



**County Council of  
Beaufort County  
Finance 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**  
RAYMOND WILLIAMS

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## Finance Committee Minutes

Thursday, May 21, 2020 at 2:00 PM  
VIRTUAL MEETING

### CALL TO ORDER

Chairman Hervochoch Called Meeting to Order at 2:00pm

### PRESENT

Committee Chairman Hervochoch  
Council Member Passiment  
Council Member Sommerville  
Council Member Covert  
Council Member Dawson  
Council Member Flewelling  
Council Member Rodman  
Council Member Glover  
Council Member Howard  
Council Member McElynn

### ABSENT

Committee Vice Chairman Lawson

### FOIA

Committee Chairman Hervochoch noted that Public notification of this meeting had 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

**Motion:** It was moved by Council Member Passiment, seconded by Council Member Flewelling to approve the agenda. The Vote: Yea: Committee Chairman Hervochoch, Council Member Passiment, Council Member Sommerville, Council Member Covert, Council Member Dawson, Council Member Flewelling, Council Member Rodman, Council Member Glover, Council Member Howard, Council Member McElynn. The motion passed.  
10:0

### PRESENTATION ITEMS

#### **Bluffton Township Fire Department FY21 Budget Request**

**Discussion:** Bluffton Township Fire Department, Chief John W. Thompson, Jr. presented the proposed budget for FY 2021.

Operations Millage Rate: 24.10  
Operations Mill Value: \$648,937.00

Revenues:

Ad Valorem Taxes: \$15,639,382.00

Fees Interest: \$200,000.00

Grant Revenue SAFER: \$125,000.00

Total Revenues: \$15,964,382.00

Expenditures:

Salaries Regular (Includes OT): \$9,766,000.00

Benefits: \$4,387,550.00

Purchased Services: \$1,600,000.00

Supplies: \$145,000.00

MCIP Contribution: \$74,876.00

Total Expenditures: \$15,973,426

Increase (Decrease) in Fund Balance: (\$9,044.00)

Fund Balance Beginning: \$3,737,060.00

Fund Balance Ending: \$3,728,015.00

FTE's:

Administrative: 22

Fireman: 127

Annual Debt Service Required: \$991,000.00

Debt Millage Rate: 1.60

### **Lady's Island- St. Helena Fire Department FY21 Budget Request**

**Discussion:** Lady's Island- St. Helena Fire Department, Chief Bruce Kline presented the proposed budget for FY2021.

Operations Millage Rate: 40.10

Revenues:

Ad Valorem Taxes: \$6,199,820.00

Municipal Contracts: \$250,000.00

Total Revenues: \$6,449,820.00

Expenditures:

Salaries: \$3,834,081.00

Benefits: \$1,977,819.00

Purchased Services: \$593,500.00

Supplies/Capital: \$75,000.00

Total Expenditures: \$6,480,400.00

Increase (Decrease) in Fund Balance: (\$30,580.00)

Fund Balance Beginning: \$1,222,857.00

Fund Balance Ending: \$1,192,277.00

FTE's:

Administrative: 1

Firemen: 67

Annual Debt Service Required: \$310,337.00

Debt Millage Rate: 2.00

Total Millage Rate: 42.1

### **Daufuskie Island Fire Department FY 21 Budget Request**

**Discussion:** Daufuskie Island Fire Department, Chief Randy Loper presented the proposed budget for FY 2021.

Operations Millage Rate: 62

Revenues:

Ad Valorem Taxes: \$1,211,046.00

Municipal Contracts: \$0

Total Revenues: \$1,211,046.00

Expenditures:

Salaries and Benefits Total: \$1,138,852.00

Purchased Services: \$108,282.00

Total Expenditures: \$1,247,134.00

Increase (Decrease) in Fund Balance: -\$36,088.00

Fund Balance Beginning: \$294,933.00

Fund Balance Ending: \$258,845.00

FTE's:

Administrative: 1.5

Suppression-Line FF: 12

Volunteers: 11

Annual Debt Service Required: \$0

Debit Millage Rate: 0

Total Millage Rate 62

### **Burton Fire Department FY 21 Budget Request**

**Discussion:** Burton Fire Department, Chief Harry Rountree, presented the proposed budget for FY 2021.

Operations Millage Rate: 70.33

Revenues:

Ad Valorem Taxes: \$5,194,996.00

Municipal Contracts: \$0

Total Revenues: \$5,194,996.00

Expenditures:

Salaries: \$3,113,604.00

Benefits: \$1,55,844.00

Purchased Services: \$632,110.00

Capital Improvements: \$0

Total Expenditures: \$5,296,558.00

Increase (Decrease) in fund Balance: (\$101,562.00)

Fund Balance Beginning: \$405,014.00

Fund Balance Ending: \$303,452.00

FTE's:

Administrative: 2

Fire Fighters: 53

Annual Debt Service Required: \$385,268.00

Debt Millage Rate: 5.15

### **Sheldon Fire Department FY 21 Budget Request**

**Discussion:** Sheldon Fire Department, Chief Buddy Jones, presented the proposed budget for FY2021.

Operations Millage Rate: 38.84

Revenue:

Ad Valorem Taxes: \$1,499,683.00

Other Income: \$0

Total Revenues: \$1,499,683.00

Expenditures:

Salaries: \$894,283.00  
Benefits: \$378,200.00  
Purchased Services: \$222,500.00  
Supplies: \$4,700.00  
Total Expenditures: \$1,499,683.00  
Increase (Decrease) in Fund Balance: (\$27,997.00)  
Fund Balance, Beginning: \$611,165.00  
Fund Balance, Ending: \$583,168.00  
FTE's:  
Administrative: 3  
Firemen: 15  
Annual Debt Service Required: \$142,778.00  
Debt Millage Rate: 3.76

### **University of South Carolina Beaufort FY 21 Budget Request**

**Discussion:** University of South Carolina, Beaufort, Chancellor Dr. Al Panu presented the proposed budget for FY 2021.

Beaufort County Appropriation 2019-2020: \$2,318,016.00 Goal: \$2,600,000.00

Year to Year Change 2019-2020: \$63,371.00 Goal: \$281,984.00

Percent Change 2019-2020: 2.8% Goal: 12.2%

Dr. Panu stated that the University of South Carolina has three dynamic campuses and described the expanding programs for each campus and the impact COVID-19 has played on the University and the steps took to overcome the challenges they faced which resulted in refunds of over \$2 Million in housing and dining fees to students. The CARES ACT was received in the amount of \$1 Million which was distributed to qualified students to assist with personal expenses. Enrollment is anticipated to decline by 15%. Dr. Panu explained that the University is estimating over \$2.1 million in expenses to be ready for students to return in the fall 2020 and planning to develop both short and long term.

### **Technical College of the Lowcountry FY21 Budget Request**

**Discussion:** Technical College of the Lowcountry President Dr. Richard J. Gough presented the proposed budget for FY21.

Dr. Gough stated that TCL received \$640,000.00 from CARES ACT was directly distributed to the students and is expected to receive another installment of \$640,000.00 from the Federal Government to help with COVID-19 related expenses. Enrollment has decreased as expected but hopefully expecting hand on learning soon to continue the trade training/education. Dr. Gough presented a new project at New River/Bluffton call the Regional Workforce Training Center which will be a tremendous investment.

### **Beaufort Memorial Hospital FY21 Budget Request**

County Administrator, Ashley Jacobs stated that President and CEO, Russel Baxley was unable to make the meeting and there will not be a request for an increase in the budget.

### **Beaufort County Economic Development Corporation**

**Discussion:** John O'Toole presented the Economic Development Corporation budget.

Recent Results: 102.16 Million Capital Investment, 539 jobs created, 174 retained jobs, \$48,636 average annual compensation of the positions brought in by BCEDC, 304,00 sq ft of total new construction, 389,281 sq ft of existing building absorption, 118 business retention meetings, 173 leads, 3 shovel ready products in development.

Incentives for Companies: \$9,695,503.00

Site Development Grants: \$1,181,964

Total: \$10,877,467.00

Economic Impact 2018-2024:

\$1.7 billion in output

\$334 million in wage income

855 jobs

\$11.4\* million in the county and municipal revenues in excess of expenditures. *\*figure doesn't include the impact from FILOT*

Current projects pushing forward in Beaufort: Blueberry (\$19.5 M), Myrtle Park (\$10M), Magnus (\$4.5M), Cloud (\$8.7M), Lincoln Brewing (\$2.7M), River Dog (\$7M), Lot 9 (\$6.7M), Garden (\$2.5M) Market (\$5.3M), CA Insurance Co. (\$4.7M)

Budget Request:

Beaufort County: \$375,000.00

City of Beaufort: \$25,000.00

Town of Bluffton: \$25,000.00

Town of Hilton Head: \$25,000.00

Town of Port Royal: \$25,000.00

Grants/Fundraising: \$14,000.00

Use of Fund Balance: \$40,228.00

Total: \$529,228.00

### **South Carolina Regional Development Alliance**

**Discussion:** South Carolina Regional Development Alliance Director, John Fleming presented a packet to Council for review.

### **ACTION ITEMS**

#### **Approval of the Beaufort County School District FY 21 Budget Request**

**Discussion:** Beaufort County School Districts Chief Financial Officer, Tonya Crosby presented the district's FY 21 proposed budget.

General Fund Budget FY2021:

Revenues: \$254,297,442.00

Expenditures: \$254,297,442.00

Taxation: \$149,733,105.00

Millage: 114.0

Millage:

General Fund: 114.0\*

Debt Service: 36.6\*\*

*\*allowable increases is 4.4 mills per SC Revenue and Fiscal Affairs Office*

*\*\* Debt Service increase due to commitments made in 2019 Referendum Program*

Ms. Crosby gave a State Legislative update:

Continuing Resolution passed- hold budgets at the same level as the current year until they reconvene

General Assembly to return in mid-September- reconsider state budget based on new economic data.  
Suspends Increases to Teacher Salary Schedule  
Suspends Increases to Employer Match of Retirement

Local Tax Revenue Update Actual and Budget percentages were presented by Ms. Crosby.

