

COUNTY COUNCIL OF BEAUFORT COUNTY
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
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D. PAUL SOMMERVILLE
CHAIRMAN

GERALD W. STEWART
VICE CHAIRMAN

COUNCIL MEMBERS

RICK CAPORALE
MICHAEL E. COVERT
GERALD DAWSON
BRIAN E. FLEWELLING
STEVEN G. FOBES
YORK GLOVER, SR.
ALICE G. HOWARD
STEWART H. RODMAN
ROBERTS "TABOR" VAUX

GARY T. KUBIC
COUNTY ADMINISTRATOR

JOSHUA A. GRUBER
DEPUTY COUNTY ADMINISTRATOR
SPECIAL COUNSEL

THOMAS J. KEAVENY, II
COUNTY ATTORNEY

ASHLEY M. BENNETT
CLERK TO COUNCIL

AGENDA
COUNTY COUNCIL OF BEAUFORT COUNTY
REGULAR SESSION

Monday, May 8, 2017
6:00 p.m.

Council Chambers, Administration Building
Beaufort County Government Robert Smalls Complex
100 Ribaut Road, Beaufort

1. CALL TO ORDER - 6:00 P.M.
2. REGULAR SESSION
3. PLEDGE OF ALLEGIANCE
4. INVOCATION – Council Chairman D. Paul Sommerville
5. PROCLAMATION
 - A. Sun City Lions Club Okatie 20th Anniversary
6. ADMINISTRATIVE CONSENT AGENDA
 - A. Approval of Minutes
 1. April 24, 2017 Caucus ([backup](#))
 2. April 24, 2017 Regular Session ([backup](#))
 - B. Committee Reports (next meeting)
 1. Community Services (May 22 at 3:00 p.m., Bluffton Branch Library)
 2. Executive (June 12 at 3:00 p.m., ECR)
 3. Finance (May 15 at 1:00 p.m., ECR)
 - a. Minutes – May 1, 2017 ([backup](#))
 - b. Minutes – April 24, 2017 ([backup](#))
 4. Governmental (June 5 at 4:00 p.m., ECR)
 5. Natural Resources (May 15 at 2:00 p.m., ECR)
 6. Public Facilities (May 15 at 4:00 p.m., ECR)
 - C. Appointments to Boards and Commissions ([backup](#))
7. PUBLIC COMMENT – Speaker sign-up encouraged no later than 5:45 p.m. day of meeting.



8. NEW BUSINESS

A. TERMINATION OF FRINGE BENEFITS FOR PART-TIME MAGISTRATES

9. CONSENT AGENDA

A. AN ORDINANCE AUTHORIZING THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, TO ISSUE GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT EXCEEDING \$5,500,000, SUBJECT TO A SUCCESSFUL REFERENDUM IN THIS DISTRICT; AND OTHER MATTERS RELATING THERETO (FRIPP ISLAND PUBLIC SERVICE DISTRICT) ([backup](#))

1. Consideration of second reading to occur May 8, 2017
2. Public hearing – Monday, June 12, 2017 beginning at 6:30 p.m. in Council Chambers, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort
3. First reading approval occurred April 24, 2017 / Vote 10:0
4. Finance Committee discussion and recommendation to approve ordinance on first reading occurred April 24, 2017 / Vote 6:0

B. AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE TOTAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$8,000,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO ([backup](#))

1. Consideration of second reading to occur May 8, 2017
2. Public hearing – Monday, May 22, 2017 beginning at 6:30 p.m. in the large meeting room of the Bluffton Branch Library, 120 Palmetto Way, Bluffton
3. First reading approval occurred April 24, 2017 / Vote 10:0
4. Finance Committee discussion and recommendation to approve ordinance on first reading occurred April 24, 2017 / Vote 6:0

C. FISCAL YEAR 2017 – 2018 COUNTY BUDGET PROPOSAL ([backup](#))

1. Consideration of first reading, by title only, to occur on May 8, 2017
2. Public hearings:
 - a. Monday, May 22, 2017 beginning at 6:30 p.m., in the large meeting room of the Bluffton Branch Library, 120 Palmetto Way, Bluffton (1 of 2)
 - b. Monday, June 12, 2017 beginning at 6:30 p.m., in Council Chambers of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort (2 of 2)
3. Finance Committee discussion occurred May 1, 2017
4. Finance Committee discussion occurred April 24, 2017
5. Strategic Planning Session discussion occurred February 10, 2017

D. FISCAL YEAR 2017 – 2018 SCHOOL DISTRICT BUDGET PROPOSAL ([backup](#))

1. Consideration of first reading, by title only, to occur on May 8, 2017
2. Public hearings:
 - a. Monday, May 22, 2017 beginning at 6:30 p.m., in the large meeting room of the Bluffton Branch Library, 120 Palmetto Way, Bluffton (1 of 2)
 - b. Monday, June 12, 2017 beginning at 6: 30 p.m., in Council Chambers of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort (2 of 2)
3. Finance Committee discussion occurred May 1, 2017
4. Finance Committee discussion occurred April 10, 2017

10. PUBLIC HEARINGS

A. AN ORDINANCE RE COGNIZING BEAUFORT COUNTY SHERIFF'S REQUEST FOR \$30,000 FOR COSTS ASSOCIATED WITH TRAFFIC CONTROL DURING 2017 MCAS BEAUFORT AIR SHOW AND APPROPRIATING \$15,000 FROM THE STATE 2% ACCOMMODATIONS TAX FUND TO COVER SUCH COSTS ([backup](#))

1. Consideration of third and final reading to occur May 8, 2017
2. Second reading approval occurred April 24, 2017 / Vote 10:0
3. First reading approval occurred April 10, 2017 / Vote 10:0
4. Finance Committee discussion and recommendation to approve ordinance on first reading occurred April 3, 2017 / Vote 7:0

B. AN ORDINANCE AUTHORIZING THE OPERATION OF GOLF CARTS AT NIGHT ON DAUFUSKIE ISLAND ([backup](#))

1. Consideration of third and final reading to occur May 8, 2017
2. Second reading approval occurred April 24, 2017 / Vote 10:0
3. Public Facilities Committee discussion and recommendation to approve ordinance on second reading occurred April 17, 2017 / Vote 6:0
4. At the March 27, 2017 meeting, Council removed this item from the consent agenda (consideration of second reading) in order to allow additional discussion and recommendation by the Public Facilities Committee
5. Public Facilities Committee discussion occurred March 27, 2017
6. First reading, by title only, approval occurred March 13, 2017 / Vote 10:0
7. Public Facilities Committee discussion and recommendation to approve ordinance on first reading occurred March 6, 2017 / Vote 7:0
8. Public Facilities Committee Workshop discussion occurred January 30, 2017
9. Public Facilities Committee Workshop discussion occurred December 13, 2016
10. Public Facilities Committee discussion occurred September 19, 2016

C. AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$35,000,000 TAXABLE OR TAX-EXEMPT, OR BOTH, GENERAL OBLIGATION BOND ANTICIPATION NOTE(S), IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS , OF BEAUFORT COUNTY, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE NOTE(S); AUTHORIZING THE COUNTY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS RELATING TO THE NOTE(S); PROVIDING FOR THE PAYMENT OF THE NOTE(S) AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO ([backup](#))

1. Consideration of third and final reading to occur May 8, 2017
2. Second reading occurred approval April 24, 2017 / Vote 10:0
3. First reading, by title only, approval occurred April 10, 2017 / Vote 10:0
4. Finance Committee discussion occurred April 3, 2017

11. MATTERS ARISING OUT OF EXECUTIVE SESSION

12. PUBLIC COMMENT - Speaker sign-up encouraged.

13. ADJOURNMENT

Official Proceedings
County Council of Beaufort County
April 24, 2017

The electronic and print media duly notified in
accordance with the State Freedom of Information Act.

A caucus of the County Council of Beaufort County was held Monday, April 24, 2017 beginning at 5:00 p.m. in the Executive Conference Room of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman D. Paul Sommerville, Vice Chairman Gerald Stewart and Councilmen Michael Covert, Gerald Dawson, Brian Flewelling, Steven Fobes, York Glover, Alice Howard, Stewart Rodman and Roberts "Tabor" Vaux. Councilman Rick Caporale absent.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Fobes, seconded by Mr. Flewelling, that Council go immediately into executive session regarding (1) receipt of legal advice relating to pending and threatened claims – St. James Baptist Church and (2) discussion of employment of a person regulated by County Council. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

EXECUTIVE SESSION

RECONVENE OF CAUCUS

STATUS OF HURRICANE MATTHEW RECOVERY PROCESS

Mr. Eric Larson, Division Director–Environmental Engineering and Land Management, provided a briefing on the status of Hurricane Matthew recovery process. The update included information on road debris, stormwater infrastructure related debris, marine debris, individual assistance, and flyover bridge slope erosion. All information relative to the Hurricane Matthew Recovery process is available on the Disaster Recovery Website at www.beaufortcountedisasterrecovery.net.

RECEIPT OF COUNTY ADMINISTRATOR’S TWO-WEEK PROGRESS REPORT

Mr. Tom Keaveny, County Attorney, provided an update on the lawsuit of *Steve Craig Molloy vs. Beaufort County, et al.*

Council accepted the County Administrator’s Progress Report.

RECEIPT OF DEPUTY COUNTY ADMINISTRATOR / SPECIAL COUNSEL’S TWO-WEEK PROGRESS REPORT

Council accepted the Deputy County Administrator/Special Counsel’s Progress Report.

DISCUSSION OF CONSENT AGENDA

Chairman Paul Sommerville asked if any members of Council would like to pull any items from the Consent Agenda for discussion or separate vote.

Mr. Rodman requested the removal of Item 9F, an ordinance regulating the operations of golf carts on Daufuskie Island. He distributed an email from Sheriff Tanner regarding safety equipment on golf carts. His position is that headlights, taillights, seat belts, turn signal, and brake lights must be required.

Mr. Flewelling requested the removal of Item 9C, an ordinance authorizing the issuance and sale of General Obligation Refunding Bonds, in one or more series, with appropriate series designations, of Beaufort County, South Carolina, in the total principal amount of not exceeding \$17,500,000; fixing the form and details bonds, and authorizing the County Administrator or his lawfully authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto. At the April 24, 2017 Finance Committee meeting, the main motion was amended to only include series 2007 bonds in an amount, not to exceed, \$6,715,816.67. Further, this amendment would carry forward to County Council.

ADJOURNMENT

Council adjourned at 6:00 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

ATTEST

Ashley M. Bennett, Clerk to Council
Ratified:

Official Proceedings
County Council of Beaufort County
April 24, 2017

The electronic and print media duly notified in
accordance with the State Freedom of Information Act.

The regular session of the County Council of Beaufort County was held Monday, April 24, 2017 beginning at 6:00 p.m. in Council Chambers of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman D. Paul Sommerville, Vice Chairman Gerald Stewart and Councilmen Michael Covert, Gerald Dawson, Brian Flewelling, Steven Fobes, York Glover, Alice Howard, Stewart Rodman and Roberts "Tabor" Vaux. Councilman Rick Caporale absent.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance.

INVOCATION

Council member Gerald Dawson gave the Invocation.

RECOGNITION

South Carolina Emergency Medical Services Network / 2016 Paramedic Educator of the Year Award / Karen Morris, Training Officer, Beaufort County EMS

Chairman Sommerville recognized Beaufort County Emergency Medical Services Training Officer, Karen Morris, the recipient of the South Carolina EMS Network, 2016 "Jack Niles" Educator of the Year Award. Ms. Morris accepted the award at the South Carolina EMS Symposium held on March 11, 2017 in Myrtle Beach, South Carolina.

ADMINISTRATIVE CONSENT AGENDA

Review of the Proceedings of the Caucus held March 27, 2017

This item comes before Council under the Administrative Consent Agenda.

It was moved by Mr. Flewelling seconded by Mr. Dawson, that Council approve the minutes of the caucus held March 27, 2017. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

Review of the Proceedings of the Caucus held April 10, 2017

This item comes before Council under the Administrative Consent Agenda.

It was moved by Mr. Flewelling seconded by Mr. Dawson, that Council approve the minutes of the caucus held April 10, 2017. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

Review of the Proceedings of the Regular Session held April 10, 2017

This item comes before Council under the Administrative Consent Agenda.

It was moved by Mr. Flewelling seconded by Mr. Dawson, that Council approve the minutes of the regular session held April 10, 2017. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

Committee Reports

Governmental Committee

Bluffton Township Fire District Board

Louis Poindexter

The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. Mr. Louis Poindexter, representing Council District 6, garnered the six votes required for appointment to serve as a member of the Bluffton Township Fire District Board.

Natural Resources Committee

Rural and Critical Lands Preservation Board

Natural Resources Committee nominated Mr. Edward Riley, representing Council District 5, for reappointment to serve as a member of the Rural and Critical Lands Preservation Board.

Natural Resources Committee nominated Mr. Terry Hill, representing Council District 6, for appointment to serve as a member of the Rural and Critical Lands Preservation Board.

Southern Beaufort County Corridor Beautification Board

Natural Resources Committee nominated Mr. Stephen Brown, representing Council District 7, for appointment to serve as a member of the Southern Beaufort County Corridor Beautification Board.

Public Facilities Committee

Public Facilities Committee Chairman Stu Rodman informed Council of administration's creative approach as it relates to the Daufuskie Island Park Trail and Amenities construction. At the April 17, 2017 Public Facilities Committee, administration informed the Committee that the risks and responsibilities of the project have been shifted to the contractor, Mr. Chuck Hunter. No bond will be required. Once the project is complete, and the County accepts it, Mr. Hunter will receive reimbursement for the work performed.

Mr. Vaux informed Council that Mr. Kubic, Mr. Keaveny, and he met with the Daufuskie Island Council. The residents and the Daufuskie Island Council are supportive of the County's approach regarding both the restrooms and lease renewal with Marshside Mama. They are concerned with the debris site on Daufuskie Island, situated next to the Daufuskie Island Park. There is the possibility of converting it into a ballfield of sorts, which is lacking on Daufuskie Island. In addition, they support both the extension of the Bailey Bill to Daufuskie Island and golf cart ordinance as approved by the Public Facilities Committee on April 17, 2017.

PUBLIC COMMENT

Mr. Byron Heyward, a Beaufort resident, spoke of the safety concerns relative to the lack of sidewalks on Old Salem Road.

Mr. Jim Beckert, County Auditor, renewed his request for a copy of the 2016 tax print file from South Data (the vendor used to produce the 2016 real and personal property tax bill), and requested this topic taken up at the Committee level to discuss the changes made to the Auditor's duplicate and to discuss accounts removed from Auditor's duplicate.

NEW BUSINESS

Presentation / Fiscal Year 2016 Comprehensive Annual Financial Report

Mr. Sommerville announced a delay in the presentation to the May 8, 2017 meeting of Council.

ITEM REMOVED FROM CONSENT AGENDA

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE TOTAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$17,500,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO

Mr. Flewelling removed this item from the consent agenda due to this ordinance being amended at the April 24, 2017 Finance Committee meeting to recommend Council move forward with only refunding series 2007 bonds in an amount, not to exceed, \$6,715,816.67. The ordinance before Council includes the motion to amend by substitution, as approved by the Finance Committee.

It was moved by Mr. Flewelling, seconded by Mr. Fobes, that Council approve on first reading an ordinance authorizing the issuance and sale of General Obligation Bonds, Series 2007, of Beaufort County, South Carolina, in the total principal amount of not exceeding \$6,715,816.67; fixing the form and details of the bonds; authorizing the County Administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

AN ORDINANCE AUTHORIZING THE OPERATION OF GOLF CARTS AT NIGHT ON DAUFUSKIE ISLAND

Mr. Rodman removed this item from the consent agenda. The ordinance approved at the April 17, 2017 Public Facilities Committee would allow night time use of golf carts on Daufuskie Island, subsequent to having working headlights and rear lights which follow the requirements of State statute. He referenced an email from Sheriff P. J. Tanner regarding safety equipment on golf carts. In the email, Sheriff Tanner's position is that headlights, taillights, seat belts, turn signals, and brake lights must be required. The primary concerns noted by Mr. Rodman were the requirements of seat belts and child restraints.

Main motion: It was moved by Mr. Rodman, as Public Facilities Committee Chairman, no second required, that Council approve on second reading an ordinance authorizing the operation of golf carts at night on Daufuskie Island.

Motion to amend by addition: It was moved by Mr. Rodman, seconded by Mr. Covert, that Council amend the ordinance to include the requirement of seat belts and child restraint capability.

Mr. Rodman mentioned fatalities in Sun City involving individuals falling out of golf carts. He feels Council should be sensitive to the Sheriff's recommendation.

Mr. Covert stated if you save one life from the use of a seat belt, the magnitude is great. In the name of safety, he agrees with the motion to amend.

Vote on motion to amend by addition: The vote: YEAS – Mr. Covert, Mr. Flewelling, Mr. Glover, Mrs. Howard, Mr. Rodman and Mr. Stewart. NAYS – Mr. Dawson, Mr. Fobes, Mr. Sommerville and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

Mr. Vaux stated his concern regarding the lack of defined time for individuals to become compliant. Every golf cart on the Island will need to be retrofitted. In addition, we cannot make a requirement for daytime use.

Mr. Rodman feels a 90-day compliance period reasonable.

Mr. Vaux stated Bloody Point leases their golf carts and prohibits modifications. A 90-day compliance period is insufficient. Council should not require the use of seat belts since they are not required on school buses. The wearing of helmets is not required on motorcycles nor is there a minimum passenger age.

Mr. Fobes feels Council has complicated things inordinately. The first discussion occurred in September 2016.

Mr. Vaux stated the Public Facilities Committee approved this item last week. Since that meeting, additional information has not come forward. We are complicating this issue.

Motion to postpone: It was moved by Mr. Rodman, seconded by Mr. Glover, that Council postpone the motion until the May 8, 2017 County Council meeting. The motion was withdrawn by the maker of the motion, Mr. Rodman, and the seconder, Mr. Glover.

Mr. Sommerville feels the motion to postpone a bad idea. If additional discussion is needed, it should occur at the committee level. That type of discussion is not for the regular session of County Council.

Motion to reconsider the motion to amend by addition: It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council reconsider the motion to amend by addition (to include the requirement of seat belts and child restraint capability). The vote: YEAS – Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mrs. Howard, Mr. Sommerville, Mr. Stewart and Mr. Vaux. NAYS – Mr. Covert, Mr. Glover, and Mr. Rodman. ABSENT – Mr. Caporale. The motion passed which rescinds the motion to amend by addition.

Main motion: Council approve on second reading an ordinance authorizing the operation of golf carts at night on Daufuskie Island. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

The Chairman announced a public hearing on Monday, May 8, 2017 beginning at 6:30 p.m. in Council Chambers, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

CONSENT AGENDA

A RESOLUTION CALLING FOR A PUBLIC HEARING TO BE HELD UPON THE QUESTION OF THE ISSUANCE OF NOT EXCEEDING \$5,500,000 OF GENERAL OBLIGATION BONDS OF FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO

This item comes before Council under the Consent Agenda. Discussion occurred at the April 24, 2017 meeting of the Finance Committee.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that Council adopt a resolution calling for a public hearing to be held upon the question of the issuance of not exceeding \$5,500,000 of General Obligation Bonds of Fripp Island Public Service District, South Carolina; providing for the publication of the notice of such public hearing; and other matters related thereto. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

AN ORDINANCE AUTHORIZING THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, TO ISSUE GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT EXCEEDING \$5,500,000, SUBJECT TO A SUCCESSFUL REFERENDUM IN THIS DISTRICT; AND OTHER MATTERS RELATING THERETO

This item comes before Council under the Consent Agenda. Discussion occurred at the April 24, 2017 meeting of the Finance Committee.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that Council approve on first reading an ordinance authorizing the Fripp Island Public Service District, South Carolina, to issue General Obligation Bonds in a principal amount not exceeding \$ 5,500,000, subject to a successful referendum in this district, and other matters relating thereto. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

RESOLUTION / FY 2017-2018 HOSPITALIZATION AND GENERAL BENEFITS RENEWALS; GROUP HEALTH, DENTAL, VISION PLAN, SHORT & LONG TERM DISABILITY AND LIFE INSURANCE

This item comes before Council under the Consent Agenda. Discussion occurred at the April 24, 2017 meeting of the Finance Committee.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that Council adopt a resolution authorizing renewals for FY 2017-2018 Beaufort County Employee Health Benefits (group health, dental, vision plan, short & long-term disability, and life insurance). The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

CHANGE ORDERS 12 AND 13 / BOUNDARY STREET PROJECT / ADDITIONAL DUCT BANK SERVICE IMPACT

This item comes before Council under the Consent Agenda. Discussion occurred at the April 17, 2017 meeting of the Public Facilities Committee.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that Council approve the following: (1) Change Order 12 to Preferred Materials, Inc., (PMI) for underground placement of utilities as part of the Boundary Street Redevelopment in the amount of \$628,688. Funding will come from the Boundary Street Redevelopment total budget of \$33,573,358 which is provided by TIGER Grant, County Sales Tax Fund, County Road Impact Fee and City of Beaufort TIF II. (2) Acceptance of deduct Change Order 13, totaling \$458,239 which will be applied to Preferred Materials, Inc. (PMI) current encumbered purchase order balance. The overall encumbered to date purchase order total will increase the net amount of \$170,449 for Change Orders 12 and 13. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

AN ORDINANCE RECOGNIZING BEAUFORT COUNTY SHERIFF'S REQUEST FOR \$30,000 FOR COSTS ASSOCIATED WITH TRAFFIC CONTROL DURING 2017 MCAS BEAUFORT AIR SHOW AND APPROPRIATING \$15,000 FROM THE STATE 2% ACCOMMODATIONS TAX FUND TO COVER SUCH COSTS

This item comes before Council under the Consent Agenda. Discussion occurred at the April 3, 2017 meeting of the Finance Committee.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that Council approve on second reading an ordinance recognizing Beaufort County Sheriff's request for \$30,000 for costs associated with traffic control during 2017 MCAS Beaufort Air Show and appropriating \$15,000 from the State 2% Accommodations Tax Fund to cover such costs. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

The Chairman announced a public hearing on Monday, May 8, 2017 beginning at 6:30 p.m. in Council Chambers, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$35,000,000 TAXABLE OR TAX-EXEMPT, OR BOTH, GENERAL OBLIGATION BOND ANTICIPATION NOTE(S), IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE NOTE(S); AUTHORIZING THE COUNTY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS RELATING TO THE NOTE(S); PROVIDING FOR THE PAYMENT OF THE NOTE(S) AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

This item comes before Council under the Consent Agenda. Discussion occurred at the April 3, 2017 meeting of the Finance Committee.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that Council approve on second reading an ordinance authorizing the issuance and sale of not exceeding \$35,000,000 taxable or tax-exempt, or both, General Obligation Bond Anticipation Note(s), in one or more series, with appropriate series designations, of Beaufort County, South Carolina; fixing the form and details of the note(s); authorizing the County Administrator to determine certain matters relating to the note(s); providing for the payment of the note(s) and the disposition of the proceeds thereof; and other matters relating thereto. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mr. Caporale. The motion passed.

The Chairman announced a public hearing on Monday, May 8, 2017 beginning at 6:30 p.m. in Council Chambers, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

MATTERS ARISING OUT OF EXECUTIVE SESSION

There were no matters arising out of Executive Session.

PUBLIC COMMENT

There were no requests to speak during public comment.

ADJOURNMENT

Council adjourned at 6:36 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____

D. Paul Sommerville, Chairman

ATTEST: _____
Ashley M. Bennett, Clerk to Council

Ratified:

FINANCE COMMITTEE

May 1, 2017

The electronic and print media duly notified in accordance with the State Freedom of Information Act.

The Finance Committee met Monday, May 1, 2017 beginning at 2:00 p.m., in the Executive Conference Room, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Jerry Stewart, Vice Chairman Michael Covert and members Rick Caporale, Gerald Dawson, Brian Flewelling, Steven Fobes and Stu Rodman present. Non-committee members York Glover, Alice Howard and Paul Sommerville present. (Paul Sommerville, as County Council Chairman, serves as an *ex-officio* member of each standing committee of Council and is entitled to vote.)

County staff: Jim Beckert, Auditor; Joshua Gruber, Deputy County Administrator/Special Counsel; Alicia Holland, Assistant County Administrator-Finance; Chris Inglese, Assistant County Attorney; Tom Keaveny, County Attorney; and Gary Kubic, County Administrator.

School District: Jeffrey Moss, Superintendent.

Public: Mary Lee Carns, Vice President, Institutional Advancement, and External Relations and Executive Director, TCL Foundation for the Technical College of the Lowcountry; and Richard Gough, President, Technical College of the Lowcountry.

Media: Joe Croley, *Lowcountry Inside Track*..

Councilman Stewart chaired the meeting.

ACTION ITEMS

1. Beaufort County / FY2017-2018 Budget Proposal

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Josh Gruber, Deputy County Administrator/Special Counsel, stated there have been no changes to the presentation on Beaufort County's FY 2017-2018 budget proposal provided to the Committee on April 24, 2017. He provided a recap of the priorities discussed at Council's Leadership and Strategic Planning Session held February 10 and 11, 2017:

Retreat Priorities:

- South Carolina Retirement System Increases - \$1,200,000
- Reduction in Local Government Fund - \$600,000
- Full Implementation of Salary and Compensation Survey - \$600,000
- First Year Step/Merit Increases - \$1,900,000
- Recurring Capital for Information Technology Infrastructure - \$1,000,000

Mr. Gruber reviewed with the Committee revenue comparisons. Non-ad valorem revenue in FY 2016-2017 was \$26,852,051 and projected \$26,952,051 for FY 2017-2018. Ad valorem tax collections were \$89,416,574 in FY 2016-2017 and projected \$95,935,749 for FY 2017-2018.

Mr. Gruber presented a FY 2017-2018 County Administrator's Operations budget proposal in the amount of \$72,367,306. Adjustments are in the following areas:

- Public Works \$430,000
 - Solid Waste: Increase in disposal costs due to increased volume of solid waste disposal
 - No revenue being generated from recycling
- Information Technology \$225,000
 - Staffing Needs: Project Manager and Network Security Analyst
 - Microsoft License Fees
- Passive Parks \$140,000
 - Hire Director: Benefits, computer, cell phone, vehicle, etc.
- Public Defender, \$120,000
 - Salary adjustments to retain personnel
 - Hiring of one additional FTE
- Administration
 - Records Management (\$15,000) - Reduction in services contracts due to digitizing of records
 - Detention Center \$50,000 - Increase in inmate medical services costs
 - Library \$31,000 - Conversion of one PTE to one FTE
 - GIS \$10,000 - Increase in pictometry licensing costs
 - Animal Services \$70,000 - Increase in spay and neuter costs and medical/veterinary costs
 - Planning and Zoning \$70,000 - Additional FTE for Affordable Housing Coordinator
 - Purchasing (\$12,000) - Reduction in costs for online vendor registration and bidding system
 - Finance \$75,000 - Additional FTE for Grants Writer
 - Assessor \$35,000 - Overtime Associated with five-year reassessment
 - Legal (\$4,000) - Reduction in operational expenses
 - Traffic Management (\$60,000) - Replacement of specialty equipment complete
 - Building Codes \$50,000 - New FTE for Assistant Flood Plain Manager

Questions, comments, and concerns of the Committee included the following:

- Mr. Dawson expressed his concerns with the implementation of the salary and compensation survey, as well as providing a first year step/merit increase during FY 2017-2018. He suggested the possibility of delaying the first year step/merit increase until FY 2018-2019.
 - Mr. Gruber stated the first goal was to get the salaries to baseline recommendation. The first year step/merit increase totals \$1.9 million, which computes to a 3% cost of living adjustment.
 - Mr. Stewart stated the desire was to get employees at a 50th percentile market value. Not providing the step/merit increases could contribute to the salaries getting below the 50th percentile.

Mr. Gruber informed the Committee that inclusive with this year's budget ordinance, staff will present an Airport Enterprise Fund ordinance as well as a Stormwater Management Utility Enterprise Fund ordinance.

Mr. Kubic informed the Committee of a May 2, 2017 meeting with the Town of Hilton Head Island (Town) regarding the law enforcement contract. There are two key factors for discussion: (1) reimbursement agreement for law enforcement services on Hilton Head Island and (2) lease of Beaufort County Sheriff Office building located at 70 Shelter Cove Lane. Currently, the Sheriff's Office provides law enforcement services to the Town at a value of \$4.2 million. Their reimbursement is \$3.2 million.

The following Fire Department FY 2017-2018 budget proposals were provided to the Committee:

Bluffton Township Fire District

Operations - \$14,032,311 (24.7 mills)

Debt Service - \$572,000 (1.04 mills)

The budget request includes the following:

- 1.67% longevity increases for those who qualify (minimum 1 year of service)
- 1.33% cost of living adjustments for all line employees (Recruit Firefighter – Line Battalion Chief)
- Up to 1.33% merit increases for all Administrative Staff based on performance.
- Up to a 4% increase in health insurance costs based on trend information. This will likely be lower and possibly even flat. However, it is June before the final numbers are available. We budget conservatively.
- Slight increases in payroll taxes due to the increases in salary as there was no change from the Federal Government on employer withholding rates.
- 2% increases in state retirement as the South Carolina Public Employees Benefit Authority (PEBA) substantially increased its withholding requirements on employers in an effort to shore up the state pension systems (SCRS and PORS).

- Slight increases in Worker's Compensation insurance from the State Accident Fund.
- Routine increases up to 10% in all utility areas such as internet service electric, water and sewer, pest control, and garbage collection. These increases result from standard rate increases from our vendors, but also include the addition of the new fire Station 36 (Colleton River) as the District will assume liability for utilities once the station is completed in mid FY2018.
- Routine increases up to 5% in the employee training costs based on increases from vendors providing training services such as the South Carolina Fire Academy, National Registry of Emergency Medical Technicians, Alabama Fire College, National Fire Academy, and Health and Safety Institute.
- Routine increases in the costs of professional services such as liability insurance on District vehicles and facilities and external auditor.

The Fire District realizes projected revenues of \$13,663,186 do not meet the expenditure level of \$14,032,311 requested. In the event revenue collections are not keeping pace with expenditures, they will take the necessary steps to limit expenditures to match the revenue stream.

Daufuskie Island Fire District

Operations - \$1,180,282

The budget request includes the following:

- 1.67% longevity for firefighters
- Health insurance increase of 7.71%
- Mandated retirement increase from 13.34% to 14.74%

Lady's Island / St. Helena Fire District

Operations - \$5,746,643 (39.26 mils)

Debt Service - \$309,237 (2.11 mils)

The budget request includes the following:

- Expenditure request includes a 2% cost of living
- The expenditure request is minus contract money of \$125,000
- The majority of expenditure increases is due to Retirement and Health Insurance
- The Fire District Commission is requesting a total (operations and debt) millage increase of 1.25 to cover expenditures
- The increase on a \$100,000 owner occupied home is \$5.00 year over year. Total bill (Operations and Debt) on a \$100,000 home is \$165.48

Sheldon Township Fire District

Operations - \$1,350,160

Debt Service - \$139,259

The budget request includes the following:

- \$44,953 increase in personnel
- \$600 increase in operations
- \$66,759 increase in debt service

The Committee agreed to move forward with approval on first reading, by title only. The Burton Fire District Board is scheduled to meet later today, May 1, 2017 to finalize their budget proposal. Any concerns relative to the fire districts' budgets can be brought forward at the next Committee meeting.

The Auditor's FY2017-2018 budget proposal was presented to the Committee in a total amount of \$882,476. Mr. Gruber informed the Committee of the nominal increases primarily due to maintenance and fuel for two additional vehicles. He stated the amounts could be absorbed within the budget.

Mr. Gruber provided the Committee with a request from Palmetto Breeze for matching dollars for Urban Grants. A handout was included in the agenda data package that contained Urban Service Grant Details for fiscal years 2015 through 2017. Staff will reach out to Palmetto Breeze and ask that they provide the details of the request and be available to answer questions at the May 15, 2017 Finance Committee meeting.

Mr. Gruber reported the Hilton Head Island Recreation Association is requesting a \$75,000 increase in pool support for FY 2017-2018 in an effort to reestablish the FY 2014 funding level of \$215,000.

Mr. Flewelling asked for a ten-year timeline of County contributions to the Hilton Head Island Recreation Association.

Staff will contact the Hilton Head Island Recreation and ask that a representative be available to answer questions at the May 15, 2017 Finance Committee meeting.

Status: No action. Information only.

2. Beaufort County School District / FY2017-2018 Operating Budget Proposal

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Dr. Jeffrey Moss, School District Superintendent, provided the Committee a five-year comparison of positions within the School District, details of the budget increases and decreases, and a PowerPoint presentation on the preliminary FY 2017-2018 General Fund Budget.

The budget includes total state and federal mandated increases in the amount of \$4,268,885, increases due to enrollment growth in the amount of \$2,353,400, increases due to program expansion in the amount of \$84,480, operational increases in the amount of \$1,363,219, and other increases that total \$2,583,881. The total increases amount to \$10,653,865. The decreases in the proposed budget amount to \$341,305 make the net increase \$10,312,560 and the total FY2017-2018 preliminary budget \$225,764,555.

A comparison of cuts between the House of Representative budget (\$4.1 million) and Senate Finance version (\$3.6 million) was reviewed with the Committee, as well as the impacts as follows:

- Reduces support for benefits
- \$2.2 million reduction in EFA
- Reduces professional development by \$720,000
- Increases CATE funding by \$197,000
- Overall effect on the General Fund is \$2.3 million

Mr. Rodman asked the District to provide a spreadsheet on special revenue.

Status: No action. Information only.

3. Technical College of the Lowcountry / Lowcountry Culinary Institute

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Dr. Richard Gough, President, Technical College of the Lowcountry (TCL) provided the Committee an overview of the need for trained culinarians in Beaufort County, as well as capital and three-year revenue and expense projections.

An analysis of regional job growth for the period beginning 2014 through 2020 predicts 500 new Food Service jobs annually. An estimated one third of these new positions, or approximately 170 jobs, require culinary training – associate degrees and/or post-secondary certificates. A quick search on a national job site resulted in 54 open chef positions in Beaufort County – Sea Pines Plantation, Helena Place (a senior living facility in Port Royal), Kroger and

Beaufort Memorial Hospital to name only a few of our local businesses seeking trained culinarians. Positions included sous chef, assistant chef, line cook, line manager and lead cook. The median hourly earnings were \$16.50. In other words, our local hospitals, schools, country clubs, resorts, senior living facilities and restaurants need a trained culinary workforce.

- In 2015, Beaufort County posted \$37.18 million in local tax receipts generated by \$1.3 billion in domestic travel expenditures made by 3,000,000 visitors. These expenditures supported \$237.6 million in payroll and 13,500 jobs in the County. The Food Service industry received the largest amount of travel expenditures, almost 31% or \$403 million, supporting 4,485 jobs.
- The Lowcountry and Resort Tourism Research Institute (LRTR) at the University of South Carolina-Beaufort surveyed visitors to the County. Eighty percent of the respondents said the quality of dining was important/very important to their vacation. Seventy-one percent of the respondents said the culinary experience was important/very important to their vacation.
- The Sonesta, Sea Pines Resort and other businesses report having to limit operations or temporarily close select business sites due to a lack of culinary staff. Businesses have reported an inability to expand or open new restaurants due to the lack of culinary staff.
- There are 902 food service entities in Beaufort County, more than 2,000 food service entities in Horry County (Myrtle Beach) and more than 5,000 in Charleston County. Both Horry and Charleston Counties have culinary institutes that serve their local industry.
- Beaufort County's industry relies on hundreds of temporary foreign-trained culinary workers each year to meet their workforce need.
- Economic analysis indicates the local tourism industry is at a competitive disadvantage due to the lack of skilled workforce.

An overview of education and economic development being a local responsibility was provided to the Committee.

Capital Expense - \$12,483,000

\$ 783,000 Land

\$10,200,000 Infrastructure

\$ 1,500,000 Equipment

An overview of three-year revenue and expense projections was provided for Committee review. The projections were based off of student enrollment of 75 during year one, 125 during year two, and 225 during year three and contained industry/philanthropic contributions over the three years to support salaries and operations cost for the first three years.

Mr. Rodman provided the Committee a handout on entitled "The Workforce Gap" as well as a spreadsheet on proposed County contributions for education installations.

Status: Information only

FINANCE COMMITTEE

April 24, 2017

The electronic and print media duly notified in accordance with the State Freedom of Information Act.

The Finance Committee met Monday, April 24, 2017 beginning at 3:00 p.m., in the Executive Conference Room, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Jerry Stewart, Vice Chairman Michael Covert and members Rick Caporale, Gerald Dawson, Brian Flewelling, Steven Fobes and Stu Rodman present. Committee member Rick Caporale absent. Non-committee members York Glover, Alice Howard and Paul Sommerville present. (Paul Sommerville, as County Council Chairman, serves as an *ex-officio* member of each standing committee of Council and is entitled to vote.)

County staff: Jim Beckert, Auditor; Suzanne Cook, Chief Financial Officer, Sheriff's Office; Joshua Gruber, Deputy County Administrator/Special Counsel; Alicia Holland, Assistant County Administrator-Finance; Chris Inglese, Assistant County Attorney; Tom Keaveny, County Attorney; Gary Kubic, County Administrator; and Maria Walls, Treasurer.

Public: Angie Hughes, District Manager, Fripp Island Public Service District; Charles D. Rhodes, lawyer with Pope Flynn, LLC, representing Fripp Island PSD; and Frank Turano, Lowcountry Regional Manager, Alliance Consulting Engineers.

Media: Joe Croley, *Lowcountry Inside Track*.

Councilman Stewart chaired the meeting.

ACTION ITEMS

1. **Fripp Island Public Service District / General Obligation Bonds**
 - a. **A Resolution calling for a public hearing to be held upon the question of the issuance of General Obligation Bonds, not to exceed \$5,500,000 pending referendum approval**
 - b. **An Ordinance authorizing the issuance of General Obligation Bonds, not to exceed \$5,500,000 pending referendum approval**

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: County Attorney Tom Keaveny introduced Ms. Angie Hughes, District Manager, Fripp Island Public Service District, and Charles D. Rhodes, legal counsel with Pope

Flynn, LLC, representing the Fripp Island Public Service District. The Fripp Island Public Service District (PSD) is authorized to acquire, build, operate and maintain such facilities as shall be required for the provision of water, fire-fighting, waste water treatment, beach erosion control and prevention, construction and maintenance of roads, insect control and recreational purposes. The PSD has determined a need of funds to address and remediate damages from Hurricane Matthew, and to relocate and replace the sole water line connecting Fripp Island with the mainland in connection with the South Carolina Department of Transportation's replacement of the bridge between St. Helena Island and Harbor Island.

Questions and concerns of the Committee included the following:

- Mr. Flewelling wanted to know if they anticipate FEMA reimbursement for damages caused from Hurricane Matthew.
 - Ms. Hughes stated the PSD has applied to FEMA for reimbursement. FEMA does not pay upfront.
- Mr. Flewelling felt the need for the public hearing to be held in Beaufort on June 12, 2017 in Council Chamber, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

Motion: It was moved by Mr. Flewelling, seconded by Mr. Covert, Council adopt a resolution calling for a public hearing to be held upon the question of the issuance of not exceeding \$5,500,000 of General Obligation Bonds of Fripp Island Public Service District, South Carolina; providing for the publication of the notice of such public hearing; and other matters related thereto. The public hearing will be held June 12, 2017 in Council Chamber, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Rodman and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Motion: It was moved by Mr. Flewelling, seconded by Mr. Covert, Council approve on first reading an ordinance authorizing the Fripp Island Public Service District, South Carolina, to issue General Obligation Bonds in a principal amount not exceeding \$5,500,000, subject to a successful referendum in this district, and other matters relating thereto. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Rodman and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Recommendation: Committee recommends Council take the following action:

(1) Adopt a resolution calling for a public hearing to be held upon the question of the issuance of not exceeding \$5,500,000 of General Obligation Bonds of Fripp Island Public Service District, South Carolina; providing for the publication of the notice of such public hearing; and other matters related thereto. The public hearing will be held June 12, 2017 in Council Chamber, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

(2) Approve on first reading an ordinance authorizing the Fripp Island Public Service District, South Carolina, to issue General Obligation Bonds in a principal amount not exceeding \$5,500,000, subject to a successful referendum in this district, and other matters relating thereto.

2. An Ordinance Authorizing the Issuance and Sale of General Obligation Refunding Bonds Not to Exceed \$17,500,000 Series 2007 and 2011 Bonds

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mrs. Alicia Holland, Assistant County Administrator–Finance, provided to the Committee a summary of the General Obligation Refunding Bonds for Series 2007 and Series 2011. Series 2007 General Obligation Refunding Bonds project a savings of \$206,983.33. The advance refunding of Series 2011 General Obligation Bonds would produce a negative arbitrage of \$226,736.08.

Motion: It was moved by Mr. Flewelling, seconded by Mr. Rodman, Council approve on first reading an ordinance authorizing the issuance and sale of General Obligation Bonds, Series 2007, of Beaufort County, South Carolina, in the total principal amount of not exceeding \$6,715,816.67; fixing the form and details of the bonds; authorizing the County Administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof, and other matters relating thereto. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Rodman and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Recommendation: Council approve on first reading an ordinance authorizing the issuance and sale of General Obligation Bonds, Series 2007, of Beaufort County, South Carolina, in the total principal amount of not exceeding \$6,715,816.67; fixing the form and details of the bonds; authorizing the County Administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto.

3. Resolution / FY2017/2018 Hospitalization and General Benefits Renewals; Group Health, Dental, Vision Plan, Short & Long Term Disability and Life Insurance

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Josh Gruber, Deputy County Administrator / Special Counsel, reviewed this item with the Committee. Last year, Beaufort County went to a self-insured major medical health insurance program, rather than a fully insured program. We remain on target with those numbers. Because of the performance we have seen with our major medical, administration is proposing to go self-insured with dental insurance as well. Wells Fargo, the County benefits consultant, has identified a potential cost differential of \$100,000 to \$200,000. Additionally, we are looking at changing our dental insurance provider from United Concordia to MetLife. MetLife has greater exposure in the Lowcountry. They provide access to more providers. There

are no changes to the benefits program in terms of contributions between employees and employer.

In addition, administration is looking at a slight modification in vision coverage. We are looking at increasing the amount of benefits to our employees, *i.e.*, providing more reimbursement for items within the same plan.

Mr. Kubic stated we are at a point with our experience where we can calibrate and target our stop-loss provision. It is necessary for us to have a stop loss insurance protection because we do not want to assume 100% of the liability for all claims filed by employees. We are able to determine how far we are able to go under our self-insurance fund and buy stop-loss insurance protection for that.

When we suggested self-insurance for hospitalization, we suggested that it was necessary for us to build an adequate reserve amount in the event there is an unknown or high claim that we are able to absorb. It appears we are on track and will not have to increase the hospitalization percentage in the FY 2018 general fund budget.

The savings for dental self-insurance is not significant, but it is a cost savings. The provider has a greater/broader network. With the larger amount of providers being a part of the network, the discounts MetLife is capable of negotiating improves the self-insurance capability. With the passage of this resolution, we are not changing anything substantial. It would allow our Employee Services Department to schedule open enrollment.

Mr. Gruber explained the County's stop-loss insurance coverage to the Committee. Beaufort County pays all claims up to \$200,000. We then have a separate insurance plan that pays those claims in excess of \$200,000. When the County sought to renew its stop-loss premium, we went from 12 months to 24 months of data, which created a 6% increase in our stop-loss premiums. Ultimately, if the numbers hold steady, we should realize a \$1.0 million difference between what we are paying with a self-insured plan to what we were paying with a fully insured plan. The goal is to establish a reserve fund of approximately 20% of annual claims. Between this year and next, we believe we will be close to funding 100% of that reserve fund. Thereafter, cost differentials would be reallocated to different areas of administration.

Mr. Gruber informed the Committee the County is actively working on creating an employee wellness program. The program would incentivize employees for engaging in healthy behaviors. The development of that program is in process.

Motion: It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Committee approve and recommend Council adopt a resolution authorizing renewals for FY 2017-2018 Beaufort County Employee Health Benefits (group health, dental, vision plan, short & long-term disability, and life insurance). The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Rodman and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Recommendation: Council adopt a resolution authorizing renewals for FY 2017-2018 Beaufort County Employee Health Benefits (group health, dental, vision plan, short & long-term disability, and life insurance).

INFORMATION ITEMS

4. Beaufort County / FY2017-2018 Budget

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Josh Gruber, Deputy County Administrator/Special Counsel, provided to the Committee a PowerPoint Presentation on Beaufort County's FY 2017-2018 budget proposal.

Retreat Priorities:

- South Carolina Retirement System Increases - \$1,200,000
- Reduction in Local Government Fund - \$600,000
- Full Implementation of Salary and Compensation Survey - \$600,000
- First Year Step/Merit Increases - \$1,900,000
- Recurring Capital for Information Technology Infrastructure - \$1,000,000

Mr. Gruber reviewed with the Committee revenue comparisons. Non-ad Valorem Revenue in FY 2016-2017 was \$26,852,051 and projected \$26,952,051 for FY 2017-2018. Ad Valorem tax collections were \$89,416,574 in FY 2016-2017 and projected \$95,935,749 for FY 2017-2018.

Mr. Gruber presented the FY 2017-2018 County Administrator's Operations budget in the amount of \$72,367,306. Adjustments are in the following areas:

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 - Hire Director: Benefits, Computer, Cell Phone, Vehicle, etc.
- Public Defender, \$120,000
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- Administration
 - Records Management (\$15,000) - Reduction in services contracts due to digitizing of records

- Detention Center \$50,000 - Increase in inmate medical services costs
- Library \$31,000 - Conversion of 1PTE to 1FTE
- GIS \$10,000 - Increase in Pictometry Licensing Costs
- Animal Services \$70,000 - Increase in spay and neuter costs and medical/veterinary costs
- Planning and Zoning \$70,000 - Additional FTE for Affordable Housing Coordinator
- Purchasing (\$12,000) - Reduction in costs for online vendor registration and bidding system
- Finance \$75,000 - Additional FTE for Grants Writer
- Assessor \$35,000 - Overtime Associated with five-year Reassessment
- Legal (\$4,000) - Reduction in operational expenses
- Traffic Management (\$60,000) - Replacement of specialty equipment complete
- Building Codes \$50,000 - New FTE for Assistant Flood Plain Manager

Status: Information only.

5. The Original Gullah Festival of South Carolina, Inc. / President's Circle Level Contribution

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Committee Chairman Jerry Stewart reviewed this item with the Committee. This is a request from the Original Gullah Festival of South Carolina, Inc., in the amount of \$10,000 to expand the Gullah Festival due to expenses related to the Reconstruction Era National Monument. Usually this request would go through the 2% Accommodations Tax Fund process, however, they did not apply. The Committee could approve a special allocation from the 2% Accommodations Tax Fund, which would require an ordinance, three readings and a public hearing. If the Committee desires, this could be funded by the County Administrator's contingency budget, since it is an allowable amount under his purview.

Mr. Kubic stated if Council directs administration, he has the authority to allocate a contribution of \$10,000 and the creation of a Memorandum of Understanding between Beaufort County and the recipient. After the contribution is made by the County, a supplemental report would be required from the recipient on how the funds are spent.

Motion: It was moved by Mr. Flewelling, seconded by Mr. Dawson, that Committee authorize the County Administrator to enter into a Memorandum of Understanding with the Original Gullah Festival of South Carolina, Inc., and allocate \$10,000 from the County Administrator's contingency budget for the 2017 Gullah Festival. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Rodman and Mr. Stewart. ABSENT – Mr. Caporale. The motion passed.

Status: Committee authorized the County Administrator to enter into a Memorandum of Understanding with the Original Gullah Festival of South Carolina, Inc., and allocate \$10,000 from the County Administrator's Contingency for the 2017 Gullah Festival.

DRAFT

Boards and Commissions
Reappointments and Appointments
May 8, 2017

1 Governmental Committee

Daufuskie Island Fire District Board

<u>Nominate</u>	<u>Name</u>	<u>Position/Area/Expertise</u>	<u>Reappoint/Appoint</u>	<u>Votes Required</u>	<u>Term/Years</u>	<u>Expiration</u>
05.08.17	Carol Rizzo Baum	Service District	Appoint	6/11	Partial	2/2019

Beaufort Memorial Hospital Board

<u>Nominate</u>	<u>Name</u>	<u>Position/Area/Expertise</u>	<u>Reappoint/Appoint</u>	<u>Votes Required</u>	<u>Term/Years</u>	<u>Expiration</u>
05.08.17	Stacey Johnston	At-Large	Appoint	6/11	Partial	2/2019

2 Natural Resources Committee

Rural and Critical Lands Preservation Board

<u>NominateD</u>	<u>Name</u>	<u>Position/Area/Expertise</u>	<u>Reappoint/Appoint</u>	<u>Votes Required</u>	<u>Term/Years</u>	<u>Expiration</u>
04.24.17	Edward Riley	Council District 5	Reappoint	6/11	4	2/2021
04.24.17	Terry Hill	Council District 6	Appoint	6/11	4	2/2021

Southern Beaufort County Corridor Beautification Board

<u>NominateD</u>	<u>Name</u>	<u>Position/Area/Expertise</u>	<u>Reappoint/Appoint</u>	<u>Votes Required</u>	<u>Term/Years</u>	<u>Expiration</u>
04.24.17	Stephen Brown	Council District 7	Appoint	6/11	4	2/2021

AN ORDINANCE AUTHORIZING THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, TO ISSUE GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT EXCEEDING \$5,500,000, SUBJECT TO A SUCCESSFUL REFERENDUM IN THIS DISTRICT; AND OTHER MATTERS RELATING THERETO.

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

Section 1. The County Council of Beaufort County, South Carolina (the “*County Council*”), the governing body of Beaufort County, South Carolina (the “*County*”), hereby finds and determines:

(a) The Fripp Island Public Service District, South Carolina (the “*District*”) is a special purpose district established pursuant to the provisions of Act No. 1042 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1962, as amended (“*Act No. 1042*”).

(b) The corporate powers and duties of the District are performed by the Fripp Island Public Service District Commission (the “*Commission*”), and as such, the Commission is the governing body of the District.

(c) Act No. 1042 committed to the District various duties and responsibilities, and is authorized, inter alia, to acquire, build, operate, and maintain such facilities as shall be required for (i) the provision of water, (ii) fire-fighting, (iii) waste water treatment, (iv) beach erosion control and prevention, (v) construction and maintenance of roads, (vi) insect control, and (vii) recreational purposes, and to do all things necessary or convenient to carry out such authority.

(d) The District has determined that it is currently in need of funds to address and remediate damage to the District from Hurricane Matthew to protect the District from erosion and will soon be in need of funds to relocate and replace the sole water line connecting the District with the mainland in connection with the South Carolina Department of Transportation’s replacement of the bridge between St. Helena Island and Harbor Island.

(e) In carrying out its functions and duties, the Commission has determined that a need exists at the present time to issue general obligation bonds (the “*Bonds*”) in order to defray: (A) (i) the costs of repairing, reconstructing and mitigating certain District revetments and related infrastructure, and (ii) the costs of relocating and replacing certain water transmission and related infrastructure in connection with the replacement of the Harbor River Bridge ((i) and (ii)) the “*Projects*”), and (B) the costs of issuance of the Bonds. The Commission estimates that the costs of designing, planning, acquiring, engineering, constructing, improving and equipping of the Project, and the cost of issuance of the Bonds, will not exceed \$5,500,000.

(f) The Commission, on behalf of the District, has submitted a petition to the County Council requesting authorization to issue the Bonds in order to finance the costs of the Project and the costs of issuance thereof.

(g) Pursuant to Title 6, Chapter 11, Article 5, of the Code of Laws of South Carolina, 1976, as amended (the “**Enabling Act**”), the County Council is empowered to authorize the Commission to issue bonds of the District, the proceeds of which are to be used in furtherance of any power of the District.

(h) Responsive to the petition of the Commission, the County Council adopted a resolution calling for a public hearing on the question of the issuance of the Bonds be held in the Bluffton Branch Library located at 120 Palmetto Way, Bluffton, South Carolina 29910, on the 22nd day of May, 2017 at 6:30 p.m., and notice of such hearing has been duly published once a week for three successive weeks in The Beaufort Gazette, a newspaper of general circulation in the County. Such public hearing was held by the County Council on May 22, 2017, on the question of the issuance of the Bonds, where both proponents and opponents were given the opportunity to be heard.

(i) Following the May 22, 2017 public hearing, the County Council has determined to condition the issuance of the Bonds upon the result of a special election held in the District on the question of the issuance of the Bonds (the “**Bond Referendum**”). Such Bond Referendum shall be conducted pursuant to Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended, as required by the Enabling Act.

(j) Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended (the “**Constitution**”), provides that the General Assembly may, by general law, prescribe that general obligation debt may be incurred by the governing body of any special purpose district for any of its corporate purposes in an amount not exceeding eight percent of the assessed value of all taxable property of such district (the “**Bonded Debt Limit**”). The County Council, by separate resolution, dated the date hereof, has ordered the Bond Referendum be held, and specified other details of the Bond Referendum therein. Such Article further provides that if general obligation debt is authorized by a majority vote of the qualified electors of the special purpose district voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article. Such Bonds, when and if issued pursuant to a successful Bond Referendum, would not be restricted by, or count toward, the Bonded Debt Limit, in accordance with the Constitution and laws of the State of South Carolina.

Section 2. Should the Bond Referendum result favorably to the issuance of the Bonds, and upon the filing of the declaration of the result of the Bond Referendum in the office of the Clerk of Court for Beaufort County, South Carolina, the District is hereby authorized to issue the Bonds. Upon such filing, the Commission, on behalf of the District, is authorized to cause the issuance of the Bonds at one time or from time to time, as it may determine, in an aggregate principal amount not to exceed \$5,500,000, for the purposes set forth in Section 1(e) hereof or, in the discretion of the District, general obligation bond anticipation notes (the “**BANS**”) in a principal amount of not exceeding \$5,500,000, pursuant to the provisions of Title

11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the “**BAN Act**”). The Bonds and the BANS shall be issued pursuant to a resolution of the Commission adopted in conformity with the terms and provisions of the Enabling Act and the BAN Act, respectively.

Section 3. For the payment of the principal 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 by the Auditor of Beaufort County and collected by the Treasurer of Beaufort County, in the same manner as County taxes are levied and collected, a tax without limit on all taxable property in the District sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Section 4. The Commission is authorized to do all things necessary or convenient in accordance with applicable law to effect the issuance of the Bonds or the BANS at such time as it deems necessary and in the interest of the District.

Section 5. All orders, resolutions, ordinances and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

Section 6. This Ordinance shall forthwith be codified in the Code of the County Ordinances in the manner prescribed by law.

Section 7. This Ordinance shall become effective upon its enactment.

ENACTED THIS _____ DAY OF MAY, 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

(SEAL)

BY:

D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

First Reading: April 24, 2017

Second Reading:

Public Hearing:

Third and Final Reading:

ORDINANCE NO. 2017/___

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE TOTAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$8,000,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

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

SECTION 1. Findings and Determinations. The County Council (the "County Council") of Beaufort County, South Carolina (the "County"), hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended (the "S.C. Code"), and the results of a referendum held in accordance therewith, the Council-Administrator form of government was adopted and the County Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that each county shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law. Such debt must be incurred for a public purpose and a corporate purpose in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such county.

(c) Pursuant to Title 4, Chapter 15 of the S.C. Code (the same being and hereinafter referred to as the "County Bond Act"), the governing bodies of the several counties of the State of South Carolina (the "State") may each issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding its applicable constitutional limit.

(d) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27 of the S.C. Code provides that if an election be prescribed by the provisions of the County Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) The assessed value of all the taxable property in the County as of June 30, 2016, is not less than \$1,725,369,752. Eight percent of the assessed value is \$138,029,580. As of the date hereof, the outstanding general obligation debt of the County subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$74,961,036. Thus, the County may incur not exceeding \$53,068,544 of additional general obligation debt within its applicable debt limitation.

A portion of the 2007 Bonds (hereinafter defined) being refunded with the proceeds of the Bonds (hereinafter defined) count against the County 's constitutional debt limit. Therefore, the portion of the par amount of the Bonds over and above the outstanding amount of the 2007 Bonds being refunded subject to the County 's 8% constitutional debt limit will also count against the County 's constitutional debt limit.

The County intends to also issue not exceeding \$35,000,000 general obligation bond anticipation notes which will also count against their constitutional debt limit.

(f) In a referendum (the "2000 Referendum") held in the County on November 7, 2000, the following question was submitted to the qualified electors of the County:

Shall Beaufort County, South Carolina issue general obligation bonds, not to exceed \$40,000,000, for the purpose of land preservation, by purchasing open land, development rights and conservation easements in all areas of Beaufort County, in order to alleviate traffic congestion in high growth areas and to protect water quality, natural lands, wildlife areas, farmland, parkland, coastal areas, rivers and wetlands, provided that all expenditures shall be prioritized based upon an official criteria and ranking system established for the County, and subject to an annual independent audit?

The Referendum was duly conducted and a majority of the qualified electors of the County voted in favor of the issuance of the general obligation bonds.

(g) Pursuant to the Constitution, statutory authorizations, the favorable results of the 2000 Referendum, and an Ordinance enacted by the County Council on April 9, 2007 (the "2007 Ordinance"), the County issued its original principal amount \$17,530,000 General Obligation Refunding Bonds, Series 2007, dated November 7, 2007 (the "Series 2007 Bonds").

(h) The Series 2007 Bonds are currently outstanding in the principal amount of \$6,405,000. The Series 2007 Bonds maturing on or after March 1, 2018, are subject to redemption on or after March 1, 2017, at any time, at par plus interest accrued thereon to the date fixed to redemption.

(i) Sections 11-21-10 to 11-21-80 of the S.C. Code empower any "public agency" to utilize the provisions of Article 5, Chapter 15, Title 11 (the "Refunding Act") of the S.C. Code to effect the refunding of any outstanding general obligation bonds.

(j) Based on current market conditions and projected savings, the County Council finds that it is in the best interest of the County to effect a refunding of all or a portion of the outstanding Series 2007 Bonds (the "Bonds to be Refunded") because a savings can be effected through the refunding of such Bonds to be Refunded. The County Council recognizes, however, that current market conditions may change and that, as of the date of enactment of this Ordinance, a determination cannot be made as to the amount of such savings, if any, realized through the refunding of the Bonds to be Refunded and that certain authority relating to such refunding is delegated to the County Administrator and/or his lawfully-authorized designee through this Ordinance. Because the Refunding Act requires that refunding bonds be sold at public sale, there can be no assurance that market conditions at the time of such sale will be similar to the prevailing rates on the date of the enactment of this Ordinance. If the rates of interest on the refunding bonds authorized by this Ordinance do not result in satisfactory debt service savings, the County Council, through the authority delegated to the County Administrator and/or his lawfully-authorized designee, will be empowered to reject bids for the purchase of the refunding bonds.

(n) Pursuant to Ordinance No. 2012/10 adopted on August 13, 2012, the County Council adopted Written Procedures related to Tax-Exempt Debt.

(o) It is now in the best interest of the County for County Council to provide for the issuance and sale of not exceeding \$8,000,000 principal amount general obligation refunding bonds of the County to provide funds for (i) refunding the Bonds to be Refunded; (ii) paying costs of issuance of the Bonds; and (iii) such other lawful purposes as the County Council shall determine.

SECTION 2. Authorization and Details of Bonds . Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$8,000,000 aggregate principal amount of general obligation refunding bonds of the County to be designated "\$8,000,000 (or such lesser amount issued) General Obligation Refunding Bonds, (appropriate series designation), of Beaufort County, South Carolina" (the "Bonds"), for the purposes set forth in Section 1(o) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees. The Bonds will be issued in one or more series, each with an appropriate series designation.

The refunding of the Bonds to be Refunded shall be effected with a portion of the proceeds of the Bonds which proceeds shall be used for the payment of the principal of such Bonds to be Refunded as and when such Bonds to be Refunded mature and are called for redemption in accordance with the provisions of the 2007 Ordinance and interest on such Bonds to be Refunded as and when the same becomes due. If necessary, notice of the aforesaid refunding for which a portion of the proceeds of the Bonds will be used shall be given in a financial paper published in the City of New York, State of New York.

Upon the delivery of the Bonds, the principal proceeds thereof, less issuance expenses, may be deposited with an escrow agent to be named (the "Escrow Agent") and held by it under a written refunding trust agreement between the Escrow Agent and the County (the "Refunding Trust Agreement") in an irrevocable trust account or said proceeds may be deposited with the Paying Agent for the Bonds to be Refunded, as determined by the County Administrator.

The County Administrator and/or his lawfully-authorized designee are hereby authorized and directed for and on behalf of the County to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Ordinance, including the execution and delivery of a Refunding Trust Agreement or Escrow Deposit Agreement, if required.

The Bonds shall be issued as fully registered bonds registrable as to principal and interest; shall be dated their date of delivery to the initial purchaser(s) thereof; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; shall be subject to redemption if such provision is in the best interest of the County; shall be numbered from R-1 upward; shall bear interest from their date payable at such times as hereinafter designated by the County Administrator and/or his lawfully-authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the County Administrator and/or his lawfully-authorized designee.

Both the principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. Regions Bank, Atlanta, Georgia, shall serve as Registrar/Paying Agent for the Bonds.

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The County Council hereby delegates to the County Administrator or his lawfully -authorized designee the authority to: (a) determine the par amount of the Bonds; (b) determine the maturity dates of the Bonds and the respective principal amounts maturing on such dates; (c) determine the interest payment dates of the Bonds; (d) determine the redemption provisions, if any, for the Bonds; (e) determine whether all of a portion of the Bonds should be sold together and whether all or a portion of the Bonds should be sold with all or a portion of not exceeding \$51,000,000 authorized in 2016 but not issued; (f) determine the date and time of sale of the Bonds; (g) receive bids on behalf of the County Council; and (h) award the sale of the Bonds to the lowest bidder therefor in accordance with the terms of the Notice of Sale for the Bonds.

After the sale of the Bonds, the County Administrator and/or his lawfully-authorized designee shall submit a written report to County Council setting forth the details of the Bonds as set forth in this paragraph.

SECTION 4. Registration, Transfer and Exchange of Bonds. The County shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Bond shall be transferable only upon the registry books of the County, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond the Registrar/Paying Agent on behalf of the County shall issue in the name of the transferee a new fully registered Bond or Bonds, of the same aggregate principal amount, interest rate, and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The County and the Registrar/Paying Agent may deem or treat the person in whose name any fully registered Bond shall be registered upon the registry books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Bonds is exercised, the County shall execute and the Registrar/Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Neither the County nor the Registrar/Paying Agent shall be obliged to make any such transfer of Bonds during the fifteen (15) days preceding an interest payment date on such Bonds.

SECTION 5. Record Date. The County hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bond or in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the giving of notice of redemption of bonds.

SECTION 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the County shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the County and the Registrar evidence or proof satisfactory to the County and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity in an amount as may be required by the laws of the State of South Carolina or such greater amount as may be required by the County and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

SECTION 7. Execution of Bonds. The Bonds shall be executed in the name of the County with the manual or facsimile signature of the Chairman of the County Council attested by the manual or facsimile signature of the Clerk to the County Council under a facsimile of the seal of the County impressed, imprinted or reproduced thereon; provided, however, the facsimile signatures appearing on the Bonds may be those of the officers who are in office on the date of enactment of this Ordinance. The execution of the Bonds in such fashion shall be valid and effectual, notwithstanding any subsequent change in such offices. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

SECTION 8. Form of Bonds. The Bonds and the certificate of authentication shall be in substantially the form set forth in Exhibit A attached hereto and incorporated herein by reference.

SECTION 9. Security for Bonds. The full faith, credit, and taxing power of the County are hereby irrevocably pledged 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. There shall be levied annually by the County Auditor and collected by the County Treasurer, in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

The County Council shall give the County Auditor and County Treasurer written notice of the delivery of and payment for the Bonds and they are hereby directed to levy and collect annually, on all taxable property in the County, a tax, without limit, sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

SECTION 10. Notice of Public Hearing. The County Council hereby ratifies and approves the publication of a notice of public hearing regarding the Bonds and this Ordinance, such notice in substantially the form attached hereto as Exhibit B, having been published in The Island Packet and The Beaufort Gazette, newspapers of general circulation in the County, not less than 15 days prior to the date of such public hearing.

SECTION 11. Initiative and Referendum. The County Council hereby delegates to the County Administrator and/or his lawfully -authorized designee the authority to determine whether the Notice prescribed under the provisions of Section 5 of Title 11, Chapter 27 of the S.C. Code relating to the initiative and referendum provisions contained in Title 4, Chapter 9, Article 13 of the S.C. Code shall be given with respect to this Ordinance. If said Notice is given, the County Administrator and/or his lawfully-authorized designee are authorized to cause such Notice to be published in a newspaper of general circulation in the County, in substantially the form attached hereto as Exhibit C.

SECTION 12. Exemption from State Taxes. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the S.C. Code from all State, county, municipal, County and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 13. Tax Covenants. The County hereby covenants and agrees with the holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the "IRC") and regulations promulgated thereunder in effect on the date of original issuance of the Bonds. The County further covenants and agrees with the holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be "arbitrage bonds," as defined in Section 148 of the IRC, and to that end the County hereby shall:

- (a) comply with the applicable provisions of Sections 103 and 141 through 150 of the IRC and any regulations promulgated thereunder so long as the Bonds are outstanding;
- (b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the IRC relating to required rebates of certain amounts to the United States; and
- (c) make such reports of such information at the time and places required by the IRC.

SECTION 14. Book-Entry System. The Bonds initially issued (the "Initial Bonds") will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York ("DTC"), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of Bonds of the same maturity or any integral multiple of \$5,000.

The Initial Bonds shall be issued in fully-registered form, one Bond for each of the maturities of the Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Bonds becomes due, the Paying Agent, on behalf of the County, shall transmit to DTC an amount

equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial Bonds or any portion thereof shall be sent to DTC in accordance with the provisions of the Ordinance.

If (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the County has advised DTC of its determination that DTC is incapable of discharging its duties, the County shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the County of the Initial Bonds together with an assignment duly executed by DTC, the County shall execute and deliver to the successor securities depository Bonds of the same principal amount, interest rate, and maturity registered in the name of such successor.

If the County is unable to retain a qualified successor to DTC or the County has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the beneficial owners of the Bonds might be adversely affected if the book-entry system of transfer is continued (the County undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify beneficial owners of the Bonds by mailing an appropriate notice to DTC, upon receipt by the County of the Initial Bonds together with an assignment duly executed by DTC, the County shall execute, authenticate and deliver to the DTC participants Bonds in fully-registered form, in substantially the form set forth in Section 8 of this Ordinance in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the Bonds will be issued as one single fully-registered bond and not issued through the book-entry system.

SECTION 15. Sale of Bonds, Form of Notice of Sale. The Bonds shall be offered for public sale on the date and at the time designated by the County Administrator and/or his lawfully-authorized designee. A Notice of Sale in substantially the form set forth as Exhibit D attached hereto and incorporated herein by reference shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper of general circulation in the State and/or in a financial publication published in the City of New York not less than seven (7) days prior to the date set for such sale.

SECTION 16. Preliminary and Final Official Statement. The County Council hereby authorizes and directs the County Administrator and/or his lawfully-authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The County Council authorizes the County Administrator to designate the Preliminary Official Statement as "final" for purposes of Rule 15c2-12 of the Securities Exchange Commission. The County Administrator and/or his lawfully-authorized designee are further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchaser of the Bonds.

SECTION 17. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the County covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of the annual financial report of the County within thirty (30) days from the County's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which adversely affects more than five (5%) percent of the revenues of the County or the County's tax base.

SECTION 18. Continuing Disclosure. In compliance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the County covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Disclosure Dissem ination Agent Agreement in substantially the form appearing as Exhibit E attached to this Ordinance. In the event of a failure of the County to comply with any of the provisions of the Disclosure Dissem ination Agent Agreement, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by this Ordinance.

SECTION 19. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds necessary to refund the Bonds to be Refunded shall be deposited with the Escrow Agent pursuant to the terms of the Refunding Trust Agreement. The remaining proceeds, if any, shall be deposited with the County Treasurer in a special fund to the credit of the County and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds.

SECTION 20. Defeasance. The obligations of the County under this Ordinance and the pledges, covenants and agreements of the County herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

(a) such Bond or Bonds shall have been purchased by the County and surrendered to the County for cancellation or otherwise surrendered to the County or the Paying Agent and is canceled or subject to cancellation by the County or the Paying Agent; or

(b) payment of the principal of and interest on such Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with a corporate trustee in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the corporate trustee. At such time as the Bonds shall no longer be deemed to be outstanding hereunder, such Bonds shall cease to draw interest from the due date thereof and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

“Government Obligations” shall mean any of the following:

- (a) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
- (b) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”); and
- (c) general obligation bonds of the State, its institutions, agencies, counties and political subdivisions, which, at the time of purchase, carry a AAA rating from Standard & Poor’s or a Aaa rating from Moody’s Investors Service.

SECTION 21. Miscellaneous. The County Council hereby authorizes the County Administrator, Chair of the County Council, the Clerk to the County Council and County Attorney to execute such documents and instruments as necessary to effect the issuance of the Bonds. The County Council hereby retains McNair Law Firm, P.A., as bond counsel and Hilltop Securities, as financial advisor in connection with the issuance of the Bonds. The County Administrator is further authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

All rules, regulations, resolutions, and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its enactment.

Enacted this ____ day of _____, 2017.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair, County Council

(SEAL)

ATTEST:

Clerk, County Council

First Reading: April 24, 2017

Second Reading: May 8, 2017 (Tentative)

Public Hearing:

Third and Final Reading:

FORM OF BOND

UNITED STATES OF AMERICA
 STATE OF SOUTH CAROLINA
 COUNTY OF BEAUFORT
 GENERAL OBLIGATION REFUNDING BOND, SERIES 2017

No. R-

<u>INTEREST</u>	<u>MATURITY</u>	<u>ORIGINAL</u>	
<u>RATE</u>	<u>DATE</u>	<u>ISSUE DATE</u>	<u>CUSIP</u>

REGISTERED HOLDER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that Beaufort County, South Carolina (the "County"), is justly indebted and, for value received, hereby promises to pay to the registered holder specified above, or registered assigns, the principal amount specified above on the maturity date specified above, upon presentation and surrender of this Bond at the principal office of Regions Bank in Atlanta, Georgia (the "Paying Agent"), and to pay interest on such principal amount from the date hereof at the rate per annum specified above until this Bond matures. Interest on this Bond is payable _____ 1, 20____, and semiannually on _____ 1 and _____ 1 of each year thereafter, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the County maintained by the registrar, presently Regions Bank in Atlanta, Georgia (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal of and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance (hereafter defined), nor become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been duly executed by the Registrar.

For the payment hereof, both principal and interest, 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 County are irrevocably pledged and there shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, denomination, date of maturity, redemption provisions, and rate of interest, aggregating _____ Dollars (\$ _____), issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina (the "State"), including Article X of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended; Title 11, Chapters 15, 21 and 27, Code of Laws of South Carolina 1976, as amended; the results of a favorable referendum ; and Ordinance No. 2017/____ duly enacted by the County Council on _____, 2017.

[Redemption Provisions]

This Bond is transferable as provided in the Ordinance, only upon the books of the County kept for that purpose at the principal office of the Registrar by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully registered Bond or Bonds of the same aggregate principal amount, interest rate redemption provisions, if any, and maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The County, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

Under the laws of the State, this Bond and the interest hereon are exempt from all State, county, municipal, County and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the County, does not exceed the applicable limitation of indebtedness under the laws of the State; and that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on this Bond as the same shall respectively mature and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, BEAUFORT COUNTY, SOUTH CAROLINA, has caused this Bond to be signed with the manual or facsimile signature of the Chairman of the County Council, attested by the manual or facsimile signature of the Clerk to the County Council and the seal of the County impressed, imprinted, or reproduced hereon.

BEAUFORT

COUNTY, SOUTH CAROLINA

Chair of County Council

(SEAL)

ATTEST:

Clerk of County Council

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This bond is one of the Bonds described in the within mentioned Ordinance of Beaufort County, South Carolina.

_____ as Registrar

By _____ : _____
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - As tenants in common

UNIF GIFT MIN. ACT

TEN ENT - As tenants by the
entireties

_____ Custodian _____
(Cust.) (Minor)

JT TEN - As joint tenants
with right of
survivorship and
not as tenants in
common

under Uniform Gifts to Minors

(State)

Additional abbreviations may also be used though not in list above.

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, _____ assigns and transfers unto

(Name and address of Transferee)

the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed: (Authorizing _____ Officer)

Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program. or

NOTICE: The signature to this agreement this agreement must correspond with the name of the registered holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement any change whatever.

A copy of the final approving opinion to be rendered shall be attached to each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the County with a manual or facsimile signature of the Clerk to the County Council. The certificate shall be in substantially the following form:

[FORM OF CERTIFICATE]

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete final approving opinion (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South Carolina, approving the issue of Bonds of which the within Bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the Bonds and a copy of which is on file with the County Council of Beaufort County, South Carolina.

BEAUFORT

COUNTY, SOUTH CAROLINA

By

: _____
Clerk of County Council

FORM OF NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held by the County Council of Beaufort County, South Carolina (the "County"), Large Meeting Room, Bluffton Branch Library, 120 Palmetto Way, Bluffton, South Carolina, at 6:30 p.m. on May 22, 2017.

The purpose of the public hearing is to consider an Ordinance providing for the issuance and sale of General Obligation Refunding Bonds of Beaufort County, South Carolina, in the principal amount of not exceeding \$8,000,000 (the "Bonds"). The proceeds of the Bonds will be used for the following purposes: (i) refunding all or a portion of the outstanding maturities of the County's original principal amount \$17,530,000 General Obligation Refunding Bonds, Series 2007; (ii) paying costs of issuance of the Bonds; and (iii) such other lawful purposes as the County Council shall determine.

The full faith, credit, and taxing power of the County will be pledged for the payment of the principal of and interest on the Bonds and a tax, without limit, will be levied on and collected annually, in the same manner other County taxes are levied and collected, on all taxable property of the County sufficient to pay to principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

At the public hearing all taxpayers and residents of the County and any other interested persons who appear will be given an opportunity to express their views for or against the Ordinance and the issuance of the Bonds.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE

NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given that on _____, 2017, the Beaufort County Council adopted an ordinance entitled: "ORDINANCE NO. 2017/___ AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE _____ PRINCIPAL AMOUNT OF NOT EXCEEDING \$8,000,000; FIXING THE FORM _____ AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS _____ LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE _____ BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO" (the "Ordinance").

The proceeds of the bonds will be used for the following purposes: (i) refunding all or a portion of the outstanding maturities of the County's original principal amount \$17,530,000 General Obligation Refunding Bonds, Series 2007; (ii) paying costs of issuance of the Bonds; and (iii) such other lawful purposes as the County Council shall determine.

Pursuant to Section 11-27-40(8) of the South Carolina Code of Laws, 1976, as amended, unless a notice, signed by not less than five (5) qualified electors of the County, of the intention to seek a referendum is filed both in the office of the Clerk of Court of the County and with the Clerk of the County Council, the initiative and referendum provisions of South Carolina law, Sections 4-9-1210 to 4-9-1230, South Carolina Code of Laws 1976, as amended, shall not be applicable to the Ordinance. The notice of intention to seek a referendum must be filed within twenty (20) days following the publication of this notice of the adoption of the aforesaid Ordinance in a newspaper of general circulation in Beaufort County.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE OF SALE

OFFICIAL NOTICE OF SALE

\$ _____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017,
OF BEAUFORT COUNTY, SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that sealed bids, facsimile bids and electronic bids will be received on behalf of Beaufort County, South Carolina (the "County"), 100 Ribaut Road, Beaufort, South Carolina, until __: __.m, South Carolina time, on _____, _____, 2017, at which time the said proposals will be publicly opened for the purchase of \$ _____ General Obligation Refunding Bonds, Series 2017, of the County (the "Bonds").

Electronic Bids: Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 1359 Broadway, 2nd Floor, New York, New York 10018, Customer Support, telephone (212) 849-5021.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL, BY FACSIMILE TRANSMISSION OR BY ELECTRONIC BID, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE COUNTY AT THE PLACE, DATE AND TIME APPOINTED, AND THE COUNTY SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.

Book-Entry-Only Bonds: The Bonds will be issued in fully _____-registered form. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC.

The Bonds will be issued in fully-registered form registered as to principal and interest; will be dated _____, 2017; will be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing in each year; and will mature serially in successive annual installments on _____ in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
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*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. The County reserves the right, in its sole discretion, either to decrease or increase the principal amount of the Bonds maturing in any year (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 10% of the Bonds. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the County in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

The Bonds will bear interest from the date thereof payable semiannually on _____ and _____ of each year, commencing _____, until they mature.

[Redemption Provisions]

Registrar/Paying Agent: Regions Bank, Atlanta, Georgia, will serve as Registrar/Paying Agent for the Bonds.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% and the interest rate specified for any maturity shall not be lower than the interest rate specified for any previous maturity. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, a bid at a price less than par or a bid which includes a premium in excess of 10% of the par amount of the Bonds will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.

Award of Bid. The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the County. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The County reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

Security: The full faith, credit, and taxing power of the County are hereby irrevocably pledged 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. There shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, an ad valorem tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Good Faith Deposit: No good faith deposit is required.

Bid Form: Proposals should be enclosed in a separate sealed envelope marked "Proposal for \$ _____ General Obligation Refunding Bonds, Series 2017 of Beaufort County, South Carolina" and should be directed to the County Administrator at the address in the first paragraph hereof. It is requested but not required that you submit your bid on the Proposal for Purchase of Bonds supplied with the Official Statement.

Official Statement: Upon the award of the Bonds, the County will prepare an official statement (the "Official Statement") in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Bonds, the County will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the County all necessary pricing information and any Underwriter identification necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Continuing Disclosure: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the County will undertake, pursuant to an ordinance and a disclosure dissemination agent agreement, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinion: The County Council shall furnish upon delivery of the Bonds the final approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate of the County that no litigation is pending affecting the Bonds.

Certificate as to Issue Price: The successful bidder must provide a certificate to the County by the date of delivery of the Bonds, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. A sample copy of such a certificate may be obtained from Bond Counsel.

Delivery: The Bonds will be delivered on or about _____, 2017, in New York, New York, at the expense of the County. The balance of the purchase price then due, including the amount of accrued interest, must be paid in federal funds or other immediately available funds.

BEAUFORT

COUNTY, SOUTH CAROLINA

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2017, is executed and delivered by Beaufort County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or any one on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means the Finance Director, or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a

Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the next February 1 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2017. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

“Principal and interest payment delinquencies;”

“Non-Payment related defaults, if material;”

“Unscheduled draws on debt service reserves reflecting financial difficulties;”

“Unscheduled draws on credit enhancements reflecting financial difficulties;”

“Substitution of credit or liquidity providers, or their failure to perform;”

“Adverse tax opinions, IRS notices or events affecting the tax status of the security;”

“Modifications to rights of securities holders, if material;”

“Bond calls, if material;”

“Defeasances;”

“Release, substitution, or sale of property securing repayment of the securities, if material;”

“Rating changes;”

“Tender offers;”

“Bankruptcy, insolvency, receivership or similar event of the obligated person;”

“Merger, consolidation, or acquisition of the obligated person, if material;” and

“Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;”
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and

9. “other financial/operating data.”

- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement as follows:

- (i) The financial statements of the Issuer for the preceding fiscal year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information). If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (ii) Financial and operating data for the fiscal year then ended, to the extent such information is not included in the Issuer's audited financial statements filed pursuant to clause (1) above, which shall be generally consistent with the tabular information (or other information, as otherwise noted below) contained in the Official Statement under the following headings: “THE BONDS—Security;” “DEBT STRUCTURE—Outstanding Indebtedness;” and “CERTAIN FISCAL MATTERS—Assessed Value of Taxable Property in the County,” “—Estimated True Value of All Taxable Property in the County,” “—Tax Rates,” “—Tax Collections for Last Five Years,” and “—Ten Largest Taxpayers.”

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer, which have been submitted to the MSRB. If the

document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a

court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event

notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By:_____

Name:_____

Title:_____

BEAUFORT COUNTY, SOUTH CAROLINA, as Issuer

By:_____

Name:

Title:

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	_____		
Obligated Person(s)	_____		
Name of Bond Issue:	_____		
Date of Issuance:	_____		
Date of Official Statement	_____		
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
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CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure _____

Agreement:

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

FY2017-2018 BUDGET

April 24, 2017



FY2017-2018 Budget

Identification of Budget Priorities

I. Retreat Priorities

- A. South Carolina Retirement System Increases - \$1,200,000
- B. Reduction in Local Government Fund - \$600,000
- C. Full Implementation of Salary and Compensation Survey - \$600,000
- D. First Year Step/Merit Increases - \$1,900,000
- E. Recurring Capital for IT Infrastructure - \$1,000,000

Post Budget Release Changes:

Increase in Health Insurance
Stop-Loss Premiums - 6% (\$300,000)



FY2017-2018 Budget

FY2016-2017/FY2017-2018 Revenue Comparison

Non-Ad Valorem Revenue

FY2015-2016

\$26,852,051

FY2016-2017

\$26,952,051

**Adjustments include:
Charges for Services**

\$100,000



FY2017-2018 Budget

FY2016-2017/FY2017-2018 Revenue Comparison

Ad Valorem Tax Collections

FY2016-2017

\$89,416,574

FY2017-2018

\$95,935,749

Adjustments Include:

Growth (3.0%) - \$2,682,468

Proposed Milage increase – +2.12



FY2017-2018 Budget

FY2016-2017/FY2017-2018 Expenditures Comparison

County Administrations Operations

FY2016-2017

\$71,280,306

FY2017-2018

\$72,367,306

Adjustments include:

Records Management	-\$15,000
Detention Center	\$50,000
Library	\$31,000
Information Technology	\$225,000
GIS	\$10,000
Animal Services	\$70,000
Planning & Zoning	\$70,000*
Purchasing	-\$12,000
Grant Writer	\$75,000

Public Works	\$430,000
Assessor	\$35,000
Employee Services	-\$183,000
Legal	-\$4,000
Public Defender	\$120,000
Traffic	-\$60,000
Building Codes	\$50,000
Passive Parks	\$140,000
Economic Development	\$40,000



FY2016-2017 Budget

County Administrations Operations Breakout

Public Works

\$430,000

- Solid Waste

- Increase in disposal costs due to increase in volume of solid waste being disposed

- No revenue being generated from recycling

Information Technology

\$225,000

- Staffing Needs

- Project Manager

- Network Security Analyst

- Microsoft License Fees



FY2016-2017 Budget

County Administrations Operations Breakout

Passive Parks

\$140,000

- Hire Director
 - Benefits
 - Computer/Cell Phone, etc.
 - Vehicle

Public Defender

\$120,000

- Salary adjustments to retain personnel
- Hiring of 1 Additional FTE



FY2016-2017 Budget

County Administrations Operations Breakout

Administration

- Records Management - (\$15,000)
 - Reduction in services contracts due to digitizing of records
- Detention Center - \$50,000
 - Increase in inmate medical services costs
- Library - \$31,000
 - Conversion of 1PTE to 1FTE
- GIS - \$10,000
 - Increase in Pictometry Licensing Costs
- Animal Services - \$70,000
 - Increase in spay and neuter costs
 - Increase in medical/veterinary costs



FY2016-2017 Budget

County Administrations Operations Breakout

Administration Continued

- Planning and Zoning \$70,000
 - Additional FTE for Affordable Housing
- Purchasing (\$12,000)
 - Reduction in costs for online vendor registration and bidding system
- Finance \$75,000
 - Additional FTE for Grants Writer
- Assessor \$35,000
 - Overtime Associated with 5 year Reassessment
- Legal (\$4,000)
 - Reduction in operational expenses



FY2016-2017 Budget

County Administrations Operations Breakout

Administration Continued

- Traffic Management (\$60,000)
 - Replacement of specialty equipment complete
- Building Codes \$50,000
 - New FTE for Assistant Flood Plain Manager



ANY QUESTIONS?



BLUFFTON TOWNSHIP FIRE DISTRICT

357 FORDING ISLAND ROAD
BLUFFTON, SOUTH CAROLINA 29909
843-757-2800 • FAX 843-757-7305

April 25, 2017

Councilman XXXXXX
XXXXXXXXXXXXXXXXXX
Bluffton, SC 29909
VIA E-mail

RE: Bluffton Township Fire District FY2018 Budget Request

Dear Councilman XXXXX,

I hope this letter finds you well. Please find attached the FY2018 budget request for the Bluffton Township Fire District. This request was approved for submittal to the County Council by the Fire Board on April 18, 2017. There are some contingencies in the request which pertain to two (2) new administrative positions and six (6) new operations positions for the next Bluffton fire station which will be located off of Hampton Parkway to serve the growing area. The Hampton Lake community is nearing the five (5) mile ISO insurance line and is continuing to build at a rapid pace. It is my concern that if the station is not constructed by FY2020 the District will experience a similar problem to that encountered in Palmetto Bluff and Colleton River. The Hampton Parkway station is an item in the District's current Strategic Plan.

In the position request for the Firefighters there is reference to SAFER grant funding. SAFER stands for Staffing for Adequate Fire and Emergency Response and is a federally funded grant program. The District is pursuing a SAFER grant to staff the new fire station and we estimate the savings to our taxpayers to be approximately 1.3 million dollars. In the event the SAFER grant is not awarded, the District will phase in the hiring over the next three fiscal years to ease the salary burden on any one year and allow revenues to catch up to the growth. I plan on bringing the full station package to the Council soon and am meeting with County staff to prepare.

The budget request attached does not require a tax increase. Although it appears the revenue projected by the first run of numbers is slightly less than the expenditures, none of the new positions requested will be staffed until January 2018 to provide adequate time to track actual revenue and make adjustments. Historically, the numbers provided for guidance each year are very conservative and actual revenues generally exceed the projections.

Should you have any questions or wish to discuss the budget request further please do not hesitate to call on me. I look forward to answering any questions you may have. I appreciate your continued support of the Fire District.

Respectfully,

John W. Thompson, Jr.
Fire Chief

Bluffton Township Fire District – Budget Request FY2018

FY2017	Revenue	Expenditures	Millage Rate
Operations	\$12,873,433	\$12,789,870	24.64
Debt Service	\$574,700	\$567,720	1.10
TOTAL			25.74
FY2018	Revenue	Expenditures	Millage Rate
Operations	\$13,663,186	\$14,032,311	24.70
Debt Service	\$572,000	569,000	1.04
TOTAL			25.74

- The Bluffton Township Fire District requests \$14,032,311 (24.70 mils) to fund the operational needs of the fire department for FY2018.
- The Bluffton Township Fire District requests \$572,000 (1.04 mils) to fund the debt service requirements of the fire department for FY2018.
- The operating request includes the following:
 - 1.67% longevity increases for those who qualify. (minimum 1 year of service)
 - 1.33% cost of living adjustments for all line employees (Recruit Firefighter – Line Battalion Chief)
 - Up to 1.33% merit increases for all Administrative Staff based on performance.
 - Up to a 4% increase in health insurance costs based on trend information. This will likely be lower and possibly even flat. However, it is June before the final numbers are available and we budget conservatively.
 - Slight increases in payroll taxes due to the increases in salary as there was no change from the Federal Government on employer withholding rates.
 - 2% increases in state retirement as the South Carolina Public Employees Benefit Authority (PEBA) substantially increased its withholding requirements on employers in an effort to shore up the state pension systems (SCRS and PORS).
 - Slight increases in Worker’s Compensation insurance from the State Accident Fund.
 - Routine increases of up to 10% in all utility areas such as internet service electric, water and sewer, pest control, and garbage collection. These increases result from standard rate increases from our vendors but also include the addition of the new fire station 36 (Colleton River) as the District will assume liability for utilities once the station is completed in mid FY18.
 - Routine increases up to 5% in the costs to train employees based on increases from vendors providing training services such as the South Carolina Fire

Academy, the National Registry of Emergency Medical Technicians, the Alabama Fire College, the National Fire Academy, and the Health and Safety Institute.

- Routine increases in the costs of professional services such as liability insurance on District vehicles and facilities, and our auditor.
- The Administration realizes the projected revenues do not meet the expenditure level requested. In the event, revenue collections are not keeping pace with expenditures, the Administration will take the necessary steps to limit the amount of expenditures to match the revenue stream. The following items are prioritized for defunding should the need arise:
 - **First Priority for Removal – Facilities Maintenance Technician:** The hiring of an additional position for facilities maintenance. This position will be placed on hold until at least January 2018 to verify funding is adequate. In the event funding is not adequate the position will be removed from the FY2018 operating budget and reassessed for FY2019. Total cost savings to the District - \$83,500.
 - **Second Priority for Removal – Medical Training Officer:** The hiring of a medical training officer to assist the Training Division will be placed on hold until at least January 2018 to verify funding is adequate. In the event funding is not adequate the position will be removed from the FY2018 operating budget and reassessed for FY2019. Total cost savings to the \$88,000.
 - **Third Priority for Removal – New Hires for the Hampton Parkway Fire Station:** In the event the District receives the SAFER grant for the staffing, the positions will remain in the budget as the majority of the cost is paid for through the grant program. In the event the District does not receive the SAFER grant, the six (6) initial positions will be evaluated in January 2018 as to the availability of funding. If the revenue stream will not support the hiring of the positions, one (1) or more may be deferred to FY2019. Total cost savings to the District - \$218,000.

DAUFUSKIE ISLAND FIRE DISTRICT
PERSONNEL COST FY 2018

	ACTUAL BUDGET FY' 2016	ACTUAL BUDGET FY' 2017	PROPOSED BUDGET FY' 2018
PERSONNEL COST			
50020 SALARIES AND WAGES	<u>657,016</u>	<u>670,998</u>	<u>682,204</u>
TOTAL PAYROLL	657,016	670,998	682,204
EMPLOYEE BENEFITS:			
50100 FICA @ 6.2%	40,735	41,602	42,296
50110 MEDICARE @1.45%	9,527	9,729	9,891
50130 RETIREMENT @14.74%	87,646	89,111	100,557
50140 GROUP HEALTH INS	183,600	183,600	197,761
50150 WORKERS COMP	38,000	39,000	39,000
50170 EMPLOYER UNEMPLOYMENT @0.837% OF \$156,000	<u>1,306</u>	<u>1,306</u>	<u>1,306</u>
TOTAL EMPLOYEE BENEFITS	360,814	364,348	390,811
 TOTAL PERSONNEL COST	 1,017,830	 1,035,346	 1,073,015
 TOTAL OPERATING COST	 107,267	 107,267	 107,267
 GRAND TOTAL	 1,125,097	 1,142,613	 1,180,282

The increase in this budget reflects the following:

1.67 % longevity for firefighters.

Health insurance increase of 7.71%

Mandated increase in retirement from 13.34% to 14.74%.

Total budget increase is 1.03% increase.



LADY'S ISLAND – ST. HELENA FIRE DISTRICT
237 SEA ISLAND PARKWAY
BEAUFORT, SOUTH CAROLINA 29907
PHONE: 843-525-7692 FAX: 843-525-7689



BRUCE KLINE, CHIEF

GORDON BOWERS, CHAIRMAN

Lady's Island-St. Helena Fire District

FY 2017	Revenue	Expenditures	Millage Rate
Operations	5,509,396	5,509,396	37.92
Debt Service	312,137	312,137	2.2

FY2018	Revenue	Expenditures	Millage
Operations	5,746,643	5,746,688	39.26
Debt Service	309,237	309,237	2.11

- Expenditure request presented is with 2% cost of living
- The expenditure request is minus contract money of \$125,000
- The majority of expenditure increases are due to Retirement and Health Insurance
- The Fire District Commission is requesting a total (operations and debt) millage increase of 1.25 to cover expenditures
- The increase for a \$100,000 owner occupied home is \$5.00 as compared to FY17. Total bill (Operations and Debt) for a \$100,000 home is \$165.48

Sheldon Township Fire District

Post Office Box 129
Sheldon, South Carolina 29941
Office (843) 846-9221
Fax (843) 846-8011
Emergency 911

Walter "Buddy" Jones
Chief

BUDGET SUMMARY

2016/2017 Budget Approved

Personnel Cost-----\$1,160,647

Operations Cost-----\$143,960

Total-----\$1,304,607

Total Debt-\$ 72,500

2017/2018 Proposed Budget

Personnel Cost-----\$1,205,600

Operations Cost-----\$ 144,560

Total-----\$1,350,160

Total Debt---\$ 139,259

F/Y 2016 to F/Y 2017 Comparison

\$44,953 Increase In Personnel Cost

\$600 Increase in Operations Cost.

\$66,759 Increase In Debt Service

Total Increase from Current Budget: \$112,312

SHELDON FIRE DISTRICT

2017/2018

BUDGET INCREASE

JUSTIFICATION

Personnel Increases

Salaries promotions and longevity Increase of-----	\$18,367
Payroll taxes Increase of-----	\$1,405
SC PORS Retirement system increase-----	\$14,315
Health insurance premium increase-----	\$10,866
Total increase in personnel cost-----	\$44,953

Operations Increases

Accounting increase-----	\$400
Equipment insurance decrease-----	(\$1000)
Building insurance increase-----	\$1000
Grounds maintenance increase-----	\$200
Total increase in operational cost-----	\$600

Debt increase-----\$66,759

SHELDON FIRE DISTRICT

MILLAGE INFORMATION

2017/2018

Present Mills 36.86 x 34,369 = 1,266,841

BUDGET

Personnel-----1,205,600

Operations -----144,560

Total Budget-----1,350,160

New mill Est. 35,228

MILLS needed for proposed Budget

38.32 new mills increase of 1.46 mills

Debt

3.95 new mills increase of 1.75 mills

Total mills increase-----3.21

BEAUFORT COUNTY SCHOOL DISTRICT

**Jeffrey Moss, Ed. D., Superintendent
Tonya Crosby, Chief Finance and Operations Officer**

**FY 2017-2018
Preliminary
General Fund
Budget**

**May 8, 2017
Beaufort
County Council
First Reading**

BCSD ACCOMPLISHMENTS

ACADEMIC HIGHLIGHTS

- Student achievement in Beaufort County continues to improve by nearly every indicator.
- The 2016 high school graduation rate was 83.4%, up from 61.8% in 2010.
- The district's average SAT score has improved by 61 points over the past five years, and African-American seniors have reduced the achievement gap with white seniors by improving their scores by 87 points while white students improved by 30 points.
- The number of district high school students enrolled in dual-credit college-level courses increased from 228 during the 2014-15 school year to 352 in 2015-16.
- Graduating Class of 2016 seniors earned \$30.9 million in college scholarships, an all-time high.

BCSD ACCOMPLISHMENTS

ACADEMIC HIGHLIGHTS

- The Connect2Learn program has put a mobile computer in the hands of every student.
- The district has created “schools of choice” in all buildings. Parents can apply to send their children to any academic program in the district, regardless of where they live. For the 2016-17 year, more than 2,300 students are enrolled in schools outside their attendance zones.
- The district has added 260 full-day prekindergarten slots over the past two years, which has allowed schools to reduce or even eliminate waiting lists of at-risk children who need focused attention before they start classes. The district earned the 2015 Champions for Children Award from the Institute of Child Success for its efforts to improve early childhood education.

BCSD ACCOMPLISHMENTS

ACADEMIC HIGHLIGHTS

- The district earned a renewal of its national accreditation from AdvancED, a nonprofit organization that reviews school systems around the world. The AdvancED review places BCSD in the Top 10 among South Carolina schools and the Top 10 in the AdvancED network, which includes international rankings. In addition, AdvancED awarded specialized STEM certification to all six district schools that applied, giving the district a perfect “approval rating.”

BCSD ACCOMPLISHMENTS

BUSINESS/FINANCE ACCOMPLISHMENTS

- We continue to see significant savings from smart financial decisions, as well as from the installation of cutting-edge technology that conserves power and water.
- Over the past 17 years, the district has never had a negative financial finding in any of its annual independent audits.
- District's bond ratings are: Aa1 Moody's and AA Standard & Poor's.

BCSD ACCOMPLISHMENTS

COMMUNITY SUPPORT INITIATIVES

- We developed a college scholarship program – the Building a Better Beaufort Scholarship, also called “B3” – which pays up to two years of tuition costs at the Technical College of the Lowcountry for qualified local high school graduates.
- We have dramatically improved the district’s security screening process for school volunteers and, at the same time, increased the number of volunteers from 1,300 to more than 6,500 in the last two years.
- Two new schools serve the fast-growing Bluffton community: PreK-Grade 8 River Ridge Academy and May River High School.

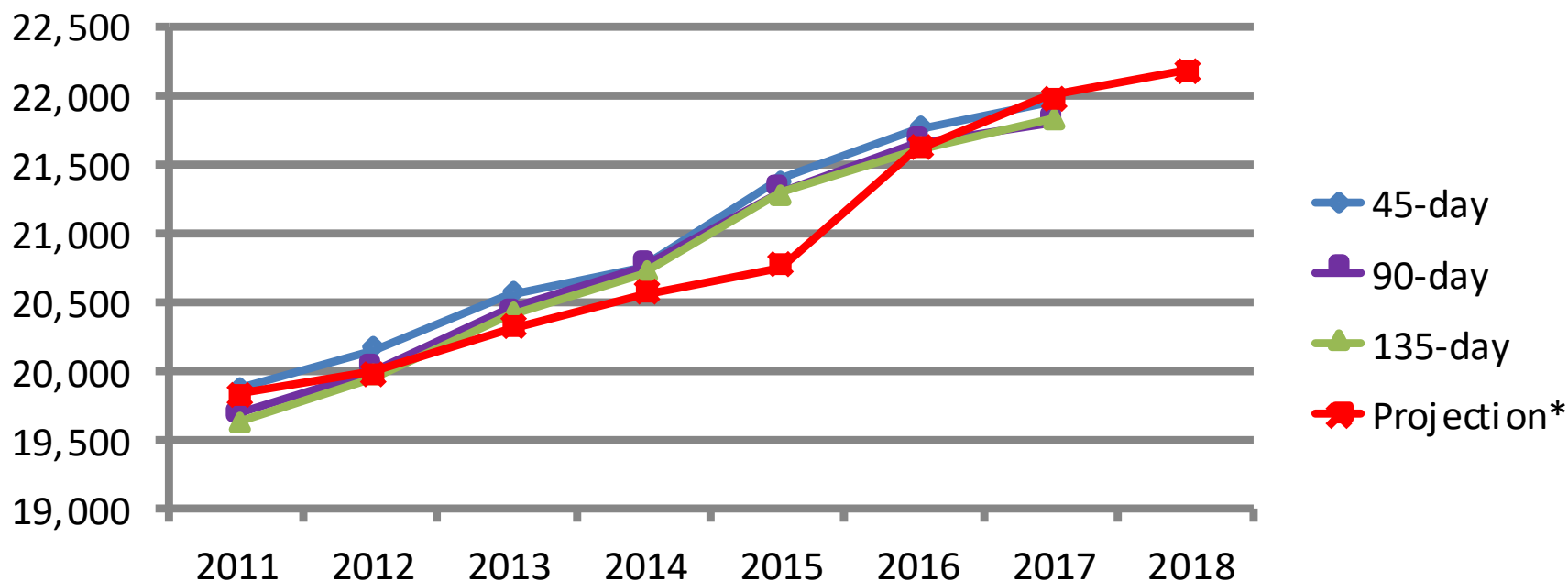
INCLUDED IN OVERALL BUDGET

- Choice at All Schools, including a Charter School, Alternative School and a Vocational School
- Staff to address student growth
- Pre-K with limited waiting lists
- Professional development to enhance teacher performance
- Instructional software (students and teachers)
- High School CATE Programs
- Instructional Coaches
- Connect2Learn – BCSD's 1:1 Program
- Step increases for staff
- Locality supplements

EXPENDITURE INCREASES INCLUDED IN FY 2017-2018 BUDGET

Description	Projected Cost
State/Federal Mandated Increases:	
Salary Step for certified staff	1,464,359
Retirement Increase	1,877,539
Health Insurance Increase	816,987
2 Special Education teachers	110,000
Total State Mandates	<u>\$ 4,268,885</u>

Beaufort County School District 2018 Enrollment Projection



45-day	19,870	20,148	20,568	20,757	21,381	21,749	21,952
90-day	19,689	20,021	20,437	20,762	21,320	21,664	21,800
135-day	19,626	19,953	20,399	20,704	21,285	21,619	21,829

Projection* **19,834** **19,983** **20,148** **20,568** **20,757** **21,620** **21,983** **22,184** 232 increase from 2017 45-day

*Projection is based on 45th day

Note: All #s include charter school 2010 - 248, 2011- 304, 2012-342, 2013-456, 2014-494, 2015-532, 2016-570; 2017-608, 2018-646

EXPENDITURE INCREASES INCLUDED IN FY 2017-2018 BUDGET

Description	Projected Cost
Local - Increases due to enrollment growth*:	
21 School based employees	\$ 1,318,113
10 Teachers for Growth	550,000
Charter School Allocations (+38 students)	397,865
Academic Stipends	45,802
School Non-Salary Allocations	41,620
Total	<u>\$ 2,353,400</u>

***All costs include salary and benefits.**

EXPENDITURE INCREASES INCLUDED IN FY 2017-2018 BUDGET

Description	Projected Cost
Operational Increases:	
Contractual Increases (Custodial, Grounds, Maint, Pest Control)	635,862
Property Insurance (15%)	412,175
Telecommunications	153,444
Utilities	87,227
Technology applications	74,511
Total	<u>\$ 1,363,219</u>

EXPENDITURE INCREASES INCLUDED IN FY 2017-2018 BUDGET

Description	Projected Cost
Increases due to program expansion:	
Pre-K expansion-1 classroom (MCRES)	84,480
Total	<u>\$ 84,480</u>

EXPENDITURE INCREASES INCLUDED IN FY 2017-2018 BUDGET

Description	Projected Cost
Other Increases:	
Locality supplement for teachers*	\$ 1,889,258
Step increase for classified	493,550
Step increase for administrators	201,073
Total	<u>\$ 2,583,881</u>

***This recruiting and retention supplement would be an additional \$1,000 for teachers only, totaling \$3,000 per teacher.**

EXPENDITURE **DECREASES** INCLUDED IN FY 2017-2018 BUDGET

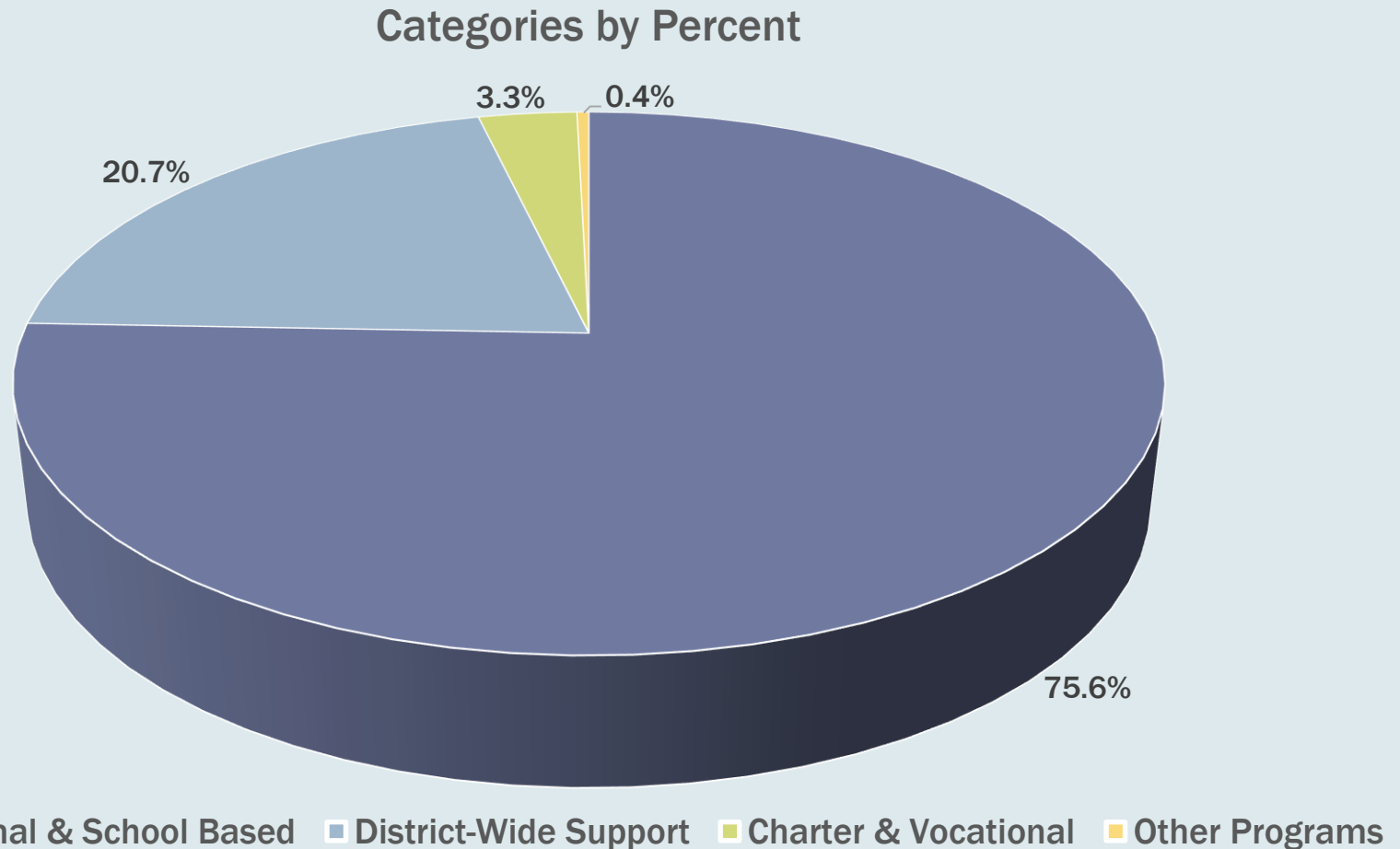
Description	Projected Cost
4 staff moved to Special Revenue Funding	(190,000)
Repairs and Maintenance	(78,677)
Unemployment	(25,000)
Miscellaneous Supplies	(19,092)
Stormwater Utility	(15,000)
School Resource Officers	(13,536)
Total	<u>\$ (341,305)</u>

Note: Reduction of 17 Literacy Teachers of \$1,105,000 from Special Revenue Funds

SUMMARY OF FY 2017-2018 INCREASES

Type Increase	Amount	% of Total Increases
State/Federal Mandates	\$ 4,268,885	41%
Local - Enrollment	2,353,400	23%
Operational	1,363,219	13%
Other	2,583,881	25%
Program Expansion	84,480	1%
Total Increases	10,653,865	
Less Decreases	(341,305)	-3%
Net Increases	\$ 10,312,560	
Current Budget	215,451,995	
FY 2017-2018 Preliminary	\$ 225,764,555	

BUDGET BY CATEGORIES



		A	B
Senate Finance Version		FY 2016-2017	FY 2017-2018
		Projected	Projected
		Actual	Budget
Millage Rate		111.5	115.96
1	Local		
2	Ad Valorem (Current and Delinquent)-Net of TIFs	131,662,584	138,095,428
3	Penalties and Interest	850,000	800,000
5	Rent	293,500	293,500
6	Other Local	300,000	370,000
7	Total Local Revenue	\$ 133,106,084	\$ 139,558,928
8	State		
9	Sales Tax Reimbursement on Owner Occupied	44,216,582	44,711,079
11	Fringe Benefits/Retiree Insurance	10,304,552	9,666,234
12	Education Finance Act	13,961,866	11,795,797
13	Reimbursement for Local Property Tax Relief	7,036,261	7,036,261
14	Other State Property Tax (Homestead/Merchant Inv)	2,377,946	2,442,079
15	Other State Revenue (Bus Driver Salary/Misc)	1,490,553	1,200,179
16	Total State Revenue	\$ 79,387,760	\$ 76,851,629
17	Federal		
18	Other Federal Sources	739,000	700,000
19	Total Federal Revenue	\$ 739,000	\$ 700,000
20	Total Revenue	\$ 213,232,844	\$ 217,110,557
22	Transfers from Special Revenue	4,716,262	4,975,804
23	Transfers from Other Funds	450,090	450,000
24	Total Other Financing Sources (Uses)	\$ 5,166,352	\$ 5,425,804
25	Total Revenue and Other Financing Sources	\$ 218,399,196	\$ 222,536,361
26	Expenditures	213,451,996	225,765,555
27	Increase(Decrease) in Fund Balance	\$ 4,947,200	\$ (3,229,194)
28			
29	Beginning Fund Balance	28,624,647	33,571,847
30	Ending Fund Balance	\$ 33,571,847	\$ 30,342,653
31	% of Next Year's Expenditure or Budget	14.9%	13.0%

BUDGET DISCUSSIONS

- May 3, 2017 - Public Forum-Bluffton High School
- May 4, 2017 - Public Forum-Battery Creek High School
- May 16, 2017- Board certifies the 2017-2018 Budget
- May 8, 2017 - County Council First Reading of Budget
- May 22, 2017- County Council Second Reading of Budget
- June 12, 2017- County Council Third and Final Reading of Budget
- June 26, 2017 - County Council Final Reading (if needed)

ORDINANCE NO. _____

AN ORDINANCE RECOGNIZING BEAUFORT COUNTY SHERIFF'S REQUEST FOR \$30,000 FOR COSTS ASSOCIATED WITH TRAFFIC CONTROL DURING 2017 MCAS BEAUFORT AIR SHOW AND APPROPRIATING \$15,000 FROM THE STATE 2% ACCOMMODATIONS TAX FUND TO COVER SUCH COSTS

WHEREAS, County Council is authorized to utilize State 2% Accommodations Tax Funds to promote tourism and enlarge the economic benefits of tourism through advertising, promotion, construction and maintenance of access and access to nearby roads for civic, cultural recreational or historic facilities; and

WHEREAS, S. C. Code Ann. §6-4-10(4)(b) expressly authorizes a county which has a high concentration of tourism activity to use state accommodations tax funds "to provide additional county and municipal services including, but not limited to, law enforcement [and] traffic control" as may be necessary for tourism related activities; and

WHEREAS, MCAS Beaufort, one of Beaufort County's strongest economic drivers, will host the 2017 MCAS Air Show at its facility in Beaufort County between April 29-30, 2017 which will feature, among others, static displays and live performers designed to showcase naval aviation at its best with demonstrations by the United States Naval Flight Demonstrations Team, the Blue Angels all of which is expected to draw approximately 100,000 visitors; and

WHEREAS, given that MCAS Beaufort is remote and that most, if not all, attendees will utilize highways, streets and roads to access the facility resulting in unusually large volumes of traffic on the highways, streets and roads all of which will need to be managed by law enforcement, including Beaufort County Sheriff's office; and

WHEREAS, the Sheriff estimates his office will incur approximately \$30,000 in unanticipated and unbudgeted expenses directly related to providing police and traffic services to the community as a result of the 2017 MCAS Beaufort Air Show; and

WHEREAS, Beaufort County Council believes these tourism related expenses should be shared by the City of Beaufort and Beaufort County equally and that its share of these expenses should be appropriated from the State 2% Accommodations Tax Fund.

NOW THEREFORE, BE IT ORDAINED that Beaufort County Council, duly assembled, hereby appropriates \$15,000.00 from the State 2% Accommodations Tax Fund to the Beaufort County Sheriff's Office to defray a portion of the anticipated expenses associated with the 2017 MCAS Beaufort Air Show.

DONE, this ____ day of ____ 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II
Beaufort County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

First Reading: April 10, 2017
Second Reading: April 24, 2017
Public Hearing:
Third and Final Reading:

ORDINANCE 2017 / _____

**AN ORDINANCE AUTHORIZING THE OPERATION OF
GOLF CARTS AT NIGHT ON DAUFUSKIE ISLAND**

WHEREAS, Act 246 of 2016 authorizes a County which meets certain criteria as set forth therein to enact an ordinance allowing for the operation of golf carts at night on designated portions of the County; and

WHEREAS, Beaufort County satisfies the criteria set forth in Act 246 of 2016; and

WHEREAS, Beaufort County recognizes golf carts are an increasingly popular and efficient mode of local transportation in communities; and

WHEREAS this Council, which is charged with maintaining and preserving the health, safety and welfare of Beaufort County citizens, residents and visitors, has examined the possibility of, the advantages, disadvantages and safety risks associated with, extending golf cart use from daytime throughout the County to nighttime in designated portions of the County including municipalities and barrier islands; and

WHEREAS, after conducting this examination and after hearing from local residents, local communities throughout the County including representatives of municipalities, vendors of golf cart safety equipment and the Beaufort County Sheriff, this Council has deliberated and has concluded that nighttime golf cart use on Daufuskie Island is reasonable, appropriate and in the best interest of the residents and visitors to Daufuskie Island given the many qualities and characteristics of the island which make it unique including that Daufuskie is accessible only by water, that there are very few motor vehicles on the island, that golf carts are the primary mode of transportation on the island even in daytime and that there is virtually no automobile traffic on the island which could pose a danger to people operating golf carts at night.

NOW, THEREFORE, BEAUFORT COUNTY COUNCIL, hereby amends Chapter 70 of its Code of Ordinances so as to include Article V, Section 70 -100 which authorizes the

operation of golf carts at night on all public streets and roads on Daufuskie Island provided that such golf carts are equipped with working headlights and rear lights.

This Ordinance shall take effect thirty (30) days after being approved by County Council.

DONE this _____ day of _____, 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

First Reading, By Title Only: March 13, 2017

Second Reading: April 24, 2017

Public Hearing:

Third and Final Reading:

ORDINANCE NO. 2017/___

AUTHORIZING THE ISSUANCE AND SALE OF NOTE(S) NOT EXCEEDING \$35,000,000 TAXABLE OR TAX-EXEMPT, OR BOTH, GENERAL OBLIGATION BOND ANTICIPATION NOTE(S), IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE NOTE(S); AUTHORIZING THE COUNTY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS RELATING TO THE NOTE(S); PROVIDING FOR THE PAYMENT OF THE NOTE(S) AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

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

SECTION 1. Findings and Determinations. The County Council (the "County Council") of Beaufort County, South Carolina (the "County"), hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended (the "S.C. Code"), and the results of a referendum held in accordance therewith, the Council-Administrator form of government was adopted and the County Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that each county shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law. Such debt must be incurred for a public purpose and a corporate purpose in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such county.

(c) Pursuant to Title 4, Chapter 15 of the S.C. Code (the same being and hereinafter referred to as the "County Bond Act"), the governing bodies of the several counties of the State of South Carolina (the "State") may each issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding their applicable constitutional limit.

(d) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27 of the S.C. Code provides that if an election be prescribed by the provisions of the County Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) Article X, Section 14 of the Constitution further provides that general obligation bond anticipation notes may be issued in anticipation of the proceeds of general obligation bonds which may lawfully be issued under such terms and conditions that the General Assembly may prescribe by law.

(f) Pursuant to the provisions of Title 11, Chapter 17 of the S.C. Code ("Title 11, Chapter 17"), any county, whenever authorized by general or special law to issue bonds, may, pending the sale and issuance thereof, borrow in anticipation of the receipt of the proceeds of the bonds. Such provisions also provide that if any approval be necessary prior to the issuance of bonds by the county, the county must obtain the same approval prior to the issuance of temporary financing provided therein.

(g) The assessed value of all the taxable property in the County as of June 30, 2016, is not less than \$1,725,369,752. Eight percent of the assessed value is \$138,029,580. As of the date hereof, the outstanding general obligation debt of the County subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$74,931,036. Thus, the County may incur not exceeding \$63,068,544 of additional general obligation debt within its applicable debt limitation.

The County intends to issue general obligation refunding bonds, a portion of which will count against the County's constitutional debt limit.

(h) Pursuant to Ordinance No. 2012/10 adopted on August 13, 2012, the County adopted Written Procedures related to Tax-Exempt Debt.

(i) Pending the issuance and sale of general obligation bonds, it is necessary and in the best interest of the County for the County Council to provide for the issuance and sale of general obligation bond anticipation notes in an amount of not exceeding \$35,000,000 to provide funds for (i) purposes related to recovery from Hurricane Matthew (the "Project"); (ii) paying costs of issuance of the Notes (hereinafter define); and (iii) such other lawful purposes as the County Council shall determine.

SECTION 2. Bonds. Pursuant to this Ordinance, the County Council has irrevocably obligated and bound itself to effect the issuance of not exceeding \$35,000,000 or such other amount as may be determined of a general obligation bonds (the "Bonds") prior to the stated maturity of the Note. Prior to the sale and issuance of the Bond, the County shall adopt a resolution setting forth the form and details of such Bond.

SECTION 3. Authorization and Details of Notes. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$35,000,000 aggregate principal amount of taxable or tax-exempt, or both, general obligation bond anticipation notes of the County, in one or more series, in one or more years, with appropriate series designations, to be designated "(amount issued) General Obligation Bond Anticipation Notes, (appropriate series designation) of Beaufort County, South Carolina"(the "Notes") for the purposes set forth in Section 1(i) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees.

The Notes shall be issued as fully registered Notes registerable as to principal and interest; shall be dated as of their date of delivery to the initial purchaser(s) thereof; shall bear interest from their dated date payable at maturity at such rate or rates as may be determined by the County Council at the time of sale thereof.

Both the principal of and interest on the Notes shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. Regions Bank, Atlanta, Georgia, shall serve as Registrar/Paying Agent for the Notes.

The County Council may determine it to be in the best interest of the County to refund or renew the outstanding Note at maturity rather than issuing the Bonds. If that determination is made, County Council may authorize the Note to be rolled over or renewed by adopting a Resolution incorporating the terms of this Ordinance and setting forth the details of the renewed note.

SECTION 4. Delegation of Authority Relating to Determine Certain Matters Relating to the Notes. The County Council hereby delegates to the County Administrator or his lawfully-authorized designee the authority to: (a) determine the par amount of the Notes; (b) determine the maturity date of the Notes; (c) determine redemption provisions, if any, for the Notes; (d) determine the date and time of sale of the

Notes; (e) receive bids on behalf of the County Council; and (f) to award the sale of the Notes to the lowest bidders therefor in accordance with the terms of the Notice of Sale for the Notes.

After the sale of the Notes, the County Administrator or his lawfully-authorized designee shall submit a written report to the County Council setting forth the details of the Notes as set forth in this Section.

SECTION 5. Registration, Transfer and Exchange of Notes. The County shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Notes. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Notes under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Note shall be transferable only upon the registry books of the County, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Note the Registrar/Paying Agent on behalf of the County shall issue in the name of the transferee a new fully-registered Note or Notes of the same aggregate principal amount, interest rate and maturity as the surrendered Note. Any Notes surrendered in exchange for a new registered Note pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The County and the Registrar/Paying Agent may deem or treat the person in whose name any fully-registered Note shall be registered upon the registry books as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Note and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the County nor the Registrar/Paying Agent shall be affected by any notice to the contrary. For every such transfer of Notes, the County or the Registrar/Paying Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer, and, except as otherwise provided herein, may charge a sum sufficient to pay the cost of preparing each Note issued upon such transfer, which sum or sums shall be paid by the person requesting such transfer or by the County as a condition precedent to the exercise of the privilege of making such transfer.

SECTION 6. Record Date. The County hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Notes, and such record date shall be the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date on such Note or in the case of any proposed redemption of Notes, such record date shall be the fifteenth (15th) day prior to the giving of notice of redemption of bonds.

SECTION 7. Mutilation, Loss, Theft or Destruction of Notes. In case any Note shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the County shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Note of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Note, or in lieu of or in substitution for such lost, stolen or destroyed Note. In any such event the applicant for the issuance of a substitute Note shall furnish the County and the Registrar evidence or proof satisfactory to the County and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Note, and of the ownership thereof, and also such security and indemnity in an amount as may be required by the laws of

the State or such greater amount as may be required by the County and the Registrar. Any duplicate Note issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Note or in substitution for any allegedly lost, stolen or wholly destroyed Note shall be entitled to the identical benefits under this Ordinance as was the original Note in lieu of which such duplicate Note is issued, and shall be entitled to equal and proportionate benefits with all the other Notes of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Note shall be borne by the applicant therefor.

SECTION 8. Execution of Notes. The Notes shall be executed in the name of the County with the manual or facsimile signature of the Chair of the County Council attested by the manual or facsimile signature of the Clerk to the County Council under a facsimile of the seal of the County impressed, imprinted or reproduced thereon; provided, however, the facsimile signatures appearing on the Notes may be those of the officers who are in office on the date of adoption of this Ordinance. The execution of the Notes in such fashion shall be valid and effectual, notwithstanding any subsequent change in such offices. The Notes shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Note shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

SECTION 9. Form of Notes. The Notes shall be in substantially the form attached hereto as Exhibit A, respectively, and incorporated herein by reference.

SECTION 10. Security for Notes. For the payment of the principal of and interest, if necessary, on the Notes as they respectively mature there are hereby pledged the proceeds of the Bonds and the full faith, credit and taxing power of the County. The County at its option may also utilize any other funds available therefor for the payment of the principal of and interest on the Notes.

SECTION 11. Defeasance. The obligations of the County under this Ordinance and the pledges, covenants and agreements of the County herein made or provided for, shall be fully discharged and satisfied as to any portion of the Notes, and such Note or Notes shall no longer be deemed to be outstanding hereunder when:

(a) Such Note or Notes shall have been purchased by the County and surrendered to the County for cancellation or otherwise surrendered to the County or the Paying Agent and is canceled or subject to cancellation by the County or the Paying Agent; or

(b) Payment of the principal of and interest on such Notes either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with a corporate trustee in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the corporate trustee. At such time as the Notes shall no longer be deemed to be outstanding hereunder, such Notes shall cease to draw interest from the due date thereof and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

“Government Obligations” shall mean any of the following:

- (i) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
- (ii) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”); and
- (iii) general obligation bonds of the State, its institutions, agencies, counties and political subdivisions, which, at the time of purchase, carry a AAA rating from Standard & Poor’s or a Aaa rating from Moody’s Investors Service.

(c) Such Note or Notes shall be defeased as provided in Section 11-14-110 of the S.C. Code as such may be amended from time to time.

SECTION 12. Exemption from State Taxes. Both the principal of and interest on the Notes shall be exempt, in accordance with the provisions of Section 12-2-50 of the S.C. Code, from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 13. Eligible Securities. The Notes initially issued (the “Initial Notes”) will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York (“DTC”), and transfers of beneficial ownership of the Initial Notes shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of Notes of the same maturity or any integral multiple of \$5,000.

The Initial Notes shall be issued in fully-registered form, one Note for each of the maturities of the Notes, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Notes becomes due, the Paying Agent, on behalf of the County, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the Notes or their nominees in accordance with its rules and regulations.

If (a) DTC determines not to continue to act as securities depository for the Notes, or (b) the County has advised DTC of its determination that DTC is incapable of discharging its duties, the County shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the County the Initial Notes together with an assignment duly executed by DTC, the County shall execute and deliver to the successor securities depository Notes of the same principal amount, interest rate and maturity registered in the name of such successor.

If the County is unable to retain a qualified successor to DTC or the County has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the beneficial owners of the Notes might be adversely affected if the book-entry system of transfer is continued (the County undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify beneficial owners of the Notes by mailing an appropriate notice to DTC, upon receipt by the County of the Initial Notes together with an assignment duly executed by DTC, the County shall execute, authenticate and deliver to the DTC

participants Notes in fully-registered form, in substantially the form set forth in Section 3 of this Ordinance in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the Notes will be issued as one single fully-registered Note and not issued through the book-entry system.

SECTION 14. Sale of Notes, Form of Notice of Sale. The Notes shall be offered for public sale on the date and at the time designated by the County Administrator and/or his lawfully -authorized designee. A Notice of Sale in substantially the form set forth as Exhibit B attached hereto and incorporated herein by reference shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper of general circulation in the State and/or in a financial publication published in the City of New York not less than seven (7) days prior to the date set for such sale.

SECTION 15. Preliminary and Final Official Statement. If necessary, the County Council hereby authorizes and directs the County Administrator to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Notes, together with the Notice of Sale. The County Council authorizes the County Administrator to designate the Preliminary Official Statement as “near final” for purposes of Rule 15c2-12 of the Securities Exchange Commission. The County Administrator is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Notes so that it may be provided to the purchaser of the Notes.

SECTION 16. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the County covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of an annual independent audit of the County within thirty (30) days of the County's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, event specific information of an event which adversely affects more than five (5%) percent of the tax revenues of the County or the County's tax base.

SECTION 17. Continuing Disclosure. In compliance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the County covenants and agrees for the benefit of the holders from time to time of the Notes to execute and deliver prior to closing, and to thereafter comply with the terms of a Disclosure Dissemination Agent Agreement in substantially the form appearing as Exhibit C attached to this Ordinance. In the event of a failure of the County to comply with any of the provisions of the Disclosure Dissemination Agent Agreement, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by this Ordinance.

SECTION 18. Deposit and Use of Proceeds. The proceeds derived from the sale of the Notes shall be deposited with the Treasurer of the County in a special fund to the credit of the County, separate and distinct from all other funds, and shall be expended from time to time and made use of by the County Council as follows:

(a) Any premium shall be placed in the sinking fund established pursuant to Section 4-15-150 of the S.C. Code; and

(b) The balance of the proceeds shall be applied for the purposes set forth in this Ordinance including defraying the costs and expenses of issuing the Notes.

SECTION 19. Notice of Public Hearing. The County Council hereby ratifies and approves the publication of a notice of public hearing regarding the Notes and this Ordinance, such notice in substantially the form attached hereto as Exhibit D, having been published in The Island Packet and The Beaufort Gazette, newspapers of general circulation in the County, not less than 15 days prior to the date of such public hearing.

SECTION 20. Initiative and Referendum. The County Council hereby delegates to the County Administrator and/or his lawfully -authorized designee the authority to determine whether the Notice prescribed under the provisions of Section 5 of Title 11, Chapter 27 of the S.C. Code relating to the initiative and referendum provisions contained in Title 4, Chapter 9, Article 13 of the S.C. Code shall be given with respect to this Ordinance. If said Notice is given, the County Administrator and/or his lawfully-authorized designee are authorized to cause such Notice to be published in a newspaper of general circulation in the County, in substantially the form attached hereto as Exhibit E.

SECTION 21. Reimbursement of Certain Expenditures. The County Council hereby declares that this Ordinance shall constitute its declaration of official intent pursuant to Treasury Regulation § 1.150-2 to reimburse the County from the proceeds of the Notes for expenditures with respect to the Project (the "Expenditures"). The County anticipates incurring Expenditures with respect to the capital improvements prior to the issuance by the County of the Notes for such purposes. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid, or (b) the date the Project was placed in service, but in no event more than three (3) years after the original Expenditures. The Expenditures are incurred solely to acquire, construct or rehabilitate property having a reasonably expected economic life of at least one (1) year. The source of funds for the Expenditures with respect to the Project will be the County's general reserve funds or other legally-available funds.

SECTION 22. Tax Covenants. With respect to the tax-exempt bond anticipation notes only, the County hereby covenants and agrees with the Holders of the Notes that it will not take any action which will, or fail to take any action which failure will, cause interest on the Notes to become includable in the gross income of the Noteholders for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the "IRC") and regulations promulgated thereunder in effect on the date of original issuance of the Notes. The County further covenants and agrees with the holders of the Notes that no use of the proceeds of the Notes shall be made which, if such use had been reasonably expected on the date of issue of the Notes would have caused the Notes to be "arbitrage bonds," as defined in Section 148 of the IRC, and to that end the County hereby shall:

- (a) comply with the applicable provisions of Sections 103 and 141 through 150 of the IRC and any regulations promulgated thereunder so long as the Notes are outstanding;
- (b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the IRC relating to required rebates of certain amounts to the United States; and
- (c) make such reports of such information at the time and places required by the IRC.

SECTION 23. Miscellaneous. The County Council hereby authorizes the County Administrator, Chair of the County Council, the Clerk to the County Council and County Attorney to execute such documents and instruments as necessary to effect the issuance of the Notes. The County Council hereby retains McNair Law Firm, P.A., as bond counsel and Hilltop Securities, as financial advisor, in connection with the issuance of the Notes. The County Administrator is further authorized to execute

such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Notes are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its adoption.

Enacted this ____ day of _____, 2017.

BEA

UFORT COUNTY, SOUTH CAROLINA

(SEAL) _____
Chair, County Council

ATTEST:

Clerk, County Council

First Reading, By Title Only: April 10, 2017

Second Reading: April 24, 2017

Public Hearing:

Third and Final Reading:

FORM OF NOTE

UNITED STATES OF AMERICA
 STATE OF SOUTH CAROLINA
 BEAUFORT COUNTY
 GENERAL OBLIGATION BOND ANTICIPATION NOTE
 SERIES 2017

No. R-

INTEREST <u>RATE</u>	MATURITY <u>DATE</u>	ORIGINAL <u>ISSUE DATE</u>	<u>CUSIP</u>
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REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL MEN BY THESE PRESENTS that Beaufort County, South Carolina (the "County") hereby acknowledges itself indebted, and for value received promises to pay to the registered owner hereof, the principal sum of _____ Dollars (\$_____) at the principal office of _____, in the City of _____, State of _____ on the ____ day of _____, 20____, and to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on said principal sum from the date hereof, at the rate of _____%, payable upon the maturity of this note. This note is not subject to prepayment prior to its maturity.

Both the principal of and interest on this note are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts.

This note represents a series of general obligation bond anticipation notes (the "Notes"), issued by the County, pursuant to the authorization of Title 11, Chapter 17, Code of Laws of South Carolina 1976, as amended, in anticipation of the receipt of the proceeds to be derived from the general obligation bonds of the County to be issued pursuant to and in accordance with the provisions of the Constitution and laws of the State of South Carolina (the "State") including Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended; Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended; Title 59, Chapter 71, Code of Laws of South Carolina, 1976, as amended, the successful results of a referendum; and an ordinance duly enacted by County Council on _____, 20____ (the "Ordinance").

The full faith, credit and taxing power of the County and the proceeds to be derived from the sale of bonds are pledged for the payment of the principal of and interest on the Notes.

The Notes are being issued by means of a book-entry system with no physical distribution of certificates to be made except as provided in the Ordinance. One certificate registered in the name of the Securities Depository Nominee is being issued and is required to be deposited with the Securities Depository. The book-entry system will evidence positions held in the Notes by the Securities

Depository's participants, beneficial ownership of the Notes in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its Participants.

Regions Bank, Atlanta, Georgia, as Registrar/Paying Agent will recognize the Securities Depository Nominee, while the registered owner of the Notes, as the owner of the Notes for all purposes, including payments of principal of and redemption premium, if any, and interest on the Notes, notices and voting. Transfer of principal and interest payments to Participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal, redemption premium, if any, and interest payments to beneficial owners of the Notes by Participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The County and Registrar/Paying Agent will not be responsible or liable for such transfers of payment or for maintaining, supervision or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, its Participants or persons acting through such Participants. While the Securities Depository Nominee is the owner of the Notes, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on the Notes shall be made in accordance with existing arrangements between the Registrar/Paying Agent or its successors under the Resolution and the Securities Depository.

This note and the interest hereon are exempt from all State, county, municipal, and all other taxes or assessments of the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate and transfer taxes but the interest on this note may be included for certain franchise fees or taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen, or to be performed precedent to or in the issuance of this note, do exist, have happened, and have been performed in regular and due time, form and manner, and the amount of this note, and the issue of which this note is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, BEAUFORT COUNTY, SOUTH CAROLINA, has caused this Note to be signed with the signature of the Chair of the County Council, attested by the signature of the Clerk to the County Council and the seal of the County impressed, imprinted, or reproduced hereon.

BEAUFORT

RT COUNTY, SOUTH CAROLINA

(SEAL)

Chair,

County Council

ATTEST:

Clerk to County Council

[FORM OF REGISTRAR/PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This note is one of the Notes described in the within mentioned Ordinance of Beaufort County, South Carolina.

[RE REGISTRAR/PAYING AGENT] as Registrar/Paying Agent

By: _____
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the
entireties

_____ Custodian _____
(Cust) (Minor)

JT TEN - as joint tenants with right
of survivorship and not as
tenants in common (state)

under Uniform Gifts to Minors
Act _____

Additional abbreviations may also be used though not in above list.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Transferee)

_____ the within Note and
does hereby irrevocably constitute and appoint _____
attorney to transfer the within Note on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized

Officer)

Signature must be guaranteed by
a participant in the Securities Transfer
Agent Medallions Program (STAMP)
without

Notice: The signature to the assignment must correspond
with the name of the registered owner as it appears
upon the face of the within Note in every particular,
alteration or enlargement or any change
whatever

FORM OF NOTICE OF SALE

OFFICIAL NOTICE OF SALE

\$ _____ GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES 2017
OF BEAUFORT COUNTY, SOUTH CAROLINA

Sealed, facsimile and electronic bids for the purchase of all but not part of the above notes (the "Notes") will be received by Beaufort County, South Carolina (the "County"), in the case of sealed and facsimile bids, at the offices of the County Administrator, 100 Ribaut Road, Beaufort, South Carolina, and in the case of electronic bids, via PARITY (as explained below) until _____ (Eastern Time) on _____, _____, 2017.

BID SUBMISSION: Sealed bids must be submitted on bid forms furnished by the County. Sealed bids shall be enclosed in a sealed envelope marked on the outside "Proposal for the Purchase of the County of Beaufort County, South Carolina, \$ _____ General Obligation Bond Anticipation Notes, Series 2017." Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 1359 Broadway, 2nd Floor, New York, New York 10018, Customer Support, telephone (212) 849-5021. The County, McNair Law Firm, P.A. and _____ shall not be responsible for any failure, misdirection or error in the means of transmission selected by any bidder.

GOOD FAITH DEPOSIT: No good faith deposit will be required.

NOTE DETAILS: The Notes will be issued in book-entry form in the denomination of \$5,000 or any integral multiple thereof. The Notes will be dated as of _____, 20____, the expected date of delivery, and due on _____, 20____. Interest, calculated on the basis of a 360-day year of twelve 30-day months, will be payable at maturity on _____, 20____.

REDEMPTION PROVISIONS: The Notes are not subject to optional redemption prior to maturity.

RATINGS: Moody's and S&P ratings have been applied for.

INTEREST RATES: Bidders must specify the fixed rate of interest the Notes shall bear according to the following restrictions: (a) the interest rate may not exceed six percent (6%) and (b) the interest rate specified must be a multiple of 1/100th of one percent.

REGISTRAR/PAYING AGENT: Regions Bank, Atlanta, Georgia has been designated as registrar/paying agent (the "Registrar/Paying Agent") for the Notes.

BASIS OF AWARD: The Notes will be awarded to the responsive bidder whose bid results in the lowest NET INTEREST COST (the "NIC") to the County. The NIC will be calculated as the total interest from _____, 20__ to _____, 20__, minus any premium. If two or more bids provide for the same lowest NIC, the County shall award the bid to the bidder whose bid is in the best interest of the County to be determined by the County in its sole discretion, and such determination shall be final. Any bid for less than par will be rejected. The County reserves the right to reject any and all bids and to waive informalities in any or all bids.

In order to calculate the yield on the Notes for federal tax law purposes and as a condition precedent to the award of the Notes, the successful bidder will be required to disclose to the County the price (or yield to maturity) at which the Notes will be reoffered to the public.

The Notes will be awarded or all bids will be rejected by no later than __:__ P.M. (Eastern Time) on the day bids are opened, _____, 20__

SECURITY: The full faith, credit and taxing power of the County and the proceeds derived from the sale of bonds are pledged to the payment of the principal of and interest on the Notes.

AUTHORIZATION: The Notes are being issued pursuant to Article X, Section 15 of the Constitution of the State of South Carolina, Title 11, Chapter 17, Code of Laws of South Carolina, 1976, as amended, and Ordinance No. 2017/____ duly enacted by the County Council of the County on _____, 2017.

INTEREST AND PRINCIPAL PAYMENTS: Payment of principal of and interest on the Notes will be made directly by the Registrar/Paying Agent to Cede & Co., as the registered owner of the Notes and nominee for The Depository Trust Company ("DTC"), on _____, 20__, in immediately available funds.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Notes, but neither the failure to print such numbers on the Notes nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Notes.

DELIVERY AND PAYMENT: Delivery of the properly executed Notes is expected to be made through DTC on or about _____, 20__. Payment for the Notes shall be made in immediately available funds.

OFFICIAL STATEMENT: The Preliminary Official Statement, dated _____, 20__, has been deemed final by the County for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. Within seven (7) business days of the bid opening date, the County will deliver the final Official Statement to the successful bidder in sufficient quantity to comply with the Rule.

LEGAL OPINION AND CLOSING CERTIFICATES: The County will furnish upon delivery of the Notes: a Receipt for the Notes; a Signature and No-Litigation Certificate; a Rule 15c2-12 Certificate; a Federal Tax Certificate, and the approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, as Bond Counsel, all without cost to the purchasers.

INFORMATION FROM PURCHASER: At or before delivery, the purchaser of the Notes shall provide a certificate to the County in a form acceptable to Bond Counsel stating the information necessary to enable the County to determine the issue price of the Notes as defined in Section 1-273 or 1-274 of the Internal Revenue Code of 1986, as amended.

ADDITIONAL INFORMATION: The Preliminary Official Statement, Official Notice of Sale and Official Bid Form of the County with respect to the Notes are available via the internet at <http://www.idealprospectus.com> and will be furnished to any person interested in bidding for the Notes upon request to Francenia B. Heizer, McNair Law Firm, P. A., Post Office Box 11390, Columbia, South Carolina 29211, attention: Francenia B. Heizer, Esquire, telephone (803) 799-9800, e-mail: fheizer@mcnair.net. The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Official Notice of Sale as to the complete information concerning the Notes. For additional information, please contact the County's Bond Counsel, Francenia B. Heizer, Esquire, McNair Law Firm, P. A., Post Office Box 11390, Columbia, South Carolina 29211, telephone (803) 799-9800, e-mail: fheizer@mcnair.net

_____, 2017

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2017, is executed and delivered by Beaufort County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Notes (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Notes in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or any one on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Notes and the 9-digit CUSIP numbers for all Notes to which the document applies.

“Disclosure Representative” means the Finance Director, or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries) or (b) treated as the owner of any Notes for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rule making Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notes” means the notes as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Notes (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Notes, as listed on Appendix A.

“Trustee” means the institution, if any, identified as such in the document under which the Notes were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a

Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the next February 1 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2017. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

“Principal and interest payment delinquencies;”

“Non-Payment related defaults, if material;”

“Unscheduled draws on debt service reserves reflecting financial difficulties;”

“Unscheduled draws on credit enhancements reflecting financial difficulties;”

“Substitution of credit or liquidity providers, or their failure to perform;”

“Adverse tax opinions, IRS notices or events affecting the tax status of the security;”

“Modifications to rights of securities holders, if material;”

“Bond calls, if material;”

“Defeasances;”

“Release, substitution, or sale of property securing repayment of the securities, if material;”

“Rating changes;”

“Tender offers;”

“Bankruptcy, insolvency, receivership or similar event of the obligated person;”

“Merger, consolidation, or acquisition of the obligated person, if material;” and

“Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;”
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and

9. “other financial/operating data.”

- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement as follows:

- (i) The financial statements of the Issuer for the preceding fiscal year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information). If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (ii) Financial and operating data for the fiscal year then ended, to the extent such information is not included in the Issuer's audited financial statements filed pursuant to clause (1) above, which shall be generally consistent with the tabular information (or other information, as otherwise noted below) contained in the Official Statement under the following headings: “THE NOTES—Security;” “DEBT STRUCTURE—Outstanding Indebtedness;” and “CERTAIN FISCAL MATTERS—Assessed Value of Taxable Property in the County,” “—Estimated True Value of All Taxable Property in the County,” “—Tax Rates,” “—Tax Collections for Last Five Years,” and “—Ten Largest Taxpayers.”

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer, which have been submitted to the MSRB. If the

document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Notes constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (vii) Modifications to rights of Note holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or

similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with

Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Notes and the 9-digit CUSIP numbers for the Notes as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited

Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Notes upon the legal defeasance, prior redemption or payment in full of all of the Notes, when the Issuer is no longer an obligated person with respect to the Notes, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Notes. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Notes or under any other document relating to the Notes, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Notes or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Notes.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Notes and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Notes, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Notes, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

BEAUFORT COUNTY, SOUTH CAROLINA, as
Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF NOTES

Name of Issuer _____
Obligated Person(s) _____
Name of Note Issue: _____
Date of Issuance: _____
Date of Official Statement _____

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
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CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: _____

Obligated Person: _____

Name(s) of Note Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure Agreement: _____

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Notes as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the notes to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of ____ between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the notes to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ “amendment to continuing disclosure undertaking;”
2. _____ “change in obligated person;”
3. _____ “notice to investors pursuant to bond documents;”
4. _____ “certain communications from the Internal Revenue Service;”
5. _____ “secondary market purchases;”
6. _____ “bid for auction rate or other securities;”
7. _____ “capital or other financing plan;”
8. _____ “litigation/enforcement action;”
9. _____ “change of tender agent, remarketing agent, or other on-going party;”
10. _____ “derivative or other similar transaction;” and
11. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the notes to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ “quarterly/monthly financial information;”
2. _____ “change in fiscal year/timing of annual disclosure;”
3. _____ “change in accounting standard;”
4. _____ “interim/additional financial information/operating data;”
5. _____ “budget;”
6. _____ “investment/debt/financial policy;”
7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
8. _____ “consultant reports;” and
9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held by the County Council of Beaufort County, South Carolina (the "County"), in Council Chambers, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina, at 6:30 p.m. on May 8, 2017.

The purpose of the public hearing is to consider an Ordinance authorizing the issuance and sale of not exceeding \$35,000,000 taxable or tax-exempt, or both, general obligation bond anticipation notes in one or more series. The proceeds of the Notes will be used for the following purposes: (i) providing funds for purposes related to recovery from Hurricane Matthew; (ii) paying costs of issuance of the Notes; and (iii) such other lawful purposes as the County Council shall determine.

Proceeds of general obligation bonds to be issued by the County will be pledged for the payment of the principal of and interest on the Notes as well as the full faith, credit, and taxing power of the County.

At the public hearing all taxpayers and residents of the County and any other interested persons who appear will be given an opportunity to express their views for or against the Ordinance and the issuance of the Notes.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE

NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given that on _____, 2017, the Beaufort County Council adopted an ordinance entitled: "ORDINANCE NO. 2017/___ AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$35,000,000 TAXABLE OR TAX-EXEMPT, OR BOTH, GENERAL OBLIGATION BOND ANTICIPATION NOTE(S), IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE NOTE(S); AUTHORIZING THE COUNTY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS RELATING TO THE NOTE(S); PROVIDING FOR THE PAYMENT OF THE NOTE(S) AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO" (the "Ordinance").

The proceeds of the bonds will be used for the following purposes: (i) providing funds for purposes related to recovery from Hurricane Matthew; (ii) paying costs of issuance of the Notes; and (iii) such other lawful purposes as the County Council shall determine.

Pursuant to Section 11-27-40(8) of the South Carolina Code of Laws, 1976, as amended, unless a notice, signed by not less than five (5) qualified electors of the County, of the intention to seek a referendum is filed both in the office of the Clerk of Court of the County and with the Clerk of the County Council, the initiative and referendum provisions of South Carolina law, Sections 4-9-1210 to 4-9-1230, South Carolina Code of Laws 1976, as amended, shall not be applicable to the Ordinance. The notice of intention to seek a referendum must be filed within twenty (20) days following the publication of this notice of the adoption of the aforesaid Ordinance in a newspaper of general circulation in Beaufort County.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA