revenue will stay flat. We are budgeting toward that, however, the cost of doing business makes it difficult to stay within that. We attempted to reduce back as much as we can. We cut our budget back to lower services now. If we cut much more, the services could begin to be impacted. We will have to use that reserve fund to supplement the District's operations – projected to occur around 2014.

Mr. Newton stated the University of South Carolina-Beaufort Tax Increment Finance (TIF) comes off in 2013-2014. He asked if they have ran any calculation to see how much that would be. Chief Thompson stated it would be about 2%. There is a second TIF coming off in 2014 at another 2%.

Mr. Newton wanted to know if three acres is the minimum size tract the District would buy to build a fire station. Chief Thompson concurred.

Mr. Newton stated knowing the millage problems and the pressures we have in the future, if the District can reutilize the $\frac{3}{4}$ of an acres available today and use impact fees to build a new facility, then the level of service does not go down and the need for increased taxes has been minimized by more efficiently using the resources at hand.

Chief Thompson stated that is true if we could rebuild on that site. Being able to put the building that is needed on that site is not feasible. It will not fit.

Mr. Newton wanted to know how much longer they can stay in the current facility, their projections for the construction of the new facility and how will the District pay for that. Chief Thompson stated they had an engineering study conducted on the building that indicates within the next two to three years we will have to be out of that building unless we put a tremendous amount of money into that building to bring it up to higher standard. The big problem with the building is that there is a lot of rust in the structure. We had to put in a substantial amount of lateral bracing to shore up the building in the event of a strong storm. We are looking at a 2 to 3-year window. As far as the construction goes and our capital plan, it is budgeted for FY 2012 to start the construction. We would pay for that by taking it out of debt service. Right now are assessed at .38 mills for debt. Of that we have paid off one fire engine we financed, and the second one will be paid off in FY 2012. We would be out of debt at that point. We could transfer the payment on a bond to approximately that same debt millage. That is the goal.

Mr. Newton asked for the price of the 10-acre parcel. Chief Turner stated the 10-acre parcel was \$150,000 per acre.

Mr. Newton wanted to know how long it takes to build a station. Chief Turner stated they are estimating 8 to 12 months.

Mr. Newton stated the material speaks of a training facility. Chief Turner answered that is part of the District's long-range plan for FY 2016. A training facility is a building you would train to simulate fire fighting and rescue.

Mr. Newton wanted to know how much land that would need. Chief Turner replied five acres.

Chief Turner stated the property has many uses that would benefit all county agencies. The concept is to buy property while it is affordable. We learned that we need property. We are accumulating. All property helps.

Mr. Baer asked for the cost of the building. Chief Turner stated the estimate is \$1.4 million. It is based on \$200 per square foot. It is masonry construction and should last a good 75 years.

Mr. Baer commented that when the District considers the training facility, his hope is that they consider the option of renting some of the Hilton Head training facility.

Chief Thompson stated we do use the Hilton Head facility. It costs us approximately \$1,000 a day. It is underused.

Mr. Newton wanted to know the number of days they use that facility. Chief Turner stated with the cost it is minimized. It is for annual requirements and quarterly, so it would be approximately 15 days per year. The logistics of moving our people over there limits the amount of time we are able to use it. It would be used more if was in the Bluffton area.

Mr. Newton inquired as to the cost of building a training facility. Chief Thompson stated approximately \$1 million to \$1.5 million.

Mr. Newton asked if the Commission recommends this purchase. Chief Turner concurred.

Mr. Newton wanted to know what they would use the property for if they did not build the training facility. Mr. Turner stated our fire district is 246 square miles. We accumulate a lot of things and move a lot of things around. Right now there is no consolidated parking, storage, etc. These stations are slammed full of excess equipment spread out through numerous stations. We need storage – vehicle storage, maintenance storage, supply storage, etc.

In past conversation with Mr. Kubic and Mr. Hill, they suggested other uses such as ball fields and public usage, which is not out of the question.

It was moved by Mr. Sommerville, seconded by Mr. Newton that the Committee approves and recommends Council approves giving the Bluffton Fire District approval to purchase 9.2 acres of land at \$1.2 million. The vote was: FOR – Mr. Baer, Mr. McBride, Mr. Newton Mr.

Sommerville, Mr. Rodman and Mr. Stewart. ABSENT – Mr. Flewelling and Ms. Von Harten. The motion passed.

Recommendation: Council authorizes the Bluffton Fire District to purchase 9.2 acres of land known as the Lemmon Tract for relocation of Station 30 at a cost of \$1.2 million. The funding sources are \$763,885 from impact fee fund and \$436,115 for the District's general reserve fund.

INFORMATION ITEM

2. Audit Special Procedures Findings

Discussion: Mr. Gary Kubic, County Administrator, stated the purpose of this exercise is to take the component parts and understand the integration of the various tasks of different departments that produce the same output. If one part does not work like it should, it cascades on other departments. Our goal is excellence. He asked Elliott Davis to identify those areas within the County government that have weaknesses. With guidance we will be able to overcome those weaknesses.

Mr. David Starkey, Chief Financial Officer, said last year, in the 2009 audit, the auditors selected a month to determine that what was in our general ledger matched what was distributed to taxing entities. They chose June. We had to provide them with December 2008 to May 2009 data because what was in Manatron did not match what was in Munis. He introduced Mr. Tom McNeish and Mr. Ryan Miller, with Elliot Davis, to present their findings to the Committee.

Mr. Miller stated a few months ago we were before Council and presented them, in detailed fashion, the procedures we went through and those findings. Today, we focus on the procedures performed that have the most concern.

Procedure 2

For each transaction, we performed the following related to the taxpayer's ownership of the property:

- For mobile homes, we obtained a copy of the "Bill of Sale," "Title," and "Licensing Application" and compared it to the tax bill.
- For 4% and 6% real properties, we compared the taxpayer's name, address, parcel number and description of the property listed on the tax bill to a copy of the "Deed."
- For furniture and fixtures, we compared the taxpayer's name, address and description of the property listed on the tax bill to a "Personal Property Return."
- For watercraft, we compared the taxpayer's name, address and description of the property listed on the tax bill to the "Schedule of Registered Watercraft" provided by the Department of Natural Resources.
- For automobiles, we compared the taxpayer's name, address, vehicle identification number and description of the property listed on the tax bill to the "Affidavit of Sale" provided by the South Carolina Department of Motor Vehicles (SCDMV).

The finding was that copies of “Bills of Sale,” “Title Applications,” “Licensing Applications,” “Deeds,” “Personal Property Returns,” “Schedule of Registered Watercraft,” and “Affidavits of Sale” were not maintained on file as follows:

Department	Property Type	Type of Documentation	Sample Size	# of Findings	Findings as a % of Sample Size
Assessor	Mobile Home	Bill of Sale	80	55	69%
Assessor	Mobile Home	Title	80	54	68%
Assessor	Mobile Home	Mobile Home License	80	30	38%
Assessor	4% Real	Deed	80	3	4%
Assessor	6% Real	Deed	80	5	6%
Total Assessor			400	147	37%
Auditor	FFE	Personal Property Return	80	31	39%
Auditor	Watercraft	Schedule of Registered Watercraft	80	3	4%
Auditor	Autos	Affidavit of Sale	80	80	100%
Total Auditor			240	114	48%

Management’s Response – Assessor’s Office

Under current administration, every effort is made to ensure necessary documentation is provided and the Assessor’s Office will often notify owners of the necessity of registering the mobile home with the Building Codes department. Mobile home documentation received by the Assessor’s Office represents what is submitted via applications for mobile home permits to the Building Codes department.

The Repository for Beaufort County “Deeds” is with the Register of Deeds. The Assessor’s Office maintains copies of deeds on an “as needed” basis.

Management’s Response – Auditor’s Office

The Auditor's Office did not provide a management response related to these findings as of the date of this report.

Impact of Findings – Assessor’s Office

There is no evidence that the mobile home is registered with the County and that the County does not have knowledge of who owns the property.

There is no evidence that the property is registered with the County and that the County does not have knowledge of who owns the property.

Impact of Findings – Auditor’s Office

The Auditor's Office should ensure business owners are completing personal property returns accurately so business owners are not purposely omitting personal property, thus avoiding taxation. Copies of these personal property returns should be kept on file for each business owner.

The Auditor's Office should ensure watercraft owners have their watercraft registered with DNR so they will not avoid paying property taxes. This could cause the County's tax revenues to be understated in its financial statements.

The Auditor's Office should ensure automobile owners have their automobiles registered with the SCDMV so they will not avoid paying property taxes. This could cause the County's tax revenues to be understated in its financial statements.

Procedure 3

For each property, we performed the following related to the value of property tax assessment:

- For all real properties, we compared the appraised value listed on the County Assessor’s property valuation system to the market value listed on the “Assessment Notice.”
- For furniture and fixtures, we compared the appraised value listed on the tax bill to the taxpayer’s signed personal property return.
- For watercraft, we compared the appraised value listed on the tax bill to the blue book value listed in the “ABOS Marine Blue Book.”
- For automobiles, we compared the appraised value listed on the tax bill to the “Assessment Guide” provided by the SCDMV.

The findings were that Appraised values listed on the County’s tax system did not agree to supporting documentation as follows:

Department	Property Type	Type of Documentation	Sample Size	# of Findings	Findings as a % of Sample Size
Auditor	FFE	Personal Property Return	80	31	39%
Auditor	Watercraft	ABOS Marine Blue Book	80	47	59%
Auditor	Autos	DMV Assessment Guide	80	8	10%
Total			240	86	36%

Impact of Findings – Auditor’s Office

It is important that the appraised values are accurately reflected in the County's taxing system and on the tax bills because the assessed values are a product of the appraised values and the tax amounts due to the County are a product of the assessed values. Inaccurate appraised

values have the potential to cause the County's tax revenues to be misstated in its financial statements.

Mr. Caporale inquired as to the amount of the effect. Mr. McNeish stated they were looking at processes, not value.

Mr. Stewart wanted to know where the process broke down. Mr. Miller stated real properties are handled by the Assessor's Office. Some may be due to an upgrade (conversion process, where values were calculated line-by-line instead of total. Watercraft and automobiles are the responsibility of the Auditor's Office. The values were compared to outside sources.

Mr. Baer said it would be interesting to see if there are systemic major issues. It is important to look at the details to see if it is software or if something else is going on.

Mr. Caporale stated we do not know the percentage of the discrepancy – 36% exception is not a good thing.

Mr. Kubic stated there are multiple goals. You cannot fix a problem until you understand the problem. There are all kinds of movements. Some deal with historical data. If data was improperly entered years ago, it takes a much-exacted exercise to correct it. We need to take this number from 36% to 0%. This is a separate office holder. Integration is what is necessary to fix it. Any failure in the subsequent days of any part slows the system. We realize it is not a one department fix, but is multi-department fix. We will lead up to suggestions as to how to fix this.

Procedure 4

For real properties that increased in value from the previous tax year, we recalculated the capped value by multiplying the market value as of the end of the previous tax year by 1.15. Then, we compared the recalculation of the capped value to the capped value as reflected on the "Assessment Notice."

The findings were that the capped value listed on the "Assessment Notice" did not agree to the recalculated capped value of the properties as follows:

Department	Property Type	Sample Size	# of Findings	Findings as a % of Sample Size
Assessor	4% Real	73	25	34%
Assessor	6% Real	73	12	16%
Total		146	37	25%

Impact of Findings – Assessor's Office

Capped values drive the assessed values of properties. If capped values are incorrect, the assessed values will be incorrect. This will translate to incorrect tax amounts, which will cause the County's tax revenues to be misstated in its financial statements.

Procedure 5

For real properties that received the Homestead Exemption, we examined the "Application for Homestead Exemption" signed by the taxpayer and approved by the County Auditor and a copy of the taxpayer's driver's license.

The findings were that an "Application for Homestead Exemption" was not kept on file as follows:

Department	Property Type	Sample Size	# of Findings	Findings as a % of Sample Size
Auditor	4% Real	25	6	24%

Mr. Baer stated it is no doubt that some of these files were decades old. He is not sure that we have charged staff with cleaning up these files.

Mr. Starkey stated the Auditor's Office is solely reliable for Homestead Exemptions. The control is important because the program exempts the first \$50,000 of the value of the applicant's home from all property taxes. There really should be a control because it is a big exemption

Impact of Findings – Auditor's Office

"Applications for Homestead Exemptions" should be kept on file, so evidence exists that the taxpayer is receiving a valid exemption. Without evidence that the taxpayer completed this application, the risk that a taxpayer received this exemption in an erroneous or fraudulent manner increases.

Procedure 6

For real properties that received the Homestead Exemption, we compared a copy of the taxpayer's driver's license to the "Application for Homestead Exemption" to determine if a driver's license copy was maintained for each application.

The finding was that a copy of the taxpayer's driver's license was not kept on file as follows:

Department	Property Type	Sample Size	# of Findings	Findings as a % of Sample Size
Auditor	Mobile Home	3	3	100%
Auditor	4% Real	25	15	60%
Total		28	18	64%

Impact of Findings – Auditor’s Office

It is the Auditor's Office policy to obtain a copy of the taxpayer's driver's license when the taxpayer applies for the Homestead Exemption. This is so the Auditor's Office can verify the taxpayer and his or her age. Without a copy of the driver's license kept on file, there is no evidence that the taxpayer's age and other information was verified prior to receiving the exemption. This increases the risk that the taxpayer received the exemption erroneously or fraudulently.

Mr. Caporale stated we have no way of knowing how long ago the applications were done. Mr. Miller stated he only verified yes that it is a taxpayer, date of birth, signature of taxpayer, and if it was approved by Auditor.

Mr. Rodman stated if you take the two Homesteads, average them and 50% have a flag something is wrong; that number is way too high.

Mr. Stewart stated this is not the only place this information is stored. It is also stored at the DMV. Is it really our purpose to keep duplicate records of everything in a series of offices?

Mr. Miller asked if the Homestead Applications are stored at the DMV. Mr. Stewart stated no, but the driver’s licenses are. We could check with DMV to see they really are 65 or older.

Mr. Kubic stated from this diagnostic exercise we get that if there is an opportunity of using electronic transmission of information between agencies to extrapolate those component parts that are relevant to our process, which is the kind of solution we are hoping this diagnostic revelation will lead us to. What opportunities are there to satisfy our requirements statutory and the most efficient way to do that?

Mr. McBride stated he was under the impression that an individual has to re-file for the Homestead Exemption from time to time.

Mr. Hughes stated similar to the special assessment ratio, the law provides that within six months of a change of residency, the resident owner is to notify the assessor/auditor of that change of residency. There is no application or reapplication process for either.

Procedure 9

For each of the following property types selected, we recalculated the assessed value from information reflected on Manatron and compared it to the assessment ratio reflected on the tax bill.

The finding is that we noted differences between the recalculated assessed value and the assessed value reflected on the tax bill as follows:

Department	Property Type	Sample Size	# of Findings	Findings as a % of Sample Size
Assessor	Mobile Home	80	1	1%
Assessor	4% Real	80	14	18%
Assessor	6% Real	80	4	5%
Total Assessor		240	19	8%
Auditor	FFE	80	4	5%

Impact of Findings – Assessor’s and Auditor’s Offices

Assessed values directly drive the calculation of the tax amount due. If assessed values are incorrect, then the tax amounts due will also be incorrect. This will cause the County's tax revenues to be misstated in its financial statements.

Procedure 11

For all real properties classified as a legal residence, we compared the taxpayer's "Special Assessment Ratio Application" to a copy of his or her driver's license and vehicle registration.

The finding was that a copy of the taxpayer’s driver’s license and vehicle registration was not kept on file as follows:

Department	Property Type	Sample Size	# of Findings	Findings as a % of Sample Size
Assessor	Mobile Home	32	17	53%
Assessor	4% Real	80	43	54%
Total		112	60	54%

Impact of Findings – Assessor’s Office

It is important for the County to maintain copies of the taxpayer's driver's license and vehicle registration on file to verify that the taxpayer met the requirements of receiving the 4% special assessment ratio. If a taxpayer receives this ratio when he or she should be receiving the 6% ratio, then the County's tax revenue will be understated in its financial statements.

Mr. McNeish stated the criteria and procedures that were developed were based on interviewing and inquiry with the relevant folks to determine what either the written policy was or what we were informed should be what is in place. When going over these procedures, it is not something that is coming from the Auditor’s, it is what was told was the County’s policies.

Mr. Miller stated in January 2010 we sat down with personnel from various offices to get them to describe the processes. Based on those interviews, he stated he documented a thorough narrative in which was read over and approved by the personnel. Once approved, that narrative was used to develop a series of procedures/tests. We tested what was told to us. If there was a

disconnect between those two, then that is an issue as well. It is very important that the Auditor and employee are on the same page.

Mr. Stewart stated policies and procedures change over time. You are looking at things that may have been changed since the application 20 years ago. Did you compare and look at the date that the policy procedure was put in place that is being compared?

Mr. Miller stated there are no formal, documented policies and procedures. Based on our calculation of property tax collections, between December 2009 and April 2010 was the five-month period we chose, selections from various property types within that period.

Mr. Stewart asked if the policies and procedures they are adhering to are verbal, not written. Mr. Miller stated that is correct. Mr. Stewart asked if the County had written policies and procedures. If not, why not? Should we have written policies and procedures? How do we go on verbal procedures from employees?

Mr. Kubic stated that is a question for the Auditor and Treasurer, who are separately elected office holders. The purpose is to create an environment within Beaufort County that any taxpayer can come in and review what the exact policy is for their particular situation. It is consistent. It is reliable. It is verifiable and it is not subject to edits or modifications that may occur now. It must be brought into the light by doing this then having a series of sessions and getting a policy manual in place that covers all of it. When a taxpayer calls and has a certain question they are receiving different responses. There is good and bad in it. A lot of Beaufort County's procedures may have been established by a precedent that was discretionary on presumptions of capability by elected office holders or others. It is not directed by a written statute. He stated he does not operate that way. He wants to know exactly – sentence for sentence. Otherwise he cannot tell one taxpayer one thing and another taxpayer another. When you ask the question how much money – are we high or low – who knows. We want to fix it. He is frustrated.

Mr. Stewart wanted to know who is responsible and who has the authority to set that policy. If it is a separate elected official, do we, as Council, have that authority to set that policy or is that something that gets set in that office?

Mr. Kubic stated it is independent if you look at the strict statutory interpretation. Sunshine has a way of making things grow better. If a deficiency on inventory of personal property exists in the Auditor's Office, there is no way to actually go to a file and find out quickly how to fix it – there is a problem. If Council would ask the Auditor or the newly-elected Treasurer what are their written policies and procedures and to see them, it is not an unreasonable request. The expectation to the taxpayers would be where is the product. Otherwise when you ask the question to an elected official of where is the procedure they either say they have one or that they do not have one. Maybe they need to get one. We have not done enough of that. That is why we are going through this exercise.

Mr. McNeish stated they work with a lot of counties. Based on the inquiry, the responses we got were consistent with what other counties practice.

Procedure 17

For all properties in which the related tax bill was paid by the taxpayer via check, we observed a copy of the check to determine if the back of it was stamped "For Deposit Only."

The finding was that checks held at the County Treasurer's office were not stamped "For Deposit Only" as follows:

Department	Property Type	Sample Size	# of Findings	Findings as a % of Sample Size
Treasurer	Mobile Home	40	40	100%
Treasurer	4% Real	58	58	100%
Treasurer	6% Real	67	60	90%
Treasurer	FFE	63	63	100%
Treasurer	Watercraft	50	49	98%
Treasurer	Autos	41	41	100%
Total		319	311	98%

Management's Response – Treasurer's Office

Currently, a procedure has been implemented that states all cashiers must manually stamp checks "For Deposit Only" upon receipt and before they are scanned into its online deposit system, which is an electronic deposit system set up with its financial institution. When a batch of checks is received at once, the Treasurer's Office has set up an agreement with its financial institution that allows the financial institution to automatically stamp these checks "For Deposit Only" when they are scanned into the online deposit system.

Impact of Findings – Treasurer's Office

All checks should be stamped "For Deposit Only" so an employee or other individual cannot cash it and receive the money. Someone could have access to a program that could modify the face of the check so it would appear to be payable to the employee who has it in his or her possession.

Procedure 28

We compared the date of collection for all sample items per the "Sessions Reconciliation Report" to the date the collection was posted to the general ledger to see if collections were posted within five business days.

The finding was that this procedure could not be performed on transactions where the journal entry was not provided. These transactions were included within the distribution periods as follows:

Department	Distribution Period	Sample Size	# of Findings	Findings as a % of Sample Size
Treasurer	12/15/2009	60	5	8%
Treasurer	12/31/2009	60	1	2%
Treasurer	3/31/2010	60	2	3%
Total		180	8	4%

Another finding was that more than five days passed between property tax collections and postings to the general ledger as follows:

Department	Distribution Period	Sample Size	# of Findings	Findings as a % of Sample Size
Treasurer	12/15/2009	11	11	100%
Treasurer	12/31/2009	17	17	100%
Treasurer	1/15/2010	19	19	100%
Treasurer	1/31/2010	17	17	100%
Treasurer	2/28/2010	24	24	100%
Treasurer	3/15/2010	15	15	100%
Treasurer	3/31/2010	15	15	100%
Treasurer	4/30/2010	20	20	100%

Impact of Findings – Treasurer’s Office

When tax collections are not posted in a timely manner, the County's general ledger does not accurately reflect the County's operations in this regard. When the general ledger is not updated timely, the County's internal financial statements reported to County Council may be misstated. In addition, the audited financial statements may also be misstated due to this timing issue.

Procedure 29

For each distribution period selected, we compared the batch collections as reflected on Manatron that included our sampled property transactions to the general ledger.

Findings included a significant difference in collections per Manatron and the amounts posted to the general ledger for each distribution period as follows:

Department	Distribution Period	Collections Per Manatron	Collections per G/L	\$ Difference	% Difference
Treasurer	12/15/2009	\$80,871,576	\$78,866,650	\$2,004,926	3%
Treasurer	12/31/2009	\$217,326,777	\$225,183,705	\$(7,856,929)	(3%)
Treasurer	1/15/2010	\$240,059,439	\$233,839,688	\$6,219,751	3%
Treasurer	1/31/2010	\$6,205,175	\$4,719,528	\$1,485,647	31%
Treasurer	2/28/2010	\$12,331,769	\$12,197,943	\$133,826	1%
Treasurer	3/15/2010	\$5,921,587	\$6,105,545	\$(183,958)	(3%)
Treasurer	3/31/2010	\$8,224,903	\$7,041,948	\$1,182,955	17%
Treasurer	4/30/2010	\$5,006,797	\$3,370,047	\$1,636,750	49%
Total		\$575,948,023	\$571,325,050	\$4,622,973	1%

Impact of Findings – Treasurer’s Office

If tax collections are not properly posted to the general ledger, risk due to fraud or error is heightened. There will also be a higher chance that the County’s tax revenues are misstated in its financial statements. Based on our analysis, this misstatement would also be material, which would mislead the users of the financial statements.

Procedure 30

For each distribution period selected, we identified the taxing entity the property belonged to and obtained the fund balance from the general ledger. We compared the taxing entity’s fund balance to the amount of the tax distribution as reflected on the applicable bank statement.

The finding was that tax distributions made to the taxing entities did not agree with the taxing entities’ fund balance prior to the tax distribution as follows:

First Distribution

Department	Distribution Period	Fund Balance Before Distribution	Distribution Amount	Fund Balance After Distribution
Treasurer	12/15/2009	\$3,534,868	\$3,532,242	\$2,626
Treasurer	12/31/2009	\$16,005,417	\$10,559,312	\$5,446,105
Treasurer	1/15/2010	\$5,080,279	\$3,020,561	\$2,059,718
Treasurer	1/31/2010	\$6,142,528	\$3,560,809	\$2,581,719
Treasurer	2/28/2010	\$540,763	\$540,396	\$367
Treasurer	3/15/2010	\$389,361	\$388,994	\$367
Treasurer	3/31/2010	\$296,866	\$296,539	\$327
Treasurer	4/30/2010	\$153,088	\$157,941	\$35,147
Total		\$32,183,170	\$22,056,794	\$10,126,376

Second Distribution

Department	Distribution Period	Fund Balance Before Distribution	Distribution Amount	Fund Balance After Distribution
Treasurer	12/15/2009	\$26,079	\$49,014	\$(22,935)
Treasurer	12/31/2009	\$5,240,625	\$2,249,324	\$2,991,301
Treasurer	1/15/2010	\$8,583,828	\$2,756,894	\$5,826,934
Treasurer	1/31/2010	\$3,298,750	\$3,128,882	\$169,868
Treasurer	2/28/2010	\$0	\$0	\$0
Treasurer	3/15/2010	\$0	\$0	\$0
Treasurer	3/31/2010	\$0	\$0	\$0
Treasurer	4/30/2010	\$77,520	\$77,520	\$0
Total		\$17,226,802	\$8,261,634	\$8,695,168

Third Distribution

Department	Distribution Period	Fund Balance Before Distribution	Distribution Amount	Fund Balance After Distribution
Treasurer	12/15/2009	\$0	\$0	\$0
Treasurer	12/31/2009	\$199,092	\$34,445	\$164,647
Treasurer	1/15/2010	\$0	\$0	\$0
Treasurer	1/31/2010	\$43,779	\$43,779	\$0
Treasurer	2/28/2010	\$0	\$0	\$0
Treasurer	3/15/2010	\$0	\$0	\$0
Treasurer	3/31/2010	\$0	\$0	\$0
Treasurer	4/30/2010	\$0	\$0	\$0
Total		\$242,871	\$78,224	\$164,647

Impact of Findings – Treasurer’s Office

When municipalities receive less monies than what is actually due to them, their cash flows are lower and they experience more strain on daily operations. This also causes political friction between the municipalities and County. On the other hand, the County could be using monies that belong to other local governments for its own benefit

Conclusion and Recommendations

Based on our engagement, control deficiencies exist in the following departments:

- Treasurer’s Office
- Auditor’s Office
- Assessor’s Office
- Stormwater Management Utility (SWU) Office
-

Recommendations:

- Implement segregation of duties
- Improve record-keeping
- Implement approval process that follows proper chain of command
- Improve the timeliness for accounting for tax collections and posting them to the general ledger (perhaps integrate Manatron with Munis so collections are automatically posted to the Munis on “real-time” basis)

Mr. Rodman stated his sense is that there were no staff issues. but the issues fell in three categories – Treasurer, Assessor and Auditor.

Mr. Kubic stated he would like to come up with a process of evaluation to include the Auditor, both current and newly-elected Treasurer, Assessor and Stormwater to break the component parts down and provide Council with an outline of these identified weaknesses and what procedures we can do to overcome them. We can start to bring some proposals forward so we can get to a point so that we can have a procedures manual that applies to all facets. He views this as a positive, and as an opportunity. He would like to have a follow up meeting that has a blueprint for Council to have in front of them in January.

Mr. Caporale thought it to be a good approach. Somehow you have to find the way to use technology to eliminate human error as much as possible.

Mr. Kubic stated he is correct. The beauty of the systems we are engaging is that the automation allows us to do a lot of different things. His concern in the process is if there are four component parts, each part has to work perfectly well with one another. It is total integration. When one slows down, the others slow down. That is what we have been experiencing in the process.

Mr. Baer wanted to know if other counties are doing this well that we can use as a model. Mr. McNeish stated we have been engaged by two other counties to perform these procedures. These are beyond the scope of the audit. Based on the discussion and transparency that has come about here in Beaufort County, we have had two other counties come forward.

Mr. Stewart stated the timing issue is concerning. It seems at a bank they have to balance at the end of the day. A good, well-run company balances at the end of the day. There is no float. There is no timing problem. What is going on that allows checks to lie around or not to be posted. There is a lot of money in the float there with interest, etc.

Mr. Starkey stated the problem that led to this issue occurring was mostly due the fact that at December 31, the Treasurer's Office is required by state law, that if a post-marked bill must have that date. The problem is that those checks are not being processed in a timely manner. When you see those distributions not being made in a timely manner, then as you go down they become \$0. As those December 31 checks are being processed, it is hitting the ledger as of December 31, but the distribution is not being made until well after December 31 because of the backlog of checks within the Treasurer's Office not processed within in a reasonable timeframe. If that improves, the lag between what is in Manatron and Munis would become less and less. You have to balance at the end of the day. One must process what they received in that day. If that happens, a lot of this will go away. That is what led us into such a hard time in getting our fiscal year 2009 statement out of the door. When you see Munis and Manatron different from month to month, you have to take the entire year and compare total to total in order to get it right. If we get the timing issues under control, from a control standpoint we will have a lot more confidence in the fact that what we received from the taxpayer is what is truly on our general ledger, and what is truly been distributed to the right parties in a timely manner. Manatron is what has exposed a lot of this. When we can get detailed tax data and then compare it to the general ledger, it is a huge boom and provides a lot of clarity.

Mr. Kubic thanked Mr. McNeish and Mr. Miller. We did not ask them anything unusual. Everything we asked of them they performed very well. This is a pretty big task that they performed. They will be a part of the solution process.

Mr. McBride stated if the Assessor and Auditor would like to make a statement they can.

Mr. Hughes, Assessor, stated he worked very closely with Mr. Miller on the audit. A lot of these things are related to timing. The 4% issue – we receive these applications up through when taxes are paid without penalty in January. On average we receive around 4,000 to 5,000 applications, which takes awhile to process. There is a policy in place on what documentation is required and necessary in order to be even considered for the ratio. There are procedures in place pursuant to the statutes with regard to all of the other applications received – agricultural use, developers discount, homeowners association. He invites this type of introspective look and review because that only adds to the credibility and efficiency of the office. We will do what we need to do to incorporate any additional safeguards and changes in order to make the next review more successful.

Mr. Rodman stated the finding that was significant was the 4% assessment ratio piece. Is that a timing issue?

Mr. Hughes stated you need to understand the nuances of the law. If someone from Illinois purchases a property today, who receives the 4% assessment ratio, receives the tax bill they are the benefactor of that ratio. It is not removed until the following tax year. Conversely, if someone makes application to the Assessor and the application is timely received on January 15 and there are 1,500 to 2,000 other applications – we spend a lot of time doing these.

Mr. Rodman asked if what he is saying is that the 50% or more is related to whether the assessment ratio application was accurate may be a timing issue as we get further into it.

Mr. Hughes replied that is correct. Also, some of the records we were asked to pull were very old records.

Ms. Burris echoed what Mr. Hughes said. We appreciate the fact that we went through the audit. It opened our eyes to some safeguards we can put in place and some processes we can put in place that we do not currently have or were lax in. We worked closely with Mr. Miller and tried to address all of the issues brought forth. Our Homestead Exemption was one issue where some of the files we were asked to locate were very old. We have what is referred to as our black book – our bible -- for what has to be archived and for the length of time it has to be archived. Homesteads are five years. In putting them on disks or microfiche, if they were over 15 years of age we probably had difficulty in finding them.

Mr. McBride asked her how often one has to apply for Homestead Exemption. Ms. Burris stated you only have to apply once as long as the deed does not change. If you change your property into a trust, add the children's names to it, if a name is taken off, or if you refinance it causes the 4% to drop, which also drops the Homestead Exemption. You can only get the Homestead Exemption at age 65 on a primary residence. Many times a taxpayer gets their tax notice and does not pay attention that the Homestead Exemption is not there. If the homestead gets dropped and the homeowner does not call it to our attention, State law only allows us to go back one year.

Mr. Rodman stated he is deeply concerned about a couple of the things that popped up in the Treasurer's Office. The Treasurer's Office is the bank for the County. To have a situation where all the checks are going through without being marked "For Deposit Only" having none of the journal entries being processed within five days, and to have millions of dollars not being paid to the entities in a timely manner makes it hard to comprehend the size of those numbers and the credibility it causes for the County in total. He stated we did have the situation that was uncovered of \$1.5 million difference in the amount of money lost to people using credit cards and not being charged a significant fee. He wanted to know if that has been fixed in the current year for the year coming up or will we see the same issue again.

Mr. Hill stated his hope is to not see this again. We have had a series of meetings with the Treasurer's Office. As of December 1, the convenience fee will be 3% on all credit cards. The

Visa Debit card will be a flat fee of \$3.95. This issue at hand was that every transaction was \$3.95 as opposed to being based on the amount of the transaction. We believe we have fixed the problem.

Mr. Rodman wanted to know if he is saying that the fee that is charged to the person who uses the credit card will be different.

Mr. Hill stated it is different as of December 1. That is the cost of the card that the credit card companies charge us – it was 2.98%.

Mr. Newton wanted to know if this applies to all cards. Mr. Hill stated all cards except Visa Debit cards.

Mr. Newton stated American Express generally has a different percentage. Mr. Hill stated we do not accept American Express.

Mr. Rodman stated his desire is to get a copy of the PowerPoint that was presented.

Mr. Starkey stated the report is on the County website, under the Finance Department, Fiscal Year 2010. This presentation will also be put onto the website shortly.

Status: No action required. Informational purposes only.

NATURAL RESOURCES COMMITTEE

December 6, 2010

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

The Natural Resources Committee met on Monday, December 6, 2010 at 2:00 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, SC.

ATTENDANCE

Natural Resources Members: Chairman Paul Sommerville, Vice Chairman Jerry Stewart and members Steven Baer, Gerald Dawson, Brian Flewelling, William McBride and Stu Rodman attended. Non-committee member Rick Caporale also attended.

County Staff: Dan Ahern, Stormwater Utility Manager; Tony Criscitiello, Division Director – Planning and Development; Gary Kubic, County Administrator

Media: Richard Brooks, *Bluffton Today*; Joe Croley, Hilton Head Island Association of Realtors.

Public: Keith Powell, Optimum Towers; Andy Smith, representing Dale Malphrus; Jonathan Yates, Nexsen Pruet lawyer representing Optimum Towers.

Mr. Sommerville chaired the meeting.

ACTION ITEMS

1. **An Ordinance of the County of Beaufort, South Carolina, to Amend the Stormwater Utility Ordinance, Article II, Section 99-108, General Funding Policy (to Increase the Single-Family Unit Rate)**

Discussion: Mr. Sommerville said this change in the Stormwater Utility Ordinance will increase the stormwater fees in Hilton Head Island and Beaufort. Why are we changing our ordinance to raise the fees in Hilton Head Island and Beaufort? He said he believes this comes before the Natural Resource Committee because it is the County's ordinance and the ordinance must reflect the reality "on the ground."

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Natural Resource Committee approves and forwards to Council, first reading approval of an amendment to the Stormwater Utility Ordinance, Article II, Section 99-108, General Funding Policy (to Increase the Single-Family Unit Rate).

Mr. Sommerville noted the changes include increasing the rate in Beaufort from \$44.43 to \$65, and in the Town of Hilton Head Island from \$50.76 to \$108.70.

Mr. Flewelling asked Mr. Ahern to explain why the fees increase in the two jurisdictions. He asked if the increases were appropriately discussed by the City of Beaufort and Town of Hilton Head Island.

Mr. Ahern explained these fees went through those jurisdictions, were approved by the City and Town councils then forwarded on to the County, which then incorporates the increases in the collection. He clarified the reason the County is involved is because there needs to be authorization to go collect the fees, and then return to the municipalities.

Mr. Flewelling reviewed again. The City of Beaufort and Town of Hilton Head Island authorized the fees for their specific jurisdiction, and all the County will do with this is ratify so the fees may be collected. The fees are determined by the respective Beaufort City and Hilton Head Island councils. Mr. Ahern agreed.

Mr. Caporale added the municipalities initiated the change.

Mr. Stewart stated County is not raising the stormwater fees.

Mr. Baer told other Committee members these increases were noted on the current bills. Mr. Ahern confirmed and added adopting this change acknowledges the changes made by the municipalities.

Mr. Baer then asked how bills were distributed with new rates before the ordinance passed. He said he got a call this morning from a taxpayer who did not support the increase in stormwater utility fees.

Mr. Flewelling said Mr. Baer prompted a great question about what Council's obligation is in this particular matter. He noted the Council probably has a legal requirement to do as the municipalities requested on this matter. He stated he thinks Council should support this change, although he does not like it because it personally impacts him.

Mr. Baer added stormwater work is extremely important, and assuming the municipalities are doing an efficient job, they may need a rate increase. He said he assumes they are doing an efficient job.

Mr. Caporale said he heard Hilton Head Island is doubling stormwater coverage. Mr. Baer added he heard Hilton Head Island has antiquated infrastructure so the Town is taking over more of that infrastructure thereby necessitating more money.

Mr. Sommerville stated the County is simply the collection agent.

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: Council approves on first reading an amendment to the Stormwater Utility Ordinance, Article II, Section 99-108, General Funding Policy (to increase the single-family unit rate).

The Natural Resources Committee considered and discussed items 2 and 3 in conjunction.

2. **Future Land Use Map Amendment for R603-008-000-0623-0000 (1.13 acres at the northwest corner of S.C. Highways 170 and 462, Okatie, SC) from Rural Service Area to Community Commercial; Applicant: D. Malphrus.**
3. **Zoning Map Amendment/Rezoning Request for R603-008-000-0623-0000 (1.13 acres at the northwest corner of S.C. Highways 170 and 462, Okatie, SC) from Rural (R) to Commercial Suburban (CS) Zoning Districts; Applicant: D. Malphrus.**

Discussion: Mr. Sommerville gave a summary and referenced a map titled *Lands of Malphrus* in the application, which was included in the Committee packets. He said this map illustrates how this situation was created. There used to be a t-intersection in the area near S.C. Highways 170 and 462, which was reconfigured, and in the process a portion was on the Jasper County side, owned by the S.C. Department of Transportation, which then sold it to the developer. The developer's idea was to include the parcel in the development, but some time later the developer figured out a small parcel of the total property was in Beaufort County, not Jasper County as the remainder. As a result, Malphrus came to the County requesting an amendment of the Future Land Use Map and a rezoning and Zoning Map Amendment from Rural (R) to Commercial Suburban (CS) to be consistent with what is planned for the parcels in Jasper County (Planned Development District or PDD).

Mr. Criscitiello said Mr. Sommerville gave a good explanation. The 1.13-acre property is in Beaufort County, at the front of a commercial/light industrial PDD in Jasper County. The applicant, D. Malphrus, came to the County because that 1.13-acre parcel needs to be made part of the Jasper County PDD in a functional way. Mr. Criscitiello said the only concern was the property has internal access to the drive into the development, rather than access from S.C. 170. A future impact analysis will be done once there is a specific use for the site, but the importance is to work with the realities of the situation – property is related to that development and needs to be consistent, Mr. Criscitiello said.

It was moved by Mr. Flewelling, seconded by Mr. McBride, that Natural Resources Committee approves and forwards to Council first reading approval of the Future Land Use Amendment for R603-008-000-0623-0000 (1.13 acres at the northwest corner of S.C. Highways 170 and 462, Okatie, SC) from Rural Service Area to Community Commercial, in accordance with the staff recommendation there be no access to Highways 170 and 462; and the Zoning Map Amendment / Rezoning Request for R603-008-000-0623-0000 (1.13 acres at the northwest corner of S.C. Highways 170 and 42, Okatie, SC) from Rural (R) to Commercial Suburban (CS) Zoning Districts, in accordance with the staff recommendation there be no access to Highways 170 and 462.

Mr. Sommerville noted the packet refers to an advantage: that whatever is built on the site requires an additional approval step as outlined in the PDD, and must go through the Jasper County PDD process. This additional step, which does not exist under general Jasper County zoning districts, allows for a collaborative process between Jasper County and future developments on the property; it does not allow the developers to automatically put anything on their property.

Mr. Flewelling stated he just does not want it to get lost in the shuffle, and any buildings on the Beaufort County side be monitored and discussed in the County, rather than being enfolded into the rest of the development.

Mr. Stewart asked if there is any anticipation the County will be involved in any of the development discussion for this area of Jasper County. Mr. Criscitiello said since Beaufort County has jurisdiction over zoning, the County would retain oversight. He added, this particular item was brought to Mr. Criscitiello's attention by Mr. Dave Jirousek, of Jasper County Planning.

Mr. Sommerville added, County staff stipulated as a condition of the approval the applicants complete a Transportation Impact Study (TIA) once they develop more detailed plans and that the parcel in question only be accessed internally.

Mr. Rodman asked about the size and asked about whether S.C. 462 could be made four lanes. Mr. Criscitiello said he does not know that answer. Mr. Rodman stated he thinks at some point S.C. 462 will become a four-lane highway and it was a mistake to make it two lanes.

Mr. Andy Smith, representing D. Malphrus and family, gave an overview to clarify the situation for the Natural Resources Committee. He said the Malphrus family owns about 223 acres at the intersection being discussed. Originally, the family did not realize the 1.13 acres were in Beaufort County, but assumed all of the property was in Jasper County until doing title searches. The process of due diligence, traffic studies, S.C. Department of Transportation (SCDOT) encroachment permits, etc. started with Jasper County long ago, Mr. Smith said. The encroachment permit includes turn lanes and a projected light at the intersection. When the development of the property occurs, part of the improvements includes those on 170 and 462. It will also have interconnectivity to the East Argent Loop Road, where the Publix is slated. Mr. Smith stated the Malphrus family has not submitted a Master Plan to Jasper County, but they have an approved PDD and Development Agreement. When the Master Plan process occurs, the family will be happy to coordinate with Mr. Criscitiello, Mr. Smith said.

Mr. Rodman asked, "Why now?"

Mr. Smith said they have a lot of interest in this property, three buyers close to contract and others very interested in this corridor.

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. OPPOSED – Mr. Rodman. The motion passed.

Recommendation: Council approves, on first reading, the Future Land Use Amendment for R603-008-000-0623-00000 (1.13 acres at the northwest corner of S.C. Highways 170 and 462, Okatie, SC) from Rural Service Area to Community Commercial, in accordance with the staff recommendation there be no access to Highways 170 and 462; and the Zoning Map Amendment / Rezoning Request for R603-008-000-0623-0000 (1.13 acres at the northwest corner of S.C. Highways 170 and 42, Okatie, SC) from Rural (R) to Commercial Suburban (CS) Zoning Districts, in accordance with the staff recommendation there be no access to Highways 170 and 462.

4. Text Amendment to the Zoning and Development Standards Ordinance (ZDSO), Appendix J – Dale Community Preservation (DCP), Division 2 – Dale Mixed Use District (DMD), Section 106-1357 – Commercial Communication Towers; Applicant: Jonathan L. Yates of Nexsen Pruet

Discussion: Mr. Criscitiello clarified that the Mixed Used District is inside the Community Preservation District in Dale in response to Mr. Sommerville’s question about whether the classifications are interchangeable.

Mr. Sommerville summarized the topic by saying it is a request to amend the ZDSO to allow for special uses.

Mr. Criscitiello gave a summarization of the request and referred to the below table from the Dale Mixed Use District.

TABLE I. Land Uses

Land Use	Use Definition	Use Permission
Accessory dwelling unit	A second dwelling unit, clearly subordinate to the principal unit, in or added to an existing single-family detached dwelling, or in a separate accessory structure on the same lot as the main dwelling, for use as a complete, independent living facility. Maximum building size shall not exceed 50% of the principal unit’s floor area.	L
<u>Industrial Uses</u>		
<u>Commercial communication towers</u>	<u>A tower, pole or similar structure, which supports a telecommunications antennae operated for commercial purposes above ground in a fixed location, freestanding or guyed, or atop a structure. This does not include television antennas or satellite dishes. Towers for radio or television station use are regulated as regional utilities. Speculation towers are prohibited.</u>	<u>S</u>

Mr. Criscitiello stated there is an addition of an “Industrial Uses” category as a special use. It is to allow for the construction of a cell tower in the Dale Mixed Use District. A cell tower requires approval and then recommendation from the Development Review Team (DRT), approval by the Zoning Board of Appeals and a Public Hearing before returning to the DRT for final review. Mr. Criscitiello added, Article V., Division 2: Limited and Special Use Standards, Subdivision III. Industrial Uses, Sec. 106-1357. Commercial Communication Towers, Item 8 would be amended to read, “New uses are strictly prohibited in corridor overlay, historic overlay and community preservation areas, unless specifically provided for in a specific community preservation district (CPD), and shall not adversely affect any property, road or waterway which has been officially recognized or designated as scenic within the county. The expansion or replacement of existing towers in a community preservation area shall require a special use permit and are limited to 150 feet in height.” This change would allow for communications towers in the CP District, where they are expressly prohibited.

Mr. Criscitiello reviewed. The change has two parts: amend the Dale CP District’s Mixed Use District and to amend Section 106-1357, Item 8 to allow for the introduction for cell towers where expressly prohibited. This is consistent with the Comprehensive Plan and the Community Facilities element, as well as the Economic Development portion. He said the Planning Commission recommends approval.

Mr. Stewart prompted lengthy discussion among the Natural Resources Committee members on the height of cell towers as reviewed in the past in conjunction with Callawassie Island. He noted he does not see anything in the documentation about lighting, which has been a recurring issue for towers. Are those issues covered?

The conversation went as follows. Mr. Criscitiello said the language under “C” is the only thing under that provision. Mr. Stewart asked if the lighting should be addressed more specifically. Mr. Flewelling said he recalled the Council determined to require lighting anyway when prompted by an applicant in Callawassie Island who sought to build a tower just short of 150 feet — the height minimum for towers requiring lighting — to avoid lighting. He said he thinks it is the same as in the case for Callawassie Island; no change was made, but an exception was made for the question before the County. Mr. Sommerville disagreed. He said he recalls the Federal Aviation Administration (FAA) standard is 200 feet, and the County decided in Callawassie Island where the towers were about 150 feet they would still be required to put lighting. Mr. Stewart said he thinks it should specifically state at what height towers should be lit. Mr. Sommerville stated it does state anything that 150-feet or taller must be lit. Mr. Criscitiello stated the County will enforce what the wording states. The discussion on lighting concluded with Mr. Stewart stating he wants to protect the employees at Mosquito Control who fly low-flying missions, and that he wants a definitive statement consistent with the decision reached relative to Callawassie Island and towers. Mr. Criscitiello said he would provide that before first reading.

Mr. Baer suggested they, as County Council, work the issues of communication tower height and lighting parallel to the specific amendments to the ZDSO for Dale.

Mr. Jonathan Yates, of Optimum Towers, said he was also involved for many years with the lighting situation as discussed. The federal rule for lighting is 200 feet, he said. In Beaufort County, an industry group worked in conjunction with Mosquito Control to reach a compromise of 150 feet. When Callawassie Island proposed towers of about 145 feet, the Council was concerned because they were coming in right under the requirement. The concern was that Callawassie was a PUD amendment and therefore would not come through the standard approval process. In the case of this particular request for Dale, there is some urgency, Mr. Yates said. He stated people in Dale do not have wireless coverage in their homes as in the rest of the County.

Mr. Stewart asked for confirmation and if what Mr. Yates said is confirmed, he is okay with the topic.

Mr. Dawson voiced his support for the amendments. He said the people in Dale do not have adequate cell coverage and they embrace this tower wholeheartedly. This would provide access to wireless communication for computers and cell phones.

It was moved by Mr. Dawson, seconded by Mr. Flewelling, that Natural Resources Committee approves and forwards to Council first reading approval of a text amendment to the Zoning and Development Standards Ordinance (ZDSO) that adds special use standards allowing commercial communication towers in the Dale Community Preservation Mixed Use District (DMD): Appendix J. Dale Community Preservation (DCP), Division 2. Dale Mixed Use District (DMD), Section 2.4/Table 1. Land Uses; and Appendix J. Dale Community Preservation (DCP), Division 2. Dale Mixed Use District (DMD), Section 2.5 Limited and Special Use Standards; and additionally Natural Resources recommends Council approves an amendment to Article V. Use Regulations, Section 106-1357. Commercial Communication towers, Subparagraph (D)(8) – Additional standards for all towers by changing the first sentence of the subparagraph to read: “New uses are strictly prohibited in corridor overlay, historic overlay and community preservation areas, unless expressly provided for in a specific community preservation district (CPD) plan, and shall not adversely affect any property, road or waterway which has been officially recognized or designated as scenic within the county.” The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: Council approves on first reading a text amendment to the Zoning and Development Standards Ordinance (ZDSO) that adds special use standards allowing commercial communication towers in the Dale Community Preservation Mixed Use District (DMD): Appendix J. Dale Community Preservation (DCP), Division 2. Dale Mixed Use District (DMD), Section 2.4/Table 1. Land Uses; and Appendix J. Dale Community Preservation (DCP), Division 2. Dale Mixed Use District (DMD), Section 2.5 Limited and Special Use Standards; and additionally Natural Resources recommends Council approves an amendment to Article V. Use Regulations, Section 106-1357. Commercial Communication towers, Subparagraph (D)(8) – Additional standards for all towers by changing the first sentence of the subparagraph to read: “New uses are strictly prohibited in corridor overlay, historic overlay and community preservation areas, unless expressly provided for in a specific community preservation district

(CPD) plan, and shall not adversely affect any property, road or waterway which has been officially recognized or designated as scenic within the county.”

INFORMATIONAL ITEM

6. Consideration of Reappointments and Vacancies – Southern Corridor Review Board

Discussion: Mr. Criscitiello stated the Town of Hilton Head Island and the Town of Bluffton have representatives for the Southern Corridor Review Board. Someone who was on the board, Mr. Lee, works on Hilton Head Island but was appointed by Bluffton, or vice versa. Right now, we are asking the Town of Bluffton to consider any other nominees and waiting for their response.

DRAFT

PUBLIC FACILITIES COMMITTEE

November 30, 2010

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

The Public Facilities Committee met on Tuesday, November 30, 2010 at 4:00 p.m., in the Executive Conference Room of the Administration Building, Beaufort, South Carolina.

ATTENDANCE

Public Facilities Committee Members: Chairman Herbert Glaze, Vice Chairman Steven Baer and members Gerald Dawson, William McBride, Paul Sommerville and Mr. Stewart attended. Non Committee Member Stu Rodman was also present. Member Brian Flewelling was absent.

County staff: Paul Andres, Airports Director; Tony Criscitiello, Division Director – Planning and Development; Bryan Hill, Deputy County Administrator; Colin Kinton, Transportation/Traffic Engineer; Bob Klink, County Engineering; Mark Roseneau, Deputy Director Facilities Management; David Starkey, Chief Financial Officer; and Dave Thomas, Purchasing Director.

Public: Judy Elder, Talbert & Bright.

ACTION ITEMS

- 1. Consideration of Contract Award**
 - **County Municipal Buildings Lighting Retrofit Project**

Discussion: Chairman Glaze reviewed this item with the Committee. Beaufort County was allocated \$636,000 by the United States Department of Energy under the Energy Efficiency and Conservation Block Grant (EECBG) Program. The County established an Energy Action Team (EAT) to develop energy conservation and efficiency projects meeting the grant program guidelines. Grant funds are now available and we have been notified to precede with the grant projects. The purpose of this activity is to decrease energy consumption by replacing older lighting fixtures with more energy efficient fixtures. The County received bids on September 22, 2010 for lighting retrofits for the following six buildings: Courthouse, Detention Center, Law Enforcement Center, Library, Social Services Building, and Public Works Office. This entails the retrofit of existing fluorescent lighting fixtures which includes testing, removal, replacement, and disposal of existing lamps, ballasts, and sockets. Additionally, the contract requires cleaning or replacement of fixture lenses, and replacement of incandescent lamps in down lights and exit signs with high efficiency lamps. A certified tabulation of the bid results and totals for each of the six companies submitting bids are as follows:

Name/Location	Bid Price
F.M. Young Co.Inc. Fairfax, South Carolina	\$149,276
Ocean Light Corporation Beaufort, South Carolina	\$164,715
Quality Electrical Systems Beaufort, South Carolina	\$195,542
Beacon Electrical Beaufort, South Carolina	\$226,763
United Energy Plus, LLC Strawberry Plains, Tennessee	\$247,045
Powell Electric Beaufort, South Carolina	\$260,003

F. M. Young submitted the lowest responsive/responsible bid of \$149,276. F.M. Young's bid was reviewed and found to be reasonable and is in compliance with County and Federal requirements. There is no apparent cause for rejecting their bid.

The total FY 2010 funding provided through the Energy Efficiency and Conservation Block Grant (Fund 225) was \$235,607. In FY 2010, the County used \$11,050 to pay for professional engineering services to Mr. William Fielder, P.E., a local engineering company. The current FY 2011 balance for lighting renovations at six locations is \$224,557.

Mr. Baer stated these are mainly florescent bulbs/fixtures which are pretty efficient to start with.

Mr. Roseneau stated we currently have T12 lamps and magnetic ballast which will be removed and replaced with T8 lamps and electronic ballast. The lamps are 2-4 watts less and produce less heat. There is a savings on the AC side and these consume less energy.

Mr. Baer inquired as to wattage. Mr. Roseneau stated these are 34 watt lamps. They are more efficient lamps.

Mr. Baer inquired as to the percentage amount saved with these lamps. Mr. Roseneau stated it varies from a 2 to 4 foot fixture, but probably 20% to 25%.

Mr. Dawson wanted to know if this contract complies with our local vendor preference. Mr. Roseneau replied in the affirmative.

It was moved by Mr. McBride, seconded by Mr. Baer, that Public Facilities Committee approve and recommend to Council a contract award to F.M. Young for the Lighting Retro Project in the amount of \$149,276. The vote was: APPROVE – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. McBride and Mr. Sommerville. ABSENT – Mr. Flewelling. (Mr. Stewart temporarily left the room). The motion passed.

Recommendation: County Council approves the contract award to F.M. Young for the Lighting Retro Project in the amount of \$149,276.

2. Consideration of Contract Award
• Dirt Road Paving Contract #42

Discussion: Committee Chairman Glaze reviewed this item with the Committee. On November 18, 2010 Beaufort County received six bids for the above referenced project. The Engineering Division reviewed the bid proposals submitted. The bids are as follows:

Contractor	Bid Total
J.R. Wilson Construction Hampton, SC	\$ 882,277.08
REA Contracting Beaufort, SC	\$ 888,756.70
J. H. Hiers Construction Walterboro, SC	\$ 967,363.90
Cleland Site Prep, Inc. Ridgeland, SC	\$ 973,482.22
Sanders Brothers Construction Charleston, SC	\$1,010,310.77
APAC-Southeast, Inc. Savannah, GA	\$1,270,894.15
Engineers Estimate	\$ 910,000.00

J.R. Wilson Construction submitted the lowest bid, but REA Contracting has requested to exercise local vendor preference participation in accordance with the County's Code of Ordinances for Local Vendor Preference. REA Contracting has submitted their participation affidavit in their bid proposal and will match the lower bid amount. An analysis of their bid submitted and prices was reviewed and there is no apparent cause for rejecting their bid. We also received this bidder's proposal and have determined that they made a "Good Faith Effort" Subcontractor Ordinance. Based on this analysis, the Engineering Division recommends award of this contract to REA Contracting, LLC for \$882,277.08.

The reconstruction of the County dirt roads in this contract will be funded with BCTC/TAG Funds from the following accounts: East River Drive account 3322C-54725, \$146,892; West River Drive account 3322C-54726, \$277,444; Central Drive account 3322C-54727, \$200,352.30; and Rose Island Road account 3322T-54748, \$314,068.40.

It was moved by Mr. Sommerville, seconded by Mr. McBride, that Public Facilities Committee approve and recommend to Council the award of Contract #42 to REA Contracting LLC, for the construction and paving of East River Drive, West River Drive, Central Drive and Rose Island Road in the amount of \$882,277.08. The funding source is from BCTC/TAG Funds. The vote

was: FOR – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling. The motion passed.

Recommendation: County Council award Contract #42 to REA Contracting LLC, for the construction and paving of East River Drive, West River Drive, Central Drive and Rose Island Road in the amount of \$882,277.08 from BCTC/TAG Funds.

3. Consideration of Contract Award

• HDPE Pipe for Beaufort County Public Works Department

Discussion: Committee Chairman Glaze reviewed this item with the Committee. Beaufort County received the following three bids from qualified HDPE pipe suppliers in support of our Stormwater Department's operations on November 8, 2010:

Ferguson Enterprises Bluffton, SC	\$144,230
HD Supply Waterworks Charleston, SC	\$167,784
Atlantic Supply & Equipment Augusta, GA	\$171,972

The County's intent is to create an annual contract for the purchase of HDPE pipe supplies and take advantage of the volume buying cost savings. Ferguson Enterprises submitted the lowest responsive/responsible bid of \$144,230. Ferguson Enterprises bid was reviewed and found to be reasonable and is in compliance with County's small and minority requirements. There is no apparent cause for rejecting their bid.

The funding for this project would come from account 13531-52370. As of November 18, 2010 Fund 530 (Stormwater) has a fund balance of \$629,733.

Mr. Stewart wanted to know if this is a fixed price for all four years or is there going to be an escalator. Mr. Thomas stated it is fixed pricing.

Mr. Sommerville wanted to know if the account providing these funds is the only stormwater account or are there regional accounts. Mr. Hill replied it is the only fund in Beaufort County.

It was moved by Mr. Dawson, seconded by Mr. McBride, that Public Facilities Committee approve and recommend to Council award a contract to Ferguson Enterprise for HDPE pipe supplied in the amount of \$144,230 for an initial contract term of one year with four additional one year contract renewal periods all subject to the approval of Beaufort County. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling. The motion passed.

Recommendation: County Council award a contract to Ferguson Enterprise for HDPE pipe supplied in the amount of \$144,230 for an initial contract term of one year with four additional one year contract renewal periods all subject to the approval of Beaufort County.

4. Airport Capital Improvement Program (ACIP) Plans

Discussion: Mr. Paul Andres, Airports Director, spoke before the Committee. Every year the airports must submit an updated Airport Capital Improvement Program (ACIP) Plan and a five-year projection. He has asked Mrs. Judy Elder, Talbert & Bright, the County’s consultant, to discuss these plans with the Committee.

Ms. Elder presented the following funding scenario to the Committee for the Hilton Head Island Airport:

Hilton Head Island Airport (HXD) Airport Capital Improvement Program (ACIP) Funding Scenario							
Fiscal Year	Project Description	Total Est. Cost	FAA Share	Entitlement Funds	Discretionary Funds	State Share	Local Share
11	Runway 21 Off Airport Approach Tree Removal (Construction and Mitigation)	\$1,600,000	\$1,520,000	\$1,000,000	\$520,000	\$40,000	\$40,000
	Runway 03 Off Airport Approach Tree Removal (Construction and Mitigation)	\$750,000	\$712,500	\$0	\$712,500	\$18,750	\$18,750
	Master Plan Update (Reimbursement)	\$423,696	\$260,701	\$0	\$260,701	\$10,597	\$10,597
	Commercial Terminal Apron Joint Material Replacement (Construction)	\$110,000	\$104,500	\$0	\$104,500	\$2,750	\$2,750
	Runway 03/21 Lighted Sign Relocation (Construction)	\$145,000	\$137,750	\$0	\$137,750	\$3,625	\$3,625
	Runway 03/21 Extension to 5,000 Feet BCA/EA	\$500,000	\$475,000	\$0	\$475,000	\$12,500	\$12,500
	Part 150 Noise Compatibility Study (Reimbursement)	\$284,000	\$269,800	\$0	\$269,800	\$7,100	\$7,100
	2012 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$3,822,896	\$3,849,761	\$1,000,000	\$2,489,781	\$95,572	\$95,572
Hilton Head Island Airport (HXD) Airport Capital Improvement Program (ACIP) Funding Scenario (FY '12 to '16)							
Fiscal Year	Project Description	Total Est. Cost	FAA Share	Entitlement Funds	Discretionary Funds	State Share	Local Share
12	Commercial Service Terminal Improvements (Construction)	\$1,900,000	\$1,805,000	\$1,000,000	\$805,000	\$47,500	\$47,500
	Runway 03/21 Extension to 5,000 Feet (Design Services Only)	\$640,000	\$608,000	\$0	\$608,000	\$16,000	\$16,000
	Land Acquisition (Runway 03 End)	\$3,600,000	\$3,420,000	\$0	\$3,420,000	\$0	\$180,000
	2013 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$8,160,000	\$6,842,800	\$1,000,000	\$4,842,500	\$83,750	\$243,750
13	Runway 03/21 Extension to 5,000 Feet (Construction, Mitigation, and Engineering Construction Services)	\$5,300,195	\$5,035,185	\$1,000,000	\$4,045,185	\$132,505	\$132,505
	Land Acquisition (Runway 21 End)	\$5,100,000	\$4,845,000	\$0	\$4,845,000	\$0	\$255,000
	2014 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$10,410,195	\$9,889,685	\$1,000,000	\$8,889,685	\$132,755	\$387,756

Minutes - Public Facilities Committee

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14	Runway Safety Area East-West Drainage Improvements (Design Services Only)	\$300,000	\$285,000	\$1,000,000	(\$715,000)	\$7,500	\$7,500
	Transition Surface Tree Removal (Design Services Only)	\$350,000	\$332,500	\$0	\$332,500	\$8,750	\$8,750
	VPG Runway 21 (Design Services Only)	\$75,000	\$71,250	\$0	\$71,250	\$1,875	\$1,875
	General Aviation Ramp (Design and Construction)	\$1,600,000	\$1,520,000	\$0	\$1,520,000	\$40,000	\$40,000
	2015 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$2,335,000	\$2,218,250	\$1,000,000	\$1,218,250	\$68,375	\$68,375
15	Runway Safety Area West Drainage Improvements (Construction)	\$1,100,000	\$1,045,000	\$1,000,000	\$45,000	\$27,500	\$27,500
	Transition Surface Tree Removal (Construction and Mitigation)	\$1,172,000	\$1,634,000	\$0	\$1,634,000	\$43,000	\$43,000
	2016 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$2,830,000	\$2,688,500	\$1,000,000	\$1,688,500	\$70,750	\$70,750
16	Runway Safety Area East Drainage Improvements (Construction)	\$1,100,000	\$1,045,000	\$1,000,000	\$45,000	\$27,500	\$27,500
	ARFF Vehicle Replacement	\$350,000	\$332,500	\$0	\$332,500	\$8,750	\$8,750
	2016 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$1,460,000	\$1,387,000	\$1,000,000	\$387,000	\$38,500	\$38,500
	GRAND TOTAL	\$23,185,195	\$22,025,935	\$6,000,000	\$17,205,935	\$382,130	\$797,130

Ms. Elder stated this is the Capital Improvement Program to be submitted to the FAA. Many of these are continuations, such as the tree removal for runway 21, runway 03 approach tree removal, and reimbursement for the master plan. With the concurrence between the Town of Hilton Head and the County, we are in the process of discussing with the FAA their current participation of \$142,000 of the \$423,000 budget. We are in the process of talking to them about going ahead and contributing 95% of the remaining, which will give another \$260,701 to be reimbursed.

Two projects have been designed by the previous consultant – terminal apron joint material replacement and signs. The FAA has decided they would like to get going with the benefit cost analysis (BCA) and the environmental assessment for the extension of the runway. What we are going to do is do it as the five-year CIP. The environmental study will be done under the five-year capital improvement program so you don't have to go back and take a look at the other projects you have. Also, Talbert & Bright is requesting reimbursement for Part 1 – Noise Compatibility Study, which is in the process of being completed and finalized since the Master Plan has now been completed. That work is being done, as well as the DBE (disadvantage business enterprise) plan as required for any projects over \$250,000.

For the next five years, starting with 2012, one thing that is being looked at is the commercial service terminal improvement. The design of that project is in a previous grant from 2009. That will have to be designed, as well as looking at doing the runway extension design to the 5,000 feet and initiating the land acquisition for the five properties at the runway 3 end. That will bring the obstacle free area into compliance. Each year, every time there are projects over \$250,000, you will have to have a DBE Plan which gives a percentage so that when you do go

out to bid that the contract will have to meet or exceed that percentage. If they can't, they have to give reasons why and that has to be discussed with the FAA.

In 2013, we are looking at construction and mitigation, and engineering construction services for the 5,000 feet, as well as initiating the acquisition of the land and runway 21. Drainage improvement is a project that has been moved down on the list, as well as the transition of tree removal design services. The FAA is in the process of changing their requirements for transitional services. They are also doing percentage guidance for runway 21 and wrap design.

In 2015, we will be continuing drainage improvements, removing transitional services.

In 2016 involves the runway safety area, east, safety improvements and the replacement of the existing fire fighting vehicle. There are several projects that are subject to change. If you compare this to last year, several of the projects have either moved off of the plan or moved down in the plan, because of what happened with the Master Plan.

Mr. Sommerville wanted to know if it is always \$1 million for entitlement funds. Ms. Elderly replied it is due to size.

Ms. Elder presented the following funding scenario to the Committee for the Beaufort County Airport at Lady's Island:

Beaufort County Airport (ARW) Airport Capital Improvement Program (ACIP) Funding Scenario							
Fiscal Year	Project Description	Total Est. Cost	FAA Share	Entitlement Funds	Discretionary Funds	State Share	Local Share
11	Parking Lot Relocation and Utility Connection to Terminal (Design Services Only)	\$100,000	\$95,000	\$95,000	\$0	\$2,500	\$2,500
	Runway 07 Tree Removal Phase III (Construction and Mitigation)	\$800,000	\$760,000	\$205,000	\$760,000	\$20,000	\$20,000
	2012 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$910,000	\$864,500	\$300,000	\$769,500	\$22,750	\$22,750
Beaufort County Airport (ARW) Airport Capital Improvement Program (ACIP) Funding Scenario (FY '12 to '16)							
Fiscal Year	Project Description	Total Est. Cost	FAA Share	Entitlement Funds	Discretionary Funds	State Share	Local Share
12	Runway Safety Area and Runway Extension to 4,400 feet (BCA/EA)	\$350,000	\$332,500	\$150,000	\$182,500	\$8,750	\$8,750
	Parking Lot Relocation and Utility Connection to Terminal (Construction)	\$1,080,000	\$1,026,000	\$0	\$1,026,000	\$27,000	\$27,000
	2013 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$1,440,000	\$1,368,000	\$150,000	\$1,218,000	\$36,000	\$36,000
13	Runway Safety Area and Runway Extension to 4,400 Feet (Design Services Only)	\$475,000	\$451,250	\$150,000	\$301,250	\$11,875	\$11,875
	2014 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$485,000	\$460,750	\$150,000	\$310,750	\$12,125	\$12,125
14	Runway Safety Area and Runway Extension to 4,400 Feet (Construction)	\$6,970,000	\$6,621,500	\$150,000	\$6,471,500	\$174,250	\$174,250
	2015 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$8,980,000	\$6,631,000	\$150,000	\$8,481,000	\$174,500	\$174,500

15	Partial Parallel Taxiway and Apron Expansion (Design Service Only)	\$200,000	\$190,000	\$150,000	\$40,000	\$5,000	\$5,000
	Helipad (Design and Construction)	\$200,000	\$190,000	\$0	\$190,000	\$5,000	\$5,000
	2016 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$410,000	\$389,500	\$150,000	\$239,500	\$10,250	\$10,250
16	Partial Parallel Taxiway and Apron Expansion (Construction)	\$1,950,000	\$1,852,500	\$150,000	\$1,702,500	\$48,750	\$48,750
	2017 DBE Plan	\$10,000	\$9,500	\$0	\$9,500	\$250	\$250
	Total	\$1,960,000	\$1,862,000	\$150,000	\$1,712,000	\$49,000	\$49,000
	GRAND TOTAL	\$11,276,000	\$10,711,250	\$750,000	\$9,961,250	\$281,875	\$281,875

Ms. Elder stated the project slated for 2011 are staying – the parking lot relocation and utility connection to terminal and the continuation of the tree removal on runway 7 – Phase III.

- 2012. The master plan for Beaufort County Airport is being completed. There is a recommendation to extend the runway to 4,400 feet in which Benefit Cost Analysis (BCA) and environmental assessment would be necessary.
- 2013 we are looking at designing the runway extension and constructing it in 2014.
- 2015 we will be looking at bringing the parallel taxiway out to meet that extension (design), and also installing helipad (design and construction). In 2016 will be the construction of the parallel taxiway and apron. The entitlement funds for the Beaufort County Airport are \$150,000 a year.

Mr. Stewart inquired as to the current length of the runway. Mr. Andres replied 3,434 feet. It is an approximate 1,000 foot extension. That is predicated on the aircraft that are currently using the airport. The design criterion calls for a 4,400 square foot runway. Whether or not it is feasible based on the BCA remains to be determined. The intent with the Lady's Island master plan is that as it is nearing completion right now, once they get the entire draft package put together, the intent is to host a joint meeting of County Council and the City of Beaufort Council for that presentation.

Mr. Baer stated up until September 30, 2010 the two airports together have pulled \$2.41 million out of the general fund, under various names. Has anyone performed an analysis of this in terms of local contribution capital as well as local contribution operation expense to see what the impact on the millage will be?

Mr. Hill replied he believes there is a five-year budget.

Mr. Baer wanted to know if the airports have enough money to do this and run it without more contributions from the taxpayers.

Mr. Andres stated the intent is that with the local matching share with the Hilton Head Island Airport and the fact that we are currently in the process of re-establishing a passenger facility charge program for that airport, the local cost for these projects will fall under and will be reimbursed by that program. Operational costs are expected to be minimal for the work we are doing. Once it is complete, the only issue will be is that as we trim some of these trees, at some

point we will have to revisit maintenance on those trees. That is a known factor and was brought up in several discussions with the Town. We do not have that issue resolved. We will have to look at other funding sources in the future to accommodate whatever that tree maintenance will be. There could possibly be a partnership between the Town and County. The more challenging scenario will be the Beaufort County Airport, if that expansion occurs. That is a sizable amount of money. We will have to take a hard look at those local matching funds. We cannot avail ourselves of passenger facility charges at that airport.

Mr. Baer stated passenger facility charges are a good idea, but he worries that by putting all of the costs of this airport on the passengers that we keep raising the passenger costs with respect to other airports. He urges the financial team to make sure that the costs of the airport are allocated across all of the users, not just commercial passengers. We will be killing the "goose that laid the golden egg". He changed airports for the trip he was taking based on cost. As you raise the passenger facility fee to pay for things that are not commercial, it becomes a worry.

Mr. Andres stated airport expansion, which is the bulk of this, is directly related to commercial service and the ability to continue to provide commercial service at the Hilton Head Airport. In the past we have had passenger facility charge programs in place, but the collection authority expired in 2008. These were the types of projects that were included in that passenger facility charge program. Not only are we going to include from this application these projects, we will also include retrofit projects from reimbursement for previous projects that we were not fully reimbursed on from the previous passenger facility charge program which will then pay off the advances from the general fund, for the Hilton Head Island Airport. What this amounts to today is that the authorized charge right now is \$4.50 per ticket. That is the maximum allowable charge. Congress is looking at this and seeing if they want to modify that, but have not made a decision at this point. At \$4.50 a ticket, we have had that charge in place in the past and other airports have that charge in place. It is a direct pass through to the passengers. The airline does not suffer that expense. The greater challenge in the five year plan outlook is with the Beaufort County Airport.

Mr. Baer stated of that past passenger facility charge, \$962,000 was used for private hangars.

Mr. Andres stated that was done for the infrastructure project. The other component that was not reimbursed out of that was the construction of the control tower and the land acquisition for the control tower, which directly supports commercial services.

It was moved by Mr. Sommerville, seconded by Mr. Stewart, that Public Facilities Committee approve and recommend to County Council approval of the fiscal year 2011 updates and five-year ACIP Plans for both Hilton Head Island Airport and Beaufort County Airport for submission to the FAA.

Mr. Stewart stated in the master plan for the Hilton Head Island Airport there are many things that need to be done to bring it up to standard before you can go forward with the runway

extension. These are things such as a taxiway, realignment, etc. He wanted to know if those are included in the plan.

Mr. Andres stated they are included.

Mr. Rodman stated the two airports are treated different from an FAA standpoint. Also, he wanted to know when the 5,000 foot runway becomes operational. Mr. Andres stated sometime during FY 2013 at the end of construction. Ms. Elder corrected him saying that the construction period would probably take about 18 months, depending on funding and approvals needed.

Mr. Rodman stated it would be logical to move the commercial service terminal to a later point in time and use whatever funds possible toward the runway. Otherwise, we are building a terminal yet may lose commercial service. He does not understand the logic in doing the terminal first. Ms. Elder said it is a time allocation issue. The benefit cost analysis and the environmental assessment is going to take about 12 to 18 months. We can start the design during that period. The design and the improvement to the terminal can probably be done within that timeframe.

Mr. Rodman stated there are two risks to that: (i) If for some reason the funding dries up, we have spent it on something that we might not have spent it on if we had known we had a reduced amount. (ii) It takes 12 to 18 months and at some point, depending on the funding, to have that funding earlier seems advantageous.

Ms. Elder said the design on the terminal is already two years old. One thing we can discuss with the FAA is getting a letter of intent for that runway extension. It is a commitment to fund.

Ms. Elder also stated there are several issues with the terminal that has to be dealt with. Part and partial is the fact that every time someone has to go to the restroom, they have to walk back out of the secure area. There are some issues that have to be dealt with. Another issue is getting a baggage belt to make it a little easier for both the folks picking stuff up and folks in the back.

Mr. Andres stated the intent is to move the runway extension as rapidly as we can. If the terminal improvements take a second priority, then so be it. The FAA views a limitation on funding and will make that determination.

Mr. Baer understands that below a certain threshold amount, you don't need an environmental assessment. Ms. Elder stated there is no threshold amount. The type of project that requires an environmental assessment are in order 10-50-1E and 50-50-4B.

Mr. Baer stated if our goal is to preserve commercial service, you might have a different order of projects. Ms. Elder stated one thing we cannot do is circumvent the environmental process because that jeopardizes federal funding. That is one thing we need to make sure we do not do.

Mr. Baer stated perhaps we should have a discussion with the FAA. If the goal is to maximize the preservation of commercial service as quickly as possible, you may have a different order of things and may be talking with the FAA.

Ms. Elder stated it is her understanding that there is a meeting with the FAA on the 15th of December.

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling. The motion passed.

Recommendation: County Council approves the fiscal year 2011 updates and five-year ACIP Plans for both Hilton Head Airport and Beaufort County Airport for submission to the FAA.

INFORMATION ITEM

5. Consideration of Contract Award

- **Carteret and Bay Streets Mast Arms Traffic Signal Replacement (Less than 50,000)**

Discussion: Committee Chairman Glaze reviewed this item with the Committee. On November 4, 2010 Beaufort County accepted bids for mast arm traffic signal replacement at the intersection of Carteret Street (US 21 Business) and Bay Street (S-7-6) in the City of Beaufort. This project will rebuild the existing traffic signal which includes the installation of decorative mast arms and support poles. The totals for each of the four companies that submitted bids are as follows:

Company Name/Location	Original Bid	Revised Bid
Walker Brothers, Inc Lexington, SC	\$57,585.00	\$49,435.00
W.M. Roebuck, Inc. Lexington, SC	\$55,445.00	\$53,695.00
J. Moore Electrical Swansea, SC	\$55,600.00	\$64,720.00
German Technical Group, LLC Charleston, SC	\$89,407.50	\$87,447.50
Engineer's Estimate	\$47,120.56	\$47,120.56

It was determined that a temporary signal would not be needed for this project so all bids were reduced. W.M. Roebuck, Inc. was found to be non-responsive due to all bid line items not being completed that are a necessary part of the project. Walker Brothers, Inc. submitted the next lowest qualified/responsible bid of \$49,435.00. Walker Brothers, Inc. bid was reviewed and found to be reasonable and is in compliance with the County's SMBE Ordinance. Walker Brothers, Inc. will be self-performing the work. There is no apparent cause for rejecting their bid.

Funding for this project is being provided by the City of Beaufort \$48,435 and \$1,000 from account #23323-51997 – SCDOT Loop reimbursement.

Mr. Sommerville wanted to know what the SCDOT Loop reimbursement account is.

Mr. Kinton stated through our annual contract for signal maintenance with SCDOT, they provide us funding for loop replacement at traffic signals. We will be tapping into that account to replace the vehicle detection at that intersection.

Mr. Sommerville wanted to know what a loop is. Mr. Kinton stated there are wires placed in the street in a loop.

Mr. McBride wanted to know why this is before Council when it is a City project. Mr. Kinton stated through a Memorandum of Understanding with the City of Beaufort, we provide engineering and management services for traffic services countywide.

It was moved by Mr. McBride, seconded by Mr. Baer, that Public Facilities Committee award a construction contract to Walker Brother, Inc. in the amount of \$49,435 for the Mast Arm Traffic Signal Replacement at the intersection of Carteret Street and Bay Street. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling. The motion passed.

Recommendation: Public Facilities Committee award a construction contract to Walker Brother, Inc. in the amount of \$49,435 for the Mast Arm Traffic Signal Replacement at the intersection of Carteret Street and Bay Street.

6. Consideration of Contract Award

• Dumpster Rental Services for Beaufort County (Less than \$50,000)

Discussion: Committee Chairman Glaze reviewed this item with the Committee. Beaufort County currently requires dumpster rental services for various County departments. In order to save money and to consolidate the dumpster service into one contract, the County advertised bids in October 2010. The County received the following four bids on November 10, 2010 for dumpster rental services:

Waste Pro of SC, Inc Hardeeville, SC	\$25,005 Nonresponsive
Waste Management of SC Ridgeland, SC	\$32,803
Republic Services Beaufort, SC	\$37,488
Lowcountry Sanitation Beaufort, SC	\$62,546

Funding						
Department	Account	Account Name	FY2011 Budget	FY2011 Balance	FY2011 FY2012 Cost	7% Tax
HHI Airport	13580-51090	Garbage Services	\$ 9,800	\$ 5,257	\$ 6,185.40	\$ 432.98
DSN, PR, CRCF	44410-51090	Garbage Services	\$ 3,360	\$ 2,033	\$ 2,061.72	\$ 144.32
DSN, PR, Admin	44470-51090	Garbage Services	\$ 3,204	\$ 1,277	\$ 1,030.92	\$ 72.16
DSN, New Bldg	44410-51090	Garbage Services	\$ 2,062	\$ 2,062	\$ 2,061.72	\$ 144.32
PALS	63310-51090	Garbage Services	\$ 2,062	\$ 2,062	\$ 2,061.84	\$ 144.33
Facilities Mgmt	33020-51090	Garbage Services	\$16,708	\$ 9,411	\$16,482.96	\$ 1,153.81
Sheriff's Office	21052-51090	Garbage Services	\$ 2,100	\$ 1,150	\$ 773.16	\$ 54.14
Total			\$39,296	\$23,252	\$30,657.72	
SC 7% Sales Tax						\$ 2,146.06
Grand Total						\$32,803.78

Waste Management submitted the lowest responsive/responsible bid of \$32,803. Waste Management's bid was reviewed and found to be reasonable and is in compliance with County requirements. There is no apparent cause for rejecting their bid.

Facilities Management's budget covers the following locations: All Libraries, BIV #3, BIV #5, Main Administration, Bluffton Gym, Burton Wells Recreation, Human Services, County Courthouse, Myrtle Park, LEC and Detention Center. The combined current FY 2011 budget balance is \$39,296 which is sufficient to fund the remainder of FY 2011, as the initial contract will begin in December 2010 and end in December 2011 (which includes half of FY 2011 and half of FY 2012).

Mr. McBride wanted to know if funds would be coming from individual departments or from the general fund. Mr. Hill stated it depends on the department. Some line items have them in their general fund and some are in facility maintenance.

Mr. McBride questioned why Waste Pro of SC was listed as nonresponsive. Mr. Thomas stated they did not provide the proper pricing for the scheduling. They were supposed to provide pricing for bi-weekly pickup and they only did it for bi-monthly. That is why their price was that low. They are the only company that got it wrong.

Mr. Sommerville is curious why we do not have any contract with Lowcountry Sanitation and why their bid is so high. Mr. Thomas stated they are not as large of a company.

Mr. Stewart wanted to know if the Sheriff's Office pays for their portion. Mr. Starkey stated it is a part of the general fund. There are several lumped into facilities management. In the past, the Sheriff's Office likes to keep theirs in their separate operation. They are a part of the contract and we are receiving the savings.

Mr. Glaze stated in a prior bid we talked about the dirt road reconstruction and REA contracting revoked their local preference by being in Beaufort. He wanted to know the difference in this instance with Republic Services being local. Mr. Thomas stated they could have claimed it but they did not claim it in their bid packet.

Mr. Glaze wanted to know how they would know that they could do that. Mr. Thomas replied it is in their bid packet.

It was moved by Mr. Sommerville, seconded by Mr. Stewart, that Public Facilities Committee award a contract o Waste Management of South Carolina for dumpster rental services in the amount of \$32,803 for an initial contract term of one year with four additional one year contract renewal periods all subject to the approval of Beaufort County. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Flewelling. The motion passed.

Recommendation: Public Facilities awarded a contract to Waste Management of South Carolina for dumpster rental services in the amount of \$32,803 for an initial contract term of one year with four additional one year contract renewal periods all subject to the approval of Beaufort County.

7. Consideration of Contract Award
• Dog Park Master Plan

Discussion: Mr. Tony Criscitiello, Division Director – Planning and Development, reviewed this item with the Committee. In a letter dated November 18, 2010 to Bryan Hill from Bob Fletcher, Engineer for Town of Bluffton, expressed an interest to enter into agreement with the Friends of the Bluffton Dog Park to allow for construction, operation and maintenance of the Dog Park Facility at the Buckwalter Community Park. The Planning Department is doing the fiscal location of the Dog Park on the Master Plan. Once that is complete, the County Planning Department will coordinate with other departments to make sure that the conditions, as expressed by the Town of Bluffton, are in fact achievable and doable. The County is not committed to building or maintaining the Dog Park. The County would enter into a lease agreement with the Town for construction. Operations and maintenance would be part and parcel of the lease agreement with the Town and the County. There are no County funds involved.

Mr. Dawson inquired as to who would be responsible for oversight and compliance with County ordinances. Mr. Criscitiello stated the County would be, specifically PALS.

Mr. Stewart inquired as to the size of the Park. Mr. Criscitiello stated that is something the County's Planning Department, PALS and the Town will have to agree upon. The paperwork is being done now. The lease price has yet to be negotiated as well. We are at the starting point. He stated he will be bringing it back before Council once finalized.

Status: This item is for informational purposes only.

PUBLIC SAFETY COMMITTEE

December 6, 2010

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

The Public Safety Committee met on Monday, December 6, 2010 at 4:00 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, SC.

ATTENDANCE

Public Safety Members: Chairman Jerry Stewart, Vice Chairman Brian Flewelling and members Rick Caporale, Gerald Dawson, Herbert Glaze, Stu Rodman and Laura Von Harten attended. Non-committee members Steven Baer, William McBride and Paul Sommerville also attended.

County Staff: Morris Campbell, Division Director – Community Services; Phil Foot, Detention Center Director; Frank Simon, Probate Court Judge; Dave Thomas, Purchasing Director; William Winn, Division Director – Public Safety.

Media: Kyle Peterson, *Beaufort Gazette / Island Packet*.

Public: George Simpson, Sun City resident.

Mr. Stewart chaired the meeting.

ACTION ITEM

1. Consideration of Contract Award – Health / Medical Care Services of Detention Center

Discussion: Mr. Stewart told the members of the Public Safety Committee this contract award has been appropriately reviewed. The funding for the \$528,000 contract award for health and medical care services at the Detention Center to Southern Health Partners, of Chattanooga, Tennessee, will come from the current balance of the medical and dental services budget for FY 2011 for the remainder of this fiscal year, which ends on June 30, 2011. The initial contract terms begins January 1, 2011 and ends December 31, 2011. There are four annual options to renew the contract at Council's discretion. Mr. Stewart said he assumes it will be similarly funded next fiscal year to cover the remainder of the calendar year. There is about \$313,606 in the budget right now.

Mr. Dave Thomas, Director of Purchasing, said two firms were interviewed after the selection process of five proposals. Southern Health Partners is the incumbent. After the interviews, the review committee asked for best and final offers, at which time Southern Health

Partners came back with the best cost and way to provide the services for the Detention Center. He deferred to Phil Foot, who is the director of the Detention Center.

It was moved by Mr. Flewelling, seconded by Mr. Sommerville, that Public Safety Committee approves and recommends to Council the contract award of \$528,000 to Southern Health Partners for health and medical care services with four annual options to renew the contract at the discretion of Council.

Mr. Flewelling asked what the current services cost. Mr. Thomas replied it is about \$600,000, so this will save the County.

Committee members mentioned the cost is related to capacity at the Detention Center and with fewer inmates the cost is lower. Mr. Foot confirmed the cost is reflected by the number of people in the Detention Center.

Mr. Foot thanked Family Court, Solicitor Duffie Stone and all law enforcement for helping reduce the number of people at the Detention Center. He said when he had 446 inmates, medical costs were extremely high. To determine if the cost is higher or lower is difficult. Mr. Foot said the general fund for this year is \$604,000. The contract ended September 30, 2010. He said he was not sure where the County was going to go because he could not predict the numbers at the Detention Center. He stated he wants to be as responsible to the taxpayers as possible, and this is why Southern Health Partners is the best option.

Mr. Stewart asked if the \$528,000 was a firm, fixed price or if it would rise if the population increased. Mr. Foot answered, what happened this time but not in the past was the County requested as the population numbers fluctuate, up or down, the cost will remain the same. This amount was based on last year's population numbers.

Mr. Caporale asked if Southern Health Partners provide personnel on-site.

Mr. Foot said there is "24/7" nursing, LPN's hand out medication and do basic in-processing screenings. He explained the important part is the Detention Center does not know who they are getting in. The population varies in age from 17 to 80 plus. Nurses screen each person, then inform the Detention Center whether or not it should accept the person or send them instead to the emergency room to get doctor's clearance. Mr. Foot also noted there are many sicknesses or diseases that may appear to be intoxication, but that is not the case. An example may be someone who appears drunk, but is diabetic and their sugar levels are off. There is a registered nurse on staff for 40 hours weekly. She is in charge of the unit, backs up the LPN's work, etc. There is a physician, Dr. Tony Bush, who sees clients, who have already been screened, during sick call twice weekly. That is to watch for chronic care. A dentist comes once a week. The dentist provides basic services – temporary fillings, extractions, etc. If it is beyond the dentist's capability, the Detention Center tries to use the Medical University of South Carolina Dental School Clinic because they do not charge as much as local specialists or orthodontists. The above services are part of the cost calculated in the contract, Mr. Foot explained in response to Mr. Caporale's question.

Psychotropic drugs are a different contract, with Coastal Empire Community Mental Health, and the contractor attempts to keep the costs minimal, Mr. Foot said.

Mr. McBride stated that Mr. Foot said the current contract expired September 30. He asked what the Detention Center has done in the interim. Mr. Foot said the contractor went from month to month, and added Southern Health Partners has been very kind to the County. When the population at the Detention Center hit the 400's, according to the contract the County has to pay a per diem for each person over the contracted population. Southern Health Partners was contentious and came to the County to renegotiate. He stated Southern Health Partners has been very contentious with the County's economic situation.

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

Recommendation: Council approves the contract award of \$528,000 to Southern Health Partners for health and medical care services with four annual options to renew the contract at the discretion of Council.

INFORMATIONAL ITEMS

2. Off-agenda Item

Discussion: Mr. Stewart requested the Public Safety Committee review an off-agenda item, namely the committee's assignments as a matter of bookkeeping. He asked the Committee to vote for removal of the topic, "Multi-County Industrial Park designation ordinance and Intergovernmental Agreement Beaufort County / City of Beaufort (Ord. 2)" as discussed in 2008. He said this is related to Greenlawn and was withdrawn long since.

It was moved by Mr. Flewelling, seconded by Mr. Caporale, the Public Safety Committee removes from its assignments Multi-County Industrial Park designation ordinance and Intergovernmental Agreement Beaufort County / City of Beaufort (Ord 2). The vote was: FOR – Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Stewart and Ms. Von Harten. The motion passed.

Recommendation: No action necessary by Council.

3. Update – Probate Court – Judge Frank Simon

Discussion: Judge Simon thanked Mr. Stewart for inviting him and told the Public Safety Committee he has been the Probate Court judge for 16 years. He said no one ever ran against him and he expressed the sentiment local government would be better if more people offered themselves for public office. In South Carolina, Probate Court judges are the only judges who are popularly elected. The court was a constitutional position; now it is a statutory court. Throughout the country there is debate about how people become judges, the route of which is problematic at best. He said it could be argued none of the ways work, but he said the advantage

of the popular election probably functions well because if a judge wants to stay in office he must continue to serve, to respond to constituents. He said he believes his office has lived up to its motto: Professional, User-friendly, Prompt Service to all comers. He noted he tries to be just while taking into account the human equation.

By nature of subject matter jurisdiction, the Probate Court affects a broader cross section of the population than other courts, Judge Simon said. To get married in South Carolina, you must go to a Probate judge. If a person becomes incapacitated, or in need of some type of protective order, they see the Probate judge. He gave the example of a senior person who is mentally or physically ill, or a child who is mentally or physically ill. Protective orders fall into two categories: the conservatorship and guardianship. The conservatorship takes care of assets of a person. The guardianship takes care of the person. So in the case of a senior with Alzheimer's who someone brings a petition this person is incapacitated and needs a guardian, it is serious. Judge Simon said the decision should be made with levity because there is the possibility of abuse of the system for one's own agenda.

Judge Simon addressed topics ranging from workloads to pay and ability for growth. He explained, the role of the Probate Court in conservatorships, guardianships and decedents of state never ends and this is costly, Judge Simon stated. The Probate Court takes in from 1,000 to 1,500 new decedents of state care annually, and there are about 1,000 to 1,500 pending. The pending cases, in decedents of state and guardianship / conservatorship, are about 200 annually. These require enormous hands-on work and that is why his court needs people who are qualified, who will remain on the job and will take the job seriously, he said. Now is a difficult time to discuss this, but "you get what you pay for," Judge Simon said. The turnover rate in the court has been low. Judge Simon stated the reason turnover has been low is the economic difficulties, but during other times the court is a training ground for law firms, which recruit the good workers with salaries up to \$5,000 higher than the Probate can offer. Judge Simon referred to Steven Covey, author of *7 Habits of Highly Effective People* series, who he said helps his court by providing a framework of how to make things happen. One thing Judge Simon said he learned from Mr. Covey is, if staff is not empowered with opportunities for advancement the good people will leave. Psychic income only goes so far. Again, we see the issue of how to pay people, Judge Simon said. How does a judge lead and manage well in order to compensate for inadequate compensation to make employees want to come to work each morning? He said he thinks for the most part the court has a good environment.

Then, Judge Simon said with the exception of marriage licenses, people come to the Probate Court in stressful situations like loss of a family member. He questioned whether courts should be run like a business and answered to the extent that it benefits the public they should. Judge Simon explained Beaufort County has different tiers for marriage licenses with visitors paying \$95, a slightly higher rate than residents. Judge Simon said the marriage license fees allow the Probate Court to break even, particularly in the southern Beaufort County offices. He said operating that location is important as it rectified an earlier problem. People were charging to drive from their home in Hilton Head Island to the court in Beaufort. This would run people \$300 per hour for a lawyer to hear a case in Beaufort, which could be heard on Hilton Head Island. He added he thinks operating the Hilton Head Island office "does right by the residents."

Related to the topic of cost of the legal process to residents, Judge Simon touched on the need for legal advice and a *pro bono* system. He said Beaufort County has an interesting dichotomy with extremely wealthy and very low-income; how do you augment the legal aid for the latter?

The fourth item of subject matter jurisdiction Judge Simon reviewed was therapeutic commitments for those with mental health or substance dependency. The decision can be rendered as either an emergency hearing at the hospital or through the judicial process. He stated the current system rarely works because of state-level funding cuts. This is a liberty deprivation issue and because of that impact in a person's life he takes the process seriously, he said. A lawyer represents the person and receives \$50 from the state.

Mr. Sommerville asked how Judge Simon finds lawyers to represent people. Judge Simon stated he has a bank of about 10 lawyers who expressed their willingness to provide services.

Mr. Baer asked what the total budget for the Probate Court is each year. Judge Simon replied for the last fiscal year the budget was \$880,000, revenues were \$640,000, so the excess of budget over revenue was \$240,000. The percentage decrease was 60, so the court did more with less, Judge Simon said.

Mr. Stewart asked if the money comes from the County or state. Judge Simon explained it is state-mandated, borne by the County situation. Judge Simon used that topic to segue to explain organization within the court — four divisions by subject-matter jurisdictions with a director in charge of each division. This creates hierarchy and gives employees an opportunity for promotion and empowers them to become leaders.

Mr. Rodman asked how someone could appeal a ruling from the Probate Court. Judge Simon replied there is an appellate procedure. One manner is through a writ of appeal. Judge Simon explained in South Carolina there are 46 counties each with its own probate judge, each slightly different. He then discussed the lack of uniformity and qualifications necessary to become a judge. The second option to appeal a Probate Court ruling is for a litigant, through his lawyer, to seek recusal and removal. This option was done primarily because the South Carolina Legislature was concerned many of the South Carolina judges were not competent to hear a case, Judge Simon explained. Further, a recusal is if the judge or lawyer expresses they are incapable of rendering a fair hearing, for whatever reason.

Mr. Flewelling thanked Judge Simon for the professionalism in his court.

Mr. Sommerville asked Judge Simon to explain his relationship to the Adjutant General, which the judge mentioned earlier. Judge Simon stated the Adjutant General is the head of the South Carolina military and he is a major general in the Guard. Ms. Von Harten sang Gilbert and Sullivan's "The Modern Major General" before getting cut off by the Chairman.