2020 Budget: \$149,733,105.00  
December: 50.9% \$76,280,192.00  
January: 93.9% \$64,261,861.00  
February: 94.8% \$1,470,942.00  
March: 95.1% 315,442.00  
April: 95.8% \$1,043,339.00  
Excess/(Shortfall): (\$6,361,329.00)

Ms. Crosby explained the Major Sources of State Revenue: Total \$122.6M and 40% of funding  
General Fund: EFA, property tax relief, teacher salaries, retiree insurance, bus drivers \$100.8M  
EIA Fund: at-risk funding, early childhood, teacher salaries, benefits, adult ed, teacher supplies \$16.8M  
Other State Revenue: CDF's, student health/fitness, adult ed, preschool, summer reading. \$4.0M  
Debt Services: Homestead Exemption \$1.0M  
Proposed Budget for FY 2020- 2021

Local:

Ad Valorem (Current and Delinquent)- Net of TIFs \$149,733,105.00  
Penalties and Interest: \$1,050,000.00  
Rent: \$293,500.00  
Total Local Revenue: \$151,651,605.00

State:

Sales Tax Reimbursement on Owner-Occupied \$46,327,162.00  
PEBA-Retirement Credit \$1,200,000.00  
Fringe Benefits/Retiree Insurance \$13,166,789.00  
Education Finance Act \$17,062,545.00  
Reimbursement for Local Property Tax Relief \$7,036,261.00  
Other State Property Tax (Homestead/Merchant Inv) \$2,602,946.00  
Other State Revenue (Bus Drive Salary/Misc) \$1,175,000.00  
State Aid to Classrooms \$4,776,603.00  
Total State Revenue: \$93,347,306.00

Federal:

Other Federal Sources \$690,000.00  
Total Federal Revenue: \$690,000.00  
Total Revenue: \$93,347,306.00

Other Financing Sources:

Transfer from Special Revenue \$7,035,948.00  
Transfers from other Funds \$500,000.00  
Total Other Financing Sources (Uses) \$7,353,948.00  
Total Revenue and Other Financing Sources: \$253,224,859.00

Expenditures:

Salary and Benefits \$201,360,782.00  
Non-Salary \$46,455,459.00  
Total Expenditures: \$247,816,241.00  
Transfers to Other Funds: \$6,481,201.00  
Total Expenditures and Transfers out: \$254,297,442.00  
Increase (Decrease) in Fund Balance: (\$1,072,583.00)  
Beginning Fund Balance: \$35,644,211.00

Ending Fund Balance: \$34,571,628.00

% of Next Year's Expenditure on Budget: 14.0%

Ms. Crosby reported the potential savings and expenditures during COVID.

Savings Total \$3,010,000.00: Substitutes \$1,100,000.00, Energy \$300,000.00, Communications \$50,000.00, LP Gas \$40,000.00, Student Transportation \$120,000.00, Travel \$200,000.00, Supplies and Materials \$1,000,000.00, IB/AP Materials \$50,000.00, Legal \$100,000.00.

Expenditures: Software licenses for e-learning, personal protective equipment, paper for student packets, unemployment claims (responded to 100 claims so far), bus driver pay over spring break, supplies for virtual graduations.

Ms. Crosby presented the board-approved budget.

Total Expenditures: \$254,297,442.00

\$149,733,105.00 from tax collections, \$93,347,306.00 from state revenues, \$690,000.00 from federal revenues, \$1,918,500.00 from other local sources, \$7,535,948 from interofund transfers, and \$1,072,583.00 from fund balance.

**Motion:** It was moved by Council Member Flewelling, Seconded by Council Member Howard to forward the school board budget to County Council recommending approval.

**Amended Motion:** It was moved by Council Member Flewelling, Seconded by Council Member Howard to forward the school board budget to the County Council for consideration. The Vote: Yea: Committee Chairman Hervocho, Council Member Passiment, Council Member Covert, Council Member Dawson, Council Member Flewelling, Council Member Rodman, Council Member Glover, Council Member Howard, Council Member McElynn. The motion passed. 9:0. Absent: Council Member Sommerville.

### **Approval of Beaufort County FY2021 Budget**

**Discussion:** County Administrator, Ashley Jacobs stated that she is not asking for final approval but to just move this item forward to the next County Council meeting for first reading by title only.

**Motion:** It was moved by Council Member Dawson, Seconded by Council Member Glover to move the approval of Beaufort County FY 2021 budget to Council for first reading by title only. The Vote: Yea: Committee Chairman Hervocho, Council Member Passiment, Council Member Covert, Council Member Dawson, Council Member Flewelling, Council Member Rodman, Council Member Glover, Council Member Howard, Council Member McElynn. The motion passed. 9:0.

### **CITIZEN COMMENTS**

Clerk to Council, Sarah Brock stated that she did not receive any comment via email.

Council Member Covert stated that there were two comments from Facebook Live thanking the County for their continued support of USCB and TCL.

### **ADJOURNMENT**

The meeting adjourned at 4:18pm

Ratified by Committee: August 17, 2020

