



## Finance, Administration, and Economic Development Committee

### Beaufort County, SC

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

**Monday, August 21, 2023**

**3:00 PM**

#### AGENDA

##### COMMITTEE MEMBERS:

**MARK LAWSON, CHAIRMAN  
DAVID P. BARTHOLOMEW  
YORK GLOVER**

**ANNA MARIA TABERNIK, VICE-CHAIR  
GERALD DAWSON  
JOSEPH F. PASSIMENT, EX-OFFICIO**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. 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
- [5.](#) APPROVAL OF MINUTES- May 8, 2023, May 15, 2023, and June 19, 2023
- 6. CITIZEN COMMENT PERIOD- 15 MINUTES TOTAL**

***Anyone who wishes to speak during the Citizen Comment portion of the meeting will limit their comments and speak no longer than three (3) minutes. Speakers will address Council in a respectful manner appropriate to the decorum of the meeting, refraining from the use of profane, abusive, or obscene language. In accordance with Beaufort County's Rules and Procedures, giving of a speaker's time to another is not allowed.***

7. DIVISION UPDATE FROM ASSISTANT COUNTY ADMINISTRATOR, DALE BUTTS

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#### AGENDA ITEMS

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- [8.](#) RECOMMEND OF APPROVAL OF AN ORDINANCE AUTHORIZING THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$23,000,000 OF GENERAL OBLIGATION BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO
- [9.](#) RECOMMEND APPROVAL OF A RESOLUTION ORDERING A PUBLIC HEARING TO BE HELD ON THE ISSUANCE OF NOT EXCEEDING \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF

THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO

10. AGENCIES, BOARDS, AND COMMISSIONS APPOINTMENTS & REAPPOINTMENTS - (*Design Review Board, Airports Board, and Planning Commission*)

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**EXECUTIVE SESSION**

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11. PURSUANT TO S.C. CODE SECTION 30-4-70(A)(2): DISCUSSION OF NEGOTIATIONS INCIDENT TO PROPOSED CONTRACTUAL ARRANGEMENTS (DAUFUSKIE ISLAND FERRY)
12. PURSUANT TO S. C. CODE SECTIONS 30-4-70(A)(2) AND (A)(1) TO RECEIVE LEGAL ADVICE COVERED BY THE ATTORNEY-CLIENT PRIVILEGE RELATING TO THE APPOINTMENT OF PERSONS TO A PUBLIC BODY AND DISCUSSION OF THE APPOINTMENTS OF SUCH PERSONS (2024 SUPER-PENNY ADVISORY BOARD).
13. PURSUANT TO S.C. CODE SEC. 30-4-70(A)(2) TO RECEIVE LEGAL ADVICE REGARDING PROPOSED CONTRACTUAL ARRANGEMENTS AND PROPOSED PURCHASE OF REAL PROPERTY (COTTON HALL)
14. MATTERS ARISING OUT OF EXECUTIVE SESSION
15. ADJOURNMENT

**TO WATCH COMMITTEE OR COUNTY COUNCIL MEETINGS OR FOR A COMPLETE LIST OF AGENDAS AND BACKUP PACKAGES, PLEASE VISIT:**

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



## 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.

**Monday, May 15, 2023**

**3:00 PM**

#### MINUTES

*Watch the video stream available on the County's website to hear the Council's discussion of a specific topic or the complete meeting. <https://beaufortcountysc.new.swagit.com/videos/230157>*

#### 1. CALL TO ORDER

Committee Chairman Lawson called the meeting to order at 3:01 pm.

#### PRESENT

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

#### ABSENT

Council Member Logan Cunningham  
 Council Member Thomas Reitz

#### 2. PLEDGE OF ALLEGIANCE

Committee Chairman Lawson led the Pledge of Allegiance.

#### 3. FOIA

Committee Chairman Lawson noted that the 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 Passiment, seconded by Council Member Dawson, to approve the agenda.

**The Vote** - The motion was approved without objection.

**5. APPROVAL OF MINUTES**

**Motion:** It was moved by Council Member Tabernik, seconded by Council Member Passiment, to approve the minutes from April 10, 2023.

**The Vote** - The motion was approved without objection.

**6. CITIZEN COMMENT PERIOD**

No Citizen Comments.

**7. BUDGET PRESENTATION BY THE BEAUFORT COUNTY SCHOOL DISTRICT**

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

<https://beaufortcountysc.new.swagit.com/videos/230157?ts=98>

Tonya Crosby, Chief Financial Officer for the Beaufort County School District, provided an overview of the FY 2024 budget, including the budget development process; budget increases for employee compensation and staffing allocations; proposed revenues and expenditures; millage calculations; and the budget approval schedule. CFO Crosby also highlighted how Beaufort County now ranks number one in South Carolina for starting teacher salaries.

Committee Chairman Lawson and CFO Crosby discussed budget requests for previous years. Committee Chairman Lawson also commented on how people with homestead exemption do not pay school taxes.

Council Member Glover and CFO Crosby discussed whether steps would be capped. CFO Crosby stated that the plan is to go up to at least 28 years.

**Motion:** It was motioned by Committee Vice-Chair Tabernik, seconded by Council Member Glover, to move the Beaufort County School Board's budget proposal forward to County Council for the first reading.

**The Vote** – The motion was approved without objection.

**8. BUDGET PRESENTATIONS BY THE SPECIAL FIRE DISTRICTS WITHIN BEAUFORT COUNTY**

Please watch the video stream available on the County's website to view the full presentations.

<https://beaufortcountysc.new.swagit.com/videos/230157?ts=1119>

Chief Paul Boulware of the Bluffton Township Fire District presented the FY 2024 budget, the current and proposed mill rates, estimated revenues and expenditures, and the projected fund balance.

Committee Vice-Chair Tabernik asked about the cost to build a new fire station. Chief Boulware replied that the cost would be three million and that there are plans to build a station in Sun City.

Chief Harry Rountree of the Burton Fire District presented the operation and debt mill request, the plan to increase total staff and the pumper truck that is scheduled to be delivered in 35 to 37 months.

Committee Vice-Chair Tabernik and Chief Rountree discussed the contract delivery date for the pumper truck.

Council Member Glover asked about the fund balance. Chief Rountree replied that annexations have been impacting the district's tax base.

Council Member Dawson asked about the millage decrease and thanked Chief Rountree for not placing a burden on taxpayers.

Chief Shane Comparetto of the Daufuskie Island Fire District presented on the decrease in the millage rate, step increases and COLA, and the fund balance.

Council Member Glover asked whether firefighters were full-time and the number of fire stations. Chief Comparetto confirmed that the firefighters are full-time, and one station is fully manned.

Chief Bruce Kline of the Lady's Island and St Helena Fire District presented the rollback mill rate, the operations mill rate request, total revenues and expenditures, fund balance amount, debt requirement, and protection provided to annexed areas.

Council Member Howard and Chief Kline discussed how the City of Beaufort funds the protection of the annexed areas.

Council Member Glover asked about potential fire stations. Chief Kline commented that the plan to add an additional station is three to five years out.

Committee Vice-Chair Tabernik and Chief Kline discussed the designation of administrative and firefighter staff members and response times.

Chief Buddy Jones of the Sheldon Fire District presented the FY 2024 budget, debt service, millage rate calculations, and expenditures for health insurance, salaries, and COLAs.

CFO Hayes Williams explained the process for reassessing property values and rollback millage.

**Motion:** It was moved by Council Member Passiment, seconded by Council Member Dawson, to approve the Fire Districts' budgets and moved them forward to County Council.

**The Vote** – The motion was approved without objection.

**9. RECOMMEND APPROVAL OF A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO ENTER INTO A LEASE AGREEMENT WITH THE YOUNG MEN'S SOCIAL CLUB AND SOUTH PINE LADIES UNION FOR A PORTION OF THE REAL PROPERTY LOCATED AT 242 AND 228 SCOTT HILL ROAD**

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

<https://beaufortcountysc.new.swagit.com/videos/230157?ts=2514>

County Administrator Greenway briefed the Committee on the Scott Center property, including the proposed lease, recreation programming, and property improvements to be made as necessary.

County Attorney Ward added that the lease would be based on the County's template and that any changes were specified in the resolution.

Council Member Glover asked whether staff had reservations about entering into the lease agreement and if the County would provide recreation activities and programming. County Administrator Greenway replied that there had been requests for programming that goes beyond what the Parks and Recreation Department offers and that there is very little programming that can be provided within the building itself.

Council Member Glover asked for an update on the study conducted on recreation facilities. Assistant County Administrator Atkinson replied that the target is for the study to be completed by July. ACA Atkinson also said that funding would be limited for a lease property and that the County would not own improvements made to the leased property, so Council would need to decide how they want to spend County resources.

Committee Chair Lawson asked about capital improvement costs. County Administrator Greenway replied that the costs are still to be determined, as there may be possible improvements to the concession stand building.

Council Member Passiment asked whether the County should wait to enter into the lease agreement until the study is completed. ACA Atkinson replied that the study is focused on county-owned facilities but that leased properties would be included.

ACA Atkinson commented that there were three leases on the property that expired this year. County Attorney Ward added that the proposed lease is for a ten-year term that can be renewed five times.

**Motion:** It was moved by Council Member Glover, seconded by Council Member Bartholomew, to recommend approval of a resolution authorizing the County Administrator to enter into a lease agreement with the Young Men's Social Club and South Pine Ladies Union for a portion of the real property located at 242 and 228 Scott Hill Road.

**Discussion:** Council Member Dawson commented that Council has the responsibility to provide recreational activities to all the County's citizens and that they need to discuss plans for a permanent solution to provide recreational activities and facilities County-wide.

**The Vote** – The motion passed by 8:1.

**10. RECOMMEND APPROVAL OF A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO ENTER INTO A LEASE AGREEMENT WITH THE PAT CONROY LITERARY CENTER, INC. FOR A PORTION OF THE REAL PROPERTY LOCATED AT 1511 NORTH STREET**

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

<https://beaufortcountysc.new.swagit.com/videos/230157?ts=3971>

County Administrator Greenway briefed the Committee on the witness tree located in a County-owned parking lot and the Pat Conroy Literacy Center's plans to create a pocket park.

Council Member McElynn and County Administrator Greenway discussed potential plans to sell the parking lot containing the tree.

**Motion:** It was moved by Council Member Howard, seconded by Committee Vice-Chair Tabernik, to recommend approval of a resolution authorizing the County Administrator to enter into a lease agreement with the Pat Conroy Literary Center, Inc. for a portion of the real property located at 1511 North Street.

**The Vote** – The motion passed by 8:1.

**11. RECOMMEND APPROVAL OF A RESOLUTION AMENDING THE AMERICAN RESCUE PLAN ACT-FUNDED PUBLIC SAFETY RECRUITMENT INITIATIVES POLICY**

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

<https://beaufortcountysc.new.swagit.com/videos/230157?ts=4325>

Human Resources Director Katherine Mead discussed ARPA funding, changes to the relocation policy, and retro payments for voluntary and involuntary separations.

Council Member Howard and Director Mead discussed the arrangements and timeline for the collection of payment after involuntary separation.

Committee Vice-Chair Tabernik and Director Mead discussed the two-year period for the recruitment policy and that employees can earn a \$5,000 sign-on payment and a \$2,500 relocation payment.

Council Member Glover asked whether new employees could earn more than existing employees in the same position because of the sign-on bonus. Director Mead replied that there could be an increase in the minimum wage and a retention bonus.

**Motion:** It was moved by Committee Vice-Chair Tabernik, seconded by Council Member Bartholomew, to recommend approval of a resolution amending the American Rescue Plan Act-funded public safety recruitment initiatives policy.

**The Vote** – The motion was approved without objection.

**12. RECOMMEND APPROVAL OF A MOTION TO CORRECT SCRIVENER'S ERRORS IN ORDINANCE 2023/8 - TEXT AMENDMENTS TO 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 IV, ROAD FACILITIES - SOUTHERN BEAUFORT COUNTY SERVICE AREA; ARTICLE V, LIBRARY FACILITIES; ARTICLE VI, FIRE FACILITIES; ARTICLE VII, ROAD FACILITIES - NORTHERN BEAUFORT COUNTY**

County Attorney Keaveny briefed the Committee on how the impact fee ordinance has three tables that do not reflect what was agreed between the County and municipalities and that a two-thirds vote is needed to amend the tables.

**Motion:** It was moved by Council Member Dawson, seconded by Council Member Bartholomew, to recommend approval of a motion to correct Scrivener's errors in Ordinance 2023/8 - text amendments to 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 IV, Road Facilities - Southern Beaufort County Service Area; Article V, Library Facilities; Article VI, Fire Facilities; Article VII, Road Facilities- North Beaufort County.

**The Vote** – The motion was approved without objection.

**13. AGENCIES, BOARDS, AND COMMISSIONS APPOINTMENTS & REAPPOINTMENTS**

Recommend approval of the appointment of Jannine Mutterer to the Library board for a four-year term with an expiration date of May 2027.

Recommend approval of the appointment of William Ricketts to the Bluffton Township Fire District Board for a partial term with the expiration date of April 2026.

Recommend approval of the reappointment of Brian Turrisi to the Airports Board for a two-year term with an expiration date of May 2025.

Recommend approval of the appointment of Sarah Marshall, Interim Executive Director Beaufort Housing Authority, as Beaufort County Business Representative on the Low Country Council of Government's Workforce Development Board for a three-year term expiring May 2026.

County Attorney Greenway commented that staff might make a recommendation for the Airports Board reappointment not to move forward because issues with professionalism and compliance with airport regulations and protocols that need to be addressed.

**Motion:** It was moved by Council Member Glover, seconded by Council Member Bartholomew, to approve the agencies, boards, and commissions appointments and reappointments.

**The Vote** – The motion was approved without objection.

**14. DISCUSSION OF ELIMINATING CERTAIN AGENCIES, BOARDS, AND COMMISSIONS, AS WELL AS THE ADDITION OF AN INTERVIEW PROCESS FOR MEMBERS**

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

<https://beaufortcountysc.new.swagit.com/videos/230157?ts=5034>

County Administrator Greenway discussed adding an interview process for candidates and reviewing the County's 28 boards and commissions to see if any should be eliminated.

Council Member Howard supported reviewing boards and commissions and candidate interviews. Council Member Howard also noted that the City of Beaufort and the City of Port Royal have an interview process for candidates.

Committee Vice-Chair Tabernik asked for training to be provided to people joining boards and commissions.

Council Members Glover and Dawson emphasized that they want to maintain the ability to make recommendations for board positions that fall within their districts.

The Committee and County Administrator Greenway discussed the current appointment process for boards and commissions and the aim to ensure appointees are thoroughly vetted.

Committee Chairman Lawson confirmed with County Administrator Greenway that they would like staff to review the boards and commissions and recommend training opportunities.

**15. ADJOURNMENT**

Council Member Glover invited William Smith to comment on the Young Men’s Social Club. Mr. Smith said he looks forward to the study and appreciates action on the Scott Center property.

Adjourned at or around 4:41 pm

Ratified:





## 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.

**Monday, June 19, 2023**

**3:00 PM**

#### MINUTES

*Watch the video stream available on the County's website to hear the Council's discussion of a specific topic or the complete meeting. <https://beaufortcountysc.new.swagit.com/videos/245291>*

#### 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 Paula Brown  
 Council Member Alice Howard  
 Council Member Lawrence McElynn

#### ABSENT

Council Member Gerald Dawson  
 Council Member Logan Cunningham  
 Council Member Thomas 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 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 Committee Vice-Chair Tabernik, seconded by Council Member Brown, to approve the agenda.

**The Vote** - The motion was approved without objection.

**5. APPROVAL OF MINUTES**

**Motion:** It was moved by Council Member Bartholomew, seconded by Committee Vice-Chair Tabernik, to approve the minutes of April 17, 2023.

**The Vote** - The motion was approved without objections.

**6. CITIZEN COMMENT PERIOD**

No citizen comments.

County Administrator Greenway noted that on June 24, 2023, Beaufort County Government will hold an employee appreciation event at the Buckwalter Recreation Center.

**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 full presentation.

<https://beaufortcountysc.new.swagit.com/videos/245291?ts=169>

CFO Hayes Williams briefed the Committee on a series of topics, including the FY 2023 revenues and expenditures, the plan to pay off the 2013A Bond, the Rural and Critical Lands Program's fund balance, the new chart of accounts, and the preparation for the FY 2023 audit.

Committee Vice-Chair Tabernik and CFO Williams discussed the consolidation of line items in the new chart of accounts and the expected benefits for project accounting.

Council Member Howard and CFO Williams discussed using a different fund for part of the passive park expenditures.

**8. RECOMMEND APPROVAL OF A RESOLUTION ORDERING A PUBLIC HEARING TO BE HELD ON THE ISSUANCE OF NOT EXCEEDING \$5,250,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO**

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

<https://beaufortcountysc.new.swagit.com/videos/245291?ts=802>

Sarah Weathers, an associate of the Pope Flynn Group speaking on behalf of the Fripp Island Public Service District, briefed the Committee on the request for \$5,250,000 in general obligation bonds to address sudden needs like erosion infrastructure problems and fire improvements. Ms. Weathers provided a timeline for approving the request and noted the goal of issuing the bonds before the calendar year's end. Ms. Weathers added that the corresponding millage increase is still being determined, and the matter would be voted on in the district once the County Council approves it.

Council Member Bartholomew asked about the proposal for the aerial apparatus. Ms. Weathers clarified that a term for a fire truck with a specific ladder.

Committee Chairman Lawson introduced Edward Wetzel, Chairman of the Fripp Island Public Service District Commission.

Council Member Glover and Mr. Wetzel discussed the unanimous vote by the Commission to bring this matter forward to the County Council.

The Committee agreed to take items 8, 9, and 10 as a package.

**Motion:** It was moved by Council Member Glover, seconded by Council Member Howard, to place all three items before the Council in order to issue bonds of up to \$5,250,000 for the stated purpose.

Council Member Glover asked about registered voters and the percentage of non-residential homeowners. Ms. Weathers confirmed that Fripp Island's registered voters would vote on this matter during the November general election. Mr. Wetzel added that there are approximately 800 voters, and less than fifty percent of the population are full-time residents.

**The Vote** - The motion to approve items 8, 9, and 10 was approved without objection.

9. **RECOMMEND APPROVAL OF A RESOLUTION ORDERING BOND REFERENDA TO BE HELD IN THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, ON THE QUESTION OF THE ISSUANCE OF NOT EXCEEDING \$5,250,000 OF GENERAL OBLIGATION BONDS OF FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA IN THREE SEPARATE QUESTIONS; PROVIDING FOR THE FORM OF THE BALLOTS TO BE USED; PROVIDING FOR NOTICE OF THE REFERENDA; AND PROVIDING FOR OTHER MATTERS RELATING THERETO**

Items 8, 9, and 10 were voted on as a package motion.

10. **RECOMMEND APPROVAL OF AN ORDINANCE AUTHORIZING THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$5,250,000 OF GENERAL OBLIGATION BONDS SUBJECT TO VOTER APPROVAL, PROVIDING FOR THE PUBLICATION OF NOTICE OF THE SAID FINDING AND AUTHORIZATION; AND PROVIDING FOR OTHER MATTERS RELATED THERETO**

Items 8, 9, and 10 were voted on as a package motion.

11. **PRESENTATION OF THE 2023 BEAUFORT COUNTY PARKS & RECREATION MASTER PLAN**

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

<https://beaufortcountysc.new.swagit.com/videos/245291?ts=1182>

Assistant County Administrator Atkinson discussed the 20-month effort to create a Parks & Recreation Master Plan.

Mark Baker of Wood+Partners briefed the Committee on the Master Plan's planning process to assess existing programs and facility conditions, gather community input, and coordinate with staff on capital improvement recommendations.

Neelay Bhatt of Next Practice Partners discussed Beaufort County's demographics, population trends, and recreation participation trends for fitness, general sports, and outdoor activities.

The Committee and Mr. Bhutt discussed recreation trend measurements and how Beaufort County compares to other counties and the national average.

Mr. Baker commented on community engagement efforts, including public meetings throughout the County and coordination with staff.

Kyle Theodore of Wood+Partners provided further details on soliciting input through three specific questions on the strengths of the Parks and Recreation Department, the opportunities for improvement, and the priority areas for the report.

Mr. Bhatt discussed the process for administering a statistically valid public opinion survey, the 351 surveys completed, and the survey's findings.

Council Member McElynn asked why the questionnaire was not conducted over the Internet and instead mailed to people's houses. Mr. Bhatt replied that there was no way to limit an internet survey to the County's boundaries and that people were still allowed to take the survey if they were not randomly chosen for a mailed survey but that the results were separated from the statistically valid survey.

Ms. Theodore commented on the park and facility inventory and assessment process for 42 properties, including rating parks and facilities as good, fair, or poor. Ms. Theodore noted the challenges faced by

Beaufort County, including its geographically large size, variation in population densities, facility conditions, and underserved rural areas.

Committee Vice-Chair Tabernik and Ms. Theodore discussed how the good, fair, or poor ratings are determined and the inclusion of definitions in the final report.

Mr. Bhutt provided an overview of equity maps for a variety of park types to look for gaps or overlaps, the top priorities for facility and amenity investments, and the economic impact of sports tourism.

Mr. Baker discussed capital improvement and renovation recommendations to enhance recreation services and address priority areas, including the neighborhood parks for \$10,615,000, the community parks for \$37,917,974, the regional parks for \$38,030,089, and the special purpose sites for \$7,134,300. Mr. Baker also noted the community's high prioritization for creating aquatics and swimming facilities, ranges for guns and archery, indoor walking and jogging tracks, an outdoor amphitheater, senior centers, splash pads, etcetera.

Council Member Glover asked about the planned level of improvement for neighborhood parks. Mr. Baker replied that it depends on the level of use and the area's population.

The Committee and Mr. Baker discussed a splash pad's expense, maintenance, and possible location.

County Administrator Greenway commented that County Administration will bring forward recommendations on a funding plan to pay for improvements.

The Committee discussed the total funding request.

## 12. ARPA – GOOD NEIGHBOR PROGRAM – YEMASSEE FUNDING REQUESTS

County Administrator Greenway commented that the funding request is for the second half of Yemassee's \$500,000 request.

**Motion:** It was moved by Council Member Passiment, seconded by Council Member Bartholomew, to recommend approval of Yemassee's ARPA Good Neighbor Program funding request.

**The Vote** - The motion was approved without objection.

## 13. AGENCIES, BOARDS, AND COMMISSIONS APPOINTMENTS & REAPPOINTMENTS

**Motion:** It was moved by Council Member Glover, seconded by Council Member Howard, to recommend approval of the appointment of Henry Criss to the Lowcountry Regional Transportation Authority Board for a three-year term with an expiration date of June 2026 and recommend approval to the Governor's Office the reappointment of Roosevelt McCollough to the Lady's Island/St. Helena Island Fire District Commission for a four-year term with an expiration date of June 2027.

**The Vote** - The motion was approved without objection.

## 14. ADJOURNMENT

Adjourned: 4:56 PM

Ratified:



## Special Called Meeting of the 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.

Monday, May 08, 2023  
2:00 PM

### MINUTES

Watch the video stream available on the County's website to hear the Council's discussion of a specific topic or the complete meeting. <https://beaufortcountysc.new.swagit.com/videos/228566>

#### 1. CALL TO ORDER

Committee Chairman Lawson called the meeting to order at 2:00 PM.

##### PRESENT

Chairman Mark Lawson  
Vice-Chairman Anna Maria Tabernik  
Council Member David P. Bartholomew  
Council Member Gerald Dawson  
Council Member York Glover (arrived late)  
Ex-Officio Joseph F. Passiment  
Council Member Logan Cunningham  
Council Member Paula Brown  
Council Member Alice Howard  
Council Member Thomas Reitz  
Council Member Lawrence McElynn

#### 2. PLEDGE OF ALLEGIANCE

Committee Chairman Lawson led the Pledge of Allegiance.

#### 3. FOIA

Committee Chairman Lawson noted 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 Passiment, seconded by Committee Vice-Chair Tabernik, to approve the agenda.

**The Vote** - The motion was approved without objection.

**5. APPROVAL OF MINUTES**

**Motion:** It was moved by Council Member Passiment, seconded by Council Member Dawson, to approve the minutes of March 20, 2023.

**The Vote** - The motion was approved without objection.

**6. CITIZEN COMMENTS**

No citizen comments.

**7. RECOMMEND APPROVAL OF AN ORDINANCE (BY TITLE ONLY) TO MAKE APPROPRIATIONS FOR COUNTY GOVERNMENT AND SPECIAL PURPOSE DISTRICTS FOR BEAUFORT COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024; TO LEVY TAXES FOR THE PAYMENT THEREOF; TO ADOPT LAW ENFORCEMENT UNIFORM SERVICE CHARGES/ USER FEE; TO PROVIDE FOR THE EXPENDITURE OF SAID TAXES AND OTHER REVENUES COMING INTO THE COUNTY; TO PROVIDE FOR THE EXPENDITURE OF SAID LAW ENFORCEMENT UNIFORM SERVICE CHARGES/ USER FEE; AND OTHER MATTERS RELATED THERETO**

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

<https://beaufortcountysc.new.swagit.com/videos/228566?ts=127>

CFO Hayes Williams briefed the Committee on Beaufort County's funds, including the general fund, capital improvement fund, special revenue funds, capital projects funds, debt service funds, and proprietary funds. CFO Williams also presented the proposed FY 2024 budget, including the expected revenue and expenditures, operating budget and projects for the different funds, millage rates, and funding of outside agencies.

Committee Vice-Chair Tabernik and CFO Williams discussed the publication of fund information for the public and the threshold for designating something as a capital item.

Council Member Glover and CFO Williams discussed payroll contingency.

Council Member Passiment and CFO Williams discussed funding provided to the Lowcountry Council of Governments and the appeal process for property value assessments.

The Committee and Capital Improvement Projects Director Larson discussed designing and constructing Beaufort, Battery Creek, and MC Riley pools.

Council Member Howard and County Administrator Greenway discussed the garage fund and hiring employees for vehicle maintenance work.

Council Member Glover asked about the challenges with hiring Stormwater personnel. County Administrator Greenway replied that the building boom pulled potential employees into the private sector because of better pay and that staff is working to bring forward a plan to ensure a competitive salary for Stormwater positions.

Council Member Bartholomew and CFO Williams discussed funding provided to Beaufort Memorial Hospital and the impact of millage rates.

Council Member Reitz and CFO Williams discussed the Sheriff's Office budget shortfall.

**Motion:** It was moved by Council Member Passiment, seconded by Council Member Dawson, to recommend approval of an ordinance (by title only) to make appropriations for county government and special purpose districts for Beaufort County for the fiscal year beginning July 1, 2023, and ending June 30, 2024; to levy taxes for the payment thereof; to adopt law enforcement uniform service charges/ user fee; to provide for the expenditure of said taxes and other revenues coming into the county; to provide

for the expenditure of said law enforcement uniform service charges/ user fee; and other matters related thereto.

**Discussion:** Committee Chair Lawson commented on the timeline for approval.

The Committee and County Attorney Keaveny discussed potential changes to the budget and funding provided to the offices of elected officials.

**The Vote** – The motion was approved without objection.

**8. RECOMMEND APPROVAL OF A RESOLUTION TO EXPRESS BEAUFORT COUNTY COUNCIL'S SUPPORT FOR THE SOUTH CAROLINA GENERAL ASSEMBLY TO TAKE THE NECESSARY STEPS TO AMEND THE SOUTH CAROLINA CODE OF LAWS TO VEST BUDGET AUTHORITY AND MILLAGE RATE SETTING AUTHORITY FOR THE OPERATION OF THE SCHOOLS IN BEAUFORT COUNTY WITH THE BEAUFORT COUNTY BOARD OF EDUCATION**

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

<https://beaufortcountysc.new.swagit.com/videos/228566?ts=2404>

County Administrator Greenway commented that the resolution would allow Beaufort County School District to have fiscal autonomy. Mr. Greenway also said that the Beaufort County Legislative Delegation would introduce legislation to allow the School Board to have authority over its budget as long as the Board complies with SC Act 388.

**Motion:** It was moved by Council Member Passiment, seconded by Council Member Howard, to recommend approval of a resolution to express Beaufort County Council's support for the South Carolina General Assembly to take the necessary steps to amend the South Carolina Code of Laws to vest budget authority and millage rate setting authority for the operation of the schools in Beaufort County with the Beaufort County Board of Education.

**Discussion:** Committee Vice-Chair Tabernik and Council Member Dawson commented on their support for giving the School Board the authority of financial decisions.

Beaufort County School District Superintendent Rodriguez discussed the current budget process and the challenges of hiring staff because of the inability to guarantee salaries until the County Council approves the budget.

Council Member Cunningham asked if SC Act 388 could be removed and if County Council had any say in salaries. County Administrator Greenway said the South Carolina legislature could amend legislation to remove Act 388. Mr. Greenway also noted that the County Council does not have a say in how the salaries are set now but that the School Board is elected, so they will have to answer to constituents about the budget.

Committee Chair Lawson confirmed that the Council would just be recommending action to the Legislative Delegation.

Council Member Glover asked if there would be a public hearing on the school budget.

**The Vote** – The motion was approved without objection.

**9. ADJOURNMENT**

Adjourned: 2:55 PM

Ratified:



# BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

<b>ITEM TITLE:</b>
RECOMMENDATION OF APPROVAL OF: AN ORDINANCE AUTHORIZING THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$23,000,000 OF GENERAL OBLIGATION BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO.
<b>MEETING NAME AND DATE:</b>
Finance, Administration, and Economic Development Committee 8/21/2023
<b>PRESENTER INFORMATION:</b>
Pope Flynn, LLC 15 minutes
<b>ITEM BACKGROUND:</b>
The Hilton Head No.1 Public Service District Commission has determined to seek authorization from the Beaufort County Council to issue general obligation bonds. The Commission requests that, following a public hearing on the matter, the County Council enact the ordinance authorizing the issuance of the bonds. This ordinance authorizing the bond issuance is required pursuant to S.C. Code Section 6-11-860.
<b>PROJECT / ITEM NARRATIVE:</b>
<p>The Hilton Head No.1 Public Service District (HHPSD) has determined to issue bonds to defray the costs of: (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system.</p> <p>By way of additional background, some portions of the Project are related to the District’s planned grant funding from South Carolina Rural Infrastructure Administration as part of the South Carolina Infrastructure Improvement Program (SCIIP). Bond funds will be used to make the District’s required grant match.</p>
<b>FISCAL IMPACT:</b>
Limited millage impact is expected in connection with the bonds. The District anticipates structuring new debt service taking into account existing debt service, which, after taking into account the amortization of existing obligations, is not expected to result in a significant millage increase. Additionally, the District may pay some or all of the excess debt service from the revenues of its combined water and sewer utility system. However, the District, acting through the duly elected members of the Hilton Head No.1 Public Service District Commission, reserves the right to levy additional debt service millage as necessary to fund any required debt payments associated with the bonds.



**STAFF RECOMMENDATIONS TO COUNCIL:**

Recommend approval

**OPTIONS FOR COUNCIL MOTION:**

Motion to approve/deny "RECOMMENDATION OF APPROVAL OF: AN ORDINANCE AUTHORIZING THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$23,000,000 OF GENERAL OBLIGATION BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO"

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AN ORDINANCE AUTHORIZING THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$23,000,000 OF GENERAL OBLIGATION BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO

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AUTHORIZING ORDINANCE

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~~September 25~~October 9, 2023

**BE IT ORDAINED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, AS FOLLOWS:**

ARTICLE I – FINDINGS

Section 1.01 Findings of Fact.

The County Council of Beaufort County (the “**County Council**”), the governing body of Beaufort County, South Carolina (the “**County**”), hereby finds and determines:

(a) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the “**Constitution**”), provides that special purpose districts may incur general obligation bonded indebtedness upon such terms and conditions as the General Assembly may prescribe by general law, subject to the following limitations: (i) such debt must be incurred only for a purpose which is a public purpose and a corporate purpose, and (ii) unless excepted therefrom, such debt may be issued in an amount not exceeding 8% of the assessed value of all taxable property of such special purpose district (the “**Bonded Debt Limit**”).

(b) Pursuant to Title 6, Chapter 11, Article 5 of the Code of Laws of South Carolina 1976, as amended (the “**Enabling Act**”), the governing body of any county in the State of South Carolina (the “**State**”) may authorize the issuance of general obligation bonds by special purpose districts located within its bounds to defray the cost of any authorized purpose and for any amount not exceeding such special purpose district’s applicable Bonded Debt Limit..

(c) Hilton Head No. 1 Public Service District, South Carolina (the “**District**”) was created and established as a special purpose district, a body politic and corporate, pursuant to the provisions of Act No. 569 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended. The District is located wholly within the County and is authorized, *inter alia*, (i) to provide water and sewer services, (ii) to acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal, or mixed, or any interest therein, and (iii) to do all other acts and things necessary or convenient to carry out any function or power committed or granted to the District.

(d) Pursuant to Section 6-11-830 of the Enabling Act, the County Council, upon petition of the governing body of any special purpose district, may determine that it is in the interest of such special purpose district to raise moneys for the furtherance of any power or function of the special purpose district and order a public hearing to be held upon the question of the issuance of general obligation bonds of the District.

(e) The County is in receipt of a petition from the Hilton Head No. 1 Public Service District Commission (the “**Commission**”), the governing body of District, requesting authorization to issue not exceeding \$23,000,000 of general obligation bonds (the “**Bonds**”) in order to (1) defray the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to

the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“**RO**”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “**Project**”), and (2) pay the costs of issuance of the Bonds.

(f) The Bond proceeds will also provide the requisite matching funds to permit the District to receive approximately \$10,000,000 in grant funding (the “**SCIIP Grant**”) from the South Carolina Rural Infrastructure Administration under the South Carolina Infrastructure Improvement Program. The proceeds of the SCIIP Grant will be used by the District to finance additional improvements to the District’s wastewater system related to the Project.

(g) By action previously taken, the County Council ordered that a public hearing (the “**Public Hearing**”) on the question of the issuance of the Bonds be held on ~~September 25~~[October 9](#), 2023, at 5:00 p.m., and the notice of the Public Hearing was duly published once a week for three successive weeks in *The Beaufort Gazette* and *Island Packet*, newspapers of general circulation in the County.

(h) The Public Hearing has been duly held at the time and date and in the manner set forth above and was conducted publicly. Both proponents and opponents of the proposed action were given full opportunity to be heard and it is now in order for the County Council to proceed, after due deliberation, in accordance with the provisions of the Enabling Act to make a finding as to whether or not the Bonds should be issued.

(i) The County Council finds that it is in the interest of the District to authorize and provide for the issuance and sale of the Bonds of the District pursuant to the aforesaid provisions of the Constitution and laws of the State for the purposes of providing funds for the Project and providing for the costs of issuance of the Bonds.

ARTICLE II – AUTHORIZATIONS

Section 2.01 Authorizations.

(a) It is found and determined that each statement of fact set forth in the preamble of this ordinance (this “**Ordinance**”) is in all respects true and correct.

(b) On the basis of the facts adduced at the Public Hearing, it is found and determined that the Commission is authorized to issue the Bonds.

(c) The County Council finds that the Commission should issue the Bonds in the amount of not exceeding \$23,000,000 as a single issue or from time to time as several separate issues, as the the Commission, in its sole discretion, shall determine. The issuance of the Bonds

is not conditioned upon the holding of a special election and no further action or authorization of the County shall be required as a condition for the issuance of the Bonds.

(d) Notice of the enactment of this Ordinance, as required by Section 6-11-870 of the Enabling Act and in substantially similar form to that attached hereto as Exhibit A, shall be published in both the *Beaufort Gazette* and *Island Packet* for three successive weeks. Such notice, upon the first publication thereof, shall also constitute proper notice of action as authorized by Section 11-27-40(8) of the Code of Law of South Carolina 1976, as amended.

Section 2.02 Ordinance to be Provided to District.

A certified copy of this Ordinance shall forthwith be transmitted to the Commission to advise it of the action taken by the County Council, whereby the Commission has been authorized to issue, pursuant to the provisions of the Enabling Act, the Bonds in the aggregate principal amount of not exceeding \$23,000,000.

Section 2.03 Further Action.

The Chairman and other County officers are herewith authorized and empowered to take such further action as may be necessary to fully implement the action contemplated by this Ordinance.

[Remainder of Page Intentionally Blank]

DONE AT BEAUFORT COUNTY, SOUTH CAROLINA, this ~~25<sup>th</sup>~~9<sup>th</sup> day of ~~September~~  
October 2023.

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COUNTY COUNCIL OF BEAUFORT COUNTY

(SEAL)

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Joe Passiment, Chairman

Attest:

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Sarah W. Brock, Clerk  
County Council of Beaufort County

First Reading: ~~August 28~~September 11, 2023  
Second Reading: September ~~11~~25, 2023  
Public Hearing: ~~September 25~~October 9, 2023  
Third Reading: ~~September 25~~October 9, 2023

## EXHIBIT A

### NOTICE OF ACTION

Notice is hereby given pursuant to the provisions of Sections 6-11-870 and 11-27-40(8) of the Code of Laws of South Carolina 1976, as amended (together, the “Authorizing Acts”), as follows:

Following a public hearing held ~~September 25~~October 9, 2023, the County Council of Beaufort County (the “County Council”), the governing body of Beaufort County, South Carolina, enacted that certain ordinance, entitled “AN ORDINANCE AUTHORIZING THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$23,000,000 OF GENERAL OBLIGATION BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO” on ~~September 25~~October 9, 2023 (the “Ordinance”).

Hilton Head No. 1 Public Service District, South Carolina (the “District”), a special purpose district established in Beaufort County, as a body politic and corporate pursuant to the provisions of Act No. 596 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended, has been authorized by the provisions of the Ordinance to issue not exceeding \$23,00,000 in aggregate principal amount of general obligation bonds of the District (the “Bonds”) as a single issue or from time to time as several separate issues, in order to (1) defray the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system, and (2) pay the costs of issuance of the Bonds.

For the payment of the principal of and interest on the Bonds as they respectively mature, and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the District will be irrevocably pledged, and there will be levied annually a tax without limit on all taxable property within the area of the District sufficient to pay the principal of and interest on the Bonds as they respectively mature, and to create such sinking fund therefor.

No election has been ordered in the District upon the question of the issuance of the Bonds.

Any persons affected by the action aforesaid of the County Council may object to the Ordinance and challenge the action of the County Council by following the procedures provided in the Authorizing Acts.

COUNTY COUNCIL OF BEAUFORT COUNTY



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AN ORDINANCE AUTHORIZING THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$23,000,000 OF GENERAL OBLIGATION BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO

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AUTHORIZING ORDINANCE

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October 9, 2023

**BE IT ORDAINED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, AS FOLLOWS:**

ARTICLE I – FINDINGS

Section 1.01 Findings of Fact.

The County Council of Beaufort County (the “*County Council*”), the governing body of Beaufort County, South Carolina (the “*County*”), hereby finds and determines:

(a) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the “*Constitution*”), provides that special purpose districts may incur general obligation bonded indebtedness upon such terms and conditions as the General Assembly may prescribe by general law, subject to the following limitations: (i) such debt must be incurred only for a purpose which is a public purpose and a corporate purpose, and (ii) unless excepted therefrom, such debt may be issued in an amount not exceeding 8% of the assessed value of all taxable property of such special purpose district (the “*Bonded Debt Limit*”).

(b) Pursuant to Title 6, Chapter 11, Article 5 of the Code of Laws of South Carolina 1976, as amended (the “*Enabling Act*”), the governing body of any county in the State of South Carolina (the “*State*”) may authorize the issuance of general obligation bonds by special purpose districts located within its bounds to defray the cost of any authorized purpose and for any amount not exceeding such special purpose district’s applicable Bonded Debt Limit..

(c) Hilton Head No. 1 Public Service District, South Carolina (the “*District*”) was created and established as a special purpose district, a body politic and corporate, pursuant to the provisions of Act No. 569 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended. The District is located wholly within the County and is authorized, *inter alia*, (i) to provide water and sewer services, (ii) to acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal, or mixed, or any interest therein, and (iii) to do all other acts and things necessary or convenient to carry out any function or power committed or granted to the District.

(d) Pursuant to Section 6-11-830 of the Enabling Act, the County Council, upon petition of the governing body of any special purpose district, may determine that it is in the interest of such special purpose district to raise moneys for the furtherance of any power or function of the special purpose district and order a public hearing to be held upon the question of the issuance of general obligation bonds of the District.

(e) The County is in receipt of a petition from the Hilton Head No. 1 Public Service District Commission (the “*Commission*”), the governing body of District, requesting authorization to issue not exceeding \$23,000,000 of general obligation bonds (the “*Bonds*”) in order to (1) defray the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements

and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“**RO**”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “**Project**”), and (2) pay the costs of issuance of the Bonds.

(f) The Bond proceeds will also provide the requisite matching funds to permit the District to receive approximately \$10,000,000 in grant funding (the “**SCIIP Grant**”) from the South Carolina Rural Infrastructure Administration under the South Carolina Infrastructure Improvement Program. The proceeds of the SCIIP Grant will be used by the District to finance additional improvements to the District’s wastewater system related to the Project.

(g) By action previously taken, the County Council ordered that a public hearing (the “**Public Hearing**”) on the question of the issuance of the Bonds be held on October 9, 2023, at 5:00 p.m., and the notice of the Public Hearing was duly published once a week for three successive weeks in *The Beaufort Gazette* and *Island Packet*, newspapers of general circulation in the County.

(h) The Public Hearing has been duly held at the time and date and in the manner set forth above and was conducted publicly. Both proponents and opponents of the proposed action were given full opportunity to be heard and it is now in order for the County Council to proceed, after due deliberation, in accordance with the provisions of the Enabling Act to make a finding as to whether or not the Bonds should be issued.

(i) The County Council finds that it is in the interest of the District to authorize and provide for the issuance and sale of the Bonds of the District pursuant to the aforesaid provisions of the Constitution and laws of the State for the purposes of providing funds for the Project and providing for the costs of issuance of the Bonds.

ARTICLE II – AUTHORIZATIONS

Section 2.01 Authorizations.

(a) It is found and determined that each statement of fact set forth in the preamble of this ordinance (this “**Ordinance**”) is in all respects true and correct.

(b) On the basis of the facts adduced at the Public Hearing, it is found and determined that the Commission is authorized to issue the Bonds.

(c) The County Council finds that the Commission should issue the Bonds in the amount of not exceeding \$23,000,000 as a single issue or from time to time as several separate issues, as the the Commission, in its sole discretion, shall determine. The issuance of the Bonds is not conditioned upon the holding of a special election and no further action or authorization of the County shall be required as a condition for the issuance of the Bonds.

(d) Notice of the enactment of this Ordinance, as required by Section 6-11-870 of the Enabling Act and in substantially similar form to that attached hereto as Exhibit A, shall be published in both the *Beaufort Gazette* and *Island Packet* for three successive weeks. Such notice, upon the first publication thereof, shall also constitute proper notice of action as authorized by Section 11-27-40(8) of the Code of Law of South Carolina 1976, as amended.

Section 2.02 Ordinance to be Provided to District.

A certified copy of this Ordinance shall forthwith be transmitted to the Commission to advise it of the action taken by the County Council, whereby the Commission has been authorized to issue, pursuant to the provisions of the Enabling Act, the Bonds in the aggregate principal amount of not exceeding \$23,000,000.

Section 2.03 Further Action.

The Chairman and other County officers are herewith authorized and empowered to take such further action as may be necessary to fully implement the action contemplated by this Ordinance.

[Remainder of Page Intentionally Blank]

DONE AT BEAUFORT COUNTY, SOUTH CAROLINA, this 9<sup>th</sup> day of October 2023.

COUNTY COUNCIL OF BEAUFORT COUNTY

(SEAL)

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Joe Passiment, Chairman

Attest:

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Sarah W. Brock, Clerk  
County Council of Beaufort County

First Reading: September 11, 2023  
Second Reading: September 25, 2023  
Public Hearing: October 9, 2023  
Third Reading: October 9, 2023

**EXHIBIT A****NOTICE OF ACTION**

Notice is hereby given pursuant to the provisions of Sections 6-11-870 and 11-27-40(8) of the Code of Laws of South Carolina 1976, as amended (together, the “Authorizing Acts”), as follows:

Following a public hearing held October 9, 2023, the County Council of Beaufort County (the “County Council”), the governing body of Beaufort County, South Carolina, enacted that certain ordinance, entitled “AN ORDINANCE AUTHORIZING THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$23,000,000 OF GENERAL OBLIGATION BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO” on October 9, 2023 (the “Ordinance”).

Hilton Head No. 1 Public Service District, South Carolina (the “District”), a special purpose district established in Beaufort County, as a body politic and corporate pursuant to the provisions of Act No. 596 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended, has been authorized by the provisions of the Ordinance to issue not exceeding \$23,00,000 in aggregate principal amount of general obligation bonds of the District (the “Bonds”) as a single issue or from time to time as several separate issues, in order to (1) defray the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system, and (2) pay the costs of issuance of the Bonds.

For the payment of the principal of and interest on the Bonds as they respectively mature, and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the District will be irrevocably pledged, and there will be levied annually a tax without limit on all taxable property within the area of the District sufficient to pay the principal of and interest on the Bonds as they respectively mature, and to create such sinking fund therefor.

No election has been ordered in the District upon the question of the issuance of the Bonds.

Any persons affected by the action aforesaid of the County Council may object to the Ordinance and challenge the action of the County Council by following the procedures provided in the Authorizing Acts.

COUNTY COUNCIL OF BEAUFORT COUNTY

## BOND SITUATION SHEET

**Jurisdiction:** Hilton Head No.1 Public Service District, South Carolina (the “District”)

**Amount of Bonds:** Not exceeding \$23,000,000

**Type of Bonds:** General Obligation (GO)

**Purpose:** The District is seeking authorization from Beaufort County Council (“County Council”) to issue general obligation bonds (the “Bonds”) to defray all or a portion of the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “Project”), and the costs of the Bonds.

By way of additional background, some portions of the Project are related to the District’s planned grant funding from South Carolina Rural Infrastructure Administration as part of the South Carolina Infrastructure Improvement Program (SCIIP). Bond funds will be used to make the District’s required grant match.

**Restrictions on Proceeds:** All Bond proceeds are restricted to the purposes described above as set forth in the proposed authorizing ordinance.

**Impact on Millage:** Limited millage impact is expected in connection with the Bonds. The District anticipates structuring new debt service taking into account existing debt service, which, after taking into account the amortization of existing obligations, is not expected to result in a significant millage increase. Additionally, the District may pay some or all of the excess debt service from the revenues of its combined water and sewer utility system. However, the District reserves the



right to levy additional debt service millage as necessary to fund any required debt payments associated with the Bonds.

Procedural Posture: Upon receipt of the petition from the District, the South Carolina Code requires County Council to hold a public hearing on the question of the issuance of the Bonds. Following the hearing, the District requests that County Council enact an ordinance finding whether and to what extent the Bonds should be issued and authorizing the governing body of the District to issue the Bonds.

### **ACTIONS REQUESTED OF COUNTY COUNCIL**

1. Adopt a resolution authorizing a public hearing and notice thereof;
2. Hold a public hearing on the proposed issuance of the Bonds; and
3. Enact an ordinance authorizing the District to issue Bonds in an amount not to exceed \$23,000,000.

### **RECOMMENDATIONS**

1. Consideration by Finance Committee on August 21, 2023
2. Adopt a resolution on September 11, 2023, authorizing a public hearing on October 9, 2023 at 5:00 p.m.
3. County Council to give first reading to the authorizing ordinance on September 11, 2023, second reading on September 25, 2023, and public hearing/third reading on October 9, 2023.

**BOND SITUATION SHEET**

**Jurisdiction:** Hilton Head No.1 Public Service District, South Carolina (the “District”)

**Amount of Bonds:** Not exceeding \$23,000,000

**Type of Bonds:** General Obligation (GO)

**Purpose:** The District is seeking authorization from Beaufort County Council (“County Council”) to issue general obligation bonds (the “Bonds”) to defray all or a portion of the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “Project”), and the costs of the Bonds.

By way of additional background, some portions of the Project are related to the District’s planned grant funding from South Carolina Rural Infrastructure Administration as part of the South Carolina Infrastructure Improvement Program (SCIIP). Bond funds will be used to make the District’s required grant match.

**Restrictions on Proceeds:** All Bond proceeds are restricted to the purposes described above as set forth in the proposed authorizing ordinance.

**Impact on Millage:** Limited millage impact is expected in connection with the Bonds. The District anticipates structuring new debt service taking into account existing debt service, which, after taking into account the amortization of existing obligations, is not expected to result in a significant millage increase. Additionally, the District may pay some or all of the excess debt service from the revenues of its combined water and sewer utility system. However, the District reserves the

right to levy additional debt service millage as necessary to fund any required debt payments associated with the Bonds.

Procedural Posture: Upon receipt of the petition from the District, the South Carolina Code requires County Council to hold a public hearing on the question of the issuance of the Bonds. Following the hearing, the District requests that County Council enact an ordinance finding whether and to what extent the Bonds should be issued and authorizing the governing body of the District to issue the Bonds.

### **ACTIONS REQUESTED OF COUNTY COUNCIL**

1. Adopt a resolution authorizing a public hearing and notice thereof;
2. Hold a public hearing on the proposed issuance of the Bonds; and
3. Enact an ordinance authorizing the District to issue Bonds in an amount not to exceed \$23,000,000.

### **RECOMMENDATIONS**

1. Consideration by Finance Committee on August 21, 2023
2. Adopt a resolution on ~~August 28~~September 11, 2023, authorizing a public hearing on ~~September 25~~October 9, 2023 at 5:00 p.m.
3. County Council to give first reading to the authorizing ordinance on ~~August 28~~September 11, 2023, second reading on September ~~11~~25, 2023, and public hearing/third reading on ~~September 25~~October 9, 2023.



# BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

<b>ITEM TITLE:</b>
RECOMMENDATION OF APPROVAL OF: A RESOLUTION ORDERING A PUBLIC HEARING TO BE HELD ON THE ISSUANCE OF NOT EXCEEDING \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO.
<b>MEETING NAME AND DATE:</b>
Finance, Administration, and Economic Development Committee 8/21/2023
<b>PRESENTER INFORMATION:</b>
Pope Flynn, LLC 15 minutes
<b>ITEM BACKGROUND:</b>
The Hilton Head No.1 Public Service District Commission has determined to seek authorization from the Beaufort County Council to issue general obligation bonds. The Commission requests that, following a public hearing on the matter, the County Council enact the ordinance authorizing the issuance of the bonds. This ordinance authorizing the bond issuance is required pursuant to S.C. Code Section 6-11-860.
<b>PROJECT / ITEM NARRATIVE:</b>
<p>The Hilton Head No.1 Public Service District (HHPSD) has determined to issue bonds to defray the costs of: (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system.</p> <p>By way of additional background, some portions of the Project are related to the District’s planned grant funding from South Carolina Rural Infrastructure Administration as part of the South Carolina Infrastructure Improvement Program (SCIIP). Bond funds will be used to make the District’s required grant match.</p>
<b>FISCAL IMPACT:</b>
Limited millage impact is expected in connection with the bonds. The District anticipates structuring new debt service taking into account existing debt service, which, after taking into account the amortization of existing obligations, is not expected to result in a significant millage increase. Additionally, the District may pay some or all of the excess debt service from the revenues of its combined water and sewer utility system. However, the District, acting through the duly elected members of the Hilton Head No.1 Public Service District Commission, reserves the right to levy additional debt service millage as necessary to fund any required debt payments associated with the bonds.
<b>STAFF RECOMMENDATIONS TO COUNCIL:</b>
Recommend Approval

**OPTIONS FOR COUNCIL MOTION:**

Motion to approve/deny "RECOMMENDATION OF: APPROVAL OF: A RESOLUTION ORDERING A PUBLIC HEARING TO BE HELD ON THE ISSUANCE OF NOT EXCEEDING \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO."

## A RESOLUTION

**ORDERING A PUBLIC HEARING TO BE HELD ON THE ISSUANCE OF NOT EXCEEDING \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO.**

**BE IT RESOLVED**, by the County Council of Beaufort County (the “*County Council*”), which is the governing body of Beaufort County, South Carolina (the “*County*”), in meeting duly assembled:

Section 1      Findings of Fact.

Incident to the adoption of this resolution (this “*Resolution*”), the County Council has made the following findings of fact:

(a) The County Council is empowered by Title 6, Chapter 11, Article 5 of the Code of Laws of South Carolina 1976, as amended (the “*Enabling Act*”), to authorize the governing body of any special purpose district created prior to March 7, 1973, and located in whole or in part within the County to issue general obligation bonds of such special purpose district in order to provide funds to be used in the furtherance of any power or function committed to such special purpose district and in effect on March 7, 1973;

(b) The Hilton Head No. 1 Public Service District, South Carolina (hereinafter called the “*District*”), is a special purpose district located within the County and created prior to March 7, 1973, having been created by Act No. 596 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended, and is authorized, *inter alia*, to acquire and operate such facilities, equipment, and apparatus as shall be required for the provision of water and sewer services within the District and to do all things necessary or convenient to carry out such authority;

(c) The Hilton Head No. 1 Public Service District Commission (the “*Commission*”), the governing body of the District, has petitioned the County Council to hold a public hearing and thereafter authorize the issuance of not exceeding \$23,000,000 of general obligation bonds of the District (the “*Bonds*”) in order to (1) defray the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“*RO*”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other

general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “**Project**”), and (2) pay the costs of issuance of the Bonds.

(d) The Bond proceeds will also provide the requisite matching funds to permit the District to receive approximately \$10,000,000 in grant funding (the “**SCIIP Grant**”) from the South Carolina Rural Infrastructure Administration under the South Carolina Infrastructure Improvement Program. The proceeds of the SCIIP Grant will be used by the District to finance additional improvements to the District’s wastewater system related to the Project.

(e) The County Council is now minded to proceed in accordance with the provisions of the Enabling Act to call for and establish a date for a public hearing to be held on the issuance of the Bonds.

Section 2      Ordering of Public Hearing.

The County Council finds that it may be in the interest of the District to raise moneys for the purpose of providing for the Project, and in that connection hereby orders a public hearing to be held upon the question of the issuance of the Bonds (the “**Public Hearing**”).

Section 3      Time and Place of Hearing.

(a) The Public Hearing shall be held on the question of the issuance of the Bonds in the Beaufort County Council Chambers in the Administration Building of the Beaufort County Government, Robert Smalls Complex, 100 Ribaut Road, Beaufort, SC 29902, on October 9, 2023 at 5:00 p.m. (or as soon thereafter as the agenda permits), and the notice of the Public Hearing in the form attached hereto as Exhibit A shall be published once a week for three successive weeks in Beaufort Gazette and Island Packet, which are newspapers of general circulation in the County. The first such publication shall not be less than 16 days prior to the hearing date.

(b) The Clerk to County Council is hereby authorized to approve changes to the notice of the Public Hearing attached hereto as Exhibit A to conform the same to reflect changes in County Council practices or its meeting schedule.

Section 4      Hearing Shall be Public.

The Public Hearing shall be conducted publicly at the time and place above stated and both proponents and opponents of the proposed issuance of the Bonds shall be given a full opportunity to be heard in person or by counsel.

Section 5      Subsequent Finding and Determination.

Following the Public Hearing, the County Council shall determine whether and to what extent the Bonds should be issued.

Section 6      Further Action.

The Chairman of the County Council and the proper County officials are hereby authorized and empowered to take all necessary action to provide for the holding of the Public Hearing in accordance with the provisions of the Enabling Act.

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DONE AT BEAUFORT, SOUTH CAROLINA, this 11th day of September 2023.

COUNTY COUNCIL OF BEAUFORT COUNTY

(SEAL)

\_\_\_\_\_  
Joe Passiment, Chairman

Attest:

\_\_\_\_\_  
Sarah W. Brock, Clerk  
County Council of Beaufort County

**EXHIBIT A****NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN THAT the County Council of Beaufort County (the “County Council”), which is the governing body of Beaufort County, South Carolina (the “County”), is considering whether the Hilton Head No. 1 Public Service District, South Carolina (the “District”) shall be authorized to issue not exceeding \$23,000,000 aggregate principal amount of general obligation bonds of the District in one or more series (the “Bonds”). On September 11, 2023, the County Council adopted a resolution authorizing the holding of a public hearing on such matter. As required by Section 6-11-840 of the Code of Laws of South Carolina 1976, as amended, you are advised of the following:

1. A public hearing will be held on the issuance of the Bonds in the Beaufort County Council Chambers in the Administration Building of the Beaufort County Government, Robert Smalls Complex, 100 Ribaut Road, Beaufort, SC 29902, on October 9, 2023 at 5:00 p.m., on the question of the issuance of the Bonds.

2. The District has informed the County of its desire to issue the Bonds in an aggregate principal amount not exceeding \$23,000,000 in order in order to (1) defray the costs (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “Project”) and (2) pay the costs of issuance of the Bonds.

3. The Bond proceeds will also provide the requisite matching funds to permit the District to receive approximately \$10,000,000 in grant funding (the “SCIIP Grant”) from the South Carolina Rural Infrastructure Administration under the South Carolina Infrastructure Improvement Program. The proceeds of the SCIIP Grant will be used by the District to finance additional improvements to the District’s wastewater system related to the Project.

3. The District estimates that the costs of the Project (which Project does not include the additional improvements being financed with proceeds of the SCIIP Grant), will not exceed \$23,000,000.

4. For the payment of the principal of and interest on the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the District shall be irrevocably pledged, and there shall be

levied annually on all taxable property in the District ad valorem taxes in an amount sufficient to pay principal and interest on the Bonds as the same fall due.

5. The aforesaid hearing shall be conducted publicly and both proponents and opponents of the proposed action shall be given full opportunity to be heard in person or by counsel. Following the hearing, the County Council shall, by ordinance, make a finding as to whether and to what extent the Bonds should be issued and may thereupon authorize the governing body of the District to issue the Bonds to the extent it shall be found necessary.

COUNTY COUNCIL OF BEAUFORT COUNTY

## A RESOLUTION

**ORDERING A PUBLIC HEARING TO BE HELD ON THE ISSUANCE OF NOT EXCEEDING \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO.**

**BE IT RESOLVED**, by the County Council of Beaufort County (the “*County Council*”), which is the governing body of Beaufort County, South Carolina (the “*County*”), in meeting duly assembled:

Section 1      Findings of Fact.

Incident to the adoption of this resolution (this “*Resolution*”), the County Council has made the following findings of fact:

(a)      The County Council is empowered by Title 6, Chapter 11, Article 5 of the Code of Laws of South Carolina 1976, as amended (the “*Enabling Act*”), to authorize the governing body of any special purpose district created prior to March 7, 1973, and located in whole or in part within the County to issue general obligation bonds of such special purpose district in order to provide funds to be used in the furtherance of any power or function committed to such special purpose district and in effect on March 7, 1973;

(b)      The Hilton Head No. 1 Public Service District, South Carolina (hereinafter called the “*District*”), is a special purpose district located within the County and created prior to March 7, 1973, having been created by Act No. 596 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended, and is authorized, *inter alia*, to acquire and operate such facilities, equipment, and apparatus as shall be required for the provision of water and sewer services within the District and to do all things necessary or convenient to carry out such authority;

(c)      The Hilton Head No. 1 Public Service District Commission (the “*Commission*”), the governing body of the District, has petitioned the County Council to hold a public hearing and thereafter authorize the issuance of not exceeding \$23,000,000 of general obligation bonds of the District (the “*Bonds*”) in order to (1) defray the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“*RO*”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other

general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “**Project**”), and (2) pay the costs of issuance of the Bonds.

(d) The Bond proceeds will also provide the requisite matching funds to permit the District to receive approximately \$10,000,000 in grant funding (the “**SCIIP Grant**”) from the South Carolina Rural Infrastructure Administration under the South Carolina Infrastructure Improvement Program. The proceeds of the SCIIP Grant will be used by the District to finance additional improvements to the District’s wastewater system related to the Project.

(e) The County Council is now minded to proceed in accordance with the provisions of the Enabling Act to call for and establish a date for a public hearing to be held on the issuance of the Bonds.

#### Section 2      Ordering of Public Hearing.

The County Council finds that it may be in the interest of the District to raise moneys for the purpose of providing for the Project, and in that connection hereby orders a public hearing to be held upon the question of the issuance of the Bonds (the “**Public Hearing**”).

#### Section 3      Time and Place of Hearing.

(a) The Public Hearing shall be held on the question of the issuance of the Bonds in the Beaufort County Council Chambers in the Administration Building of the Beaufort County Government, Robert Smalls Complex, 100 Ribaut Road, Beaufort, SC 29902, on ~~September 25~~ October 9, 2023 at 5:00 p.m. (or as soon thereafter as the agenda permits), and the notice of the Public Hearing in the form attached hereto as Exhibit A shall be published once a week for three successive weeks in Beaufort Gazette and Island Packet, which are newspapers of general circulation in the County. The first such publication shall not be less than 16 days prior to the hearing date.

(b) The Clerk to County Council is hereby authorized to approve changes to the notice of the Public Hearing attached hereto as Exhibit A to conform the same to reflect changes in County Council practices or its meeting schedule.

#### Section 4      Hearing Shall be Public.

The Public Hearing shall be conducted publicly at the time and place above stated and both proponents and opponents of the proposed issuance of the Bonds shall be given a full opportunity to be heard in person or by counsel.

#### Section 5      Subsequent Finding and Determination.

Following the Public Hearing, the County Council shall determine whether and to what extent the Bonds should be issued.

Section 6      Further Action.

The Chairman of the County Council and the proper County officials are hereby authorized and empowered to take all necessary action to provide for the holding of the Public Hearing in accordance with the provisions of the Enabling Act.

[Remainder of Page Intentionally Blank]

DONE AT BEAUFORT, SOUTH CAROLINA, this ~~28th~~11th day of ~~August~~September 2023.

COUNTY COUNCIL OF BEAUFORT COUNTY

(SEAL)

\_\_\_\_\_  
Joe Passiment, Chairman

Attest:

\_\_\_\_\_  
Sarah W. Brock, Clerk  
County Council of Beaufort County

## EXHIBIT A

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT the County Council of Beaufort County (the “County Council”), which is the governing body of Beaufort County, South Carolina (the “County”), is considering whether the Hilton Head No. 1 Public Service District, South Carolina (the “District”) shall be authorized to issue not exceeding \$23,000,000 aggregate principal amount of general obligation bonds of the District in one or more series (the “Bonds”). On ~~August 28~~September 11, 2023, the County Council adopted a resolution authorizing the holding of a public hearing on such matter. As required by Section 6-11-840 of the Code of Laws of South Carolina 1976, as amended, you are advised of the following:

1. A public hearing will be held on the issuance of the Bonds in the Beaufort County Council Chambers in the Administration Building of the Beaufort County Government, Robert Smalls Complex, 100 Ribaut Road, Beaufort, SC 29902, on ~~September 25~~October 9, 2023 at 5:00 p.m., on the question of the issuance of the Bonds.

2. The District has informed the County of its desire to issue the Bonds in an aggregate principal amount not exceeding \$23,000,000 in order in order to (1) defray the costs (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “Project”) and (2) pay the costs of issuance of the Bonds.

3. The Bond proceeds will also provide the requisite matching funds to permit the District to receive approximately \$10,000,000 in grant funding (the “SCIIP Grant”) from the South Carolina Rural Infrastructure Administration under the South Carolina Infrastructure Improvement Program. The proceeds of the SCIIP Grant will be used by the District to finance additional improvements to the District’s wastewater system related to the Project.

3. The District estimates that the costs of the Project (which Project does not include the additional improvements being financed with proceeds of the SCIIP Grant), will not exceed \$23,000,000.

4. For the payment of the principal of and interest on the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the District shall be irrevocably pledged, and there shall be



levied annually on all taxable property in the District ad valorem taxes in an amount sufficient to pay principal and interest on the Bonds as the same fall due.

5. The aforesaid hearing shall be conducted publicly and both proponents and opponents of the proposed action shall be given full opportunity to be heard in person or by counsel. Following the hearing, the County Council shall, by ordinance, make a finding as to whether and to what extent the Bonds should be issued and may thereupon authorize the governing body of the District to issue the Bonds to the extent it shall be found necessary.

COUNTY COUNCIL OF BEAUFORT COUNTY

**BOND SITUATION SHEET**

Jurisdiction: Hilton Head No.1 Public Service District, South Carolina (the “District”)

Amount of Bonds: Not exceeding \$23,000,000

Type of Bonds: General Obligation (GO)

Purpose: The District is seeking authorization from Beaufort County Council (“County Council”) to issue general obligation bonds (the “Bonds”) to defray all or a portion of the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “Project”), and the costs of the Bonds.

By way of additional background, some portions of the Project are related to the District’s planned grant funding from South Carolina Rural Infrastructure Administration as part of the South Carolina Infrastructure Improvement Program (SCIIP). Bond funds will be used to make the District’s required grant match.

Restrictions on Proceeds: All Bond proceeds are restricted to the purposes described above as set forth in the proposed authorizing ordinance.

Impact on Millage: Limited millage impact is expected in connection with the Bonds. The District anticipates structuring new debt service taking into account existing debt service, which, after taking into account the amortization of existing obligations, is not expected to result in a significant millage increase. Additionally, the District may pay some or all of the excess debt service from the revenues of its combined water and sewer utility system. However, the District reserves the

right to levy additional debt service millage as necessary to fund any required debt payments associated with the Bonds.

Procedural Posture: Upon receipt of the petition from the District, the South Carolina Code requires County Council to hold a public hearing on the question of the issuance of the Bonds. Following the hearing, the District requests that County Council enact an ordinance finding whether and to what extent the Bonds should be issued and authorizing the governing body of the District to issue the Bonds.

### **ACTIONS REQUESTED OF COUNTY COUNCIL**

1. Adopt a resolution authorizing a public hearing and notice thereof;
2. Hold a public hearing on the proposed issuance of the Bonds; and
3. Enact an ordinance authorizing the District to issue Bonds in an amount not to exceed \$23,000,000.

### **RECOMMENDATIONS**

1. Consideration by Finance Committee on August 21, 2023
2. Adopt a resolution on September 11, 2023, authorizing a public hearing on October 9, 2023 at 5:00 p.m.
3. County Council to give first reading to the authorizing ordinance on September 11, 2023, second reading on September 25, 2023, and public hearing/third reading on October 9, 2023.

## BOND SITUATION SHEET

**Jurisdiction:** Hilton Head No.1 Public Service District, South Carolina (the “District”)

**Amount of Bonds:** Not exceeding \$23,000,000

**Type of Bonds:** General Obligation (GO)

**Purpose:** The District is seeking authorization from Beaufort County Council (“County Council”) to issue general obligation bonds (the “Bonds”) to defray all or a portion of the costs of (i) improvements and/or repairs to the wastewater system, including (A) replacement of three screw pumps, (B) the purchase of on-site chemical generation equipment, (C) upgrades to the lift stations, including tank, pump and site upgrades, (D) construction of a sludge building and warehouse building, and (E) the construction of back-up to the band screen, and (ii) improvements and/or repairs to the waterworks system, including (A) the construction of an aquifer storage and recovery system and expansion of the District’s reverse osmosis (“RO”) plant, (B) purchase of on-site chemical generation equipment, (C) purchase of a generator for the RO plant; and (D) acquiring additional wholesale water capacity from Beaufort-Jasper Water and Sewer Authority, (iii) design and engineering costs related to the U.S. Highway 278 bridge relocation project, and (iv) other general improvements, repairs and expansion to the District’s water and sewer system (collectively, to the extent financed with proceeds of the Bonds, the “Project”), and the costs of the Bonds.

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2. Adopt a resolution on ~~August 28~~September 11, 2023, authorizing a public hearing on ~~September 25~~October 9, 2023 at 5:00 p.m.
3. County Council to give first reading to the authorizing ordinance on ~~August 28~~September 11, 2023, second reading on September ~~11~~25, 2023, and public hearing/third reading on ~~September 25~~October 9, 2023.




# General Obligation Bonds

August 2023

1



**Water Production**   **Water Treatment**   **Water Distribution**   **Sanitary Sewer Collection**   **Wastewater Treatment**   **Recycled Water Distribution**



Hilton Head PSD is a South Carolina special purpose district. It is governed by a seven-member Board of Commissioners. The Commissioners are elected during the general election cycle from voting districts comprising the PSD service area.

2

## S.C. Infrastructure Investment Program (SCIIP) Grant Projects

PSD received a \$10-million SCIIP Grant for two long-term water supply projects:

- Expansion of the PSD's Reverse Osmosis (RO) Drinking Water Treatment Plant capacity
- Construction of a second Aquifer Storage & Recovery (ASR) well

The projects were estimated at \$17 million total in summer '22.

Local match is required to complete the projects.

---

3

## Need for the S.C. Infrastructure Investment Program (SCIIP) Projects



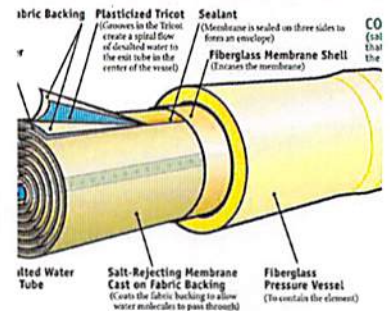
4

# RO PLANT EXPANSION

- Membrane filtration of brackish groundwater (Middle Floridan Aquifer)
- Expand treatment capacity from 4 mgd to 6 mgd
- Add emergency power generator



Diagram: Osmosis Membrane Element inside a Press



5

5

# RO Plant Expansion

Construct fourth Middle Floridan Aquifer brackish water production well necessary to add 2 mgd of RO Plant capacity.

Town of HHI providing site at Old Welcome Center parcel.



6



# Aquifer Storage & Recovery (ASR) Well #2

Add a second ASR well for the PSD's water supply system.

Town of HHI providing site at Ashmore Tract.



7

**ASR** stores treated drinking water in the brackish aquifer during the winter months of lower demand, and then withdraws and retreats the water for distribution in the summer months of higher demand.

Yields 2 mgd of supply in summer

Key for disaster recovery

ASR Well = 260 mg ↓



Ground Storage Tank = 2 mg

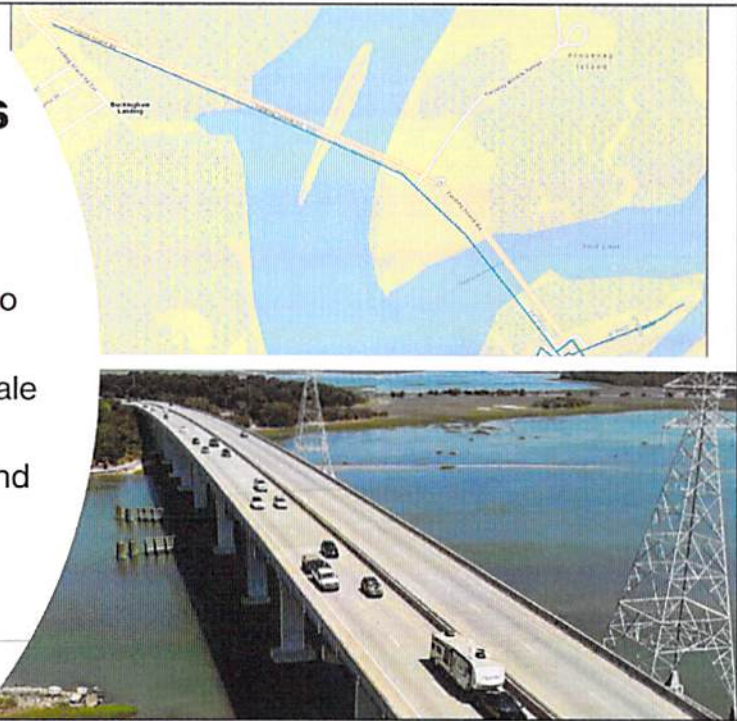


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## Additional Projects for GO Bonds

- Local funding for wholesale water pipeline relocation due to U.S. 278 Corridor project
- Purchase of additional wholesale water capacity
- Wastewater treatment plant and collection system upgrades



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## Project Funding

- Limited millage impact is expected in connection with the Bonds. The District anticipates structuring new debt service taking into account existing debt service.
- Actual FY 2024 PSD total millage: 7.1 (3 mills - Operations; 4.1 mills - Debt)
- Estimated FY 2025 PSD total millage (including borrowing): 8.1 mills (3 mills - Operations; 5.1 - Debt)
- Actual FY 2024 PSD taxes on a primary home valued at \$100,000.00 = \$28.40
- Estimated FY 2025 PSD taxes = \$32.40

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**Thank you**

Questions?

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**1. Design Review Board**

- RECOMMEND APPROVAL OF THE APPOINTMENT OF KRIS FELDMANN TO THE DESIGN REVIEW BOARD FOR A PARTIAL TERM WITH THE EXPIRATION DATE OF FEBRUARY 2024
- RECOMMEND APPROVAL OF THE APPOINTMENT OF ERIC WALSNOVICH TO THE DESIGN REVIEW BOARD FOR A FOUR-YEAR TERM WITH THE EXPIRATION DATE OF AUGUST 2027
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**2. Airports Board**

- RECOMMEND APPROVAL OF THE APPOINTMENT OF JAMES STARNES TO THE AIRPORTS BOARD FOR A TWO-YEAR TERM WITH THE EXPIRATION DATE OF AUGUST 2025
- RECOMMEND APPROVAL OF THE APPOINTMENT OF RICH SELLS TO THE AIRPORTS BOARD FOR A TWO-YEAR TERM WITH THE EXPIRATION DATE OF AUGUST 2025

**3. Planning Commission**

- RECOMMEND APPROVAL OF THE APPOINTMENT OF EUGENE MEYERS TO THE PLANNING COMMISSION FOR A PARTIAL TERM WITH THE EXPIRATION DATE OF FEBRUARY 2025