



**County Council of  
Beaufort County  
Community Services  
Committee Meeting**

**Chairman**

CHRIS HERVOCHON

**Vice Chairman**

MARK LAWSON

**Committee Members**

GERALD DAWSON

STU RODMAN

PAUL SOMMERVILLE

**County Administrator**

ASHLEY M. JACOBS

**Clerk to Council**

SARAH W. BROCK

**STAFF SUPPORT**

RAYMOND WILLIAMS

PHIL FOOT

**Administration Building**

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## Finance Committee Minutes

**Monday, October 19, 2020 at 2:00 PM**

[ This meeting is being held virtually in accordance with Beaufort County Resolution 2020-05] THIS MEETING WILL BE CLOSED TO THE PUBLIC. CITIZEN COMMENTS AND PUBLIC HEARING COMMENTS WILL BE ACCEPTED IN WRITING VIA EMAIL TO THE CLERK TO COUNCIL AT [SBROCK@BCGOV.NET](mailto:SBROCK@BCGOV.NET) OR PO DRAWER 1228, BEAUFORT SC 29901. CITIZENS MAY ALSO COMMENT DURING THE MEETING DURING FACEBOOK LIVE

### **CALL TO ORDER**

Committee Chairman Hervochoch called the meeting to order at 2:00 PM.

### **PRESENT**

Committee Chairman Hervochoch  
Committee Vice-Chairman Lawson  
Council Member Passiment  
Council Member Sommerville  
Council Member Covert  
Council Member Dawson  
Council Member Rodman  
Council Member Glover  
Council Member Howard  
Council Member McElynn  
Council Member McElynn

### **PLEDGE OF ALLEGIANCE**

Committee Chairman Hervochoch led the Pledge of Allegiance.

### **FOIA**

Committee Chairman Hervochoch noted that the Public Notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act.

### **APPROVAL OF AGENDA**

**Motion:** It was moved by Council Member Sommerville, seconded by Council Member Dawson to approve the agenda. The vote: Unanimous without objection. The motion passed. 11:0

### **APPROVAL OF MINTUES- SEPTEMBER 21, 2020**

**Motion:** It was moved by Council Member Sommerville, seconded by Council Member Dawson to approve the minutes from September 21, 2020. The Vote: Unanimous without objection. The motion passed. 10:0

## **INTRODUCTION OF WHITNEY RICHLAND AS THE NEW CHIEF FINANCIAL OFFICER**

**Status-** For Informational Purposes Only

### **ACTION ITEMS**

**Providing base fee-in-lieu of tax agreements to Project Burger, Project Garden, and Project Glass. This will bring property tax rate from 10% industrial rate down to 6% rate for a 20 year period.**

**Providing a special source revenue credit to Project Stone- This SSRC will act as a base FILOT equivalent- allowing the company to pay the equivalent of a 6% tax rate over a 20 year period.**

**Placing Project Burger, Project Garden, Project Glass, and Project Stone into existing multi county industrial park.**

**Consideration of an Ordinance regarding a multi county industrial park- Burger, Garden, Glass, Stone.**

**Consideration of an Ordinance regarding a special source revenue credit- Project Stone**

**Consideration of multiple Ordinances and Inducement Resolutions regarding a fee-in-lieu of property taxes (FILOT)- Project Burger, Project Garden, Project Glass.**

**Discussion:** John O'Toole, Executive Director, Beaufort County Economic Development Corporation spoke regarding items number 7,8,9,10, 11 & 12.

Burger: Local Brewery, investing \$4.96 Million dollars, creating 43 new jobs, average pay of \$38,682.00.

Garden: Company out of N.J. that will manufacture glass products, investing \$3.19 Million dollars, creating 26 new jobs, average pay of \$35,827.00

Glassworks: Glass recycling company, investing \$15.15 Million dollars, creating 55 new jobs, average pay \$34,861.00.

Stoneworks: Stone Cutting/Counters, investing \$3.2 Million dollars, created 21 new jobs- 40 jobs retained, average pay \$53,120.00.

Council Member Glover asked Mr. O'Toole what the lowest paid salary would be.

Mr. O'Toole stated that he would get that information per project and share with Council Member Glover.

Council Member Rodman suggested that the County do a 6% across the board under certain circumstances.

Mr. O'Toole replied that he didn't think there could be a uniform policy based on a previous discussion during a workshop.

**Motion: It was moved by Council Member Flewelling, seconded by Council Member Glover to approve items number 7, 8, 9, 10, 11 and 12. The Votes: Unanimous without objection. The motion passed. 11:0**

### **Consideration of an Ordinance Beaufort County Business License Tax Standardization**

**Discussion:** Edra Stephens, Business License Department, spoke regarding the SC Business License Standardization Act, signed into law by Governor Henry McMaster. This requires all licensing bodies to accept the act. Rate Class 8 is divided into sub-categories; rates will need to be established. This gives a standardization due date across the state to comply with the new law.

Council Member Rodman stated that at one point there was talk of one government body collecting for everyone instead of multiple collections, and was this something similar.

Ms. Stephenson stated that once everyone has standardized, the data will be uploaded to fiscal affairs and all business licenses will be able to renew at state level and then the state would distribute the funds to the County.

Council Member Flewelling asked when in 2022 must this be completed.

Ms. Stephenson stated January 1, 2022.

Council Member Flewelling also asked if there was anything in this legislation that would prevent the County from lowering the rates.

Ms. Stephens replied that as of right now, yes. This is because the County's rates are the lowest in the state and right now the County must stay revenue neutral. Going forward the classes will change based on the IRS index change. They will fluctuate every two years.

Council Member Flewelling then enquired if there was a change in the taxable income.

Ms. Stephenson stated no, it is still calculated by gross income.

Committee Chairman Hervochon asked what type of business fell under class 8.

Ms. Stephenson provided examples such as; automobile dealerships, contractors, drinking establishments, pawnbrokers, junk/metal scrappers.

Committee Chairman Hervochon stated at some point he would like for the committee to discuss breaking out class 8 businesses.

Council Member Coverts questioned if unilaterally are the rates per unit higher and/or did they levy the tax.

Ms. Stephens responded that the rates did change a bit based on the MEGS index and those rates can be adjusted if Council chooses to do so after the first year.

Council Member Coverts asked what would happen if the County votes no to this Ordinance.

Ms. Stephenson stated that by law the County has to standardize and that the vote would be to include other municipalities within Beaufort County.

**Motion: It was moved by Council Member Flewelling, seconded by Council Member Rodman to adopt the changes and approve the Beaufort County Business License Tax Standardization. The Vote: Unanimous without objection. The motion passed. 11:0.**

## **DISCUSSION ITEMS**

### **Update on the Internal Auditor- Raymond Williams, Interim Chief Financial Officer.**

**Discussion:** Mr. Williams stated that representatives from Beaufort County met with Baker Tilly and Elliot Davis to discuss the scope of work needed to complete to internal audit. Both companies are still interested, they will work to provide Beaufort County updated pricing for their services. Bid should be ready by the next finance meeting.

### **Update on State Accommodation Tax Awards.**

**Discussion:** Mr. Williams stated Beaufort County is awarding \$260,000 in State Accommodations Tax Funding. The awards will be substantially less than prior years due to unknown COVID 19 impacts. The State Tax Committee has twenty-seven applications totaling \$1.5 Million. The Committee is meeting on October 21<sup>st</sup> in Council Chambers to review applications and make recommendations to County Council for funding. The Tax Chairman will appear before the Finance Committee on November 16, 2020, to make recommendations.

### **Discussion on the RFP for State Accommodations Tax and Local Accommodations Tax to the DMO's and Chambers.**

**Discussion:** Mr. Hayes stated the Finance Committee voted unanimously on September 21, 2020, to have an RFP for qualifying DMO's and Chambers. The County is in the process of preparing an RFP for the marketing services related to State Accommodations Tax and Local Accommodations Tax. GBCVB has already planned on using this money for marketing and would like some of it to be distributed and is the Finance Department is requesting the Council's guidance.

Committee Chairman Hervochoch stated that an RFP was established and believes that it is something that needs to be followed through with but doesn't think at this particular point funding should be delayed.

Council Member Sommerville mentioned that GBCVB has been a continued vendor and are in their current fiscal year and are not being funded to do what they are needing to do and should at least give them half of the year.

Council Member Flewelling asked if there was something standing in the way from this money being released.

Mr. Hayes stated that there isn't anything standing in the way but the Finance Department didn't want to release any funds with an RFP in progress

Council Member Flewelling made a motion to go ahead and release the full years DMO money, Council Member Howard Seconded the motion.

Committee Chairman Hervochoch stated this was a discussion item and did not require a motion.

Council Member Flewelling withdrew his motion.

Council Member Howard stated she agreed to fund the award for the full year and have the RFP ready to go for June.

Council Member Passiment mentioned that the DMO's and Chambers prepare their budget based on the idea of receiving these funds for the full year and support releasing the full funds.

#### **CAFR Audit Discussion**

**Discussion:** Mr. Williams stated there was a discussion with the audit partner for the engagement. Tentatively Mauldin and Jenkins should begin their fieldwork in mid-November. They project that best-case scenario that they could have a draft audit report by December 31. There are factors that could cause delay such as staff changes, and unknown COVID 19 issues.

Council Member Glover asked if the auditors were doing the audit virtually.

Mr. Williams stated that yes, they are trying to do as much as possible virtually due to COVID concerns.

#### **Update on Carryover Budget 2021 Expenditures.**

**Discussion:** Mr. Hayes gave an updated on the Carryover budget council approved at a prior meeting. As of today there is an approved carryover budget of \$2.1 Million and \$437,000.00 has been spent.

Committee Chairman Hervochoch inquired about the DNA lab.

Mr. Williams stated that the DNA lab has requisitions and from his understanding that it is moving forward.

#### **Discussion on real life savings due to pandemic.**

**Discussion:** Committee Chairman Hervochoch brought up this discussion due to the change in cost of operation due to the pandemic, which was mentioned by the School Board. He was wanting to inquire if the County had any such savings due to the decrease in operational expenses due to COVID.

CFO, Whitney Richland stated that she reached out to Ms. Crosby with the school district and the school district had savings due to the closing at the mid of last school year. Due to the freeze or deferring of expenditures they were able to provide substantial savings. Ms. Richland stated that she does not have a hard figure at the moment for the County and hopes to have an updated analysis at the net meeting.

Council Member Flewelling stated that he feels that because the County was still operational that there wouldn't be much savings except for utilities.

### **BOARDS AND COMMISSIONS**

Consideration of the re-appointment of Dan Ahern and the appointment of Thomas Sheahan to the Airports Board.

**Motion:** It was moved by Council Member Flewelling, seconded by Committee Vice-Chair Lawson to approved the re-appointment of Dan Ahern and the appointment of Thomas Sheahan. The Vote: Unanimous without objection. The motion passed. 11:0

### **EXECUTIVE SESSION**

#### **Land Acquisition Proposal through Rural and Critical Land Program- Project 2020A**

**Motion:** It was moved by Council Member Glover, seconded by Council Member Howard to go into Executive Session. The Vote: Unanimous without objection. The motion passed. 11:0.

#### **Matters Arising Out of Executive Session**

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Howard to add \$12,500 to the original project 2020A because of a recalculation of percentages of interest from a purchase that was made in 2020. The Vote: Unanimous without objection. The motion passed. 11:0.

### **CITIZEN COMMENTS**

There are no citizen comments per Clerk to Council, Sarah Brock.

### **ADJOURNMENT**

The meeting adjourned at 3:00 pm.

Ratified by Committee: November 16, 2020