



Finance Committee Beaufort County, SC

This meeting was held both in-person in Council Chambers at 100 Ribaut Road, Beaufort, and virtually through Zoom.

**Tuesday, February 22, 2022
2:00 PM**

MINUTES

1. **CALL TO ORDER**

County Council Chairman Passiment called the meeting to order at 2:03 PM.

PRESENT

Committee Chairman Mark Lawson
Council Member Joseph Passiment
Council Member Gerald Dawson
Council Member Brian Flewelling- arrived at 2:15 PM
Council Member Stu Rodman
Council Member York Glover
Council Member Alice Howard
Council Member Lawrence McELynn
Council Member Paul Sommerville

ABSENT

Committee Chairman Mark Lawson
Council Member Logan Cunningham

2. **PLEDGE OF ALLEGIANCE**

Committee Vice-Chairman Hervochon led the Pledge of Allegiance

3. **FOIA**

Committee Vice-Chairman Hervochon stated public notice of this meeting has been published, posted, and distributed in compliance with the SC FOIA Act.

4. **APPROVAL OF AGENDA**

Motion: It Was Moved by Council Member Passiment, Seconded by Council Member Glover to Approve the Agenda. The Motion Was Approved Without Objection.

5. **APPROVAL OF MINUTES**

Motion: It Was Moved by Council Member Dawson, Seconded by Council Member Passiment, To Approve the Minutes from January 18, 2022. The Motion Was Approved Without Objection.

6. **CITIZEN COMMENTS**

No Citizen Comments

7. **UPDATE FROM ASSISTANT COUNTY ADMINISTRATOR, DALE BUTTS**

To view the full update, click the link below.

<https://beaufortcountysc.new.swagit.com/videos/154977>

- Finance Director, Denise Christmas presented an updated travel policy and form

Status: Informational purposes only.

AGENDA ITEMS

8. **DISCUSSION AND PRESENTATION OF YEAR-TO-DATE FINANCIAL STATEMENTS FOR FY 2022, CHIEF FINANCIAL OFFICER, HAYES WILLIAMS**

To view the full discussion and presentation, click the link below.

<https://beaufortcountysc.new.swagit.com/videos/154977>

- Council Member Flewelling requested that the percentage of the budget income be presented in the update.

Status: Informational purposes only.

9. **PRESENTATION OF THE FISCAL YEAR 2021 ANNUAL COMPREHENSIVE FINANCIAL STATEMENT, CHIEF FINANCIAL OFFICER, HAYES WILLIAMS- FISCAL IMPACT: BEAUFORT COUNTY HAD A CHANGE IN NET POSITION OF \$17,857,147 IN THE GENERAL FUND DURING FISCAL YEAR 2021**

To view the full presentation, click the link below.

<https://beaufortcountysc.new.swagit.com/videos/154977>

- Presentation to the Finance Committee of the Annual Comprehensive Financial Report for Fiscal Year 2021, period ending June 30, 2021. Beaufort County receives an annual audit from an Independent Auditor Mauldin & Jenkins. The Annual Comprehensive Financial Report will be presented in detail by Mauldin & Jenkins on February 28, 2022, at the County Council meeting.

Status: Informational purposes only.

10. **DISCUSSION REGARDING FORENSIC AUDIT, COUNTY ADMINISTRATOR, ERIC GREENWAY- FISCAL IMPACT: BEAUFORT COUNTY COULD REDUCE EXPENSE AND SAVE MONEY BY USING INTERNAL PERSONNEL TO PERFORM THE ACTIONS THAT WOULD BE PERFORMED IN THE FORENSIC AUDIT. IT WOULD HELP WITH FINANCIAL REPORTING AND TRANSPARENCY**

To view the full discussion, click the link below.

<https://beaufortcountysc.new.swagit.com/videos/154977>

- After the internal audit prepared by Elliot Davis, it was suggested that Beaufort County have a forensic audit prepared for all County-owned assets over \$5,000.00. Beaufort County put the forensic audit out to bid. The County received two bids for the audit. Since the audit, Finance, Purchasing, and Fleet Maintenance have hired additional staff including a new fleet manager, a purchasing administrative assistant and Finance is in the process of hiring a fixed assets accountant.
- Committee Vice-Chairman Hervochon felt it necessary to point out that the backup material for the bids for the forensic audit was not presented in the agenda as verification of the expenditure being too expensive as suggested by staff.

Status: Informational purposes only.

11. **UPDATE FROM BUDGET DIRECTOR, PINKY HARRIOT ON THE FY 2023 BUDGET PROCESS**

To view the full update, click the link below.

<https://beaufortcountysc.new.swagit.com/videos/154977>

Status: Informational purposes only.

12. **RECOMMENDED FIRST READING OF AN ORDINANCE FOR APPROVAL OF FY 2022 LOCAL ACCOMMODATIONS & LOCAL HOSPITALITY GRANT AWARDS, SHANNON MILROY, GRANTS ACCOUNTANT- FISCAL IMPACT: RECOMMENDATIONS OF \$2,149,808 TO BE PROVIDED OUT OF THE LOCAL ACCOMMODATIONS TAX FUND AND THE LOCAL HOSPITALITY TAX FUND**

Discussion: To view the full discussion click the link below.

