



**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**

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## Finance Committee Minutes

**Monday, July 13, 2020 at 3:00 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 3:00 PM.

### PRESENT

Committee Chairman Hervochoch  
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 Lawson

### ABSENT

Committee Vice-Chairman Lawson

### 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.

### PLEDGE OF ALLEGIANCE

Committee Chairman Hervochoch led the Pledge of Allegiance.

### APPROVAL OF AGENDA

Committee Chairman Hervochoch stated that the agenda needed to be amended to add an item; An update on the Joint Bond with Bluffton for Sewer Service and by updating Item 12 whereas it is currently the A-Tax Agreement with Hilton Head-Bluffton Chamber of Commerce to Read: Expense Reporting of Public Funds by County Chambers Presented by Council Member Covert.

**Motion:** It was moved by Council Member Covert, seconded by Committee Council Member Flewelling to amend the agenda to add the item: An Update on the Joint Bond with Bluffton for Sewer Service and by Updating item 12 whereas it is currently the A-Tax Agreement with Hilton Head-Bluffton

Chamber of Commerce to Read: Expense Reporting of Public Funds by County Chambers Presented by Council Member Covert. The vote: Unanimous without objection. The motion passed. 10:0

### **APPROVAL OF MINTUES- JUNE 15, 2020**

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Howard to approve the minutes from June 15, 2020. The Vote: Unanimous without objection. The motion passed. 10:0

### **DISCUSSION ITEMS**

#### **Update on Joint Bond with Bluffton for Sewer Service- County Administrator Ashley Jacobs**

**Discussion:** County Administrator Updates Council on the joint bond with Bluffton for Sewer Services

For Informational purposes only.

County Administrator Ashley Jacobs stated that Bluffton has not included funds in the fiscal year for the project due to COVID-19. A budget amendment may be considered later in this year. Ordinance 99-104 limits stormwater utilities by restricting the use of stormwater fees to obtain a sewer system but can use the fees for drainage for this project.

Council Member Flewelling asked how does that impact the amount of funds the County is allowed to reciprocate the funds in the agreement. Administrator responded that there isn't a solid number yet.

### **ACTION ITEMS**

#### **Consideration of an Ordinance to enter into a lease agreement at Beaufort City Hall for Veteran's Affairs Department- County Attorney, Kurt Taylor**

**Discussion:** County Attorney Kurt Taylor presented Ordinance for lease agreement.

Staff has negotiated a lease for 1200 sq. ft. of space in Beaufort City Hall for the Veteran's Affairs Office. The lease would run for twelve months with renewal options. Rent would be \$12,000 per year for the first year and \$12,000 a year thereafter, adjusted by the change in the CPI. The County would pay a pro-rata share of the utilities monthly. County Administration then reviews the resulting list of applicants to identify groups that are already receiving public funds. This eliminates duplicate efforts.

Council Member Glover asked if this is the same price as last year. County Administrator, Jacobs responded that this is the first year the County is paying for this lease.

**Motion:** It was moved by Council Member Glover, seconded by Council Member Flewelling to approve the Ordinance to enter into a lease agreement at Beaufort City Hall for Veteran's Affairs Department. The Vote: Unanimous without objection. The motion passed. 10:0

#### **Consideration of an Ordinance Finding that the Fripp Island Public Service District, South Carolina, may issue not exceeding \$1,550,000 of General Obligation Bonds and to Provide for the Publication of Notice of the said finding and authorization- Mr. Rhodes, Bi-Council for Fripp Island Service District**

**Discussion:** Mr. Rhodes presented the Ordinance.

This Ordinance is to move forward for the issuance of a general obligation bond for \$1,550,000 to purchase two fire apparatuses.

Council Member Flewelling asked if there is any previous debt being retired by the proceeds of this bond sale. Mr. Rhodes explained that this bond is for the sole purpose of purchasing these two apparatuses. Council Member Flewelling then asked if the bond collection fund from which they pay is in good enough health to carry them forward

until new receipts. Mr. Rhodes stated that the payments are structured so the tax revenue will come in before the payment is due.

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Glover to approve the consideration of an Ordinance finding that the Fripp Island Public Service District, South Carolina, may issue not exceeding \$1,550,000 of General Obligation bonds and to provide for the publication of notice of the said finding and authorization. The Vote: Unanimous without objection. The motion passed. 10:0

**Consideration of a Resolution for a Public Hearing to be held upon the question of the issuance of not exceeding \$1,550,000.00 of General Obligation Bonds of the Fripp Island Public Service District, South Carolina; providing for the Publication of the notice of such Public Hearing; and other matters relating thereto- Mr. Rhodes, Bi-Council for Fripp Island Service District**

**Discussion:** Mr. Rhodes presents the request to call a public Hearing.

Public Hearing is required by statute as a process for the issuance of the general obligation bond. The proposed date is September 14, 2020.

