



Finance Committee Beaufort County, SC

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

**Monday, September 19, 2022
2:00 PM**

MINUTES

Watch the video stream available on the County's website to hear the complete discussion or presentation on a specific topic or the entire meeting. <https://beaufortcountysc.new.swagit.com/videos/184625>

1. CALL TO ORDER

Committee Chairman Lawson called the meeting to order at or around 2 PM.

PRESENT

Committee Chairman Mark Lawson
Committee Vice-Chair Chris Hervochon
Council Member Joseph F. Passiment
Council Member D. Paul Sommerville
Council Member Gerald Dawson (late)
Council Member Brian Flewelling
Council Member Stu Rodman
Council Member York Glover
Council Member Alice Howard
Council Member Lawrence McElynn

ABSENT

Council Member Logan Cunningham

2. PLEDGE OF ALLEGIANCE

Committee Chairman Lawson led the Pledge of Allegiance.

3. FOIA

Committee Chairman Lawson confirmed that public notification of this meeting had 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 Rodman, seconded by Council Member Howard, to approve the agenda.

Discussion: Council Member Flewelling proposed a wording change for item 10, which would change "purchasing director" to "Chief Financial Officer."

County Attorney Keaveny commented that the wording did not need to be changed because of the code's title.

Council Member Flewelling proposed a title change to add "and Chief Financial Officer" after "purchasing director."

The Vote - The motion, with the addition of "Chief Financial Officer" to item 10, was approved without objection.

5. APPROVAL OF MINUTES

Motion: It was moved by Council Member Flewelling, seconded by Council Member Passiment, to approve the minutes of August 22, 2022.

The Vote - The motion was approved without objection.

6. CITIZEN COMMENTS

Please watch the video stream available on the County's website to view the citizen comments.

<https://beaufortcountysc.new.swagit.com/videos/184625?ts=203>

Mayor Stephen Murray

Senator Tom Davis

7. DIVISION UPDATE FROM ASSISTANT COUNTY ADMINISTRATOR, DALE BUTTS

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

<https://beaufortcountysc.new.swagit.com/videos/184625?ts=529>

Assistant County Administrator Dale Butts updated the Committee on the County website's Transparency Portal and the decrease in deeds filed and revenue collected via those deeds.

Committee Chairman Lawson and Mr. Butts discussed the reduction in the deeds filed.

8. DISCUSSION AND PRESENTATION OF YEAR TO DATE FINANCIAL STATEMENTS FOR FY 2023, HAYES WILLIAMS, CHIEF FINANCIAL OFFICER

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

<https://beaufortcountysc.new.swagit.com/videos/184625?ts=648>

Chief Financial Officer Hayes Williams briefed the Committee on the close of the 2022 fiscal year and the status of fulfilled items, the soft close of financial statements for 2022, the audit process projected for late October to November, the internal audit last year, the inclusion of expanded reporting (debt, service funds, and capital project funds), the bank reconciliations to be done monthly, issues reconciling fixed assets, the hiring of a Fixed Assets Manager, the automation through MUNIS, the financial highlights, the chart of accounts redesign, purchase care integration, the hiring of a Budget Manager, Clear Gov training, and the hiring of a new Grants Administrator.

Council Member Passiment and Mr. Williams discussed the proposal to group supplies to simplify the chart of accounts.

Council Member Glover raised concerns with the chart of accounts simplification.

Mr. Williams discussed revenues and expenses in the general fund and the updated way to track money spent.

Council Member Hervochon and Mr. Williams discussed the internal audit process.

9. RECOMMEND APPROVAL OF THE HILTON HEAD PUBLIC SERVICE DISTRICT ARPA PROJECTS REQUEST (FISCAL IMPACT: \$1,000,000.00 FROM THE ARPA ALLOCATION)

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

<https://beaufortcountysc.new.swagit.com/videos/184625?ts=1567>

Committee Vice-Chairman Hervochon recused himself from this item.

County Administrator Greenway discussed the availability of ARPA funds, the funding options available to the Council, and that there have not yet been additional Public Service District funding requests.

Council Member McElynn provided an overview of the request.

Senator Davis and Committee Chairman Lawson discussed State fund availability.

Council Members Passiment and McElynn discussed the financial breakdown of the request.

Council Member Passiment and Pete Nardi discussed the number of people served by the Hilton Head Public Service District.

Council Member Passiment discussed his reasons for supporting the item.

Council Member Glover commented on his inability to support the item because of the large amount of ARPA funding to be allocated and the needs of rural communities.

Council Member Howard asked about St. Helena fire service issues and if Beaufort-Jasper had requested funding. County Administrator Greenway said they had not received a funding request.

Committee Chairman Lawson commented that he would like to see the funds dispersed evenly among the 11 districts.

Motion: It was moved by Council Member McElynn, seconded by Council Member Passiment, to recommend approval of the Hilton Head Public Service District ARPA projects request with a fiscal impact of \$1 million for the equipment submitted by PSD 1 for our approval.

Discussion: Council Member Dawson commented on his hesitation to support the motion due to concerns about setting a precedent for funding requests and the needs of rural communities.

Council Member McElynn asked about previously submitted requests for assistance by PSDs. County Administrator Greenway discussed issues with Lady's Island fire hydrants and waterline system and the Fripp Island stormwater management.

Council Member Rodman commented on his support for the request.

The Vote - Voting Yea: Council Member Passiment, Council Member Sommerville, Council Member Dawson, Council Member Rodman, Council Member Howard, and Council Member McElynn. Voting Nay: Committee Chairman Lawson, Council Member Flewelling, and Council Member Glover. The motion passed 6:3, with Council Member Hervochon abstaining from the vote.

10. RECOMMEND APPROVAL OF CHANGES TO THE BEAUFORT COUNTY PROCUREMENT CODE, DIVISION 4, SECTION 2-509, AUTHORITY AND DUTIES OF PURCHASING DIRECTOR AND THE CHIEF FINANCIAL OFFICER

Motion: It was moved by Council Member Flewelling, seconded by Council Member Passiment, to recommend approval of changes to the Beaufort County Procurement Code, Division 4, Section 2-509, Authority and Duties of the Purchasing Director and the Chief Financial Officer.

The Vote - The motion was approved without objection.

11. DISCUSSION REGARDING POTENTIAL OFFER OF PAYMENT TO FINAL GROUP OF RETIREES FOR LOSS OF POST-RETIREMENT HEALTH INSURANCE BENEFITS

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

<https://beaufortcountysc.new.swagit.com/videos/184625?ts=2695>

County Attorney Tom Keaveny discussed the 2016 Council decision to eliminate a post-retiree health insurance benefit, the resulting lawsuit and settlement, the request by those who had not participated in the lawsuit to receive settlement funds, and the Legal Department's work to identify and determine compensation for people affected.

Committee Chairman Lawson and Mr. Keaveny discussed the people included and not included in the compensation.

Council Member McElynn and Mr. Keaveny discussed the expectation for health benefits.

Council Member Rodman commented on the decision to end the health insurance benefit because of the expectation that Obamacare would make up the difference.

Council Member Passiment commented on the potential need to examine how health benefits are provided to employees and retired employees.

Council Member Dawson commented that it was a mistake for Council to cancel insurance coverage for retirees and the need to address the groups coming forward and to continue identifying people entitled to the benefit.

Council Member Glover discussed the need to continue the conversation about providing health benefits to retirees in the future.

Motion: It was moved by Council Member McElynn, seconded by Council Member Flewelling, to approve the potential offer of payment to the final group of retirees as we know it now for the loss of post-retirement health insurance benefits.

Discussion: Council Member Passiment commented on the wording of the motion.

Council Member Rodman asked if the word "final" should be included in the motion.

Motion to Amend: It was moved by Council Member McElynn, seconded by Council Member Flewelling, to approve the potential offer of payment to the group of retirees as we know it now for the loss of post-retirement health insurance benefits.

County Administrator Greenway commented that a staff evaluation of the amount owed to retirees might be beneficial before the Committee acts on this item.

Council Member McElynn commented that people are waiting for the payment and that it would be better to move forward.

County Administrator Greenway commented on the lack of claims by people in the group for benefit payments.

Council Member Flewelling also disagrees with the proposal to wait on payment.

Committee Chairman Lawson commented on the origin of the payment request.

The Vote - Voting Yea: Committee Vice-Chair Hervochoch, Council Member Sommerville, Council Member Dawson, Council Member Flewelling, Council Member Rodman, Council Member Glover, Council Member Howard, and Council Member McElynn. Voting Nay: Committee Chairman Lawson and Council Member Passiment. The motion passed 8:2.

12. RECOMMEND APPROVAL OF AN ORDINANCE TO AMEND BEAUFORT COUNTY ORDINANCE 2022/33 FOR THE FISCAL YEAR 2022-23 BEAUFORT COUNTY BUDGET TO PROVIDE FOR ADDITIONAL APPROPRIATIONS TO PAY FOR FISCAL YEAR 2022 CARRYOVERS, USE OF FUND BALANCE FOR PROPERTY ACQUISITION AND TRANSPORTATION PROJECTS, AND THE USE OF CURRENT YEAR FUNDS FOR CAPITAL PROJECTS AND EQUIPMENT PURCHASES, DEFEASE/REFUND GENERAL OBLIGATION BONDS, AND OTHER MATTERS RELATED THERETO

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

<https://beaufortcountysc.new.swagit.com/videos/184625?ts=3859>

Chief Financial Officer Hayes Williams discussed the division of the budget amendment into three parts and provided an overview of each part of the budget amendment.

Council Member Rodman commented on the ability to intercept federal and state money for transportation funding with the decision to pursue design planning and possible reimbursement of the 6 million dollars.

Council Member Flewelling asked about approval for the purchase of 1505 North Street in the City of Beaufort. Mr. Williams commented that it would be addressed in the Public Facilities Committee.

Council Member Rodman and Mr. Williams discussed the defeasement of the bonds.

Motion: It was moved by Council Member Rodman, seconded by Council Member Howard, to recommend approval of an ordinance to amend Beaufort County Ordinance 2022/33 for the fiscal year 2022-23 Beaufort County Budget to provide for additional appropriations to pay for fiscal year 2022 carryovers, use of fund balance for property acquisition and transportation projects, and the use of current year funds for capital projects and equipment purchases, defease/refund general obligation bonds, and other matters related thereto.

The Vote - The motion was approved without objection.

13. RECOMMEND APPROVAL OF AN ORDINANCE FOR A TEXT AMENDMENT TO BEAUFORT COUNTY CODE OF ORDINANCES CHAPTER 2, ARTICLE VIII, DIVISION 2, SECTION 2-619

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

Assistant County Administrator Dale Butts commented on the amendment to include quick claim deeds.

Council Member Flewelling asked about the legal department's evaluation for compliance with State law and commented on his lack of support for the item over divestment concerns.

Mr. Butts clarified that a previous ordinance stipulated that all deeds, except quick claim deeds, should have the property identification or tax amount number on the deed. The recommendation is to change that to all deeds, including quick claim deeds. It would serve as a property identifier, and there is a widely used practice of including the number on quick claim deeds.

Motion: It was moved by Council Member Passiment, seconded by Council Member Rodman, to recommend approval of an ordinance for a text amendment to Beaufort County Code of Ordinances Chapter 2, Article VIII, Division 2, Section 2-619.

Discussion: Council Member Flewelling opposed the motion.

The Vote – The motion was approved 9:1.

14. **RECOMMEND APPROVAL OF AN ORDINANCE TO AMEND BEAUFORT COUNTY ORDINANCE 2022/33 FOR THE FISCAL YEAR 2022-23 BEAUFORT COUNTY BUDGET TO PROVIDE FOR DISTRIBUTIONS FROM MYRTLE PARK PHASE II FUND AND OTHER MATTERS RELATED THERETO. (FISCAL IMPACT: Beaufort County put a substantial amount of capital into this project, \$828,576. Staff feels that the County should be reimbursed for its investment in the property)**

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

<https://beaufortcountysc.new.swagit.com/videos/184625?ts=4805>

Deputy County Attorney Brittany Ward commented that the inclusion of this item was to provide the facts behind the request and brief the Committee on a general background of the 2014 purchase, source of funds, and 2022 sale of Myrtle Park.

Council Member Howard confirmed that funding from sales of property usually goes into the general fund.

Chief Financial Officer Williams discussed specifics of the property's purchase, site development costs, and interest payments and options for the sale's proceeds.

Council Member Rodman commented on the investment into the Economic Development Corporation's job fund.

Mr. Williams discussed payments to the EDC and the Southern Carolina Alliance for Economic Development.

Council Member Howard commented that the money from the sale should go back to the general fund.

Council Member Dawson highlighted a previous agreement to direct funds to economic development for the sale of the properties. Council Member Howard asked to see that agreement in writing. Council Member Flewelling commented that the agreement was a matter of discussion at previous committee and council meetings and confirmed that the agreement was to direct money from the sale to economic development. Council Member Glover also affirmed the commitment to invest the proceeds into economic development.

Brittany Ward provided an overview of a February 18, 2020, Finance Committee discussion on how the funds would be distributed and that details about funding for the purchase were not present.

John O'Toole commented on the February 18, 2020, vote to roll funding into the EDC, discussions with Council in 2019 on the revenues used to purchase Myrtle Park, and efforts to confirm the pooled cash amount resulting from the sale.

Motion: It was moved by Council Member Rodman, seconded by Council Member Flewelling, to return the money to the various funds as suggested by Hayes Williams and to take \$600,000 and add it to item number 12.

The Vote - The motion was approved without objection.

15. **RECOMMEND APPROVAL OF AN ORDINANCE TO ESTABLISH A REGIONAL HOUSING TRUST FUND AND OTHER MATTERS RELATED THERETO.**

Council Member McElynn asked about the total contributions to be made in Year 1.

Motion: It was moved by Council Member Howard, seconded by Council Member Rodman, to recommend approval of an ordinance to establish a Regional Housing Trust Fund and other matters related thereto.

Discussion: Committee Vice-Chairman Hervochon objected to the motion.

The Vote - The motion passed 9:1.

Items 15, 16, and 17 were voted on as a package.

16. A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO ENTER INTO AN AGREEMENT WITH COMMUNITY WORKS TO PROVIDE ADMINISTRATION AND MANAGEMENT SUPPORT FOR A DESIGNATED REGIONAL HOUSING TRUST FUND

Motion: It was moved by Council Member Howard, seconded by Council Member Rodman, to recommend approval of a resolution authorizing the County Administrator to enter into an agreement with Community Works to provide administration and management support for a designated Regional Housing Trust Fund.

Discussion: Committee Vice-Chairman Hervochon objected to the motion.

The Vote - The motion passed 9:1.

17. A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH JASPER COUNTY, TOWN OF HILTON HEAD ISLAND, TOWN OF BLUFFTON, TOWN OF PORT ROYAL, CITY OF HARDEEVILLE, CITY OF BEAUFORT, TOWN OF PORT ROYAL AND THE TOWN OF YEMASSEE TO JOINTLY CREATE, FUND, AND OPERATE A REGIONAL HOUSING TRUST FUND

Motion: It was moved by Council Member Howard, seconded by Council Member Rodman, to recommend approval of a resolution authorizing the County Administrator to enter into an Intergovernmental Agreement with Jasper County, Town of Hilton Head Island, Town of Bluffton, Town of Port Royal, City of Hardeeville, City of Beaufort, Town of Port Royal and the Town of Yemassee to jointly create, fund, and operate a Regional Housing Trust Fund.

Discussion: Committee Vice-Chairman Hervochon objected to the motion.

The Vote - The motion passed 9:1.

18. ADJOURNMENT

Adjourned: at or around 3:46 PM.

Ratified: January 17, 2023