



**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

STAFF SUPPORT
RAYMOND WILLIAMS
WHITNEY RICHLAND

Administration Building
Beaufort County Government
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Finance Committee Minutes

Monday, December 14, 2020 at 1:00 PM

[This meeting is being held virtually in accordance with Beaufort County Resolution 2020-05]

CALL TO ORDER

Committee Chairman Hervochoch called the meeting to order at 1:00 PM.

PRESENT

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

ABSENT

Council Member Covert

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

APPROVAL OF MINUTES- November 16, 2020

Motion: It was moved by Council Member Dawson, seconded by Council Member Passiment to approve the minutes from November 16, 2020. The Vote: Unanimous without objection. The motion passed. 10:0

UPDATE FROM CHIEF FINANCIAL OFFICER, WHITNEY RICHLAND REGARDING THE CAFR AUDIT, 2020 CARRYOVER BUDGET AND YEAR TO DATE FINANCIALS

Whitney Richland, Chief Financial Officer, presented and discussed the CAFR Audit, 2020 carry over budget and the year to date financials.

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<https://beaufortcountysc.gov/council/council-committee-meetings/index.html>

Mrs. Richland stated that Mauldin and Jenkins have begun their fieldwork and based on the current progress the draft audit report will not be completed by December 31, 2020 but are working to get it done as soon as possible.

There isn't a dollar amount changes to the expenditures for the carryover budget according to Mrs. Richland. The DNA lab was a big concern and according to the construction manager everything is on track according to schedule.

Mrs. Richland discussed the COVID relating savings comparing the months March through October 2019 and 2020.

Committee Chairman Hervochon asked if the County was to expect a budgetary surplus in which Mrs. Richland responded yes and an exact figure will be presented at the next meeting.

Council Member Flewelling stated that not all of the saving are attributed to COVID events but incorporated in the budget. Mrs. Richland replied that was a fair statement.

Finance Report through November 2020 was presented.

DISCUSSION ITEMS

DISCUSSION OF THE SHERIFF FEES COLLECTED FROM THE TOWN OF HILTON HEAD ISLAND BY BEAUFORT COUNTY FOR THE FISCAL YEARS 2006-2020- Whitney Richland, CFO

Mrs. Richland discussed the Sheriff Fees which Beaufort County has been collecting from the Town of Hilton Head Island for services performed by the Beaufort County Sheriff's Department acting as the Town's police force. The Sheriff's department has dedicated staff and resources to perform this function for the Town. The Town of Hilton Head has stopped paying the Sheriff's Service fee in fiscal year 2021. Beaufort County has since elected to add a service fee to all of the Town of Hilton Head Island improved properties in order to make up for the loss in revenue. The service fee will be used to offset the expected expenditures related to the continuation of policing activities for the Town of Hilton Head Island.

Council Member Howard questioned if the school resource officer was being reimbursed by the school district.

Council Member Flewelling asked in what year did the Town of Hilton Head tax those fees.

Mrs. Richland stated she will research those questions for the Council Members.

Mr. Williams stated that they had been submitting payments quarterly but wasn't sure when the Town collected.

Council Member Rodman stated that the Town collects and makes payments within the same fiscal year.

DISCUSSION OF POSSIBLE DEFERENCE OF FUNDING TO THE BEAUFORT BLACK CHAMBER OF COMMERCE- Interim County Administrator, Eric Greenway

Mr. Greenway stated that there is a lawsuit filed between the Beaufort Black Chamber of Commerce and Larry Holman, individually and in his official capacity as President of the Beaufort Black Chamber of Commerce. Currently the Beaufort County Black Chamber of Commerce receives funding from Beaufort County through the State Accommodations Tax process, the Local Accommodations Tax by statute, and the Local Accommodations and Hospitality Tax application process. The discussion will center on how to proceed with future payments to the Beaufort County Black Chamber of Commerce.

