



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

**Chairman**

CHRIS HERVOCHON

**Vice Chairman**

MARK LAWSON

**Committee Members**

GERALD DAWSON  
STU RODMAN  
PAUL SOMMERVILLE

**Interim County  
Administrator**

ERIC GREENWAY

**Clerk to Council**

SARAH W. BROCK

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RAYMOND WILLIAMS  
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## Finance Committee Minutes

**Monday, November 16, 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 McElynn

### ABSENT

Council Member Howard

### CALL TO ORDER

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

### 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 Flewelling, seconded by Council Member Dawson to approve the agenda. The vote: Unanimous without objection. The motion passed. 10:0

### APPROVAL OF MINTUES- October 19, 2020

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Dawson to approve the minutes from October 19, 2020. The Vote: Unanimous without objection. The motion passed. 10:0

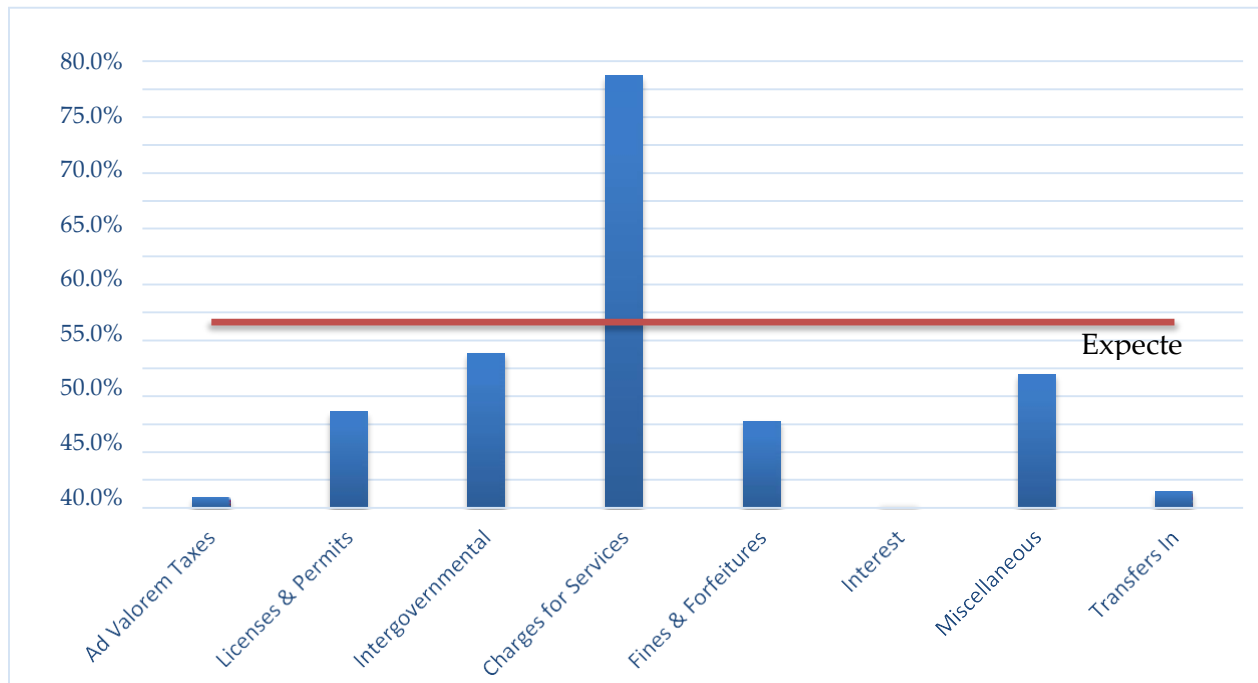
**CFO REPORT- DISCUSSION AND PRESENTATION OF YEAR TO DATE FINANCIAL STATEMENTS OF THE GENERAL FUND FOR FY2021.**

Whitney Richland, Chief Financial Officer, presented and discussed the year to date financial statements of the General Fund for FY2021.

Executive Summary of Revenues and Expenditures through October 31, 2020.

