



Finance Administration and Economic Development Committee

Beaufort County, SC

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

Tuesday, January 17, 2023

3:00 PM

MINUTES

Watch the video stream available on the County's Website to hear the whole discussion or presentation on a specific topic or the complete meeting. <https://beaufortcountysc.new.swagit.com/videos/205726>

1. CALL TO ORDER

Committee Chairman Lawson called the meeting to order at 3:00 PM.

PRESENT

Chairman Mark Lawson
Vice-Chairman Anna Maria Tabernik
Council Member David P. Bartholomew
Council Member York Glover
Ex-Officio Joseph F. Passiment
Council Member Gerald Dawson
Council Member Paula Brown
Council Member Alice Howard

ABSENT

Council Member Cunningham
Council Member McElynn
Council Member Reitz

2. PLEDGE OF ALLEGIANCE

Committee Chairman Lawson led the Pledge of Allegiance.

3. FOIA

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

4. APPROVAL OF AGENDA

Motion: It was moved by Council Member Tabernik, seconded by Council Member Bartholomew, to approve the agenda.

The Vote - The motion was approved without objection.

5. APPROVAL OF MINUTES

Motion: It was moved by Council Member Glover, seconded by Council Member Tabernik, to approve the Finance Committee minutes of September 19, 2022, and November 11, 2022, and the Executive Committee minutes of October 10, 2022.

The Vote - The motion was approved without objection.

6. CITIZEN COMMENTS

No citizen comments.

7. DISCUSSION AND PRESENTATION OF YEAR-TO-DATE FINANCIAL STATEMENTS FOR FY 2023.

Please watch the video stream available on the County's website to view the entire discussion.

<https://beaufortcountysc.new.swagit.com/videos/205726?ts=184>

Committee Chair Lawson commended Chief Financial Officer Hayes Williams, Assistant County Administrator Dale Butts, and the Finance Department for their early completion of the Annual Comprehensive Financial Report and receipt of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting

CFO Williams commented that the certificate is for the annual comprehensive financial report from the previous year and praised the hard work of the Finance Department.

CFO Williams discussed budget highlights, including meeting with department heads to discuss Fiscal Year 2024 budget proposals, completing the salaries and wages schedule for the budget, and planning a budget retreat in February. CFO Williams also provided a breakdown of quarterly payments to outside entities, including the Technical College of the Lowcountry, the University of South Carolina at Beaufort, Beaufort Memorial Hospital, the Fourteenth Circuit Solicitor, and more.

County Administrator Eric Greenway commented on the attention paid to the distribution of funds to the Ronald McDonald House during this budget cycle, as the County has supported their dental bus program, which has been out of commission for the last couple of years.

Council Member Glover and CFO Williams discussed the millage rates for funding higher education and indigent care assistance and the reassessment process for adjusting millages.

CFO Williams provided an overview of the 2022 financial statements, including revenues, expenditures, spending by department, and capital improvement fund.

Committee Chair Lawson commented on the County Council's commitment to fund more Finance Department employment positions, the transparency of the budget process, and the staff's hard work.

8. PRESENTATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2022.

Please watch the video stream available on the County's website to view the entire presentation.

<https://beaufortcountysc.new.swagit.com/videos/205726?ts=1033>

David Irwin, Partner with Mauldin & Jenkins, provided an overview of Beaufort County's 2022 financial statements audit and the compliance reports issued in conjunction with the audit:

- Beaufort County was issued an unmodified (clean) opinion which means that the external auditor considers the financial statements to be fairly presented in all material respects in accordance with generally accepted accounting principles.
- Beaufort County was issued an unmodified (clean) opinion for the single audit report, a compliance audit required when an entity has over \$750,000 of federal expenditures in a fiscal

year. The audits covered the airport improvement program and the funds received from the covid recovery fund program.

- The yellow book report is a report on the County's internal controls and compliance with various laws and regulations. There were no audit findings to report, meaning no significant weaknesses or deficiencies were found in the County's internal controls.

Mr. Irwin also discussed the Annual Comprehensive Financial Report (ACFR) process and financial statements:

- The ACFR is submitted to the GFOA for review, and because of this review, the County has received the ACFR Certificate for the 13th year in a row.
- He encouraged everyone to look at the Management's Discussion & Analysis section, which explains the financial statements from a management perspective.
- He provided an overview of the government-wide financial statements, including the assets and deferred outflows of resources.
- He discussed the fund-level statements, which report operations in more detail, including the general fund's revenues and expenditures. He also discussed the four enterprise funds, which cover the Beaufort Executive Airport, Hilton Head Island Airport, stormwater, and solid waste and recycling, and have the goal of generating operating revenues to cover operating expenses.

