

COUNTY COUNCIL OF BEAUFORT COUNTY

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AGENDA FINANCE COMMITTEE

Monday, April 16, 2012
2:00 p.m.

Conference Room, Building 2
Beaufort Industrial Village
102 Industrial Village Road, Beaufort

Committee Members:

Stu Rodman, Chairman
Rick Caporale, Vice Chairman
Steven Baer
Brian Flewelling
William McBride
Paul Sommerville
Jerry Stewart

Staff Support

Bryan Hill, Deputy County Administrator
David Starkey, Chief Financial Officer

1. CALL TO ORDER – 2:00 P.M.
2. FY 2013 BUDGET PROPOSALS
 - A. Treasurer – 2:00 p.m.
 - B. Magistrate – 2:15 p.m.
 - C. Clerk of Court – 2:30 p.m.
 - D. Auditor – 2:45 p.m.
 - E. Sheriff – 3:00 p.m.
 - F. Coroner – 3:15 p.m.
 - G. Probate Court – 3:30 p.m.
 - H. Master-in-Equity – 3:45 p.m.
3. FUND BALANCE POLICY DISCUSSION ([backup](#))
4. SATISFACTION OF HISTORICAL COMMUNITY DEVELOPMENT BLOCK GRANT MORTGAGES ISSUED ON BEHALF OF BEAUFORT COUNTY
5. DISCUSSION / BUDGET ITEMS REFERRED FROM AIRPORTS BOARD
6. PUBLIC / PRIVATE PARTNERSHIP CONTRACT BETWEEN BEAUFORT COUNTY AND DIRECT INSTRUCTION SUPPORT SYSTEMS, INC., AN OHIO NON-PROFIT CORPORATION, DBA, GO ZIP HILTON HEAD FOR THE CREATION AND DEVELOPMENT OF CERTAIN EDUCATIONAL AND RECREATIONAL ACTIVITIES IN THE OKATIE REGIONAL PARK TO BE CALLED “GOZIPHILTONHEAD”
7. ADJOURNMENT

Open and Priority Retreat Items

Transfer Station Analysis
Road Financing
Burton Wells Regional Park Financing
Sports Complex Economic Analysis

2013 Budget Cycle

Reserve / Debt Policy
Business License Fees
2014 Millage Policy
Employee COLA / Bonus
Joint Use of School Facilities
Airport Business Plan
Beaufort Memorial Hospital

A quorum of Council may be in attendance at all Committee meetings.
Please silence your cell phone during the meeting.



COUNTY COUNCIL OF BEAUFORT COUNTY FINANCE DEPARTMENT

Post Office Drawer 1228
Beaufort, SC 29901-1228

TO: Councilman Stewart Rodman, Chairman, Finance Committee

VIA: Gary Kubic, County Administrator *GKubic*
Bryan Hill, Deputy County Administrator *BHill*

FROM: David Starkey, CPA, Chief Financial Officer *DStarkey*

SUBJECT: Debt Service Fund Balance Policy Proposal

DATE: March 16, 2012

BACKGROUND:

Best practice dictates that governing bodies adopt fund balance policies for all funds, especially those that are funded through property tax millage. This is especially true since the inception of Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which the County was required to adopt in its fiscal year 2011 comprehensive annual financial report (CAFR). The policy is also a priority item of Council.

RECOMMENDATION:

At a minimum the County shall maintain enough fund balance (net of any incoming impact fee revenues, admissions fees revenues, and TAG revenues) within its Debt Service Funds and the County Purchase Property Fund to cover the County's interest-only payments occurring on August 1 and September 1 of every fiscal year.*

Furthermore, the County shall set a long-range goal of maintaining 1 year's worth of debt service payments (net of any incoming impact fee revenues, admissions fees revenues, and TAG revenues) within these funds.**

NOTES/RATIONALE:

* - This will ensure that the County has the cash on-hand prior to making these payments and in turn, ensure that the fund balances would not decline to less than \$0. As a result, the County will not have cash flow issues in August through November (when County cash reserves are at their lowest levels) related to debt service payments.

** - This can be achieved without large millage increases if debt millage levels are maintained to cover each year's debt service payments. The additional revenues required to grow the fund balances would be achieved by maintaining all borrowing premium revenues within the funds. The achievement of 1 year's worth of debt service payments (net of any incoming impact fee revenues, admissions fees revenues, and TAG revenues) would ensure that the County would not default on any of its debt requirements if it were hit by a natural disaster that would greatly impair the assessed values of its tax base for at least 1 year, thus allowing time for recovery. It would also help to maintain and potentially increase the County's bond ratings.