**General Fund Revenues**

Budget:	\$130,300,431
Revenue Collected to Date:	\$12,150,397
Revenue Remaining to be Collected:	\$118,150,034
Percent of Total Budget Collected:	9.32%
Percent of Year Completed	33.3%



**Revenue Analysis**

Function	Budget	To Date	% Received	% Year Completed
Ad Valorem Taxes	\$106,217,968	2,019,306	1.9%	33.3%
Licenses & Permits	\$3,244,160	556,997	17.2%	33.3%
Intergovernmental	\$9,058,838	2,507,556	27.7%	33.3%
Charges for Services	\$8,862,160	6,859,127	77.4%	33.3%

Fines & Forfeitures	\$749,500	116,285	15.5%	33.3%
Interest	\$442,805	3,570	0.8%	33.3%
Miscellaneous	\$180,000	42,990	23.9%	33.3%
Transfers In	\$1,545,000	44,565	2.9%	33.3%

**For revenues with variances over 5% of the year competed, a brief explanation is provided below.**

**Ad Valorem Taxes:** Year to date are mostly Delinquent Collections. Revenues lagging because bills not sent yet.

**Licenses & Permits:** This revenue primarily arrives in January.

**Intergovernmental:** No Homestead Exemption received yet due to delayed tax bills.

**Charges for Services:** Register of Deeds having a record year due to real estate transactions.

**Fines & Forfeitures:** Delayed re-opening of the courts.

**Interest:** This allocation is performed at year end.

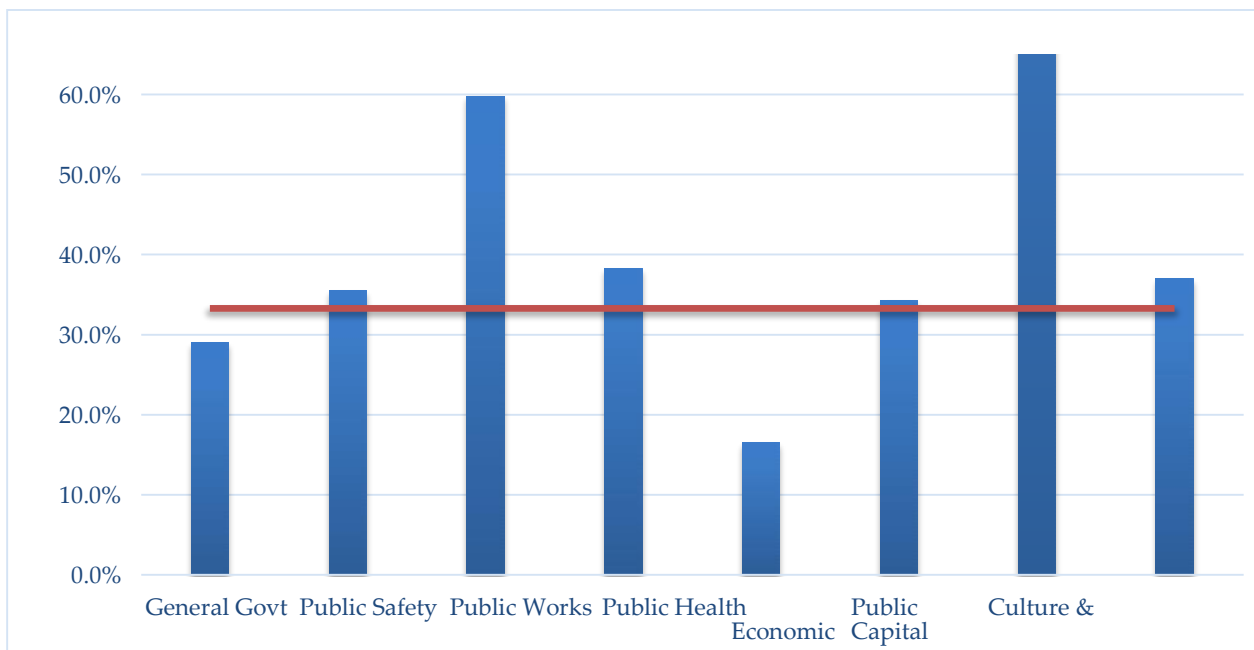
**Miscellaneous:** Sales of County property have not occurred.

Original Budget:	\$130,300,430
Carryover from FY 2020:	\$1,352,447
Total FY 2021 Budget:	\$131,652,877

Actual Expenditures to Date:	\$38,219,128
Encumbrances:	\$10,554,764
Total Exp'd & Enc'd to Date:	\$48,773,892
Budget Remaining:	\$82,878,984

Percent of Total Budget Exp'd & Enc'd:	27.9%
Percent of Year Completed:	33.3%

**Transfers In:** These are done on a quarterly basis and will not follow an equal distribution over the ye



## Expenditure Analysis

Function	Budget	To Date	% Exp'd & Enc'd	% Year Completed
General Government	\$43,758,593	12,683,185	29.0%	33.3%
Public Safety	\$51,471,577	18,286,573	35.5%	33.3%
Public Works	\$17,072,908	10,212,004	59.8%	33.3%
Public Health	\$3,751,392	1,436,101	38.3%	33.3%
Public Welfare	\$708,261	116,706	16.5%	33.3%
Culture & Recreation	\$13,475,265	4,613,480	34.2%	33.3%
Other	\$508,594	675,546	132.8%	33.3%
Capital Projects	\$906,286	750,296	82.8%	33.3%

**For expenditures with variances over 5% of the year competed, a brief explanation is provided below.**

**Public Works:** Facilities Management and Solid Waste Administration trending high but mostly due to PO's for contracted services. Ok. Should level out over the fiscal year.

**Public Welfare:** Funds awaiting award. The "Together for Beaufort" payment will be paid in November.

**Other:** Use of fund balance for the Beaufort County Economic Development Corporation from escrow funds.

**Capital Projects:** Capital Outlays do not assume an equal distribution over the fiscal year.

### ACTION ITEMS

**Contract award recommendation for RFP#030520 to provide photocopier/multifunction printer lease and print management services to Beaufort County.**

**Discussion:** Dave Thomas, Purchasing Director, stated that the purchasing department issued a request for proposal to qualified vendors for photocopier/multifunction lease services for various Beaufort County Departments, which includes print management services for desktop printers. Beaufort County is currently under contract with ABR Digital Office Solutions, which provides a cost per copy maintenance contract and rental lease fee for approximately 97 multifunction copiers and 85 desktop printers. Each vendor was given a list of our current machines and as part of the RFP; they were required to provide their best solution to our needs and requirements. The RFP requested that the vendors provide a multifunction photocopier/printer lease program that will require services for supply and maintenance. Under the resulting contract, the contractor will be required to provide and install the recommended copiers/printers, provide all consumables (excluding paper/staples) and maintain all copiers/printers. The initial contract term will be for three years with the option to extend the contract for an additional two years, subject to mutual agreement by both the County and the vendor. The evaluation committee consisted of four Beaufort County staff members; Patrick Hill, Chief Information Officer, Heather Haase, Computer Support Specialist, Chanel Lewis, Finance Supervisor, and Shakeeya Polite, IT Project Manager. Beaufort County received five responses to the RFP, evaluated all the responses, and interviewed all firms.

Mr. Thomas mentioned that due to the current COVID 19 situation, the evaluation process has taken longer to complete than normal. After the interviews, the evaluation committee requested the best and final offers from the interviewed firms and completed the evaluation ranking on September 28, 2020. The evaluation committee thoroughly reviewed all of the proposed offers and unanimously selected and ranked ABR as the number 1 ranked firm. The final ranking is as follows: 1) ABR Digital Office Solutions, Savannah, GA 2) Saulisbury Business Machines, Beaufort, SC 3) Canon Solutions America, Savannah, GA 4) Ricoh, Monks Corner, SC 5) The Office People, Charleston, SC.

The lease and maintenance contract is paid by various departments. Staff's recommendation is a new three-year contract amount of \$509,469.48 to County Council for ABR Digital Solutions to provide the aforementioned services for Beaufort County.

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Dawson to approve the contract award recommendation to ABR Digital Solutions in the amount of \$509,469.48 for RFP #030520 to provide photocopier/multifunction printer lease and print management services to Beaufort County. The Vote: Unanimous without objection. The motion passed. 10:0.

Forward to County Council.

### **2119-1808 Work Authorization of Airport Mitigation and Summit Drive Mitigation- CA Amendment 1.**

**Discussion:** John Rembold, C.M. Airports Director

Mr. Rembold explained that Since the project involved mitigation tree planting, there is a monitoring and maintenance requirement of three years. The original FAA grant is being closed but the FAA has approved the inclusion of this task in another grant. due to the unexpected issues with some of the landscaping, more inspection and oversight are needed, therefore, the amendment to address the schedule and budget. This amended work authorization has been funded 100% by the FAA.

**Motion:** It was moved by Council Member Passiment, seconded by Council Member Flewelling to approve 2119-1808 Work Authorization of Airport Mitigation and Summit Drive Mitigation- CA Amendment 1. The Votes: Unanimous without objection. 10:0.

### **Contract between Coastal Empire Mental Health and Detention Center.**

Discussion: Phil Foot, Assistant County Administrator for Public Safety.

Mr. Foot explained that this is for an annual contract which cost \$55,000.00 and provides 20 hours of service.

Council Member Glover asked if there are any reports from mental health regarding how many patients are being seen?

Mr. Foot stated that they do report to the administration at the detention center.

Council Member Glover wanted to know if that information can be provided to him and if they do anything to further help the clientele.

Mr. Foot stated that with the constant revolving of inmates in the detention center, not everyone is a mental health patient but they do provide referrals.

Council Member Covert asked if 20 hours was enough for the treatment needed in the detention center?

Mr. Foot explained that they fought hard to get just the 20 hours in our facility. Years ago the detention center would have to make the assessment and take them to coastal. Transporting any inmate outside the facility would be a danger so it was best to provide contracted services inside the facility. 20 hours is not enough, they could use a lot more hours but they will take what they can get, Coastal doesn't have the manpower to provide the detention center with someone fulltime in the facility.

**Motion:** It was moved by Council Member Covert, seconded by Council Member Glover to approve the contract between Coastal Empire Mental Health and Detention Center. The Votes: Unanimous without objection. The motion passed. 10:0.

Approved at Committee Level.

### **Resolution for grant match for the Military Installation Resilience Project.**

**Discussion:** Whitney Richland, CFO spoke regarding the primary goal of the project, that it is to determine what changes and improvements to the area's infrastructure are needed, and then how to feasibly and realistically implement those recommendations in order to ensure that MCAS Beaufort and MCRD Parris Island are able to continue their operations successfully. Although it may not be possible to contain natural disasters and long-term conditions such as sea level rise, it is possible to plan and make changes in physical structures and in procedures in order to safely accommodate

and prevent damage, and even potential loss of mission, which could ultimately result in closure. LCOG is requesting a local grant match in the amount of \$23,757 over two years in the amount of \$11,878 each

year for the military resilience project grant. This was not a budget item and would need to come from the County Council Administrator's contingency funds at \$5,939.25 each.

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Passiment to approve a resolution for a grant match for the Military Installation Resilience Project. The Vote: Unanimous without objection. The motion passed. 10:0

### **Accommodation Tax (State 2%) Board Recommendations to Tourism-Related Organizations**

**Discussion:** Dick Farmer, Chairman of the Accommodations Tax (State 2%) Board spoke regarding State ATax funds in the budget amount of \$260,000.00 will be awarded to grant applicants. The Chairman of the State Accommodations Tax is requesting an additional \$240,000.00 in funding for a total amount to award for FY2021 of \$500,000.00. The reasoning behind the increase is due to the first quarter payment from South Carolina was \$416,300.00 which was slightly less than the original \$425,000.00 budgeted for State A Tax Revenues for the entire year. Finance staff believes State Accommodations tax revenue will be comparable to the amount received last FY approximately \$800,000.00. Staff recommends for an approved budget amount and the additional award of \$240,000.00.

See agenda back up material for awards.

Council Member McElynn asked if there was an award for the Reconstruction Era National Historic Park Network?

Mr. Farmer stated that the County was not the appropriate funding source for the project.

Council Member Covert asked who had oversight on these monies?

Mr. Williams replied that the oversight on this is the State Accommodations is Dick Farmer and his committee. Not through the County Committee.

Council Member Covert asked Mr. Farmer if any receipts were received from last year's recipients?

Mr. Farmer stated that they do received receipts.

Council Member Covert also asked if the Black Chamber of Commerce and Greater City of Beaufort were a DMO or under contract?

Committee Chairman Hervochon stated that they are having to go through the RFP process.

Mr. Williams mentioned that these are additional awards and not included in the statutes awarded to DMO through the local H-Tax.

Council Member McElynn asked what the source was for the funding on December 31, 2020?

Mr. Williams stated that is comes from SCDOR and Hospitality fund.

Council Member Glover mentioned that it was previously stated this wasn't the appropriate venue for Brick Baptist Church and wanted to know if they will qualify for the December deadline for the local accommodation tax?

Mr. Williams stated that entities 14-16 would meet statute requirements to come back and apply for the December deadline for the local accommodation tax.

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Glover to approve the accommodations tax (state 2%) board recommendations to tourism-related organizations and the request for an additional awarded amount of \$240,000.00. The Vote: Unanimous without objection. The motion passed 10:0.

### **Expenditure authorization for reconciliation services by Holland and Bromley.**

**Discussion:** Whitney Richland, CFO spoke regarding the reconciliation services stating that during November 2019 the bank accounts were converted from BB&T to Wells Fargo. During the conversion eight highly complex bank accounts were combined into one bank account. Monthly reconciliations became increasingly difficult for staff to process on a

timely basis. The issues were discussed with the County's current auditor and they recommended Holland, Bromely, Barnhill & Brett LLP. Holland and Bromley was engaged by the County Administrator to assist the Finance Staff with reconciliations through June 30, 2020 and they were to provide recommendations and best practices to avoid any issues in the future.

The project evolved into a much larger and complex engagement than originally intended. The County Administrator's threshold has been exceeded and an additional \$10,400.00 is needed to finalize the engagement. Currently Finance and the Treasurer are working together to make improvements to the system in order for an easier reconciliation process. The Treasurer will be opening new accounts in order to make the reconciliation process easier. Finance staff and Treasurer's staff are having weekly meetings to discuss and identify reporting issues. Preventative measures are being implemented so this does not recur.

Council Member Flewelling stated that he was concerned with taking a step with this consolidation without the ramifications of the consolidation and asked if would be advisable to separate and asked what the ramifications would be?

Mrs. Richland stated that the Treasurer has the authorization to open and close the accounts, the staff met with her and asked that the separate accounts be open and broken back out and reconciled weekly.

**Motion:** It was moved by Council Member Glover, seconded by Council Member Flewelling to authorize the expenditure for reconciliation services by Holland and Bromley. The Vote: Unanimous without objection. The motion passed 10:0

## **DISCUSSION ITEMS**

### **Discussion Debt Book Software.**

**Discussion:** Whitney Richland, CFO spoke regarding the Debt Book Software stating that the software would be a significant help with the reporting of bond issuances. It would serve as a repository for bond documents, and lease documents. It will help with current disclosures for the CARF. It will also be ready for the GASB 87 documentation. There is a \$3,000.00 fee for onboarding, then the first year would be free. The current fee for succeeding years would be \$12,000 and would be budgeted for in the FY 2022 budget.

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

**Discussion:** Whitney Richland, CFO provided an update on the Carryover Budget.

See agenda's backup material for expenditures.

### **Update on the Internal Auditor.**

**Discussion:** Whitney Richland, CFO provided an updated regarding the internal auditor stating that the County had an RFP for the Internal Audit. The County met with both proposing firms on 10/9/20 to narrow the scope and again on 10/30/20 so she could meet both firms and ask additional questions. The Staff Review team will score each responsive firm and make a recommendation to the Finance Committee for award in December. The companies Baker Tilly and Elliot Davis updated their pricing for services. The bids should be ready by the next Finance Committee meeting in December.

### **CAFR Audit Discussion.**

**Discussion:** Whitney Richland, CFO updated the committee on the timeline of the CAFR mentioning that the audit firm, Mauldin and Jenkins, requested a long list of documents needed to perform the audit. Finance staff are working to compile all documentation and discussions with the audit partner for the engagement are occurring weekly. Tentatively, Mauldin and Jenkins should begin their fieldwork mid-November. They have stated they will assign the requisite number of staff to the engagement in order to meet the 12/31/20 completion date. However, they have been very forthcoming that factors such as the need for additional testing or extended procedures due to staff changes,

complicated transactions and new debt issuances could cause a delay. Beaufort County staff will do everything possible to help meet this deadline.

#### **Discussion of the Budget Cycle.**

**Discussion:** Whitney Richland, CFO stated that the County is currently searching for a Budget Director to assist in the preparation of the FY2022 line item budget.

#### **Discussion for Chamber submissions of expenditures related to accommodations and hospitality tax awards.**

**Discussion:** County Council has had numerous discussions about the submissions from DMO's and chambers. The Finance Committee has a preferred template for review.

Committee Chairman Hervochon presented the template.

#### **BOARDS AND COMMISSIONS**

##### **Consideration of the re-appointment of Richard Stewart and Olivia Young to the Accommodations Tax Board.**

**Motion:** It was moved by Council Member Flewelling, seconded by Council Member Passiment to approved the re-appointment of Richard Stewart and Oliva Young to the Accommodations Tax Board. The Vote: Unanimous without objection. The motion passed. 10:0.

##### **Consideration of the following re-appointments to the Airports Board: Anne Esposito, Howard Ackerman, Christopher Butler, Dan Ahern and Brian Turrisi.**

**Motion:** It was moved by Council Member Passiment, seconded by Council Member Flewelling to reappoint the following to the Airports Board: Anne Esposito, Howard Ackerman, Christopher Butler, Dan Ahern and Brian Turrisi. The Vote: Unanimous without objection. The motion passed. 10:0.

#### **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**

Committee Chairman Hervochon read a comment from Lisa Laking.

Council Member Rodman asked for a point of order, rules of public comment do not allow for members of Council to be attacked and asked that the comment not be read any further.

Comment from Vallie Bubak was roughly the same and was not allowed to be read according to Committee Chairman Hervochon.

#### **ADJOURNMENT**



The meeting adjourned at 3:34 pm.

Ratified by Committee: December 14, 2020