Mr. Irwin thanked Beaufort County for the early completion of the Annual Comprehensive Financial Report and commented on the full cooperation of County staff during the audit process.

Council Member Glover and Mr. Irwin discussed Beaufort County's fund balance reserve, how many months should be funded, and the sale of assets.

Committee Chair Lawson and Mr. Irwin discussed keeping up with standards set by the Government Accounting Standards Board and completing an inventory of capital assets.

9. RECOMMENDATION OF APPROVAL OF AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED GENERAL OBLIGATION BONDS (BLUFFTON TOWNSHIP FIRE DISTRICT), SERIES 2023A OR SUCH OTHER APPROPRIATE SERIES DESIGNATION OF BEAUFORT COUNTY, SOUTH CAROLINA IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,250,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND DISPOSITION OF THE PROCEEDS THEREOF AND OTHER MATTERS RELATING THERETO.

Please watch the video stream available on the County's website to view the entire discussion.

<https://beaufortcountysc.new.swagit.com/videos/205726?ts=2264>

David Cheatwood of First Tryon Advisors provided an overview of the proposed issuance of limited general obligation bonds to fund the purchase of equipment for the Bluffton Township Fire District, including previous issuance of bonds, debt capacity, debt service millage, and payoff timeline.

Fire Chief J. Paul Boulware explained the financing needs of the Bluffton Township Fire District to keep up with the ten-year replacement cycle for equipment.

Council Member Passiment and Chief Boulware discussed the major cost items, including personal protective equipment, air packs, support vehicles, radio upgrades, and more.

Council Member Passiment asked if the request was enough to bring the Bluffton Township Fire District up to current standards, and Chief Boulware replied that the proposal covered a robust list of needs.

Council Member Bartholomew and Chief Boulware discussed the auction process for equipment being replaced.

Council Member Glover and Chief Boulware discussed Bluffton’s maintenance facility for vehicle repairs and the services offered to other government agencies.

Council Member Glover and Mr. Cheatwood discussed the issuance of bonds for the county.

Council Member Howard and Chief Boulware discussed personnel numbers.

Council Member Brown and Mr. Cheatwood discussed the banks used for the bonds.

Council Member Tabernik asked if the request would cover expenses for the planned Sun City station. Chief Boulware replied that the current operational budget covers equipment for new hires.

Council Member Brown commented on creative fundraising opportunities.

Motion: It was moved by Council Member Bartholomew, seconded by Council Member Tabernik, to recommend approval of an ordinance authorizing and providing for the issuance and sale of limited general obligation bonds (Bluffton Township Fire District), Series 2023A or such other appropriate series designation of Beaufort County, South Carolina in the principal amount of not to exceed \$4,250,000; fixing the form and details of the bonds; authorizing the County Administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and disposition of the proceeds thereof and other matters relating thereto.

The Vote – The motion was approved without objection.

10. RECOMMEND APPROVAL OF AN ORDINANCE TO APPROPRIATE FUNDS FROM THE STATE 2% ACCOMMODATIONS TAX FUND AND OTHER MATTERS RELATED THERETO (FISCAL IMPACT: *THE AWARD WILL BE FROM THE FUND BALANCE AND CURRENT YEAR REVENUES IN FUND 2000.*)

Please watch the video stream available on the County’s website to view the entire discussion.

<https://beaufortcountysc.new.swagit.com/videos/205726?ts=3850>

CFO Williams explained the difference between the State of South Carolina accommodations tax, the local accommodations tax, and the local hospitality tax.

Mr. Dick Farmer, Chair of the Beaufort County Accommodations Tax (2% State) Board, commented on the status of the past year, with 24 applicants and a million dollars to distribute.

Council Member Tabernik asked why the Greater Beaufort-Port Royal Convention and Visitor’s Bureau received over \$100,000 what they requested and why others did not receive the amount requested. Council Member Tabernik also asked if audits were conducted on expenditures. Mr. Farmer replied that the organizations that were overfunded attracted the most tourists. Mr. Farmer also explained the application and funding allocation process.

Council Member Howard asked to see the submitted applications, and Mr. Farmer and CFO Williams said the applications would be shared via Dropbox.

County Administrator Greenway encouraged Council to thoroughly review the applications before the final vote because of differences between the funding requested and awarded and the rejection of some applications, including one for county park projects.

Committee Chair Lawson and Mr. Farmer discussed the rejection criteria for applications. Mr. Farmer that applications must show how an organization attracts tourists and be able to provide proof.

Committee Chair Lawson asked if all the funds were given out or if there were instances of funds being carried over. Mr. Farmer replied that they give out all the funding available.