<https://beaufortcountysc.new.swagit.com/videos/154977>

- Beaufort County started the Local Accommodation Tax and Local Hospitality Tax application process in October of 2021, with the closing of applications on December 31, 2021. The applications were reviewed by the Local Accommodation Tax and Local Hospitality Tax Committee for compliance with the Local Statutes and their individual need and merit. The Local Accommodation Tax Fund budgeted \$2,579,920 to award, and the Local Hospitality Tax Fund budgeted \$2,396,736 to award for a combined total of \$4,976,656 available for 2022
- Council Member Dawson asked for clarification on why the monument for the Tabernacle Baptist Church did not fit the scope of funding. County Administrator Eric Greenway responded that staff felt like the monument was not an eligible expense under the A-Tax Ordinance.
- Council Member Glover stated that the monument would bring tourism to the site, and it would be difficult to determine the actual number of tourists it would bring in and he will be voting negatively on the recommendations and ask for more research be put into the definition buildings and facilities. County Administrator Eric Greenway stated that the A-tax ordinance reflects those awards for cultural

tourism are for buildings and facilities and feels that the monument does not fall into that category and that Council has a right to funding if so desired.

- Council Member Howard asked for clarification on number #7, Friends of Beaufort County Library. Shannon Milroy, Grants Accountant explained that the building is owned by another entity and the request was for rain guards for that facility and should be pursued by the City of Beaufort.

Motion: It Was Moved by Council Member Rodman, Seconded by Council Member Flewelling to Approve the Recommended First Reading of An Ordinance for Approval of FY 2022 Local Accommodations & Local Hospitality Tax Grant Awards. The Motion Was Approved. The Vote: 7/2.

Roll Call Vote:

Yea- Vice-Chairman Hervochon, Council Member Passiment, Council Member Sommerville, Council Member Flewelling, Council Member Rodman, Council Member Howard, Council Member McElynn

Nay- Council Member Dawson, Council Member Glover

Status: Forward to Council for approval.

13. **RECOMMENDED FIRST READING OF AN ORDINANCE OF THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA (“COUNCIL”) ESTABLISHING AND ADOPTING AN EMERGENCY MEDICAL SERVICES (“EMS”) DEVELOPMENT IMPACT FEE (“IMPACT FEE”) TO BE IMPOSED ON ALL NEW DEVELOPMENT IN THE COUNTY EXCEPT FOR NEW DEVELOPMENT IN THE TOWN OF HILTON HEAD ISLAND; TO ENSURE THAT EMS FACILITIES (EMS STATIONS AND EMERGENCY VEHICLES) WILL BE AVAILABLE AND ADEQUATE TO ACCOMMODATE THE NEED EXPECTED TO BE GENERATED FROM NEW DEVELOPMENT IN THE COUNTY (EXCEPT WITHIN HILTON HEAD ISLAND) BASED ON THE COUNTY’S LEVEL OF SERVICE STANDARDS FOR EMS FACILITIES ON A PROPORTIONATE SHARE BASIS TO NEW DEVELOPMENT- CHUCK ATKINSON, ASSISTANT COUNTY ADMINISTRATOR**

Discussion: To view the full discussion click the link below. *(Items 13 and 14 were discussed together)*
<https://beaufortcountysc.new.swagit.com/videos/154977>

- Beaufort County contracted with the firm Tischler Bise to assist them in updating their impact fee ordinance, which was originally adopted in 1999. The original impact fee ordinance addresses parks and recreation facilities, library facilities, roads, and fire facilities. Tischler Bise was asked to add EMS services. This ordinance applies to all of Beaufort County except for the Town of Hilton Head Island. Over the next 10 years, the impact fee is projected to produce \$4,190,284 in revenue
- Council Member Flewelling felt that Council needs more time to evaluate these changes due to the amount of data presented.
- Council Member Flewelling deferred to Legal Counsel on the ability of Council to obligate future Council for an increase without a vote and doesn’t believe that automatic CPI increases are allowable without a vote. County Attorney, Kurt Taylor stated that he will research this inquiry and get back to Council.
- Council Member Sommerville wanted to go on the records stating that just because Council passes this doesn’t mean the municipalities will. He also believes that any fixed fee should be indexed for inflation because it could create a problem.

- County Administrator, Eric Greenway stated that a few years back, Council authorized staff to wait until the impact fee study was complete before the current impact fees were raised using the CPI and that CPI language is in the current ordinance and has been for years and is legally and statutorily correct underneath the impact fee statute or the consultant would have mentioned that it needed to be removed.

Motion: It Was Moved By Council Member Rodman, Seconded By Council Member McElynn To Approve The Recommended First Reading Of An Ordinance Of The County Council Of Beaufort County, South Carolina ("Council") Establishing And Adopting An Emergency Medical Services ("Ems") Development Impact Fee ("Impact Fee") To Be Imposed On All New Development In The County Except For New Development In The Town Of Hilton Head Island; To Ensure That Ems Facilities (Ems Stations And Emergency Vehicles) Will Be Available And Adequate To Accommodate The Need Expected To Be Generated From New Development In The County (Except Within Hilton Head Island) Based On The County's Level Of Service Standards For Ems Facilities On A Proportionate Share Basis To New Development. The Motion Was Approved. The Vote: 7/2

Roll Call Vote:

Yea- Vice-Chairman Hervochon, Council Member Passiment, Council Member Sommerville, Council Member Dawson, Council Member Rodman, Council Member Howard, Council Member McElynn

Nay- Council Member Flewelling, Council Member Glover

Status: Forward to Council for approval.

14. **RECOMMEND FIRST READING OF AN ORDINANCE FOR APPROVAL OF A TEXT AMENDMENT TO THE BEAUFORT COUNTY CODE OF ORDINANCES, CHAPTER 82: IMPACT FEES, ARTICLE I, IN GENERAL; ARTICLE II, DEVELOPMENT IMPACT FEE PROCEDURES; ARTICLE III, PARKS AND RECREATION FACILITIES; ARTICLE V, LIBRARY FACILITIES; ARTICLE VI, FIRE FACILITIES; AND EFFECTIVE DATES**

Discussion: To view the full discussion click the link below.

<https://beaufortcountysc.new.swagit.com/videos/154977>

- Beaufort County contracted with the firm Tischler and Bise to assist them in updating their impact fee ordinance, which was originally adopted in 1999. This Ordinance addresses parks and recreation facilities, library facilities, and fire facilities. Over the next 10 years the impact fee revisions will result in the following projections:
 - o Parks and Recreation (North of the Broad): \$4,243,418
 - o Park and Recreation (South of the Broad): \$3,638,828
 - o Libraries (North of the Broad): \$3,580,784
 - o Libraries (South of the Broad): \$3,360,712
 - o Fire (North of the Broad): \$6,316,028
 - o Fire (Bluffton): \$10,195,965

Motion: It Was Moved by Council Member Rodman, Seconded by Council Member McElynn to Approve the Recommend First Reading of An Ordinance for Approval of a Text Amendment to The Beaufort County Code of Ordinances, Chapter 82: Impact Fees, Article I, In General; Article II, Development Impact Fee Procedures; Article III, Parks, and Recreation Facilities; Article V, Library Facilities; Article VI, Fire Facilities; And Effective Dates. The Motion Was Approved Without Objection.

Roll Call Vote:

Yea- Vice-Chairman Hervochon, Council Member Passiment, Council Member Sommerville, Council Member Dawson, Council Member Rodman, Council Member Howard, Council Member McElynn

Nay- Council Member Flewelling, Council Member Glover

Status: Forward to Council for approval.

15. **RECOMMENDATION FOR CONTRACT AWARD FOR EXTERNAL AUDITING SERVICES RFP 120121 FOR BEAUFORT COUNTY TO MAULDIN & JENKINS, SAVANNAH, GA- FISCAL IMPACT: CONTRACT REQUESTS IS \$260,500 FOR THE THREE-YEAR CONTRACT APPROVAL. THESE FEES WILL BE SPLIT BETWEEN DSN, HILTON HEAD ISLAND AIRPORT, AND FINANCE BASED ON THE BREAKDOWN OF FEES FROM THE PROPOSAL ON A YEARLY BASIS.**

Motion: It Was Moved by Council Member Flewelling, Seconded by Council Member Passiment to Approve the Recommendation for Contract Award for External Auditing Services RFP 120121 For Beaufort County to Mauldin and Jenkins, Savannah, GA. The Motion Was Approved Without Objection.

Status: Forward to Council for approval.

16. **RECOMMEND APPROVAL OF A RESOLUTION FOR THE ACCEPTANCE OF A GRANT AWARD FROM THE SC DEPARTMENT OF TRANSPORTATION FOR THE DAUFUSKIE ISLAND FERRY**

Motion: It Was Moved by Council Member Glover, Seconded by Council Member Flewelling to Approve the Recommend Approval of a Resolution for The Acceptance of a Grant Award from The SC Department of Transportation for The Daufuskie Island Ferry. The Motion Was Approved Without Objection.

Status: Forward to Council for approval.

17. **APPOINTMENT OF ROBERT BIBLE TO THE BOARD OF ASSESSMENT APPEALS FOR A FIRST-TERM WITH AN EXPIRATION DATE OF 2026**

Motion: It Was Moved by Council Member Howard, Seconded by Council Member Flewelling to Approve the Appointment of Robert Bible to The Board of Assessment Appeals for A First-Term with An Expiration Date Of 2026. The Motion Was Approved Without Objection.

Status: Forward to Council for approval.

- Council Member Rodman mentioned temporarily expanding the Board due to the re-assessments and appeals that are happening.
- Clerk to Council, Sarah Brock said that the membership can be raised by way of Resolution and would send information out to Council

18. **ADJOURNMENT**

The meeting adjourned at 3:18 PM.

Ratified by Committee: March 21, 2022