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Glover to approve the consideration of a Resolution for a Public Hearing to be held upon the question of the issuance of not exceeding \$1,550,000.00 of General Obligation Bonds of the Fripp Island Public Service District, South Carolina; providing for the Publication of the notice of such Public Hearing; and other matters relating thereto. The Vote: Unanimous without objection. The motion passed. 10:0

**Recommendation for FY2021 Contract Renewals – David Thomas, Purchasing Director**

- 1) Manatron: Property Assessment and Tax Software and Support for Assessor, Auditor, and Treasurers Office, \$215,330.00

This renewal was reported to the Finance Committee on June 15<sup>th</sup> and the County Council on June 22, 2020. It was passed by both for \$60,000.00. This number did not include additional costs, did not have all the information needed from the Department.

- 2) Titan Aviation: Avgas and jet fuel for resale, Lady's Island Airport.  
Gas price varies daily. Can only estimate costs. Fuel is purchased at wholesale prices and then offered to the public at a higher rate to cover cost.

Committee Chairman Hervochon asked if this was driven by the current price of oil? Mr. Thomas stated that it is due to the lack of traveling at the Airport due to COVID-19, not as much fuel is being purchased.

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Dawson to approve the recommendations for FY2021 Contract Renewals. The Vote: Unanimous without objection. The motion passed. 10:0.

**Approval of an Ordinance authorizing the execution and delivery by Beaufort County, South Carolina acting through Beaufort County Memorial Hospital of not exceeding \$20,000,000.00 promissory note and a credit agreement; authorizing proper officers to do all things necessary or advisable; and other matters incidental thereto- County Attorney Kurt Taylor**

**Discussion:** County Attorney Kurt Taylor presented the Ordinance.

Beaufort Memorial Hospital Desires to enter into a non-revolving line of credit in the principal amount not to exceed \$20,000,000.00 with Regions Bank that will be used to finance short-term working capital needs. The Hospital's obligation to repay the line of credit will be evidence by a Note. The Hospital is requesting that Beaufort County exercise its power under Section 6 of the Enabling Act to provide for the issuance of the Note and the execution and delivery of a credit agreement between the Hospital and the Bank. There is no impact on the County's debt limit and no pecuniary liability for the County.

Council Member Rodman asked if the County was incurring any liability or is this purely an administrative activity so the Hospital's needs are met. County Attorney, Mr. Taylor answered by stating that there is language in the Ordinance that makes is clear that the County is no liable for any type of repayment.

Council Member Flewelling wanted to know other than this particular expense is Beaufort Memorial Hospital able to meet other needs? Mr. Baxley, with Beaufort Memorial responded that this is just precautionary because they foresee this pandemic extending through the next year.

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Covert to approve an Ordinance authorizing the execution and delivery by Beaufort County, South Carolina acting through Beaufort County Memorial Hospital of not exceeding \$20,000,000.00 Promissory Note and a Credit Agreement; Authorizing Proper Officers to do all thing necessary or advisable; and other matters incidental thereto. The Vote: Unanimous without objection. The motion passed. 10:0.

**Request for proposal #082720 Auditing and Consulting Services for Beaufort County- Hayes Williams, Interim Chief Financial Officer**

The RFP will be for work to provide services as a consultant concentrating on conducting an analysis and review of the policies and procedures used by finance, purchasing, and DSN Departments. The selected CPA firm would use the policies set by GASB, the State Procurement Code, and the Counties current approved Procurement Code as defined for this audit. At the minimum, the services will cover each departments financial policies, procedures, programs, and contracts. The analysis should be a valuable tool to evaluate policies and procedures and make recommendations to Council and Staff on best practices and ways to improve efficiency within the County.

Committee Chairman Hervochon asked if there was a reason for the extensions, because his impression was to do a couple of areas and then close out and then do another couple of areas and close that out. Mr. Hayes answered that Mr. Thomas put them in as a place order in case Council wanted an internal auditor for several different years but it can be taken out. Mr. Thomas stated that this is a draft for Council's review, it is open on however they want to move forward with services.

Council Member Flewelling stated that a motion is not needed at this time.

**Expense Report by County Chambers- Council Member Covert.**

Council Member Covert asked that the County Administrator use whatever legal means necessary to ask for and require the Town of Bluffton and Hilton Head Chamber of Commerce, Beaufort and Port Royal Chamber of Commerce, and the Black Chamber of Commerce to provide to County Council the receipts and records of all public monies received to the during the calendar year 2019 and the first quarter of calendar year 2020 within an appropriate amount of time, preferably 45 days after the approval of this motion.

Council Member Flewelling stated that this is merely a record for account purposes.

Council Member Rodman mentioned that the Chamber reached out to him regarding this and they were not notified that information was needed and believes this is premature without speaking with the Chambers directly first.

Ashley Jacobs, County Administrator, asked if the motion was for the Administrator to require these items or have Council adopt a policy to obtain this information?

Council Member Covert stated that the point of this is that this information was asked for previously and nothing has taken place and the reasoning for the wording it this way is that maybe it would provide some action.

Ms. Jacobs recommended that if it was adopted by Council it would be included in the Code of Laws which would carry a lot more weight.

Council Member Passiment suggested that the Ordinances needed to be reviewed and make changes to specify as was done to the 3% in August.

Council Member Hervochon suggested to direct staff to look at the various Ordinances and bring back to the Finance Committee in August.

Council Member Flewelling amended to add that the County Administrator recommends appropriate changes to the existing Ordinances of Beaufort County regarding the accumulation of data concerning the public expenditure of funds in 2% H-Tax and A-Tax funds.

**Motion:** It was moved by Council Member Covert, seconded by Council Member Flewelling to approve the Administrators recommendation to appropriate changes to the existing Ordinances of Beaufort County regarding the accumulation of data concerning the public expenditure of funds in 2% H-Tax and A-Tax funds providing the means necessary to ask for and require the Town of Bluffton and Hilton Head Chamber of Commerce, Beaufort, Port Royal Chamber of Commerce, and the Black Chamber of Commerce to provide to County Council the receipts and records of all public monies received to them during the calendar year 2019 and the first quarter of calendar year 2020 within an appropriate amount of time preferably 34 days after the approval of this motion. The Vote: Unanimous without objection. 10:0

#### **A-Tax Agreement with Hilton Head Island-Bluffton Chamber of Commerce-**

Discuss this agreement with the Chambers and bring back to Finance Committee in 30 days.

#### **Consideration of an Ordinance to Provide for a method for allocating reserve Accommodations Tax and/or Hospitality Tax Revenues, and other matters relating thereto.**

Committee Chairman Hervochon requested that an Ordinance be drafted to allow for supplemental appropriations from A-Tax and H-Tax funds under certain circumstances.

Amended- the final Ordinance will include language consistent with the Resolution previously adopted regarding reporting requirements.

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Passiment to approve the consideration of an Ordinance to provide for a method for allocating reserve Accommodations Tax and/or Hospitality Tax Revenues and other matters relating thereto and to include the language consistent with the Resolution previously adopted regarding reporting requirements. The Vote: Unanimous without objection. 10:0

**Approval of Hilton Head Island-Bluffton Chamber of Commerce- 2020 Digital Marketing Program Agreement- John Rembold, Airports Director.**

The airport is engaging with the HHI-Bluffton Chamber of Commerce and Visitor and Convention Bureau in a 6-month marketing campaign that aligns with the Chamber's "Path Forward" Program. This program is designed to reach visitors who have previously visited Hilton Head Island. Through research, the target markets have been identified on which to focus these efforts.

Council Member Flewelling asked what was the source of funding? Mr. Rembold stated the 100% of the funding with Town of Hilton Head Island A-Tax funds from a 2019 application.

Council Member Covert asked if this went through the procurement process. Mr. Rembold stated that with advertising it is sole sourced because it is a very targeted campaign. Mr. Thomas explained that advertising is exempt from the procurement process.

Council Member Covert stated that Hilton Head Island and Bluffton Chamber of Commerce are two separate entities and need to be specified. Council Member Rodman explained that they did separate the accounting of the Chambers but it is still one.

Council Member Flewelling asked how did this come about and why is brought to the committee if it is funded by Hilton Head? Have they approved the use of this money and is the conceptual plan in writing? Mr. Rembold stated that the Airport brings any dollar amount to committee for an overview but it is preapproved by the Town through the application done in 2019. The individual programs are preapproved by outlining the programs in the application and when the invoices are submitted from reimbursement they vet the expenditure.

Motion: It was moved by Council Member Rodman, seconded by Council Member Flewelling to approve the Hilton Head Island- Bluffton Chamber of Commerce- 2020 Digital Marketing Program Agreement. The Vote: Yea: Committee Chairman Hervochon, Council Member Passiment, Council Member Sommerville, Council Member Flewelling, Council Member Dawson, Council Member Rodman, Council Member Glover, Council Member Howard. Nay: Council Member Covert, Council Member McElynn. 8:2

**CITIZEN COMMENTS**

Dick Farmer- Spoke regarding State A-Tax Funds

**ADJOURNMENT**

The meeting adjourned at 4.13 pm.

Ratified by Committee: September 21, 2020