Council Member Glover, Council Member Passiment, and Mr. Farmer discussed how applications were evaluated and if there is a benchmark for funding requests and awards.

Council Member Passiment and Council Member Tabernik asked whether a spending plan was required of organizations awarded additional funds. Mr. Farmer replied that when a request is made for the following year, the organization will provide data on how the extra money was spent. Mr. Farmer also commented that the organization's marketing plans outline the use of the additional funds.

Committee Chair Lawson reaffirmed that Council would be granted access to applications submitted, whether approved or denied, and that he would coordinate with Council members on questions and provide them to Mr. Farmer.

Council Member Brown, Mr. Farmer, and CFO Williams discussed why only one Chamber is included in the applicants list.

Motion: It was moved by Council Member Glover, seconded by Council Member Howard, to recommend approval of an ordinance to appropriate funds from the State 2% Accommodations Tax Fund and other matters related thereto.

The Vote – The motion was approved without objection.

11. STORMWATER REQUIRED PROCUREMENT OF THE ROVVERX TRUCK AND VC500 CAMERA SYSTEM (\$227,769.84)

Please watch the video stream available on the County's website to view the entire discussion.

<https://beaufortcountysc.new.swagit.com/videos/205726?ts=5168>

Assistant County Administrator Jared Fralix discussed the need to replace camera equipment used for drainage line inspections, coverage of the bid within the stormwater budget, and the approval needed to place the equipment order. ACA Fralix commented that the item would not need to be forwarded to County Council for approval because of the procurement limit.

Motion: It was moved by Council Member Howard, seconded by Council Member Brown, to approve the stormwater-required procurement of the ROVVER X truck and VC500 camera system.

Discussion: Council Member Tabernik and ACA Fralix discussed the timeline for obtaining the equipment.

Committee Chair Lawson and ACA Fralix discussed the Sourcewell contract and the pre-bidding for items to help expedite procurement.

The Vote – The motion was approved without objection.

12. RECOMMEND APPROVAL OF A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO ENTER INTO A LEASE AGREEMENT WITH BEAUFORT ELITE VOLLEYBALL CLUB FOR A PORTION OF THE REAL PROPERTY LOCATED AT 2727 DEPOT ROAD (FISCAL IMPACT: Elite Volleyball to pay \$525.00 monthly in rent to Beaufort County (\$6,300 yearly))

Please watch the video stream available on the County's website to view the entire discussion.

<https://beaufortcountysc.new.swagit.com/videos/205726?ts=5321>

County Attorney Brittany Ward discussed how the back portion of the building is not being used, the facility needs of the Elite Volleyball Club, the use of the rental fee schedule included in the Parks and Rec Program, and the provision of a non-profit discount on the lease.

Committee Chair Lawson and County Attorney Ward discussed the lease period and potential applications for facility use by other sports clubs.

Committee Chair Lawson commented that the wrong address is listed for the leased property in the Committee packet and the need to expect other sports clubs to reach out for facility space.

Council Member Glover and County Attorney Ward discussed who could join the Elite Volleyball Club. Council Member Glover commented on rentals of school and county facilities and the potential difficulty of access to rented facilities.

Council Member Tabernik asked about the exhibits included in the information packet, and County Attorney Ward said those exhibits should not have been included.

County Administrator Greenway commented that the item would be forwarded to County Council and that a public hearing is required.

Council Member Bartholomew asked if Council would receive a copy of the proposed lease, and County Attorney Ward said it would be attached in the next packet and closely match the lease policy template.

County Administrator Greenway clarified that the facility is not a Parks and Recreation facility being leased and that this lease agreement provides an opportunity to accommodate facility needs.

Motion: It was moved by Council Member Tabernik, seconded by Council Member Bartholomew, to recommend the approval of a resolution authorizing the County Administrator to enter into a lease agreement with Beaufort Elite Volleyball Club for a portion of the real property located at 2727 Depot Road.

The Vote – The motion was approved without objection.

13. 2023 AGENCIES, BOARDS, AND COMMISSIONS APPOINTMENTS AND REAPPOINTMENTS

Please watch the video stream available on the County's website to view the entire discussion.

<https://beaufortcountysc.new.swagit.com/videos/205726?ts=5907>

Committee Chair Lawson commented that the individuals presented had been properly vetted and the approval process for board and commission appointments.

Motion: It was moved by Council Member Passiment, seconded by Council Member Glover, to approve the listing of individuals to be appointed to the various boards and commissions.

The Vote - The motion was approved without objection.

14. ADJOURNMENT

Adjourned: 4:41 PM

Ratified: February 21, 2023