Motion: It was moved by Council Member Rodman, seconded by Council Member Flewelling to remit the award amount of \$32,000.00 to the Beaufort Black Chamber of Commerce through Beaufort County's Finance Department to assure that money is being used for the purpose given upon approval. The Votes: Yea: Council Member Rodman, Council Member Flewelling, Council Member Dawson, Council Member Glover. Nay: Council Member Howard, Council

Member McElynn, Council Member Lawson, Council Member Passiment, Council Member Hervochoon. The motion failed. 4:6

DISCUSSION ON THE ONE-TIME CASH-OUT OF PAID LEAVE POLICY- Interim County Administrator, Eric Greenway

Mr. Greenway stated that on December 7, 2020, Beaufort County Council approved a one-time cash-out for paid leave time not to exceed 60 hours or one-half of their current leave time balance. This discussion is on the procedural process related to the one-time cash-out and the need for communication.

DISCUSSION OF THE POTENTIAL CASH FLOW SHORTAGE DUE TO THE PROPERTY TAX BILL NOT BEING MAILED TIMELY- Whitney Richland, CFO

Mrs. Richland stated that currently the County is in litigation with the County Auditor due to a difference in the millage for the Purchase of Real Property levied by the County Auditor versus what was levied by the County Council. Judge Mullen ruled in favor of Beaufort County, however, the ruling has significantly delayed the mailing.

ACTION ITEMS

First Reading of an Ordinance to Issue a Tax Anticipation Note (TAN) Due to a Delay Tax Collections- Whitney Richland, CFO.

Discussion: Due to a delay in tax bills being sent out, and thus, the delayed receipt of tax revenue, the County's cash position continues to decrease. A TAN may be needed to maintain cash flows for operations until receipt of tax revenues is substantially complete. In a typical year, a material amount of tax revenue and cash needed for operations by the County and the other taxing districts located in the County would be being received by the Treasurer during December. Since the tax bills have not yet been mailed, cash flows and operations for all related parties may be significantly affected. Although the County has investments that could be converted to cash in order to meet operational needs, the County stands to forfeit interest earnings on those investments. The County's bond council advised Staff to proceed with the issuance of a TAN at a lower interest rate in order to meet cash flow needs, maintain adequate liquidity and preserve the earnings potential of investments. Projections by the County Treasurer have the cash being depleted by mid-December with liquidation of investments to carry the County and related taxing districts through January 2021. Staff believes the interest expense incurred on the issuance of a TAN will be less than interest earned on investments.

Treasurer, Maria walls presented the Cash Position Forecast.

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Motion: It was moved by Council Member Flewelling, seconded by Council Member Howard to approve and forward to Council the recommendation of an Ordinance to Issue a Tax Anticipation Note (TAN) due to tax delay collection. The vote: Unanimous without objection. The motion passed. 10:0.

Status: Forward to County Council

Emergency Medical Services (EMS) Contract Award Recommendation to Purchase One New 2020 Ambulance from the HGAC Buy Cooperative Contract- Phil Foot, Assistant County Administrator

Mr. Foot explained that this is a contract award recommendation to purchase one new 2020 Ambulance from the HGAC Buy Cooperative Contract. The Purchasing Department received a request from Beaufort County's Emergency Medical Services Department to purchase one new 2020 Ford 4x2 Ambulance Conversion package to replace an Ambulance that was damaged in an accident. Cost is \$205,826.00.

Motion: It was moved by Council Member Flewelling, seconded by Council Member Dawson to approve the contract award recommendation to purchase one new 2020 ambulance from the HGAC Buy Cooperative Contract and forward to County Council. The vote: Unanimous without objection. The motion passed. 10:0.

Status: Forward to Council.

Recommendation for Contract Award for Internal Auditing Services for Beaufort County to Elliot Davis, Columbia, SC.- Whitney Richland, CFO

Mrs. Richland stated that Beaufort County Council requested proposals on August 27, 2020, from qualified CPA firms to provide consulting services to assist with an internal audit within the County's Finance, Purchasing, and DSN Departments. The selected firm shall work with the County Administrator or designated staff to provide the services not to exceed one year, with four annual one-year extensions not to exceed five years, subject to approval and appropriation of funds. Beaufort County received two qualified and responsible responses to the RFP. A staff evaluation committee evaluated and interviewed both firms and unanimously ranked Elliott Davis as the number one firm and recommends them for the contract award. Cost is \$63,750.00 for 395.5 hours of work.

Motion: It was moved by Council Member Flewelling, seconded by Council Member Passiment to approve the contract award recommendation to Elliot Davis for Internal Auditing Services for Beaufort County. The vote: Unanimous without objection. The motion passed. 10:0.

Hilton Head Island Airport (HXD)- Contract Extension- Southern Palmetto Landscapes, Inc.- Jon Rembold, Airports Director

Mr. Rembold explained that the Hilton Head Island Airport has benefited from the Town of Hilton Head Island's Landscape Maintenance Contract over the years for landscape maintenance services on the landside of the facility. This includes the commercial terminal "campus" area, parking lots, and the General Aviation "campus". The contract was subject of the Town of Hilton Head Island's competitive bid process in 2017 and Southern Palmetto Landscapes, Inc. was selected as the contractor. The Town is now exercising a two-year extension of that contract. This contract is necessary at the airport because the airport does not have adequate staff to maintain areas outside of the airfield. Cost is \$84,214.00 (total for 2 years).

Motion: It was moved by Council Member Flewelling, seconded by Council Member Passiment to approve the Hilton Head Island Airport (HXD) contract extension with Southern Palmetto Landscapes, Inc. The vote: Unanimous without objection. The motion passed. 10:0

Ordinance for a State Accommodations Tax Budget Amendment- Raymond Williams, Director of Finance

Mr. Williams stated that the original budget was a reduced budget due to the unknown effects of COVID-19. Beaufort County did not have an idea of how COVID-19 would positively or adversely affect the State Accommodations Funding. On October 27, 2020, Beaufort County received \$416,300.00 for first quarter funding for FY2021 State Accommodations Tax. This amount was approximately \$133,000.00 higher than the average first quarter payments received in 2020, 2019, and 2018. Finance believes that this positive affect on revenues will be a continued trend and that State Accommodation Tax revenues should be closer to \$800,000.00 than the original \$425,000.00.

Motion: It was moved by Council Member Flewelling, seconded by Council Member Passiment to approve the recommendation for an Ordinance for a State Accommodations Tax Budget Amendment. The Vote: Unanimous without objection. The motion passed 10:0.

Status: Forward to Council for approval.

Consideration of an Ordinance Regarding a Template for Reporting by the DMO's and Chambers Related to Revenues and Expenditures- Raymond Williams, CFO.

Mr. Williams stated that the Designated Marketing Organization (DMO's) and Chambers that receive State Accommodations Tax Funding and Local Accommodations Tax Funding and the Local Accommodations Tax funding. The Finance Committee has reviewed several formats and desires to discuss the formats with Council.

PLEASE SEE AGENDA FOR EXAMPLES

<https://beaufortcountysc.gov/council/council-committee-meetings/index.html>

Motion: It was moved by Council Member Flewelling, seconded by Council Member Glover to accept the format recommended for the Ordinance Regarding a Template for Reporting by the DMO's and Chambers Related to Revenues and Expenditures. The Vote: Unanimous without objection. The motion passed 10:0.

Status: Forward to Council for approval.

BOARDS AND COMMISSIONS

Consideration of the re-appointment of Leslie Adams Flory to the Airports Board.

Motion: It was moved by Council Member Flewelling, seconded by Council Member Passiment to approved the re-appointment of Leslie Adams Flore to the Airports Board. The Vote: Unanimous without objection. The motion passed. 10:0.

Status: Forward to Council for approval.

CITIZEN COMMENTS

Committee Chairman Hervochoch read a comment from Ms. Otto in Bluffton and Ms. Vaughn.

ADJOURNMENT

The meeting adjourned at 3:28 pm.

Ratified by Committee: