# COUNTY COUNCIL OF BEAUFORT COUNTY

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**INTERIM COUNTY ADMINISTRATOR**
**COUNTY ATTORNEY**

**CONNIE L. SCHROYER**
**CLERK TO COUNCIL**

## AGENDA
## FINANCE COMMITTEE
Monday, August 27, 2018
**1:00 p.m.**
Large Meeting Room, Hilton Head Island Branch Library
11 Beach City Road, Hilton Head Island

Committee Members:
Jerry Stewart, Chairman
Michael Covert, Vice Chairman
Rick Caporale
Gerald Dawson
Brian Flewelling
Steven Fobes
Stu Rodman

Staff Support:
Suzanne Gregory, Employee Services Director
Alicia Holland, CPA, Assistant County Administrator, Finance
Chanel Lewis, CGFO, Controller

1. CALL TO ORDER – **1:00 P.M.**

2. PRESENTATION / CHAMBER OF COMMERCE ANNUAL DESIGNATED MARKETING ORGANIZATION (DMO) ACTIVITIES
   A. BEAUFORT REGIONAL CHAMBER OF COMMERCE (backup)
   B. HILTON HEAD ISLAND – BLUFFTON CHAMBER OF COMMERCE (backup)

3. CONSIDERATION OF CONTRACT AWARD / CONSTRUCTION OF FACTORY CREEK (WHITEHALL) BOAT RAMP IMPROVEMENTS PROJECT (backup)

4. DISCUSSION AND APPROVAL / BEAUFORT COUNTY AIRPORT (LADY'S ISLAND) WETLANDS MITIGATION INVOICE (backup)

5. FRIPP ISLAND PUBLIC SERVICE DISTRICT / GENERAL OBLICATION BONDS
   A. A RESOLUTION CALLING FOR A PUBLIC HEARING TO BE HELD UPON THE QUESTION OF THE ISSUANCE OF NOT EXCEEDING $5,300,000 (backup)
   B. AN ORDINANCE AUTHORIZING THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, TO ISSUE GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT EXCEEDING $5,300,000, SUBJECT TO A SUCCESSFUL REFERENDUM IN THIS DISTRICT (backup)

6. A RESOLUTION IN SUPPORT OF THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF ITS ECONOMIC DEVELOPMENT REVENUE BOND (PALMETTO GOODWILL PROJECT) SERIES 2018, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $20,000,000 (backup)

The County Channel

7. DISCUSSION / POOLED CASH

8. DISCUSSION:
   A. PROPOSED FINANCIAL POLICIES OF BEAUFORT COUNTY (backup)
   B. STATUS OF YEAR-END CLOSING SCHEDULE FOR THE PERIOD ENDED JUNE 30, 2018 (FY2018) (backup)

9. DISCUSSION AND APPROVAL / FUNDING OF IMPACT FEE WAIVER REQUESTS FOR AFFORDABLE HOUSING DEVELOPMENT

10. CONSIDERATION OF REAPPOINTMENTS AND APPOINTMENTS
    A. Accommodations (State 2%) Tax Board / One Vacancy (Hospitality Industry)

11. EXECUTIVE SESSION / DISCUSSION OF POTENTIAL ECONOMIC DEVELOPMENT PROSPECT IN BLUFFTON AREA (PROJECT M)

12. MATTERS ARISING OUT OF EXECUTIVE SESSION

13. ADJOURNMENT

2018 Strategic Plan Committee Assignments
Business License Fee: Direction
Economic Development Corporation: Next Steps
Sales Tax Referendum 2018
"One Stop" Shop for Business: Expansion
FEMA Reimbursement
CAFR – Financial Report for 2017
Employee Wellness Program

VISIT BEAUFORT PORT ROYAL SEA ISLANDS

# 2018-2019 Marketing Plan
# Greater Beaufort-Port Royal
# Convention and Visitors Bureau

# Objectives/Strategies/Tactics/Metrics

## Objective #1: Develop & Execute Integrated Marketing Plan

Using current analysis from previous campaigns, the CVB will deliver on an advertising campaign drawing more visitors into the area. With a focus on increasing economic impact for the destination, the campaigns will be a clear call to action incorporating partner participation to increase our market participation.

**Strategy #1: Continue the Integrated Marketing Plan achieving goals set forth by the Tourism Advisory Committee**
The strategy is to reach travelers as they are researching destinations for their vacations/ get-away plans. The primary goal is to generate leads, with an undertone of **brand awareness**, which will mostly be taken care of with the creative.

As we enter fiscal year 2018-2019, we will continue utilizing efficient cost per lead vehicles, while adding new tactics to extend reach, drive deeper consideration, and fuel more qualified inquiries and visits to Northern Beaufort County. Our strategy includes finding travelers as they are researching vacation destinations to drive them to inquire about our area.

The primary goal of the campaign will be to generate leads, while the secondary goal will be to drive clicks to the Beaufort site, as well as to create brand awareness.

## GUIDING PRINCIPLES:

- Total transparency
- Lean on continued research to confirm that our guests believe what we believe
- Influence product development consistent with the brand
- Total integration of all marketing channels, ensuring cross promotion of messaging, content and those products/assets

## THE GAME PLAN:

**Channel Saturation:**

- EARNED (publicity):
  i) Amplify Beaufort's voice beyond imagination
  ii) Expand the brand's story

- OWNED (website, social media, etc.):
  iii) Claim our space
  iv) Constant communication
  v) Clearinghouse for lead generation and cross-media enhancements

- PAID (paid advertising):

vi) Balanced and purposeful
vii) Targeted
viii) Trackable

**EARNED STRATEGIES = PR STRATEGIES:**

- Leverage media relations to garner attention for Beaufort, S.C. (its history, attractions, dining and accommodations, and events, etc.)
- Foster open communication with area restaurants, hotels and attractions to maximize efforts
- Identify or create newsworthy events and celebrations
- Maximize efforts by keeping the SCPRT informed and up to date on Beaufort news

**PR Tactics:** Editorial calendar research, Added-value opportunities per paid channels, Media Hosting/FAM trips/Desksides/Tours, SCPRT media relations outreach, Field organic media inquiries and qualify leads, Influencer outreach will be limited to the southeast region and serve to ignite word-of-mouth and intent to visit in our drivable target markets; News release development, distribution and follow up
PR efforts will be utilized to reach maximum consumer general interest in the Beaufort region. This will include pitching daily national publications and general lifestyle magazines/websites but additional, niche outreach will be focused on the general marketing target audience.

**Primary** - Empty nesters with disposable income & time to travel.
**Secondary -** Young families.

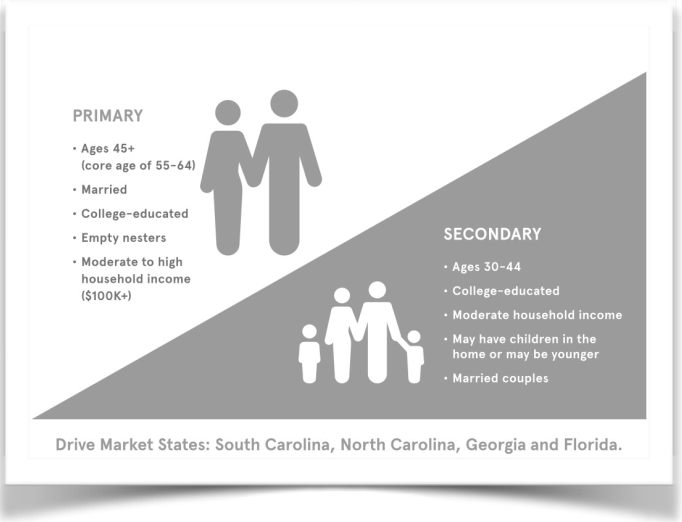
- Develop media lists
- Develop press releases and media alerts for special events, as necessary
- Gather, evaluate and pitch national, regional editorial calendars
- Create/source media assets, including graphics and photography for media requests, as needed
- Development of media kits, as needed
- Media evaluation/Respond to HARO/PitchRate inquiries
- Evaluation and corresponding pitching to trending topics and news cycle
- Attend state and regional media events
- Submit events and region for awards
- Implement two FAM tours (spring/fall)
- Design and distribute invitations
- Collaborate with BRCC and community partners to create itinerary
- Outreach and coordination
- On-site hosting

**OWNED STRATEGIES = SOCIAL MEDIA**

- Actively build and engage a social media fan/follower base
- Increase the number of fans, followers and viewers
- Utilize social media as a customer service tool
- Use Social Media to increase traffic to Beaufort's website
- Use Social Media to acquire more opt-in email addresses
- Monthly Blog to deliver website traffic increase
- Monthly 'Live' tours of Beaufort - Engage!!!

**PAID STRATEGIES = CORE OBJECTIVES**

- Balance…even in the face of a massive shift to digital
- Targets that are true to the brand
- Efficiency and measurability
- Use a wide range of media vehicles and tactics to seek out opportunities to speak to both the Millennial/Gen X and Baby Boomer traveler
- Quantitative, qualitative and consumer inquiries from current marketing campaigns and research continue to provide valuable insight into our current visitor profile.
- Speak to our target audience when they are dreaming of an escape and likely to be planning travel
- Showcase the campaign message, "Inner Coastal," to different audiences with stories that will resonate best within each segment
- We continue to update the CVB **visitor demand** profile of our destination in conjunction with the University of South Carolina – Beaufort.




Our core target audience remains that of mature, married couples whose children do not currently reside in the home:

- Ages 45+ with a core age of 55-64
- Married
- College-educated
- Empty nesters
  - Of note: *US Travel Industry* reports that one-third of all leisure travelers are now grandparents.
- Moderate to high household income ($100K+)
- Top four drive market states: South Carolina, North Carolina, Georgia, and Florida
  - Our Top 3 Markets (city MSA) all fall along the I-85 stretch between Charlotte and Atlanta

- Additional states showing interest in our destination include: New York, Virginia and Pennsylvania.

Our secondary target audience is that of a younger set who may travel with children, knowing that they are likely to book longer stays during the summer:

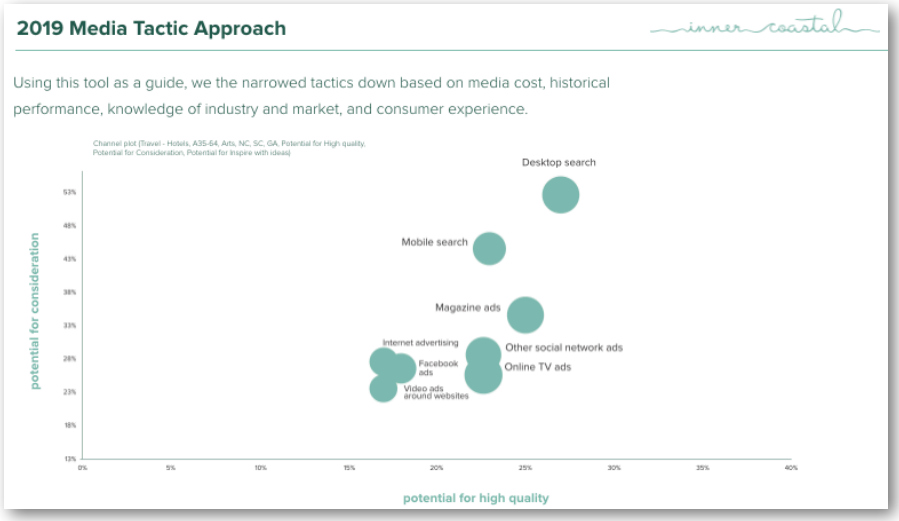
- Ages 30-44
- College-educated
- Moderate household income
- May have children in the home or may be younger, married couples
  - *US Travel Industry* also reports that eight out of 10 leisure travelers will take at least one trip each year with either their spouse or another adult, while family travelers take an average of 4.5 trips each year.
- Same drive market states as mentioned above

**Psychographic descriptors** of our audience can be explained by way of their areas of interest – drawing them to our destination:

- ***History***
- ***Outdoor Activities & Adventure***
- ***Culinary***
- ***Arts & Culture***

For timing, our primary goals are the Spring and Fall, while the secondary time period would be increasing Summer business.

Running media in the primary time period allows us to both coincide with pre-planning periods and during key travel times, the secondary time period would allow us to assist in increasing Summer business.



**Target**

- Skews towards women 35+
- Geo: SC, NC, PA, NY, DC, MD, GA, FL, and eastern TN.
    - Highly targeting the following metros: Atlanta, Charlotte

**Note: The above-mentioned tactics may warrant slight adjustments following results of the spring campaign currently under-way. Should performance of the national and regional print publications not be satisfactory, we may consider alternate options*

## Objective #2: Conduct Research

**Strategy #1: Identify and secure research sources**
Continue to promote and expand research to festivals and events. We desire to focus our efforts on expanding participation to conduct research at the festivals/events/ attractions.

Timing: Ongoing throughout the year
Success metrics: Secure at least two additional festivals/events in 2018-2019 to partner with an educational institution to conduct research.

**Strategy #2: Baseline Visitor Profile Data**
The existing database is a derivative from our leads programs, as well as our email/e-newsletter opt-in form.

Timing: Ongoing – at the end of each quarter
Success metrics: Gain a better understanding to narrow our advertising/marketing focus for budget efficiency and effectiveness.

**Strategy #3: Conversion Analysis**
To ensure we continue showing value to the tourism industry, we will partner to deliver a comprehensive conversion study to determine which markets continue to deliver/ respond to marketing campaign. Utilizing Bi-annual tracking from advertising outlets, lead inquiries and actual bookings.

Timing:Ongoing
**Start based on funding**

**Strategy #4: Cultural Heritage Tourism Analysis**
Countywide initiative, to include existing cultural heritage product as well as undeveloped opportunities, that synchronizes the marketing efforts of Beaufort County's vast heritage sites, events, and festivals.

Timing: FY2018-2019 as directed by USCB, Beaufort County, and DMOs
Success metrics: Completed survey with report analysis presented to the public via website. ***Based on funding***

## Objective #3: Sustain Stakeholder Relationships/Partnerships

**Strategy #1: Expand Co-op Marketing Opportunities**
Co-op marketing opportunities allow for an extension of marketing dollars and budget through negotiated advertising rates, which represent significant savings.

Timing: Begin of Advertising Campaign / Ongoing

**Strategy #2: Annual Tourism Stakeholder "Summit"**
Reveal Inner Coastal Transition and Ad components that accompany the messaging.

Timing: January/February 0f 2018

**Strategy #3: Enhance & Incorporate Marketing plan for Port Royal**
It's important to ensure successful partnerships with Port Royal as they are also within our DMO. The development of their own personal brand identity will allow us to specifically work with them to develop an effective public relations strategy to better position the town to potential visitors.

Timing: Upon Acceptance by Town of Port Royal
Success metrics: Publicity obtain from outreach to traditional/non-traditional media outlets.

## Objective #4: Influence Product Development Consistent With Brand

**Strategy #1: Serve as a Liaison between the Festivals/Events and Lodging Partners**
The various festivals/events taking place every year in our area, is of significant opportunity for the BRCOC to develop packages that can assist in the increase of overnight stays. Communication with festivals receiving ATAX funding will impact which ones are targeted first for these partnerships.

Timing: To begin during Lodging Partners Roundtable
Success metrics: Stakeholder participation and overall coordination.

**Strategy #2: Manage Content on Travel Sites Featuring**
It is a common and healthy practice to ensure destination information is being communicated accurately.

Timing: ongoing
Success metrics: Compile list & ensure accurate information on all partner sites
Cost: Time

**Strategy #3: Grow Tourism Development Projects (Marketing – Planning & Execution)**
Tourism development request continue to rise in and around our area with more and more of these not having a direct tie in with the overall marketing direction for the area set forth by the DMO.

Timing: ongoing - Visitor Services Manager

## Objective #5: Develop & Manage Group Travel

While we know group travel is an important part of our destination and our annual revenue, it's important that we qualify the extent that holds true. The DMO needs to lead a more concerted effort in quantifying the area's group market but also qualifying those segments to determine which are advantageous for us to pursue.

**Strategy #1: Develop Sales/Meetings Planning Guide**
Produce an online guide for meeting planners to utilize while looking to host their next event in Beaufort, Port Royal, and Sea Islands. It will be available in a PDF for easy downloading and printing capabilities.

Timing: Meet in SC Deliverables in Place Fall 0f 2018

**Strategy #2: Attend Industry Tradeshows/Sales Missions**
Partnering with Meet in SC (a SCPRT Co-Op), we will be attending the following tradeshows:
*Meetings Today Live*
*Small Market Meetings*
*Meetings Quest - New Jersey*
*Select Traveler*
*Travel South*

Timing: See Calendar
Success metrics: Lead generation from meeting planners.

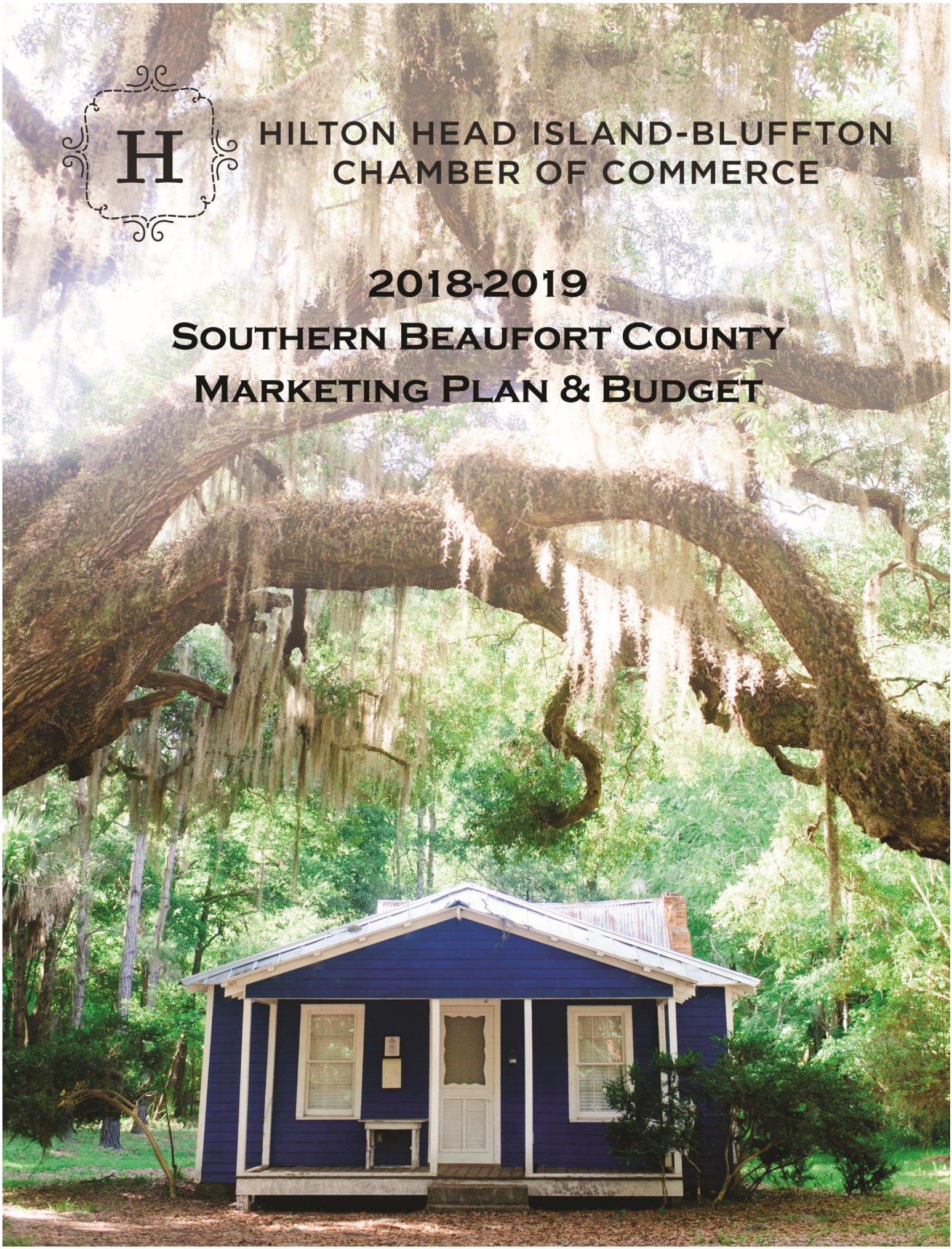
**Research and data related to Beaufort/Northern Beaufort County**

BEAUFORT

PORT ROYAL SEA ISLANDS

| GBPRCVB TOTAL BUDGET 2018-2019 | 18-19 Budget |
|---|---|
| Ordinary Income/Expense | |
| Income | |
| 40000 · REVENUES | |
| 43000 · GOVERNMENT SUPPORT/GRANTS | |
| 43200 · DMO FUNDING | |
| 43205 · CITY DMO FUNDING | 145,500.00 |
| 43210 · COUNTY DMO FUNDING | 110,000 |
| Total 43200 · DMO FUNDING | 255,500.00 |
| 43300 · OTHER ATAX FUNDING | 150,000.00 |
| 43400 · City of BFT HOSPITALITY FEES - (4.4%) | 83,500.00 |
| 43100 - City of Bft HTAX - Additional 0.6% | 12,000.00 |
| Total 43500 · GRANTS | 275,000.00 |
| Total 43000 · GOVERNMENT SUPPORT/GRANTS | 776,000.00 |
| Total 44000 · MARKETING SALES | 41,000.00 |
| Total 45000 · OTHER SALES | 29,200.00 |
| Total 40000 · REVENUES | 846,200.00 |
| Total Income | 846,200.00 |
| Gross Profit | 846,200.00 |
| | |
| Expense | |
| 50000 · PERSONNEL EXPENSES | |
| Total 50000 · PERSONNEL EXPENSES | 258,350.00 |
| 60000 · NON-PERSONNEL EXPENSES | |
| Total 61000 · GENERAL EXPENSES | 383,200.00 |
| Total 62000 · OCCUPANCY EXPENSES | 30,701.00 |
| Total 63000 · EQUIPMENT | 10,200.00 |
| Total 64000 · WEBSITE/CONTRACT SERVICES/PROF. FEES | 145,650.00 |
| Total 69000 · OTHER EXPENSES | 18,000.00 |
| Total 60000 · NON-PERSONNEL EXPENSES | 587,751.00 |
| Total Expense | 846,101.00 |
| Net Ordinary Income | |
| | 99.00 |

| | |
|---|---|
| Personel | 31% |
| General | 69% |
| Advertising | 38% |
| Beaufort County Investment | 39% |
| City of Beaufort Investment | 46% |



HILTON HEAD ISLAND-BLUFFTON
CHAMBER OF COMMERCE

# 2018-2019
# Southern Beaufort County
# Marketing Plan & Budget

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# 2018-2019

# Southern Beaufort County Marketing Plan

## Mission & Brand Commitment

### Chamber Mission

Mutually lead our membership and travel and tourism industry by marketing and guiding the Hilton Head Island, Bluffton, Daufuskie Island and Southern Beaufort County destination brand experience to generate sustainable economic vitality.

### Bluffton's Brand Commitment

The Hilton Head Island-Bluffton Chamber of Commerce and Visitor & Convention Bureau (VCB), in partnership with the Town of Bluffton, embarked on a year-long rebranding study with research partners from the University of South Carolina Beaufort and USC, as well as marketing firm Rawle Murdy Associates in May of 2013. In February 2014, the new brand revealed: *Bluffton Heart of the Lowcountry*, this phrase reflects the deep emotional connection shared by Bluffton residents and the burgeoning business community, and visitors.

Bluffton is the heart of the Lowcountry. It speaks to the town's central location, its lovable characteristics, and that Bluffton is the pumping, economic life force of the Lowcountry. Most importantly, it's a tone and a feeling. When you're in Town of Bluffton, you can see and feel the love. It's real and authentic. It's the heart symbol in your logo, on a window, the pride residents have in their downtown or the warmth shared with strangers at an oyster roast. The Town of Bluffton is a well-kept secret. Nowhere else in the Lowcountry do you feel the love like you do when you are in Bluffton.

*Source: Rawle Murdy Associates 2013*

## Town of Bluffton's Core Distinctions:

- Old Town Charm
- Bluffton Attitude
    - Authentic/Realness
    - Eclectic/Expressive
    - Unique/Pride
    - Town on the Move/Progressive
- Nature
- May River
- Cultural District
- Historic District
- Location
- Experiential Events
- Art and Design
- Thriving Restaurant Scene
- Growing Artisan Community

*Source: Rawle Murdy Associates 2013*

## Daufuskie Island Brand Commitment:

An extension of Hilton Head Island, Daufuskie Island provides a more remote escape to the Hilton Head Island visitor, one that's even closer to nature, as well as more secluded and private. The elements of the brand personality related to tranquility and nature are strong with identity and expression.

## Daufuskie Island's Core Distinctions:

- Unspoiled nature
- Restores you to the natural rhythm of an uncomplicated life
- Bathed by the warm Atlantic breeze all year round
- Miles of white sandy beaches
- Palm trees alongside old-growth oaks line sand roads and pathways

- In place of cars, bikes, horses and electric golf carts carry visitors at a peaceful, laid back pace
- Elegant resort and spa caters to the visitor's desire to be pampered
- Rental properties offer relaxed space for multi-generational families and friends to reconnect
- Local Island fare along with traditional menus offered at restaurants and casual eateries
- Local artist enclaves and historic sites are a special cultural discovery for visitors
- Island culture embodies simple and honest values that are a true rarity

*Source: Smith Ad Agency: A Brand for the Region*

## Bluffton & Daufuskie Island's Guiding Principles:

- Serve as a voice and advocate for the business community
- Maintain the highest ethical standards in all we do
- Work to preserve and enhance the prudent growth, quality of life and character of our region
- Develop collaborative partnerships only in areas where the partnership can accomplish that which our organization cannot do alone
- Develop and implement programs and services that benefit the economic well-being and common interests of our members
- Initiate programs for which there is funding and staffing resources
- Make decisions based on long-term perspective

The Visitor and Convention Bureau will maintain these brand commitments and guiding principles, keeping them top of mind in all Southern Beaufort County marketing initiatives.

## Current State of Travel, 30,000-Foot View

Travel was on the rise in 2017, thanks to a rebound in domestic business travel.

After edging up at a seasonally-adjusted annual rate of 1.2 percent during the first quarter of the year, U.S. economic growth accelerated to 3.0 percent growth during the latter three quarters of 2017. As a result, U.S. real Gross Domestic Product (GDP) increased by 2.3 percent in 2017, which was faster than 2016's 1.5 percent growth. The improvement in 2017 was largely thanks to upticks in business investment and exports.

2017 Highlights

- Consumer spending increased 2.7 percent, the same rate as 2016
- Business investment increased 4.7 percent, compared to a 0.6 percent decrease in 2016
- Residential investment increased 1.7 percent, compared to a 5.5 percent increase in 2016
- Exports increased 3.4 percent, compared to a 0.3 percent decrease in 2016
- Government spending increased 0.1 percent, compared to a 0.8 percent increase in 2016

As the new Administration took office, America's share of domestic lodging searches declined, but also quickly recovered, peaking at 80.1 percent in September. For the full year, 76 percent of lodging searches from U.S. residents, on average, were for destinations within the United States. This share is nearly identical to 2016.

In 2017, Solid consumer spending provided sound footing for domestic leisure travel. Additionally, growth in business investment sparked an improvement in business travel. This set the stage for a solid travel forecast for 2018.

## Lay of The Land

Outlook for 2018 - U.S. Travel Forecast

After the U.S. economy accelerated and Gross Domestic Product (GDP) grew by 2.3 in 2017, GDP is forecast to increase by 2.7 percent in 2018. Continued solid economic growth will tighten the labor market further, with unemployment expected to average 3.8 percent in 2018. High consumer confidence and sturdy income growth, coupled with reduced tax burdens thanks to the recently-passed tax legislation, will likely have positive effects on both business and leisure travel in 2018. Total travel volume is expected to grow at a healthy pace and travel expenditures are forecast to increase by 5.0 percent in 2018, to nearly $1.1 trillion. However, running alongside the consumers ability to travel is the lack of consumer loyalty and resistance to use earned time off.

## Leisure Travel

Strong economic growth and a tightening labor market are expected to sustain solid growth in domestic leisure travel in 2018, despite some downward pressure caused by rising travel prices (particularly motor fuel), which are expected to keep increasing for a second-consecutive year. With unemployment projected to fall to 3.8 percent (its lowest level since 2000) and consumer confidence on the rise and despite a forecasted Travel Price Index (TPI) growth of 2.8 percent (well above the overall Consumer Price Index (CPI) estimate of 1.8 percent) domestic leisure travel volume is expected to grow at a steady rate of 1.8 percent in 2018, followed by similar growth in subsequent years.

Domestic leisure travel is expected to remain steady in 2018 and beyond, thanks in part to strong consumer confidence and relatively low unemployment. In addition, domestic business travel is expected to retain its strong momentum from 2017, and grow even faster than leisure travel in 2018 and 2019, thanks to an increase in business optimism, higher fixed investment, and strong equity markets. The business community has reacted positively to the current administration, and is already enjoying the benefits of lower corporate taxes.

## Business Travel

High business confidence, strong global demand, increasing stock prices and still-low interest rates together with the positive effects of a recently-reduced corporate tax rate bode well for increased business activity in 2018. Industrial production is estimated to grow by 3.6 percent in 2018, and business fixed investment is projected to grow by 6.5 percent.

After declining in 2016 and growing by 1.7 percent in 2017, domestic business travel volume is forecast to accelerate in 2018 and increase by 2.0 percent, outpacing the growth in leisure travel for the first time in over a decade.

## International Travel

The U.S. Department of Commerce currently forecasts that total international inbound travel will increase by 3.9 percent in 2018. The opportunity to meet this forecast will be driven by the currency exchange rate and the competition between U.S. carriers and international low-cost carries with airfare.

## Travel Growth

Travel to and within the U.S. grew 2.2 percent in January 2018 compared to January 2017. Again, the U.S. Travel Association, Travel Trends Index (TTI) forecasts continued growth through the first half of 2018, as both domestic and international travel demand contribute to gains.

## The Travel Journey

The travel journey is a continuum that begins with inspiration, which leads to purchase and sharing that inspires others and repeat visitations. Throughout the process, today's consumers evaluate numerous sources of information and inspiration across multiple devices - from mobile to tablet to desktop often all within the same day, sometimes even at the same time. The ability to be nimble as a brand, track the journey through the multiple touchpoints, and provide personalized content is key to connecting and influencing savvy travelers.

- Ideas and Inspiration: The American traveler casts a wide net, looking to family and friends; offline media – including print, broadcast, and outdoor; and search engines and social media posts for ideas and inspiration when starting their travel planning.

- Option Envisioning: Travel review websites top the list, followed by search engines and personal recommendations from family and friends. Social media plays a large role in distributing these recommendations. The impact of offline media declines, revealing its role primarily as awareness building, rather than reviews and preference building.

- Research, Reviews, and Comparisons: The internet continues at the forefront as travelers explore a variety of online resources to shop for fares and rates. Hotel/resort promotions top the list, followed by search engines and OTAs. Rounding out the top five sources at this stage are airline promotions and travel service provider websites.

- Purchase: When travelers are ready to make reservations, travel service provider websites top the list, followed by OTAs and hotel/resort promotions. Search engine results and car rental promotions round out the top five purchase points.

- Pre-trip Preparation: The internet is top of mind as traveler's line up their itinerary prior to their trip. Tablets and smartphones are used at this stage to download boarding passes, check out from hotels, read restaurant ratings, purchase attraction/event tickets, and download destination guides.

- In-Market Travel Experience: Mobile internet access comes to the forefront as travelers explore a variety of opportunities while they are in-market. Taking photos, accessing social media, looking up restaurants, and finding directions top the list.

- Post-trip Sharing: Social media sharing starts when in-market and continues post-trip as photos are shared with family and friends.

# Travel Trends, 2018

## Generations on the Move – Multi generational Travel

By and large, Americans like to travel with family members—spouses, children, parents, or other family members are the preferred travel companions across generations. Gen Z, the youngest generation of travelers, is far more likely to travel with parents, with 54% saying they usually or always travel with their folks. Parents don't just make great travel companions; they also serve as good financial sponsors. The national study found that 58% of Gen Z respondents' parents paid for trip expenses when they traveled together over the past year. The phenomenon of parental sponsorship isn't applicable only to Gen Z, with 24% of Millennials also stating parents pay for their travel costs when they go away together.

## Culinary Travel

When it comes to travel it always comes down to food at some point, doesn't it? Food tourism has become an emerging trend among travelers everywhere and tourism experts have taken notice.

Culinary experiences are not limited to simply dining out. It includes cooking courses, farm tours and the classic food markets, which make up about 95% of these experiences. These experiences are closely tied to the culture of the location. Many travelers consider it to be one of the best ways to get to know the story of the place they're traveling to and it works as a valuable resource for tourism companies.

## "Bleisure Travel"

This trend began a few years ago – the idea of combining a business trip with a leisure trip to strike a balance between work and play.

Business + Leisure = Bleisure.

With Millennials making up a majority of today's workforce, it is predicted that 2018 will be the year that this type of travel becomes the norm based upon the Millennial generations impact on how business is exchanged. Booking.com found that 49% of business travelers are already extending their corporate trips to have more time to enjoy the destination. According to a Chase Marriott Rewards study in 2016, 80% of millennials planned additional personal time around their travels while on a business trip. Forbes has also reported that nearly 60% of companies are now starting to create policies that allow employees to combine vacation time and business travel. Bleisure travel allows employees to have the best of both worlds. They can still be high achievers in their careers while also getting many chances to travel and take mini-breaks in exciting destinations.

## Wellness Travel

The wellness travel sector continues to grow at a rapid pace. People's daily lives are consumed by emails, text messages, social media, and the strain of juggling work and personal responsibilities, leaving little time to focus on their well-being. They want a trip that allows them to return home feeling fresh, rested and rejuvenated. Many trips are now centered around spiritual, emotional or physical well-being.

Types of wellness travel:

**Mindful Movement:** With increased awareness of the connection between the mind and body, a shift toward mindful exercises is happening.

**Happy Retreats:** Travel is inspired by the desire to experience something that will have positive psychological impacts. Activities like morning hikes, beach yoga and meditation will work their way onto more itineraries.

**Community Wellness:** The wellness tourism industry places emphasis on social responsibility and takes steps to give back to communities. By utilizing locally made commodities, supporting local farmers and implementing sustainable practices, travel companies focus more and more on the overall well-being of communities around the world.

## A Shift to Domestic Destinations

Domestic travel is on the rise. Domestic vacations now make up 85% of American vacations, up 7 points from last year. That means that 13.9 million more vacations were taken within the U.S. compared to outside the country.

Travelers anticipate that 40% of their domestic travel this year will be to a new destination, creating opportunity within the U.S. for travel suppliers to influence trial among new guests and visitors. And, those vacations are more likely to be a road trip, as 39% of U.S. leisure travel in the last 12 months included a road trip – up 17 points from the year prior.

## Attractions Influence Where Travelers Go

As these travelers increase their domestic vacations, attractions are becoming more relevant in influencing where those vacations are taken. More than half of all vacations (53 percent) included at least one visit to an attraction last year. And of those 41.5 million households, 68 percent say that they chose those attractions before their vacations began. This means that travelers are building attractions into their travel planning instead of making the decision while in the destination.

And, with Millennial families on the rise, one might assume that theme parks and amusement parks create the most interest among attractions. However, this year's research indicates that the top-ranking attractions are more educational and culturally based, with art and history museums (65 percent), aquariums (59 percent) and science museums (56 percent) coming before theme parks (55 percent).

## Invest in Segmentation and Personalization

Investing in tighter segmentation and personalized content, leveraging data and insights across multiple audience clusters to maximize marketing spend. Ultimately, this custom approach to segmentation will drive incremental growth with the proper messaging.

### *2018-2019 MARKETING PLAN SOURCES*

*MMGY Global: 2018 Portrait of Affluent Traveler*
*The Global Traveler*
*United States Travel Association (USTA)*

# Closer to Home

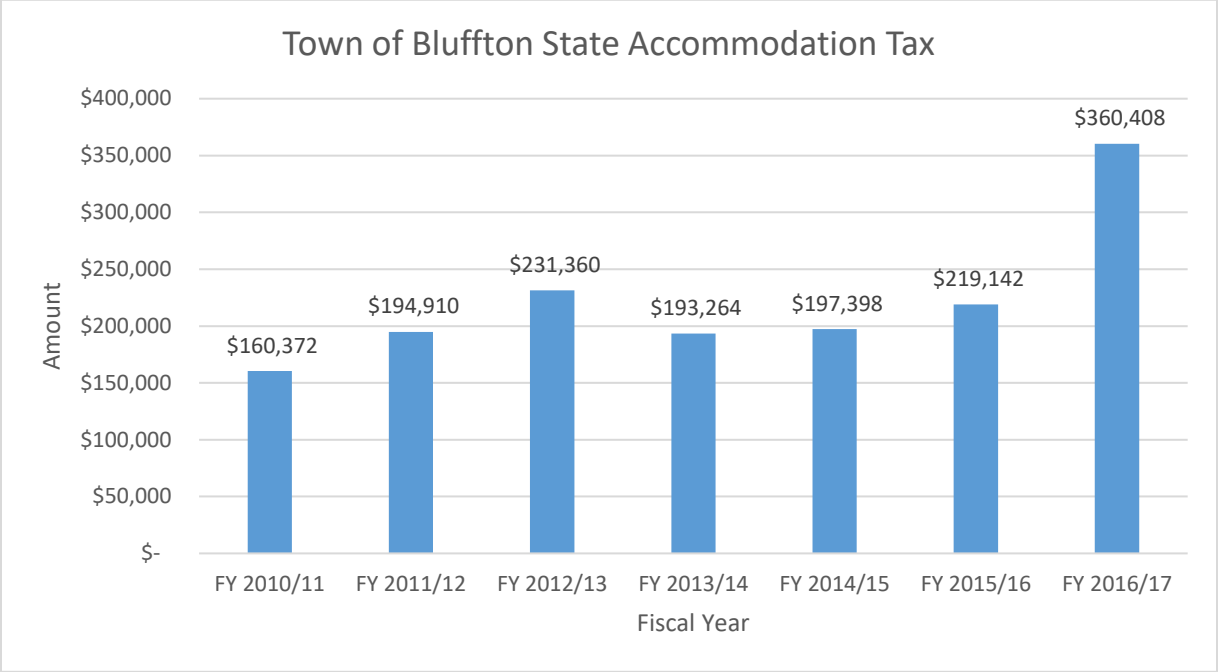
The Visitor & Convention Bureau will position The Town of Bluffton and Daufuskie Island as the ultimate escape filled with genuine experiences of all kinds. For those looking to travel and immerse themselves in a new vacation experience, Bluffton and Daufuskie Island is where they will find historical traditions, cultural experiences, natural beauty and culinary delights.

The Visitor & Convention Bureau invests in destination digital content management, qualified staff, content managers/editors and a professional, well executed public relations and digital promotions program. These investments are key to operating a robust destination marketing program in today's competitive and cluttered travel communications environment – particularly with limited funding available for the paid media space. This aspect of our work has become increasingly important as new communications channels emerge and evolve to give consumers more choices, more channels and more content.

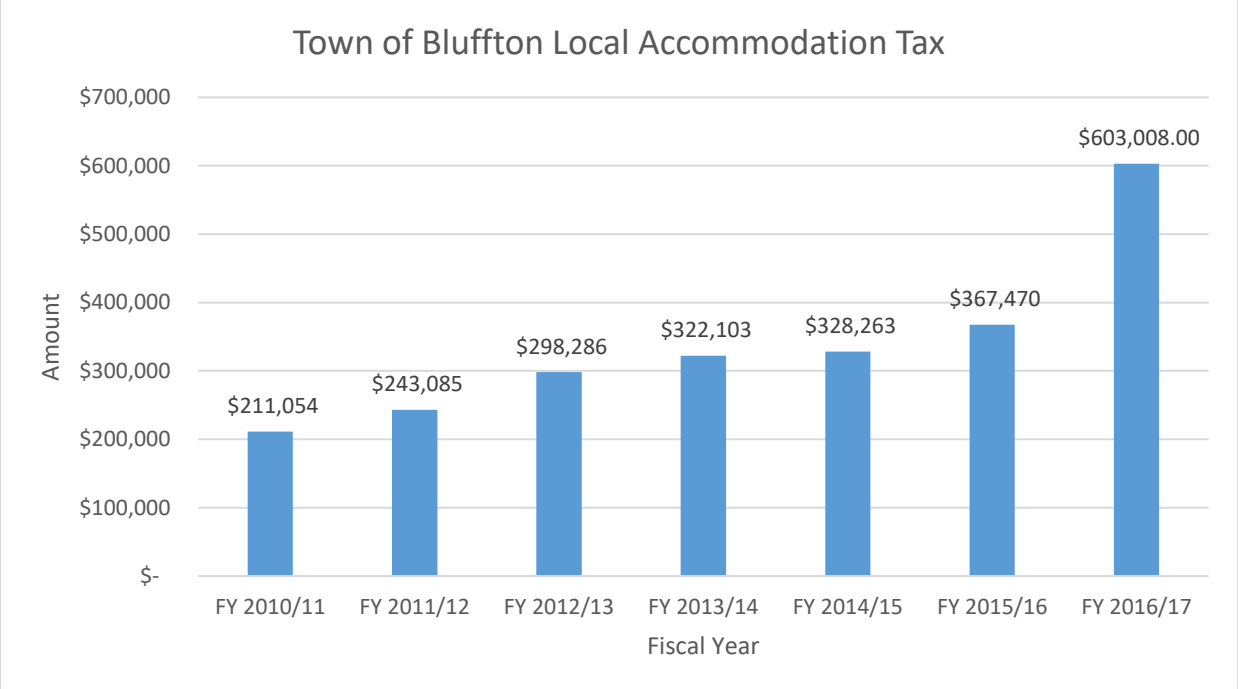
In managing the destination marketing program for the Town of Bluffton and Daufuskie Island, the Visitor & Convention Bureau has expanded our branding efforts through buys in regional and national publications and digital platforms in key drive and fly markets targeting travel and cultural enthusiasts with a household income of $150,000+.

As the DMO for Southern Beaufort County, we are committed to the following:

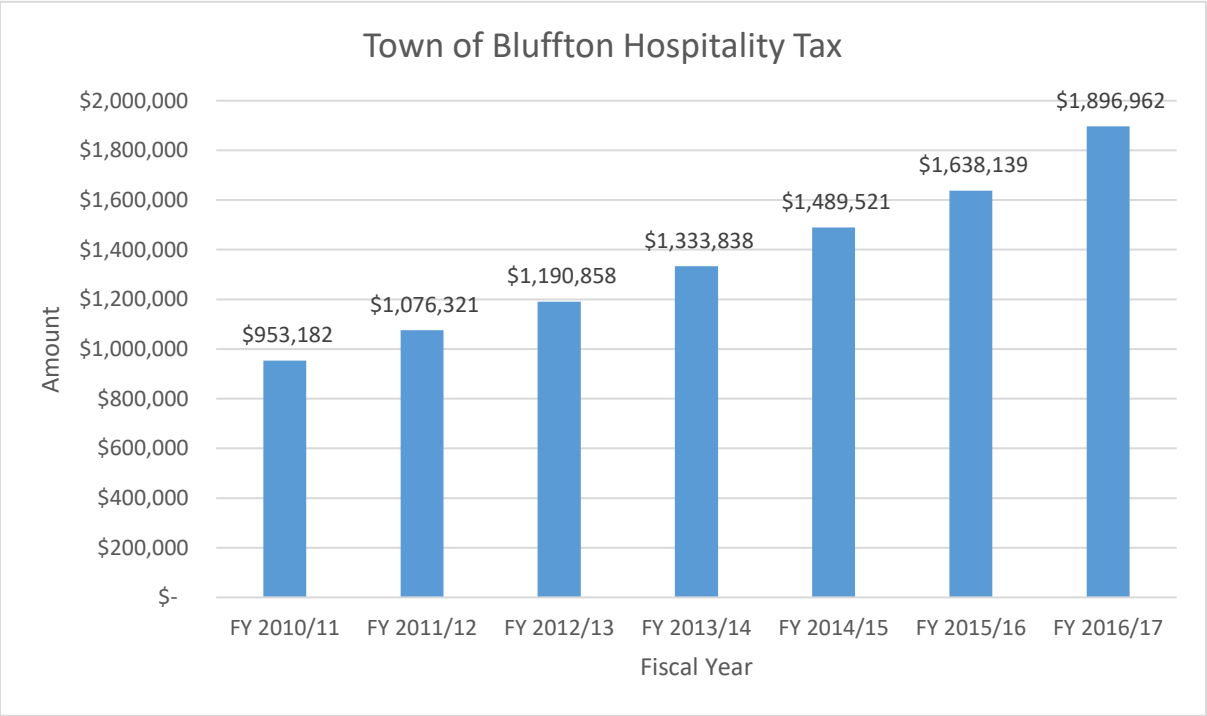
- Support the destination's brand position throughout all marketing programs.
- Increase overnight visitation in Southern Beaufort County.
- Increase visitor's expenditures at Beaufort County attractions, retail and dining facilities, particularly in Bluffton and on Daufuskie Island. Thus, increase Bluffton and Beaufort County's attraction, hospitality, and sales taxes collected.
- Goal for 2018-2019 is 2% overall visitor spending increase and visitor tax base.




Source: Town of Bluffton




Source: Town of Bluffton




Source: Town of Bluffton

# Marketing Strategies & Programs (1-8)

## 1. Quarterly E-newsletter & Insider Program:

**Quarterly E-newsletter:** Each year, we set a robust content calendar of monthly (and sometimes bi-monthly) e-newsletters around themes to highlight key seasonal events and promotion of our membership products/services. We also will continue to send emails/e-promos that cross market the whole region to the entire *Insider* database.

Some of the themes include:

- Historical Travel
- Outdoor Adventures
- Culinary Travel and Events
- Cultural & Heritage Travel
- Marquee Events & Festivals

**Budget:**

| | |
|---|---|
| Bluffton DMO: | $1,969 |
| Beaufort County DMO: | $3,031 |
| **Total Budget:** | **$5,000** |

### Bluffton/Daufuskie Island Blog

We will continue to grow our destination email marketing distribution list, by encouraging a strong call to action in our messaging on all platforms. Visitors will sign up to become an Insider and receive our bi-monthly blog posts, and e-newsletters.

**Budget:**

| | |
|---|---|
| Bluffton DMO: | $443 |
| Beaufort County DMO: | $667 |
| **Total Budget:** | **$1,100** |

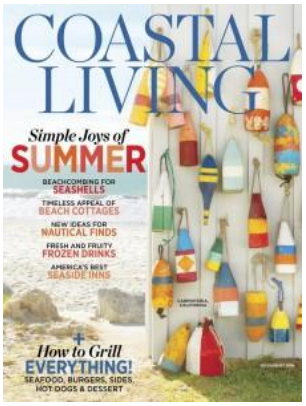
## 2. Media Partnerships: Coastal Living, Garden & Gun, and Smithsonian

The 2018-19 leisure media partners were chosen based upon their brand reach and ability to target different segments of interest within their subscriber base, offline and online. In addition to this effort the Visitor and Convention Bureau will support each media partnership by ensuring our media is placed to compliment and amplify the Southern Beaufort County brand reach during each specific in-market campaign timeframe (e.g. social, e-newsletter and digital ads).

*Coastal Living*, *Garden & Gun* and *Smithsonian* compliment the Bluffton and Daufuskie Island vibe and will work to reach that ultimate Lowcountry visitor. Partnering with these publications will lead us to our goal of positioning the county in a way that drives conversion and overnight visitation.

*Coastal Living* celebrates the best of Southern life sharing authentic experiences and Southern culture through core editorial pillars that include Home & Garden, Style & Beauty, Travel and Food. While the *Coastal Living* audience, stretches from the rugged rocky shores of Connecticut to the white sandy beaches of California, the reader is initially drawn to the brand for its beautiful view. They linger because the content, like the always sunny, soul-soothing coast itself, it is their happy place.

Their diverse brand loyalists agree: "coastal" is a state of mind. From inspiring design and decorating to gorgeous, blissful getaways to delicious, made-for-entertaining recipes, *Coastal Living* offers its audience an escape to the good life-to be enjoyed barefoot, of course.




**Coastal Living Digital Audience**

Website
Total Unique Visitors: 728,000
Total Unique Pageviews: 5,000,000

Mobile
Total Unique Visitors: 486,000
Mobile Exclusive Visitors: 469,000
Unique Pageviews: 3,000,000

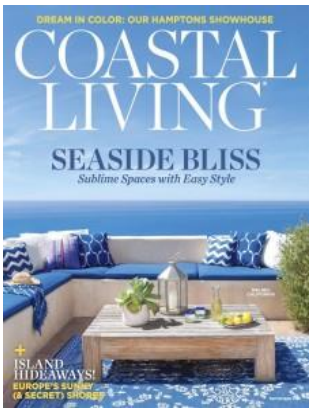
Tablet
Total Unique Visitors: 145,000
Unique Pageviews: 827,000

Social Media
Total Audience: 2,217,833
Facebook, 1,791,578
Twitter, 62,276
Instagram, 262,000
Pinterest, 101,979

Digital User Profile
85% Female/ 15% Male

Median HHI
$88,581

Median Age
49




## October, *Coastal Living's* Annual Food Issue

Seafood is a growing component of the American diet. It's healthy, easy to prepare, and embodies the "locally sourced" culinary trend in an organic way. Furthermore, gathering around a large table with family and friends is an integral component of life at the coast. *Coastal Living* celebrates National Seafood Month with their second annual food issue. Highlights include: The Ultimate Sea-Foodie Road trip; the Best Coastal Restaurants; A Food Lover's Dream Escape and Foodie Faceoffs.

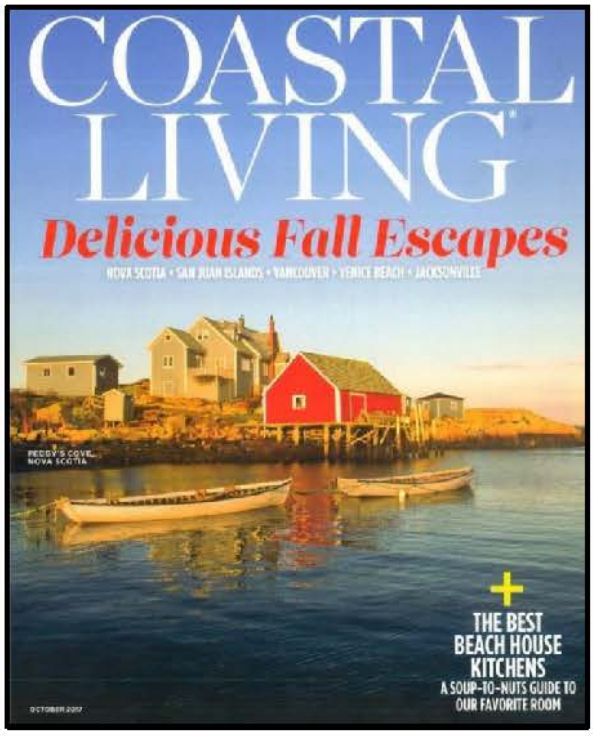
The Hilton Head Island-Bluffton Visitor & Convention Bureau (VCB) will develop a multi-layer digital marketing campaign utilizing *Coastal Living's* on-line and social media assets. The partnership will highlight the Historic Arts and Seafood Festival and touch upon the unique-ness of Bluffton and its southern neighbor, Daufuskie Island – perfect for a day trip excursion. We will look to develop a campaign showcasing the Historic Arts and Seafood Festival, driving fall travel and website visitation.

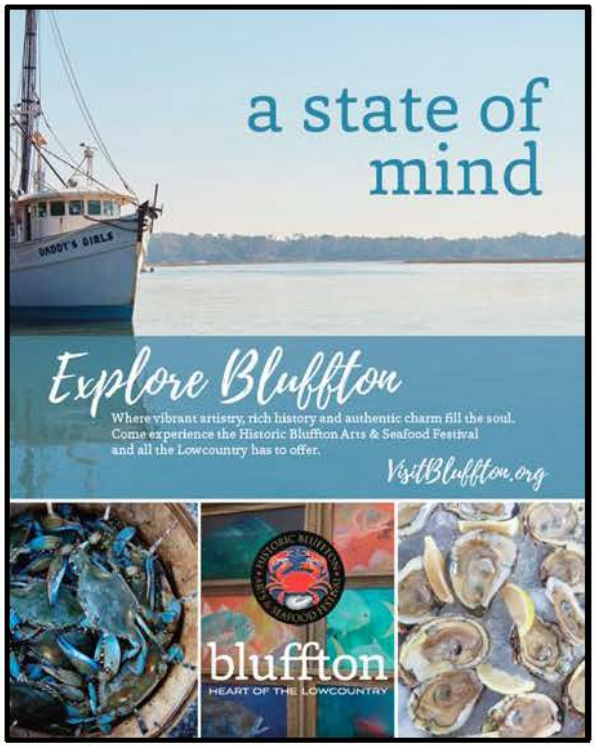
Campaign Details:

- 100% Share of Voice (SOV)
- High-impact homepage roadblocks
- Sponsorship of Coastal Living e-newsletter
- Targeted media to relevant content on desktop, tablet and mobile platforms
- Run of Site on desktop, tablet and mobile platforms

## Example of Past Partnership:

## 2017 *Coastal Living* October Food Issue



Garden & Gun is the only magazine that moves from the sporting life to lush land and gardens, from architectural pursuits to adventurous travel, from food and drink to visual splendor. Garden & Gun is an idea about how to live a life that is more engaged with the land, the literature, the music, the arts, the traditions, and the food of the South. It is about appreciating the richness of the South and knowing how that understanding can enrich one's life and translate beyond Southern geography. It is about a life well lived.

A rapidly growing community of readers look to Garden & Gun for the magic of the South - whether their passion is the sporting culture, protecting the land, gardening, travel, the arts, or food and drink. Readers hail from all fifty states and know that Garden & Gun is relevant no matter where they live.

Website
2 million+ page views/month
500,000+ unique visitors/month
3.52 average page views/visit
Monthly visits 700,000+

Mobile
Total Unique Visitors: 486,000
60% of users are through mobile
Mobile Exclusive Visitors: 475,000/month
Unique Pageviews: 2 million/month

Median HHI
$370,800

Social Media
Total Audience: 786,000
Facebook, 381,000 fans
Twitter, 109,000
Instagram, 253,000
Pinterest, 43,000

Digital User Profile
54% Male / 46% Female

Median Age
35+

## Garden and Gun Campaign: Discover Bluffton – Social Influencer Program

**Strategy:**

G&G in partnership with the Visitor & Convention Bureau will produce a digital and social program featuring a weekend escape through the lens of a Southern influencer, positioning Southern Beaufort County as the ultimate destination for family vacations or getaways with friends.

**Details:**

- G&G secures one (1) Southern influencer from a market who has a large following and strong photography skills with a focus on lifestyle and travel
- The publication partner and VCB will create a trip for (2) nights and three (3) days to experience the town's wealth of culture, dining, and outdoor activities

- G&G collaborates with the VCB to curate the trip itinerary supporting its 2018 efforts, highlighting their year-round activities and unique qualities that make it a top destination
- A G&G travel writer uses the influencer's recap to write a story about the trip, appealing to the G&G audience and focusing on the specified efforts
- One (1) sponsored online article featuring photos from the weekend and the custom narrative acts as a travel guide with suggestions and tips from the influencer and G&G
- The online article drives readers to the website to read more details about the various destinations and activities highlighted in the story

Campaign Summary:

- One (1) sponsored article on GardenandGun.com written by G&G
- 100% SOV of display ad units surrounding sponsored content for up to two (2) months
- High visibility site promotion for up to two (2) months
- Sponsored Edition Talk of the South email newsletter
- Paid editorial social media plan on G&G social channels
- Influencer creates one (1) blog post on their site about the trip
- VCB receives usage rights to hi-res assets from the influencer
- Timing: Fall 2018

Smithsonian MEDIA boundless CURIOSITY

The Hilton Head Island-Bluffton Chamber of Commerce and Visitor & Convention Bureau will launch a digital native campaign that promotes Southern Beaufort County's rich history and culture and ultimately drive traffic to the destination website which will increase destination awareness and inspire travel and visitation.

Smithsonian.com celebrates the creators, innovators and idea-makers who drive us forward to the future. Smithsonian.com reaches influentials across the web, engages them with what they want and need to know, and gives them inspirational ideas, insights, and information to share.

Smithsonian Media exists for the sole purpose of increasing and diffusing knowledge. Boundless in their expression across platforms and our topic areas are limitless. The Smithsonian audience possesses boundless curiosity which drives them to act. They are truly engaged people who contribute to society and expect to leave this world a better place than when they got here. These independent, influential thinkers trust us to present factual, well-researched and insightful information that they consume and share with their friends, colleagues and communities. They expect to be surprised and delighted with ideas and information that sparks their curiosity.

## Smithsonian.com Demographics:

Website Unique Visitors: 7,036,000
Website Visits: 8,848,333
Pageviews: 15 million
Time Spent Per Visitor on Site: 2.6 minutes

Median Age: 46
Median Hilton Head Island: $92,395
Male/Female: 45/55%
User Video Plays: 244,743

## Smithsonian.com Native Article Campaign

Together Smithsonian and the Visitor & Convention Bureau will develop a rich, online multi-level program highlighting Southern Beaufort County's distinct culture and history through immersive storytelling and authentic images.

Website Assets include:

- Articles
- Videos
- Photo galleries
- Banner Ads
- Native Tiles

Native Article Samples of content:

- The Gullah Story: History, Language, Customs and Spirit
- Daufuskie Island: Artists, History, and Culture
- Bluffton: Garvin Garvy House, Heritage, Antebellum historic homes, Artists and Galleries

## Summary of campaign includes:

- (2) Native Articles written by Smithsonian using their guidelines – focusing on Daufuskie Island and Bluffton – History, Heritage, Culture and the Arts.
- Custom Slideshow Billboard – a high impact unit that will be used to promote native content and drive to a campaign landing page - can include multiple links, photos, and video. (5) slide rotation.
- Native Promotional Banners that will drive traffic to native content then on respective websites. Banner ads will be perched atop the page, displaying destination videos and high impact brand creative.
- GEO Targeting: Our message will directly reach users who are most likely to engage with the brand – the following states will be targeted: NY, NJ, CN, MA, NC, SC and GA
- Content will focus on these themes: History, Heritage, Culture and the Arts.

**Total Smithsonian ampaign Budget: $38,000**

*$17,000 – 2018-2019 Southern Beaufort County Marketing Plan

**$21,000 granted previously from the 2018 Beaufort County Supplemental Grant

**Media Budget:**

| | |
|---|---|
| Bluffton DMO: | $37,414 |
| Beaufort County DMO: | $74,586 |
| **Total Budget:** | **$112,000** |

## 3. Destination Photo & Video Shoot

In today's world, imagery and video speak volumes to the consumer. Therefore, it is a priority to ensure the most current destination imagery and video content that showcases the unique attributes of both Town of Bluffton and Daufuskie Island: *(Historic Old Town Bluffton, Calhoun Street Promenade, the natural beauty of the May River, recent expansions at Montage Palmetto Bluff, and cultural and historical sites on Daufuskie Island)* that allow us to visually showcase the destinations holistically.

Some of the considerations in planning the photo shoot include:

- Capture Southern Beaufort County's new products and amenities, cultural district and new neighborhoods
- Include ethnic and age diversity
- Feature experienced, professional and natural looking models that portray our target demographics, and supplement with locals
- Shoot in a high-level DPI format to create high quality images that will translate well into a variety of formats
- 360° Video and drone footage

**Time Frame:** Bi-Annually – winter/spring & summer/fall to capture community growth & new developments within Southern Beaufort County.

**Photo and Video Budget:**

| | |
|---|---|
| Bluffton DMO: | $5,000 |
| Beaufort County DMO: | $5,000 |
| **Total Budget:** | **$10,000** |

# 4. Search Engine Optimization (SEO), Social Media & Content Hub

The Visitor & Convention Bureau plans to continue the program for expanding and broadening our organic keyword search engine rankings on Google, Yahoo, YouTube and Bing for a targeted list of key search terms that best correlate with that lowcountry region targeted visitor and visitor experiences. The VCB will also be implementing a custom outreach program to increase the overall authority for the web platform, which will influence search rankings.

### Social Content Strategy

@VisitHiltonHead, the host handle that supports The Town of Bluffton, and Daufuskie Island destination social media efforts, continues to see growth year-over-year on Facebook, Twitter, Instagram, and Pinterest.

In 2017, referrals from social media increased by 28% and our key goals (clicks through to member sites) did very well. Our Facebook following grew by 38%, our Twitter following grew by 13%, our Instagram following grew by 37%, and our Pinterest following grew by 5%.

Both Instagram and Pinterest platforms showed significant growth in 2017. This has led to a strategy shift of moving away from Twitter as a platform for travel and tourism, as it is now seen as an outlet for breaking news and political information. We will build on the growth of Pinterest and Instagram through paid media, as well, in order to ensure growth on these channels throughout 2018-19. Investing in paid tactics with the three best-serving social platforms, providing a holistic approach to social media through user generated content (UGC), the continued promotion of the use hashtag "#LowcountryLife, the publishing of evergreen blog posts and furthering the eNewsletter audience through calls to action focusing on email opt-ins and experiences will be key tactics for 2018-19 in the social space for the overarching @visithiltonhead brand.

Referrals from all social channels grew in 2017; a reverse of the declining trend that was seen among social channels in 2016. However, due to Facebook changing the algorithm in 2017 to serve less organic posts from business pages to followers' news feeds, organic engagement has seen a decline on this platform for the brand. That said, our approach to investing into paid posts on the platform have allowed for the brand to see continued year-over-year growth even with the set backs presented by the new algorithm. We will continue to invest in paid social on both Facebook and Instagram (now owned by Facebook) in order to ensure our brand relevance with these channels.

Content should focus on destinations within the Southern Beaufort County region. Bluffton and its charm as a quintessential Southern town, its convenient location to both Charleston and Savannah, its position as a place for great local cuisine, its appeal as a romantic wedding destination, and Daufuskie Island as a thriving arts and culture community rich in history, unspoiled hidden gem. These content topics have been determined through routine tracking of

the most successful content and will continue to be adjusted as we identify new trends in data.

Content Hub: Lowcountry Life

The Lowcountry Life content hub provides the opportunity to publish original content specific to Southern Beaufort County as well as to include mentions of Bluffton and Daufuskie Island in blog posts about food, family travel, and other relevant categories. The blog will feature authentic storytelling created by local writers, while the Lowcountry Life blog overall will feature well-written evergreen content that is optimized for SEO. This content will further engage users and help drive them deeper into the website. The main photo gallery of user-generated content will regularly feature photos and videos taken in and around Bluffton and Daufuskie Island which will be paired with calls to action driving users to the respective websites. Additionally, websites will feature a smaller user-generated content gallery of photos and videos.

Other possible considerations:

- Targeting local residents who are passionate promoters of each destination
- Engaging with sentimental visitors who make a tradition of vacationing in the Lowcountry ever year

Primary Campaigns

- Invite relevant bloggers and social media influencers to visit Bluffton and attend events
- Host a blogger to Bluffton or Daufuskie Island and have him or her host a social media takeover of the @visithiltonhead Instagram channel
- Engage with visitors and residents who share photos and videos each destination on social media and cultivate relationships
- Create engaging Instagram ad campaigns centered around the unique appeal of Bluffton and Daufuskie Island as a travel destination

**Budget:**

| | |
|---|---|
| Bluffton DMO: | $5,187 |
| Beaufort County DMO: | $10,413 |
| **Total Budget:** | **$15,600** |

# 5. Search Engine Marketing (SEM) PPC Campaign

Paid Search is the most fundamental digital channel and provides a foundation for nearly all digital marketing initiatives. Our deep expertise and experience would be directly applied to drive outstanding results for the destination. The primary objective of the search strategy is to drive link-outs to partners by utilizing advances in Search Marketing. This is a flexible working media plan to be optimized over time based on performance, business needs and seasonality.

Success is determined through two metrics, Cost Per Click (CPC) and website visits. The management of these key performance indicators (KPIs) is done regularity, adjusting and flexing as the business dictates.

Strategy
Leverage lower funnel, direct response tactics such as Branded Search and Remarketing to reach valued consumers and ultimately increase sales of local businesses.

Location
- Drive and Fly Markets
- Domestic Travelers

Direct Response
Strategies will also be in place to capture searchers in the lower funnel who are closer to converting. Tactics used here will center around Branded Search and Display Remarketing.

Key Performance Indicators (KPIs)
KPIs for direct response strategies will be:
- Conversions
- Conversion Rate
- Website Visits
- Cost Per Click
- Assisted Conversions

Search, Brand
- Bluffton + Things to Do
- Daufuskie Island - Paradise Beyond, Hidden Gem
- Things to Do, Restaurants, Tours, Shopping, Events, Farmers Market, Biking, Arts and Culture, Spas, Health and Wellness, Catering, History and Museums
- Getting Here, Hotels/Resorts, Bluffton SC, Daufuskie Island

Remarketing Lists for Search Ads
Tailor bids to those who have previously visited the site or are part of a Customer Relationship Management (CRM) audience and are actively searching for relevant keywords on Google:

- Increase bids based on visit: 3 days > 5 days > 14 days > 30 days
- Increase bids to CRM audiences

Display Remarketing
- All visitors who have been to the site in the last 90 days
- Visitors of specific pages on the site

## Military Marketing

Maintaining our presence in the military market is an important piece to the overall Southern Beaufort County strategy by partnering with Military Media Inc. We have identified key bases within the Southeast region that will allow for print and online advertising opportunities on base that will speak directly to the military personnel and their families while on base. Each base has their own print and online communication channels. The military consumer, both active duty and military families, stand apart from the traditional consumer we usually speak to. However, personnel and their families are a consumer segment that fit well against the consumer profile we look for when choosing our marketing programs.

Who is the military consumer:
- Receive 30 days of paid vacation every year
- 100% employed
- Discretionary income for travel-Benefits for military families include allowances for housing, food, free medical insurance, clothing, life insurance, moving expenses, education. With the bulk of their living expenses paid, they have funds available for leisure travel.
- 22.5% of active military personal are between 26-30 years of age
- 35% of active military personal are married and have children

Strategy
- To target market active military and military families
- Seek bases within a 10-hour drive from the destination
- Market to this consumer through their base communication platforms
- Use an online/ off-line approach to ensure tracking and R.O.I. is available
- Brand awareness focusing on fall and winter travel

Base Locations
- Ft. Gordon, Augusta GA
- Ft. Benning, Columbus, GA
- Robins AFB, Warner-Robins, GA
- Ft. Bragg, Fayetteville, NC

We will work to develop digital content to drive the visitor a dedicated landing page that will live on both destination sites over a three-month time period. This campaign will have a mix of digital banners and print pieces all driving back to the dedicated landing page.

**Budget:**

| | |
|---|---|
| Bluffton DMO: | $20,578 |
| Beaufort County DMO: | $45,452 |
| **Total Budget:** | **$66,030** |

## 6. Group Sales & Trade Shows

The Southern region of county continues to grow and position itself as a group destination more so now than any point in the last decade. The variety and quality of experiences for group visitors has never been more diverse, offering a robust arts, historical, arts and cultural scene, with growing culinary experiences. The VCB will continue to promote Bluffton and Daufuskie Island while attending numerous travel trade shows throughout the country.

Group Tour

Group Tour remains an important market to maintain current and new relationships Bluffton continues to be an attractive destination for a hub and spoke opportunity. With Savannah 40 miles away, Beaufort 30 miles and Charleston just under 2 hours, Southern Beaufort County region is ideal for groups to stay in one location for up to a week, and focus on day trips from one central area. We intend to draw group tour visitors by:

- Building relationships with tour operators through ABA
- Leverage group tour by hosting a FAM trip to potential group planners/operators
- Educate our partners on what it means to be a group friendly community
- Offer tiered pricing/packaging attractions with accommodations
- Expand promotion of group experiences on our website and special group ticket pricing

Every January, welcomes the travel and tourism community to the first conference of the year, the industry's premier business event – Marketplace. More than 3,500 tour operators, suppliers

and exhibitors come together to kick off a new year of business opportunity and growth. Marketplace is an active, vibrant forum of buyers and sellers where business gets done. With more than 140,000 pre-scheduled appointments and 900 pre-qualified operators, Marketplace offers a year's worth of sales meetings in one week. And with legendary networking and social events, attendees turn conversations from the conference floor into long-term business relationships. Couple this with leading education seminars and the industry's largest exhibit hall and marketplace is unmatched as the best industry event each year.

In January 2018, The Visitor & Convention Bureau staff attended the ABA Marketplace, and took advantage of up to 60 pre-scheduled appointments with pre-qualified operators to promoting the South Carolina Lowcountry Region.

Full Service Resort/Hotels Initiatives

**Connect Marketplace**

Connect Marketplace, an annual education conference and appointment-only trade show, is a highly respected event that brings together the most active planners, suppliers and experts in corporate, association and specialty association meeting markets for three days of general sessions, roundtables, workshops, pre-set appointments and networking. The appointment-only trade show is the business marketplace, where RFPs are placed, dates are secured and relationships are developed for future business. The focus on education at Connect Marketplace allows you to brush up on your skills, learn about trending topics, get great business advice from speakers, and enjoy networking with other industry professionals.

IMEX America

Meet over 3,000 corporate, incentive, association and third-party planners experiencing IMEX America's refreshing new model for doing business.

*The Size and Scale of the Hosted Buyer Program*

The largest in the industry in North America, this Hosted Buyer Program qualifies and brings key buyers to the show, with IMEX America covering travel and accommodations. This program guarantees thousands of highly qualified buyers from the association, corporate sectors.

*Online Scheduling System*

This convenient system lets you reach out before the show and get business lined up with people you want to see at IMEX America. With tens of thousands of appointments made in advance, everyone comes to the show focused on serious business.

*The Number and Depth of Industry Partnerships*

Industry associations have shown unprecedented confidence in IMEX America. Examples include a Strategic Partnership with MPI, (our Premier Education Provider) endorsement by DMAI, Site and ICCA, an Industry Partnership with PCMA and close ties with every major association.

*The Scale and Quality of Education Programs*

IMEX America hosts an unprecedented number of industry educational events. Participants can choose from hundreds of lively learning sessions and seminars throughout the trade show, all at no cost.

*Dedicated Attention to Association and Corporate Buyers*

Association Focus, a "conference within a conference" on Smart Monday, is dedicated to educating association executives and is followed by an Association Evening, a great event for socializing and networking.

### ConferenceDirect Annual Partners Meeting

Being a preferred partner, it includes participation at their most important Associate Networking educational event. Involves a reverse tradeshow format where the attendee gets quality time with each ConferenceDirect Associate and attendance to training sessions on sales development.

### HelmsBriscoe Annual Partners Meeting

HelmsBriscoe allows member participation at their most important Associate Networking educational event. Designed in a reverse tradeshow format where the attendee gets quality time with each HelmsBriscoe Associate and attendance to training sessions on sales development.

### Association Executives of North Carolina (AENC)

The AENC Trade Show is your source for information and contacts on meeting venues, programs products and services. Spend time with over 200 exhibitors and learn how they can help you bring more value and be more efficient. Meet with others from a wide variety of organizations and share ideas as you go through the show.

### South Carolina Society of Association Executives (SCSAE)

SCSAE's Trade Show is your ONE stop location for meeting and greeting with association CEOs/Executive Directors, Meeting Planners, Membership Directors, Communication Directors and Corporate Meeting Planners. Association professionals can meet with more than 70 exhibitors including hoteliers, convention centers, technology vendors and more.

### SportsTravel Magazine's TEAMS '18 Tradeshow

TEAMS: TRAVEL, EVENTS AND MANAGEMENT IN SPORTS, is the world's leading conference and expo for the sports-event industry. Presented by SportsTravel magazine, TEAMS '18 will be held October 2018, in Louisville, KY. Launched in 1998, TEAMS attract more than one thousand attendees including CEOs, executive directors and event managers from sports organizations as well as representatives from sports commissions and convention bureaus, corporate sponsors, event suppliers and other hospitality industry opinion leaders. Now in its 18th year, TEAMS has helped define the sports-event and appointment-based trade show industries.

# Hilton Head Island – Bluffton Visitor & Convention Bureau's 2018-2019 Trade Shows

| Tradeshow | Market | Dates | Location | |
|---|---|---|---|---|
| Connect Marketplace | Corp/Assn | Aug./2018 | Salt Lake City, UT | |
| IMEX America | Corporate | Oct./2018 | Las Vegas, NV | |
| Sports Travel's TEAMS Expo | Sports | Oct./2018 | Louisville, KY | |
| AENC | State Assn | Dec./2018 | Raleigh, NC | |
| SCSAE | State Assn | Jan./2019 | Columbia, SC | |
| **American Bus Assn.** | **Group Tour** | **Jan./ 2019** | **Louisville, KY** | **$2,380** |
| ConferenceDirect APM | Third Party | April/2019 | TBD | |
| HelmsBriscoe APM | Third Party | May/2019 | TBD | |

**Budget:**

| | |
|---|---|
| Bluffton DMO: | $-0- |
| Beaufort County DMO: | $2,380 |
| **Total Budget:** | **$2,380** |

*Remainder of trade shows listed are funded by the Town of Hilton Head Island

# 7. Collateral and Fulfillment

## 2019 Vacation Planner

The 2019 Official Vacation Planner: *Hilton Head Island – Bluffton - Daufuskie Island* - is our comprehensive guide to what to see and do, is our primary print fulfillment piece. We receive many online, as well as media and phone inquiries, and distribute the planner to state and local welcome centers, along with trade shows and promotional events with media.

In today's more visual world, telling a story through pictures and graphics appeals more to our target demographic. To further entice these target markets, we have redesigned the Vacation Planner so visitors can better visualize their vacations and discover what Hilton Head Island, Bluffton and Daufuskie Island all have to offer. This is an important element to the "Travel Planning Journey" experience mentioned earlier in the plan.

Our area's natural beauty is what sets the low country region apart from other communities. By tapping into our portfolio of stunning photography and combining it with updated content, we have transformed the Vacation Planner into a "look book" destination discovery piece so visitors can imagine themselves experiencing all things Lowcountry.

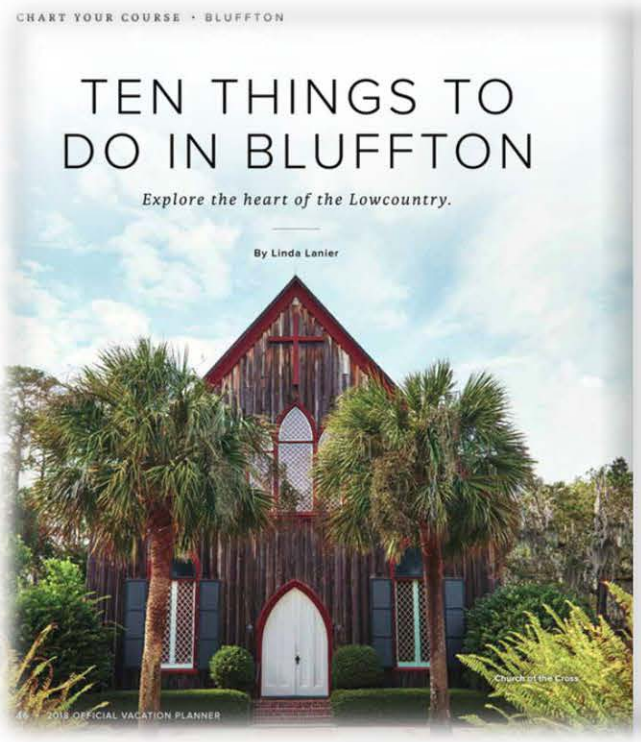
In addition to working with a digital and print publisher, our in-house marketing staff provides the business directory, local photography and editorial content management, editorial review and proofreading for this asset.

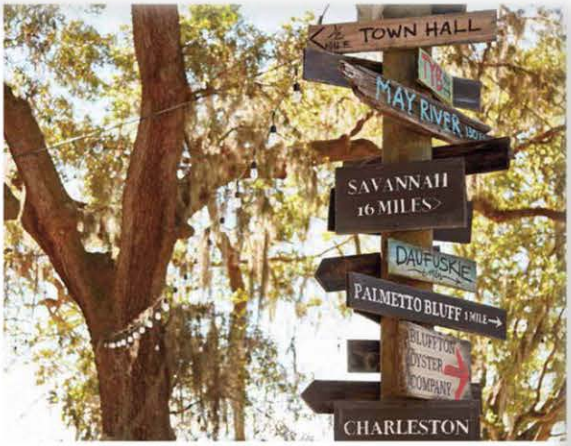
**Quantity: 100,000 printed**

**Budget:**

| | |
|---|---|
| Bluffton DMO: | $10,275 |
| Beaufort County DMO: | $15,815 |
| **Total Budget:** | **$26,090** |

# 2018 Vacation Planner- Examples of Bluffton



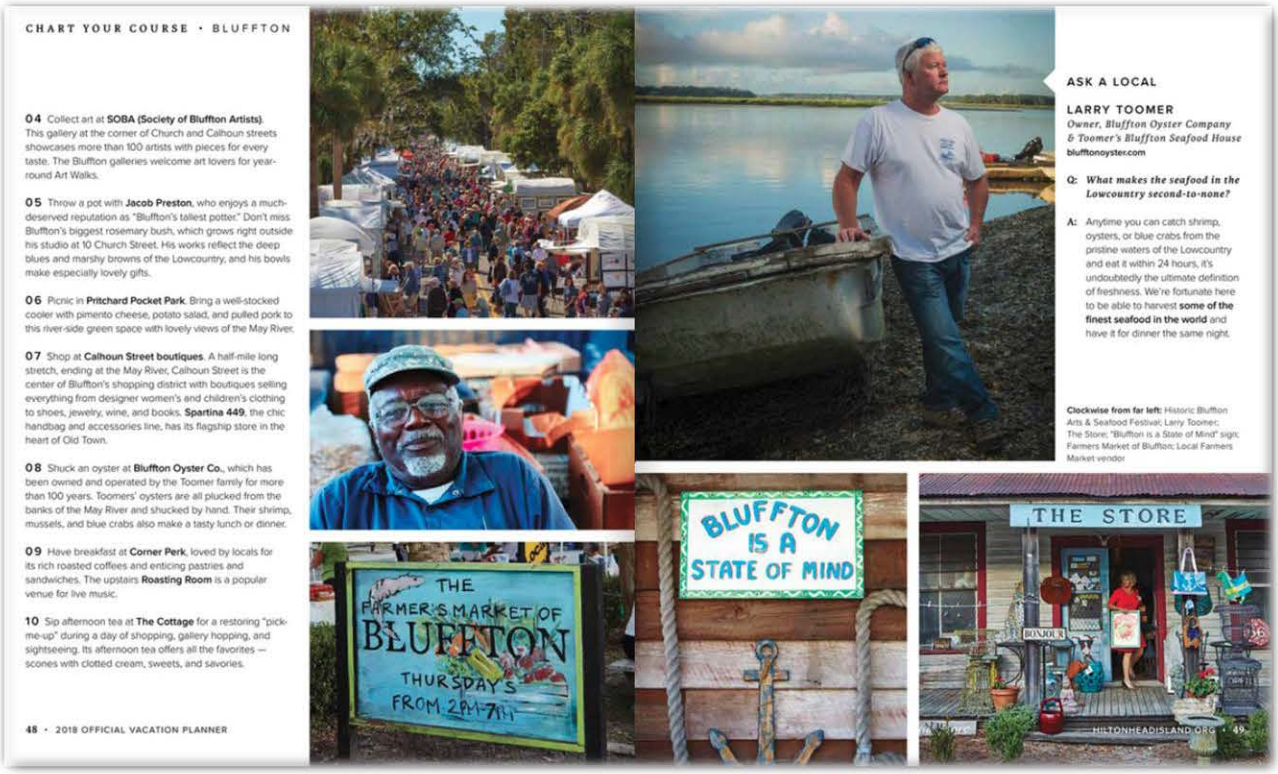

Bluffton is a charming village resting in its moss-draped finery on the banks of the May River. Many Blufftonians will tell you that "Bluffton is a state of mind" and indeed, it is — a state where the sun shines brightly, the streets are shaded by old oak trees, and locals and visitors alike enjoy passing the time in a rocking chair on a front porch with a pitcher of cold sweet tea (or maybe a stronger libation.) Here's what to see and do.

**01** Eat at the **Farmers Market of Bluffton**. On Thursday afternoons on Calhoun Street, find locally grown produce, stewed tomatoes, gumbo, fried oysters and shrimp, barbecue, breads, cakes, cookies, ice cream, coffee, boiled peanuts — should we keep going? Music is also on the menu and the occasional dancing breaks out!

**02** Admire the **Church of the Cross Anglican**. This graceful example of Southern Carpenter Gothic architecture was built in 1854 and escaped burning during the Civil War. The cypress-built church, listed on the National Registry of Historic Places, is at the end of Calhoun Street and boasts magnificent expansive views of the May River. There is a docent on staff to provide tours of the sanctuary and grounds.

**03** Walk through history at **Heyward House**. Built in 1841, Heyward House is one of the few structures that escaped the federal gunboat attack on Bluffton during the Civil War, and it looks much as it did 170 years ago. Notice the "summer kitchen," used for cooking during the hot months. There is a daily, docent-led walking tour of this house and other historical sites in Old Town Bluffton.





# 2018 Vacation Planner- Examples of Daufuskie Island





## A PLACE LIKE NO OTHER

*Unplug and unwind on Daufuskie Island.*

By Linda Lanier



Located across Calibogue Sound from Hilton Head Island and accessible only by boat, Daufuskie Island is a place from another time.

There is no bridge to the island and there are no plans for one. Thankfully, the folks who live and visit here want to keep it that way. Only a handful of cars are allowed, and golf carts are the main mode of transportation.

Nature rules Daufuskie. The massive majestic oak trees and lacy Spanish moss evoke nostalgia for quieter, simpler days. Sandy lanes meander down to the pristine beach and to the volunteer-run **Daufuskie Community Farm** and **Artisan Village** with its goats and geese.

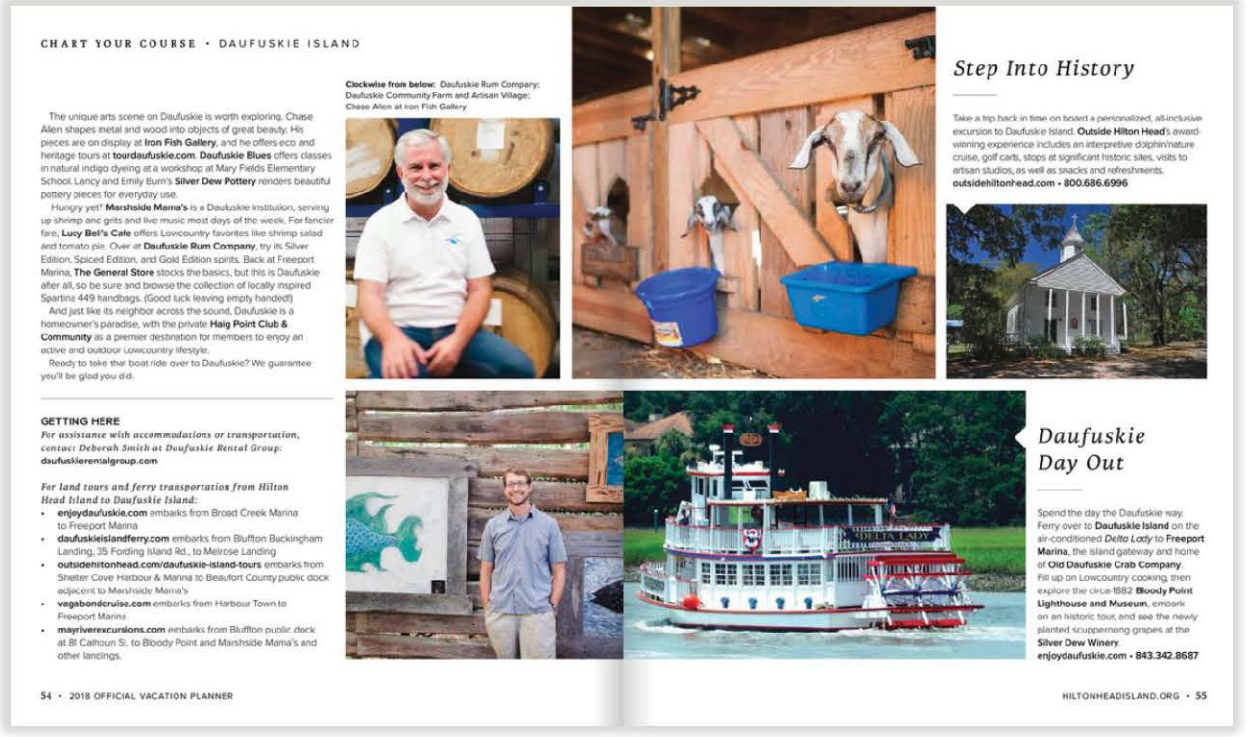
Daufuskie is one of the few places on earth where you can see Marsh Tacky horses, a rare breed native to South Carolina and descended from horses brought to Carolina in the early 16th century by Spanish explorers. Osprey and heron habitats abound, and fiddler crabs thrive in the dark pluff mud.

For history lovers, Daufuskie offers a wealth of artifacts and sites: arrowheads and shell rings, which are perfectly round mounds of oyster shells left by early Native American settlers; Civil War swords; small, intimate family cemeteries and praise houses are reminders of the people who lived here over a century ago.

Local waterman Wick Scurry, an island mainstay and historian for more than 40 years, provides accommodations, tours, and ferry and land transportation (**enjoydaufuskie.com**). Spending time with Wick on Daufuskie is a great place to start. He can point out secret eagles' nests and Revolutionary War sites for a full day of Daufuskie adventuring. His headquarters at **Freeport Marina** offers oyster roasts and cold beer at the **Old Daufuskie Crab Company**, plus a general store and colorful cabin rentals. **The Bloody Point Lighthouse Museum** and **Silver Dew Winery** are historic structures now open to the public.









The unique arts scene on Daufuskie is worth exploring. Chase Allen shapes metal and wood into objects of great beauty. His pieces are on display at **Iron Fish Gallery**, and he offers eco and heritage tours at **tourdaufuskie.com**. **Daufuskie Blues** offers classes in natural indigo dyeing at a workshop at Mary Fields Elementary School. Lancy and Emily Burn's **Silver Dew Pottery** renders beautiful pottery pieces for everyday use.

Hungry yet? **Marshside Mama's** is a Daufuskie institution, serving up shrimp and grits and live music most days of the week. For fancier fare, **Lucy Bel's Cafe** offers Lowcountry favorites like shrimp salad and tomato pie. Over at **Daufuskie Rum Company**, try its Silver Edition, Spiced Edition, and Gold Edition spirits. Back at Freeport Marina, **The General Store** stocks the basics, but this is Daufuskie after all, so be sure and browse the collection of locally inspired Spartina 449 handbags. (Good luck leaving empty handed!)

And just like its neighbor across the sound, Daufuskie is a homeowner's paradise, with the private **Haig Point Club & Community** as a premier destination for members to enjoy an active and outdoor Lowcountry lifestyle.

Ready to take that boat ride over to Daufuskie? We guarantee you'll be glad you did.

**Clockwise from below:** Daufuskie Rum Company; Daufuskie Community Farm and Artisan Village; Chase Allen at Iron Fish Gallery





### GETTING HERE

***For assistance with accommodations or transportation, contact Deborah Smith at Daufuskie Rental Group:* daufuskierentalgroup.com**

***For land tours and ferry transportation from Hilton Head Island to Daufuskie Island:***

- **enjoydaufuskie.com** embarks from Broad Creek Marina to Freeport Marina
- **daufuskieislandferry.com** embarks from Bluffton Buckingham Landing, 35 Fording Island Rd., to Melrose Landing
- **outsidehiltonhead.com/daufuskie-island-tours** embarks from Shelter Cove Harbour & Marina to Beaufort County public dock adjacent to Marshside Mama's
- **vagabondcruise.com** embarks from Harbour Town to Freeport Marina
- **mayriverexcursions.com** embarks from Bluffton public dock at 81 Calhoun St. to Bloody Point and Marshside Mama's and other landings.






## *Step Into History*

Take a trip back in time on board a personalized, all-inclusive excursion to Daufuskie Island. **Outside Hilton Head**'s award-winning experience includes an interpretive dolphin/nature cruise, golf carts, stops at significant historic sites, visits to artisan studios, as well as snacks and refreshments.
**outsidehiltonhead.com • 800.686.6996**



## *Daufuskie Day Out*

Spend the day the Daufuskie way. Ferry over to **Daufuskie Island** on the air-conditioned *Delta Lady* to **Freeport Marina**, the island gateway and home of **Old Daufuskie Crab Company**. Fill up on Lowcountry cooking, then explore the circa-1882 **Bloody Point Lighthouse and Museum**, embark on an historic tour, and see the newly planted scuppernong grapes at the **Silver Dew Winery**.
**enjoydaufuskie.com • 843.342.8687**

## 8. Budgeted research programs for FY 2018-2019

Research provides powerful information to maintain the Visitor & Convention Bureau marketing strategy. Throughout the year we will continue to extract detailed reports and information that guides us in understanding our visitors. These research programs will lead to marketing and advertising initiatives aimed at growing the tourism industry for the Southern Beaufort County region. The following programs will be ongoing:

- Maintenance of ThinkBluffton.org, the Chamber's online economic metrics portal.
- Smith Travel Research (STR) weekly and monthly reports which measures lodging occupancy, average room rates, room demand and RevPAR for hotels only. Includes monthly comparative report with competitive destinations.
- V-Trip Monthly Home & Villa lodging reports on occupancy, average room rates, RevPAR and six month forward booking pace reports. Two-source V-Trip report crunches back end Smith Travel hotel data with V-Trip back end home and villa data to produce a monthly destination report on total destination accommodations tax paying occupancy, average room rates and RevPAR.
- Monthly and YTD Visitor Traffic and Segmentation Reports by USCB's Dr. John Salazar, PH. D.
- Subscription to the U.S. Travel Association's (USTA)Travel Monitor Program and related reports.

**Budget:**

| | |
|---|---|
| Bluffton DMO: | $6,597 |
| Beaufort County DMO: | $10,153 |
| **Total Budget:** | **$16,750** |

# 2018-2019 Budget

| | VCB TOTALS | Paid by Bluffton DMO | Paid by Beaufort Co DMO | Paid by Beaufort Co DMO |
|---|---|---|---|---|
| **Revenues** | (Bluffton & BC) | | (Bluffton & Southern BC) | (Daufuskie Isl. Programs) |
| Town of Bluffton DMO | 135,000 | 135,000 | | |
| Southern Beaufort County DMO | 260,000 | | 234,000 | 26,000 |
| **Total Revenues** | **395,000** | **135,000** | **234,000** | **26,000** |
| | | | | |
| **Expenses** | | | | |
| Research & Planning | 16,750 | 6,597 | 10,153 | |
| Sub-total | 16,750 | 6,597 | 10,153 | 0 |
| | | | | |
| Social Media | | | | |
| Twitter/Instagram/Influencers | 10,600 | 4,175 | 6,425 | |
| Content Hub / Lowcountry Life | 5,000 | 1,012 | 1,558 | 2,430 |
| Sub-total | 15,600 | 5,187 | 7,983 | 2,430 |
| | | | | |
| Digital Marketing | | | | |
| SEM Marketing | 46,250 | 15,261 | 23,489 | 7,500 |
| Website SEO | 7,400 | 2,914 | 4,486 | |
| Quarterly Newsletter | 5,000 | 1,969 | 3,031 | |
| Insider Program | 1,100 | 433 | 667 | |
| Website Maintenance | 6,280 | | 2,830 | 3,450 |
| Sub-total | 66,030 | 20,578 | 34,502 | 10,950 |
| Media Partnerships | | | | |
| Garden & Gun | 45,000 | 17,722 | 27,278 | |
| Coastal Living | 45,000 | 17,722 | 27,278 | 0 |
| Smithsonian | 17,000 | 0 | 17,000 | 0 |
| Ad Production | 5,000 | 1,969 | 3,031 | |
| Sub-total | 112,000 | 37,414 | 74,586 | 0 |
| | | | | |
| Destination Assets | | | | |
| Photo and Video Shoots | 10,000 | 5,000 | 2,000 | 3,000 |
| Sub-total | 10,000 | 5,000 | 2,000 | 3,000 |
| | | | | |
| Packaging Programs | | | | |
| | 0 | 0 | 0 | 0 |
| Sub-total | 0 | 0 | 0 | 0 |
| | | | | |
| Insiders/Collateral/Fulfillment | | | | |
| Bluffton Collateral (Vacation Planner) | 14,000 | 5,514 | 8,486 | |
| Bluffton Fulfillment (shipping and mail) | 12,090 | 4,761 | 7,329 | |
| Sub-total | 26,090 | 10,275 | 15,815 | 0 |
| | | | | |
| Group Sales & Marketing | | | | |
| Group Tour | 2,380 | 0 | 2,380 | |
| Sub-total | 2,380 | 0 | 2,380 | 0 |
| | | | | |
| **TOTAL MARKETING EXPENSES** | **248,850** | **85,050** | **147,420** | **16,380** |
| | | | | |
| Destination Marketing Ops & Management | **146,150** | **49,950** | **86,580** | **9,620** |
| | | | | |
| **TOTAL EXPENSES** | **395,000** | **135,000** | **234,000** | **26,000** |
| | | | | |
| **TOTAL REVENUE MINUS EXPENSES** | **0** | **0** | **0** | **0** |

# COUNTY COUNCIL OF BEAUFORT COUNTY

## PURCHASING DEPARTMENT

106 Industrial Village Road, Bldg. 2, Post Office Drawer 1228
Beaufort, South Carolina 29901-1228

David L Thomas, Purchasing Director
dthomas@bcgov.net 843.255.2353

**TO:** Councilman Jerry Stewart, Chairman, Finance Committee

**FROM:** David L Thomas. CPPO. Purchasing Director

**SUBJ:** New Contract as a Result of Solicitation

Construction of Factory Creek (Whitehall) Boat Ramp Improvements Project

**DATE:** 08/06/2018

**BACKGROUND:**

The Factory Creek (Whitehall) boat ramp located on Lady's Island is one of the most popular water access points in Beaufort County. The ra

In response to RFP #121417E, the design/build team of O'Quinn Marine Construction and Andrews Engineering was selected and presente

**VENDOR INFORMATION:**

O'Quinn Marine Construction, Beaufort, SC - Design/Build, Phase One

**COST:**

$1,394,420

Insert Addition Vendor Info.

**FUNDING:**

Local Hospitality Tax Funds with an available balance of $1.9 million as of June 30, 2018.

Funding approved: Yes By: aholland Date: 08/21/2018

**FOR ACTION:** Finance Committee meeting August 27, 2018.

**RECOMMENDATION:**

The Purchasing Department recommends that the Finance Committee approves and recommends to County Council the contract award in

Attachment: OQuinn Attachment.pdf 790.77 KB

cc: Tom Keaveny, Interim County Administrator

Approved: Yes Date: 08/22/2018

Check to override approval: Overridden by: Override Date:

Alicia Holland, Assistant County Administrator, Finance

Approved: Yes Date: 08/21/2018

Robert McFee, PE, Division Director, Construction, Engine

Approved: Yes Date: 08/21/2018

Check to override approval: Overridden by: Override Date: ready for admin:

CC others

**After Initial Submission, Use the Save and Close Buttons**

# COUNTY COUNCIL OF BEAUFORT COUNTY

**PURCHASING DEPARTMENT**

106 Industrial Village Road, Bldg. 2, Post Office Drawer 1228
Beaufort, South Carolina 29901-1228

David L Thomas, Purchasing Director
dthomas@bcgov.net 843.255.2353

**TO:** Councilman Stu Rodman, Chairman, Public Facilities Committee

**FROM:** David L Thomas. CPPO. Purchasing Director

**SUBJ:** New Contract as a Result of Solicitation
RFP 121417E, Engineering and Consulting Services for Design Build Construction - Whitehall Boat Ramp Improvements

**DATE:** 02/06/2018

**BACKGROUND:**

The Factory Creek Boat Ramp (Whitehall) located on Lady's Island is one of the most popular water access points in the County. This ramp was last improved in 1990 and these improvements have reached the end of their useful life. Additionally, the ramp consistently fails to meet the demands for water access. This facility is identified for improvement in the Priority Investment Element of the Comprehensive Plan and the South Carolina Department of Natural Resources (SCDNR) Coastal County Road Ramp Study. This project will make improvements to the boat ramp and parking areas to allow the general public better and safer access to the Beaufort River and neighboring water bodies.

The Purchasing Department advertised the RFP 121418E and received proposals submitted on December 12, 2017, Design Build Construction for Whitehall Boat Ramp Improvements. The proposers were instructed to provide a Guaranteed Not to Exceed price (GMP) in two phases. Phase one will be the costs for engineering, construction documents and inspections. Phase two will be the cost of construction adjusted based on the final design.

L-J Inc. of Columbia, SC and O'Quinn Marine Construction of Beaufort submitted proposals and a review team consisting of the Beaufort County Division Director of Engineering, Public Works Director and Director of Public Projects for the City of Beaufort rated the proposals based on the criteria established in the RFP. O'Quinn Marine Construction received the highest ranking.

An analysis of the proposal submitted, revealed no apparent cause for rejecting the O'Quinn Marine proposal; therefore, it is recommended that phase one be awarded to O'Quinn Marine Construction, for design/engineering services, in the amount of $184,438. Staff is requesting a 5% project contingency of $9,222. Total project budget $193,660.

Phase two will be the cost of construction adjusted based on the final design.

| VENDOR INFORMATION: | COST: |
|---|---|
| O'Quinn Marine Construction, Beaufort, SC - Design, Phase One | $ 184,438 |
| Construction, Preliminary Estimate | $1,613,467 |
| Total | $1,797,905 |

**FUNDING:**

In November 2017 County Council approved an appropriation from Local Hospitality Tax, Ordinance 2017/33, for this river access improvement in the amount of $630,000.

Funding approved: Yes By: aholland Date: 02/07/2018

**FOR ACTION:** Public Facilities Committee, February 12, 2018.

**RECOMMENDATION:**

The Public Facilities Committee approves and recommends to County Council the award of Whitehall Boat Ramp improvement design service to O'Quinn Marine Construction in the amount of $184,438 funded from Hospitality Tax Funds. Additionally, recommends approval of a budget to include a 5% project contingency for a total project budget of $193,660.

Attachment: RFP 121417E Summary Score Sheet; Hospitality Tax Summary 12312017.pdf 435.36 KB

cc: Joshua Gruber, Interim County Administrator

Approved: Yes Date: 02/08/2018

Check to override approval: ☐ Overridden by: Override Date:

Alicia Holland, Assistant County Administrator, Finance

Approved: Yes Date: 02/07/2018

Robert McFee, PE, Division Director, Construction, Engineeri

Approved: Yes Date: 02/08/2018

Check to override approval: ☐ Overridden by: Override Date: ready for admin: ☑

**After Initial Submission, Use the Save and Close Buttons**

*O'Quinn Marine Construction Inc.*
*95 Sheppard Road*
*Beaufort, SC 29907*
*843-522-3313 (Office)*
*843-522-3138 (Fax)*

August 1, 2018

Mr. Robert McFee, P.E.
Director of Engineering and Infrastructure
Beaufort County Engineering Division
104 Industrial Village Road, Bldg #3
Beaufort, SC 29906

RE: Whitehall Boat Landing Ramp Improvements

Dear Mr. McFee:

Enclosed you will find three (3) sets of Final Design Plans for the White Hall Boat Landing Improvements project. Also enclosed is our contract price to perform all the work in the plans.

The permitting is ongoing. Applications to OCRM and the USACE have come off of public notice. We have answered two (2) more questions for the USACE. Staff from OCRM has implied that no opposition has been forthcoming and a permit should be issued after the USACE has signed off. City of Beaufort staff are reviewing the project and enclosed you'll find a letter from Bruce Skipper regarding the flood plain compliance.

O'Quinn Marine Construction Inc., Andrews Engineering and McSweeney Engineering have designed a boat ramp for the citizens of Beaufort County that will give many years of service. The design came in at 13% less than the original bid with a better handrail system and fastener upgrade on the longer bulkhead.

We look forward to moving this project from paper and into the field for construction.

Regards,

Robert D. O'Quinn, III
O'Quinn Marine Construction Inc.

# COUNTY COUNCIL OF BEAUFORT COUNTY

**PURCHASING DEPARTMENT**

106 Industrial Village Road, Bldg. 2, Post Office Drawer 1228
Beaufort, South Carolina 29901-1228

David L Thomas, Purchasing Director
dthomas@bcgov.net 843.255.2353

**TO:** Councilman Jerry Stewart, Chairman, Finance Committee

**FROM:** David L Thomas. CPPO. Purchasing Director

**SUBJ:** Sole Source Purchase
Beaufort County Airport - Payment of Wetlands Mitigation invoice

**DATE:** 08/22/2018

**BACKGROUND:**

In 2002, a wetlands permit was issued to Beaufort County Airport as part of the permitting effort associated with the construction of the partial parallel taxiway project. A requirement of that permit was a mitigation project.

In 2014, airport staff and consultants met with the US Army Corps of Engineers (USACE) in Charleston, SC to discuss upcoming projects. During this meeting, and confirmed in subsequent communications, it was discovered that a portion of the aforementioned wetlands mitigation was not completed. USACE informed the airport team that the "old" permit from 2002 must be completely satisfied before another permit would be considered. The team's wetlands consultant worked with the USACE on behalf of the airport and the attached modified permit was issued in June 2018. The requirement to purchase 8.55 offsite mitigation credits is detailed in that document.

The Beaufort County Airports Board voted unanimously on August 16, 2018 in favor of paying the invoice and forwards the issue for final approval to County Council via Finance Committee.

**VENDOR INFORMATION:**

South Coast Mitigation Venture, LLC.

**COST:**

$473,000

**FUNDING:**

90% via FAA AIP Program (future grant), 5% through SC Aeronautics Commission (future grant), and 5% via Beaufort County airport revenues.

Funding approved: Yes By: aholland Date: 08/22/2018

**FOR ACTION:** Finance Committee meeting occurring August 27, 2018.

**RECOMMENDATION:**

The Finance Committee approve and recommend to County Council payment of the wetlands mitigation invoice so projects may continue at Beaufort County Airport.

Attachment: Attachment Payment of Wetlands Mitigation Inv.pdf 1.03 MB

cc: Tom Keaveny, Interim County Administrator Approved: Yes Date: 08/22/2018

Check to override approval: ☐ Overridden by: Override Date:

Alicia Holland, Assistant County Administrator, Finance Approved: Yes Date: 08/22/2018

Colin Kinton, Director, Transportation Engineering Division Approved: Yes Date: 08/22/2018

Check to override approval: ☐ Overridden by: Override Date: ready for admin: ☑

Jon Rembold, Director, Airports Department Approved: Yes Date: 08/22/2018

Check to override approval: ☐ Overridden by: Override Date: ready for admin: ☑

**After Initial Submission, Use the Save and Close Buttons**

**County Council of Beaufort County**
**Hilton Head Island Airport**
**120 Beach City Road**
**Hilton Head Island, South Carolina 29925**
**Phone: (843) 255-2942 Fax: (843) 255-9424**

**www.hiltonheadairport.com**

TO: Beaufort County Finance Committee

FROM: Harold Wallace, Beaufort County Airports Board Chair HBW

SUBJ: Beaufort County Airports Board Recommendations to Finance

DATE: 21 August 2018

**BACKGROUND**:

On August 16, 2018, the Beaufort County Airports Board reviewed and approved the following item:

- ARW Wetlands Mitigation Payment

The board finds the above item acceptable and in line with the implementation of the previously adopted master plans. The BCAB forwards the attached documents for Finance Committee to review and approve.

cc: Thomas Keaveny, Interim County Administrator
Alicia Holland, Assistant County Administrator, Finance
Colin Kinton, Director, Transportation Engineering
Jon Rembold, Airports Director

# South Coast Mitigation Venture, LLC

P.O. Box 1541
Lake City, Florida. 32056

## Invoice

July 17, 2018

Mr. Jon Rembold
Beaufort County
39 Airport Circle
Beaufort, South Carolina 29902

Ref: 8.6 Tidal Credits for – Beaufort County (Ladies Island Airport) Compensatory Mitigation, Department of the Army (DA) SAC-2003-13033.

Forrest: The price for the 8.6 Tidal Wetland Credits is $473,000.00. ($55,000 per credit in Clydesldale Mitigation Bank – Secondary Area.)

Please wire transfer the funds to our bank account listed below.

Once we receive this amount, within 5 days we will notify the Corps of Engineers of your purchase and copy you and your engineer on this letter.

First Citizens Bank
Raleigh, North Carolina
ABA # 053100300
For Credit to the Account of South Coast Mitigation Venture, LLC
Account Number 009062626579

Thank you for working with Clydesdale Mitigation Bank and please contact me if you have any questions.

Sincerely,
Murphy B. McLean Jr.
Murphy B. McLean Jr.
President
South Coast Mitigation Venture, LLC
904-813-5732

| | | | |
|---|---|---|---|
| Prepared By | Dunn | Date | 7/27/2018 |
| Purchase Order # | | LIQ: | Y N |
| Description: | Tidal wetland credits | | |
| GL coding | | Amount(s): | |
| 1 | 51020011-54980 | 1 | 473,000.00 |
| 2 | | 2 | |
| 3 | | 3 | |
| 4 | | 4 | |
| 5 | | 5 | |
| 6 | | 6 | |
| | | TOTAL | 473,000.00 |
| Authorized To Pay | | Date | 7/27/18 |

DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, CHARLESTON DISTRICT
69A HAGOOD AVENUE
CHARLESTON, SC 29403-5107

REPLY TO
ATTENTION OF:

JUN 28 2018

Regulatory Division

Mr. Jon Rembold
Beaufort County
39 Airport Circle
Beaufort, South Carolina 29902

Dear Mr. Rembold:

**PLEASE READ THIS LETTER CAREFULLY AND COMPLY WITH ITS PROVISIONS**

This is in response to your letter dated March 19, 2018, requesting a modification of the work authorized by Department of the Army (DA) permit SAC-2003-13033 (fka 2002-1U-129) for the construction of hangers and taxiways at the Beaufort County (Lady's Island) Airport located off of Sea Island Parkway (HWY 21) on Lady's Island in Beaufort County, South Carolina (Latitude: 32.4115 °N, Longitude: -80.6350 °W).

This is to inform you that your request for a modification is granted. Modifications to the previously authorized permit include the following: 1) the reduction of the authorized impacts from 2.97 acres of tidal wetlands to 1.54 acres of tidal wetlands and 2) the modification of the required mitigation to include the purchase of 8.55 restoration/enhancement credits instead of the onsite creation of 5.82 acres of tidal wetlands. The original special condition d is being replaced with the following modified special condition d:

**d. The permittee recognizes that their commitment to perform and implement the following conditions was a deciding factor in the favorable and timely decision on this permit and recognizes that a failure on their part to both actively pursue and implement these conditions may be grounds for modification, suspension or revocation of this Department of the Army authorization:**

**1. That as compensatory mitigation for impacts to aquatic resources, the permittee agrees to purchase or debit a total of 8.55 credits from Clydesdale Mitigation Bank;**

**2. That the permittee must submit evidence of the purchase or debit of the required mitigation credits to both the Corps of Engineers and SCDHEC within 60 days of issuance of this modification. Your responsibility to complete the required compensatory mitigation as set forth in Special Condition d.1. will not be considered fulfilled until you have received written verification from the U.S. Army Corps of Engineers;**

3. **The preservation of 37.62 acres of unaltered wetlands was recorded on December 8, 2005.**

This letter should be attached to your copy of the signed permit. This permit was issued under the provisions of the Federal laws for the protection and preservation of the navigable waters of the United States. These laws provide that after the proposed work has been approved by the issuance of a Department of the Army permit,

**IT SHALL NOT BE LAWFUL TO DEVIATE FROM SUCH PLANS EITHER BEFORE OR AFTER COMPLETION OF THE WORK,**

unless modification of said plans has previously been submitted to and received the approval of the Department of the Army. All other conditions to which the work is made subject remain in full force and effect. In that this work appears subject to the jurisdiction of the South Carolina Department of Health and Environmental Control, it is highly recommended that you contact that agency to ascertain their requirements in this matter.

Your cooperation in the protection and preservation of our navigable waters and natural resources is appreciated. In all future correspondence concerning this matter, please refer to file number SAC-2003-13033. If you have any questions concerning this matter, please contact Tracy D. Sanders, Project Manager, at (843) 329-8190.

FOR THE DISTRICT ENGINEER:

Sincerely,

Robin Coller-Socha
Chief, South Branch
Deputy Chief, Regulatory Division

Enclosures
Notification of Appeal Options
DA Permit SAC-2003-13003

Copies Furnished:

Mr. Steve Nichols
Newkirk Environmental Inc.
P O Box 746
Mount Pleasant, South Carolina 29465

South Carolina Department of
Health and Environmental Control
Bureau of Water

2600 Bull Street
Columbia, South Carolina 29201

South Carolina Department of Health
and Environmental Control
Office of Ocean and Coastal
Resource Management
1362 McMillan Avenue, Suite 400
Charleston, South Carolina 29405

**A RESOLUTION**

**CALLING FOR A PUBLIC HEARING TO BE HELD UPON THE QUESTION OF THE ISSUANCE OF NOT EXCEEDING $5,300,000 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.**

**BE IT RESOLVED**, by the County Council of Beaufort County (the "***County Council***"), the governing body of Beaufort County, South Carolina (the "***County***"):

**WHEREAS**, the County Council is empowered by Act No. 1189 enacted at the 1974 Session of the South Carolina General Assembly entitled:

> AN ACT TO AUTHORIZE THE GOVERNING BODIES OF ALL COUNTIES OF THE STATE WHEREIN EXIST SPECIAL PURPOSE DISTRICTS CREATED PRIOR TO MARCH 7, 1973. TO ISSUE BONDS OF SUCH DISTRICTS IN FURTHERANCE OF POWERS EXISTING IN SUCH DISTRICTS AS OF MARCH 7, 1973; TO PROVIDE THE PROCEDURES PURSUANT TO WHICH SUCH BONDS MAYBE ISSUED; TO PRESCRIBE THE TERMS AND CONDITIONS UNDER WHICH BONDS MAYBE ISSUED AND THEIR PROCEEDS EXPENDED; TO MAKE PROVISION FOR THE PAYMENT OF SUCH BONDS AND TO VALIDATE ALL BONDS OF SUCH DISTRICTS ISSUED OR SOLD PRIOR TO THE EFFECTIVE DATE OF THIS ACT.

approved July 9, 1974, as amended (hereinafter called the "***Enabling Act***"), to authorize the governing body of any special purpose district created prior to March 7, 1973 and located in whole or in part within the County to issue general obligation bonds of such special purpose district in order to provide funds to be used in the furtherance of any power or function committed to such special purpose district and in effect on March 7, 1973; and

**WHEREAS**, the Fripp Island Public Service District, South Carolina (hereinafter called the "***District***") is a special purpose district located within the County created prior to March 7, 1973, having been created by 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, and is authorized, inter alia, to (i) acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal, or mixed, or any interest therein, (ii) construct and maintain roads, and (iii) do all other acts and things necessary or convenient to carry out any function or power committed or granted to the District; and

**WHEREAS**, the District has determined that it is currently in need of funds to address and remediate damage to undertake the improving, equipping, repairing and reconstruction of the Fripp Inlet bridge (the "***Bridge***"), which serves as the sole road link between the District and the

State highway system leading to the mainland, and which Bridge is essential to the exercise of the powers granted to the District, and related infrastructure (the "***Project***").

**WHEREAS**, the Fripp Island Public Service District Commission (the "***Commission***"), has petitioned the County Council to authorize the issuance of not exceeding $5,300,000 of general obligation bonds of the District (the "***Bonds***") in order to defray (A) the costs of the Project, and (B) the costs of issuance of the Bonds; and

**WHEREAS**, the Commission will make a final determination of the scope and description of the Project prior to its adoption of a resolution authorizing the issuance of the Bonds, provided that the principal amount of the Bonds shall not exceed $5,300,000; and

**WHEREAS**, the County Council is now minded to proceed in accordance with the provisions of the Enabling Act with respect to the issuance of the Bonds.

**NOW THEREFORE, BE IT RESOLVED**, by the County Council in a meeting duly assembled:

**SECTION 1.** The County Council finds that it may be in the interest of the District to raise moneys for the purpose of providing for the Projects, and in that connection hereby orders a public hearing to be held upon the question of the issuance of the Bonds.

**SECTION 2.** A public hearing shall be held on the question of the issuance of the Bonds in the Beaufort County Council Chambers in the Administration Building, Beaufort County Government Center, on the 24th day of September, 2018 at 6:30 p.m., and the notice of such hearing attached hereto as Exhibit A shall be published once a week for three (3) successive weeks in The Beaufort Gazette, which is a newspaper of general circulation in the County. The first such publication shall not be less than sixteen (16) days prior to the hearing date.

**SECTION 3.** The aforesaid public hearing shall be conducted publicly at the time and place above stated and both proponents and opponents of the proposed issuance of the Bonds shall be given a full opportunity to be heard in person or by counsel.

**SECTION 4.** Following the above aforesaid public hearing, the County Council shall determine whether and to what extent the Bonds may be issued and whether to condition the issuance of the Bonds on a referendum in the District.

**SECTION 5.** The Chairman of the County Council is hereby authorized and empowered to take all necessary action to provide for the holding of the aforesaid public hearing in accordance with the provisions of the Enabling Act.

DONE AT BEAUFORT, SOUTH CAROLINA, this 27th day of August, 2018.

**COUNTY COUNCIL OF BEAUFORT COUNTY**

(SEAL)

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

_____
Thomas J. Keaveny, II
Interim County Administrator
Beaufort County Attorney

ATTEST:

_____
Connie T. Schroyer, Clerk to Council

EXHIBIT A

**NOTICE OF PUBLIC HEARING ON THE PROPOSED ISSUE OF NOT EXCEEDING $5,300,000 OF GENERAL OBLIGATION BONDS OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA**

The County Council of Beaufort County (hereinafter called the "***County Council***"), the governing body of Beaufort County, South Carolina (the "***County***"), has determined that it may be in the interest of the Fripp Island Public Service District, South Carolina (hereinafter called the "***District***"), to raise moneys through the issuance of not exceeding $5,300,000 of general obligation bonds of the District (the "***Bonds***"). 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. Accordingly, the District proposes to the issue the Bonds in order to defray (A) the costs of improving, equipping, repairing and reconstruction of the Fripp Inland bridge (the "***Bridge***"), which serves as the sole road link between the District and the State highway system leading to the mainland, and which Bridge is essential to the exercise of the powers granted to the District, and related infrastructure (the "***Project***"), and (B) the costs of issuance of the Bonds. The District estimates that the cost of the acquiring, designing, engineering, constructing and equipping of the Project and the cost of issuance of the Bonds, will be an amount not exceeding $5,300,000. Therefore, the County Council has ordered a public hearing to be held upon the question of the issuance of the Bonds in accordance with the provisions of Act No. 1189 enacted at the 1974 Session of the South Carolina General Assembly, as amended (hereinafter called the "***Enabling Act***").

Accordingly, notice is hereby given that a public hearing will be held in the Beaufort County Council Chambers in the Administration Building, Beaufort County Government Center, on the 24th day of September, 2018 at 6:30 p.m., on the question of the issuance of the Bonds, the proceeds of which will be expended to defray the cost of the Projects as described above and issuance costs thereof.

For the payment of 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 on all taxable property in the District ad valorem taxes sufficient in amount to pay said principal and interest on the Bonds.

The District proposes the issuance of the Bonds to defray the cost of the Projects as described above and the costs of issuance of the Bonds.

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

The District is located within the County. The Enabling Act provides that bonds issued thereunder must be authorized by the governing body of the county wherein the District is located.

**COUNTY COUNCIL OF BEAUFORT COUNTY**

**A RESOLUTION**

**APPROVING THE INCURRING OF GENERAL OBLIGATION DEBT IN AN AMOUNT NOT EXCEEDING $5,300,000; AND AUTHORIZING A PETITION TO THE COUNTY COUNCIL OF BEAUFORT COUNTY PURSUANT TO SECTION 6-11-830 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.**

**BE IT RESOLVED** by the Fripp Island Public Service District Commission, in meeting duly assembled:

ARTICLE I - FINDINGS OF FACT

Section 1.01

Incident to the adoption of this resolution (this "***Resolution***"), the Fripp Island Public Service District Commission (the "***Commission***"), the governing body of the Fripp Island Public Service District, South Carolina (the "***District***"), has made the following findings of fact:

1. The District was created as a special purpose district established in Beaufort County, South Carolina, as a body politic and corporate 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 (the "***Act No. 1042***").

2. Pursuant to Act No. 1042, the District has been granted certain power and authority, which include the power and authority to (i) "acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal, or mixed, or any interest therein," (ii) "construct and maintain roads," and (iii) "do all other acts and things necessary or convenient to carry out any function or power committed or granted to the district."

3. In carrying out its functions and duties, the Commission has previously determined to exercise its power and authority to acquire the road and supporting structure commonly referred to as the Fripp Inlet bridge (the "***Bridge***"), which serves as the sole road link between the District and the State highway system leading to the mainland, and which Bridge is essential to the exercise of the powers granted the District.

4. Storm events, erosion and scouring, and the ravages of time have reduced the remaining useful life of the Bridge such that action is now required to ensure the continued availability of the Bridge to serve the purposes of the District, and its residents and visitors.

5. Accordingly, the Commission has determined to undertake the improving, equipping, repairing and reconstruction of the Bridge and related infrastructure (the ***"Project"***).

6. The Commission has further determined that existing District resources are inadequate to defray the costs of the Project and has therefore determined to seek the issuance of general obligation bonds of the District to defray (A) the costs of the Project, and (B) the costs of issuance of such general obligation bonds. The Commission estimates that the costs of designing,

planning, acquiring, engineering, constructing, improving and equipping the Projects, and the costs of issuance of the bonds described herein, will not exceed $5,300,000.

7. The County Council of Beaufort County (the "***County Council***"), as the governing body of Beaufort County, South Carolina, is empowered by Title 6, Chapter 11, Article 5 of the Code of Laws of South Carolina 1976, as amended (the "***Enabling Act***"), to authorize the governing body of any special purpose district to provide funds to be used in furtherance of any power or function committed to such special purpose district and in effect on March 7, 1973.

8. Pursuant to Section 6-11-830 of the Enabling Act, the County Council, upon petition of the Commission, may determine that it is in the best interest of the District to raise moneys for the furtherance of any power and function of the District and order a public hearing to be held upon the question of the issuance of general obligation bonds of the District.

9. In order to finance the costs of the Project, the Commission has determined that it is necessary to issue not more than $5,300,000 of general obligation bonds of the District to be issued either as a single issue or as several, separate issues, and in such amount and at such times as may be determined at the time of issuance thereof by the Commission. The Commission adopts this Resolution to evidence the Commission's approval of the issuance of not exceeding $5,300,000 of general obligation bonds to defray the costs of the Project and to authorize a petition to the County Council with regard to the issuance of such general obligation bonds. Provided, however, the Manager of the District is authorized to certify to County Council a smaller not to exceed principal amount of bonds should information obtained by her prior to the adoption of the resolution of County Council ordering a public hearing on the question of the issuance of the bonds indicate that a materially smaller not to exceed principal amount would be sufficient to provide for the cost of the Project and the costs of issuance of the bonds.

10. The District desires that such principal amount not be issued within the debt limit of the District as permitted in Article X, Section 14(7) of the South Carolina Constitution, and requests the submission of the question of the issuance of the general obligation bonds to finance the costs of the Projects and the costs of issuance thereof to the electors of the District.

## ARTICLE II - SUBMISSION OF PETITION

Section 2.01

The petition attached hereto as Exhibit A, shall be presented to the County Council in accordance with and for the purposes set forth in Section 6-11-830 of the Enabling Act. The Manager of the District may certify a smaller not to exceed principal amount to County Council for its consideration in accordance with the terms and conditions specified above.

**DONE IN A MEETING DULY ASSEMBLED**, this 7th day of August, 2018.

(SEAL)

Chairman
Fripp Island Public Service District Commission

Attest:

Secretary
Fripp Island Public Service District Commission

PETITION OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT COMMISSION TO THE GOVERNING BODY OF BEAUFORT COUNTY, SOUTH CAROLINA, PURSUANT TO ARTICLE 5, CHAPTER 11, TITLE 6, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

1. Fripp Island Public Service District, South Carolina (the "***District***"), was created as a special purpose district established in Beaufort County, South Carolina (the "***County***"), as a body politic and corporate 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. The District is located entirely within the County.

2. Storm events, erosion and scouring, and the ravages of time have reduced the remaining useful life of the road and supporting structure commonly referred to as the Fripp Inlet bridge (the "***Bridge***") such that action is now required to ensure the continued availability of the Bridge to serve the purposes of the District, and its residents and visitors. The Commission has determined that certain improvements are now necessary to improve, equip, repair, and reconstruct the Bridge (the "***Project***"). The Commission has further determined that existing District resources are inadequate to defray the costs of the Project and has therefore determined to seek the issuance of general obligation bonds to defray (A) the costs of the Project, and (B) the costs of issuance of such general obligation bonds. The Commission estimates that the costs of designing, planning, acquiring, engineering, constructing, improving and equipping the Projects, and the costs of issuance of the bonds described herein, will not exceed $5,300,000.

3. In order to defray the costs of the Project, the District proposes to issue general obligation bonds of the District in a principal amount not exceeding $5,300,000, which bonds may be issued as a single issue or from time to time as several separate issues as the Commission may determine.

4. The County Council of Beaufort County (the "***County Council***"), the governing body of the County, is empowered by Title 6, Chapter 11, Article 5 of the Code of Laws of South Carolina 1976, as amended (the "***Enabling Act***"), to authorize the issuance of general obligation bonds by the District pursuant to the provisions of the Enabling Act. The principal amount of the bonds the Commission intends for the District to issue does not exceed the general obligation bond debt limit of the District, as established pursuant to Article X, Section 14(7) of the South Carolina Constitution; however, the District requests the submission of the question of the issuance of the general obligation bonds to finance the costs of the Project and the costs of issuance thereof to the electors of the District

5. Pursuant to Section 6-11-830 of the Enabling Act, if the County Council, upon petition of the Commission, determines that it may be in the best interest of the District to raise moneys for the furtherance of any power and function of the District, the County Council may order a public hearing to be held upon the question of the issuance of general obligation bonds of the District.

WHEREFORE, the Commission prays that the County Council order a public hearing to be held on the question of authorizing the issuance of an amount not exceeding $5,300,000 of general obligation bonds of the District, which bonds may be issued as a single issue or from time to time as several separate issues as the Commission may determine.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT COMMISSION**

August 7, 2018

**AN ORDINANCE**

**AUTHORIZING THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, TO ISSUE GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT EXCEEDING $5,300,000, 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 (i) acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal, or mixed, or any interest therein, (ii) construct and maintain roads, and (iii) do all other acts and things necessary or convenient to carry out any function or power committed or granted to the District.

(d) The District has determined that it is currently in need of funds to undertake the improving, equipping, repairing and reconstruction of the Fripp Inlet bridge (the "***Bridge***"), which serves as the sole road link between the District and the State highway system leading to the mainland, and which Bridge is essential to the exercise of the powers granted to the District, and related infrastructure (the "***Project***").

(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) the costs of the Project, 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 $5,300,000.

(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 County Council Chambers, Administration Building, Government Center, 100 Ribaut Road, Beaufort, SC 29902, on the 24th day of September, 2018 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 September 24, 2018, on the question of the issuance of the Bonds, where both proponents and opponents were given the opportunity to be heard.

(i) Following the September 24, 2018 public hearing, the County Council has determined to condition the issuance of the Bonds upon the result of a special election to be 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 $5,300,000, 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 $5,300,000, 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 24TH DAY OF SEPTEMBER 2018.

**COUNTY COUNCIL OF BEAUFORT COUNTY**

(SEAL)

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

_____
Thomas J. Keaveny, II
Interim County Administrator
Beaufort County Attorney

ATTEST:

_____
Connie T. Schroyer, Clerk to Council

First Reading:
Second Reading:
Public Hearing:
Third Reading:

**RESOLUTION**

**IN SUPPORT OF THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF ITS ECONOMIC DEVELOPMENT REVENUE BOND (PALMETTO GOODWILL PROJECT) SERIES 2018, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $20,000,000.**

**WHEREAS,** the South Carolina Jobs-Economic Development Authority (the ***"Issuer"***) is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina 1976, as amended (the ***"Act"***), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina; and

**WHEREAS,** the Issuer is further authorized by Section 41-43-110 of the Act to issue revenue and revenue refunding bonds payable by the Issuer solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any purpose authorized by the Act; and

**WHEREAS,** the Issuer and Palmetto Goodwill, a South Carolina nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (***"Goodwill"***), entered into an Inducement Agreement dated June 20, 2018 (the ***"Inducement Agreement"***), pursuant to which and in order to implement the public purposes enumerated in the Act, and in furtherance thereof to comply with the undertakings of the Issuer pursuant to the Inducement Agreement, the Issuer proposes, subject to such approval of the Coordinating Council for Economic Development, Beaufort County, Berkley County, Colleton County, Dorchester County, Georgetown County and Horry County (collectively, the ***"Counties"***) as may be required by law, to issue not exceeding $20,000,000 aggregate principal amount of its Economic Development Revenue Bond (Palmetto Goodwill Project), Series 2018 (the ***"Bond"***), under and pursuant to Section 41-43-110 of the Act, to (a) refinance up to eight existing Goodwill properties described below (including land, real property, improvements, furnishings, fixtures and equipment and other personal property associated therewith), each including a retail store for the resale of donated goods, generally including a finished retail area, a donation drive-thru, goods processing area, offices and training areas and (b) finance all or a portion of the costs associated with the issuance of the Bond; and

**WHEREAS,** the proceeds of the Bond will be used as follows: (i) approximately $1,928,588 used to refinance approximately 2 acres of land at 1520 High Market St, Georgetown, SC 29440 in Georgetown County and an approximately 17,277 square foot facility located thereon, (ii) approximately $3,341,903 used to refinance approximately 1.97 acres of land at 3655 Old Kings Highway, Murrells Inlet, SC 29576 in Georgetown County and an approximately 12,000 square foot facility located thereon; (iii) approximately $3,489,125 used to refinance approximately 2 acres of land located at 2321 Hwy 9 East, Long, SC 29568 in Horry County and an approximately 25,000 square foot facility located thereon; (iv) approximately $2,128,867 used to refinance approximately 1.69 acres of land at 1.99 acres at 137 Parris Island Gateway, Beaufort, SC 29906 in Beaufort County and an approximately 16,500 square foot facility located thereon (the ***"Beaufort County Project"***); (v) approximately $2,384,971 used to refinance approximately 3.082 acres of land at 112 Robertson Blvd, Walterboro, SC 29488 in Colleton County and an approximately 15,000 square foot facility located thereon; (vi) approximately $2,649,254 used to refinance approximately 2.01 acres of land

at 485 N. Hwy 52, Moncks Corner, SC 2946 in Berkeley County and an approximately 15,000 square foot facility located thereon; (vii) approximately $2,649,254 used to refinance approximately 2.074 acres of land located at 4900 Ashley Phosphate Rd, North Charleston, SC 29420 in Dorchester County and an approximately 12,492 square foot facility located thereon; and (viii) approximately $1,428,038 used to refinance approximately 2.619 acres of land at 222 Old Trolley Road, Summerville, SC 29483 in Dorchester County, and an approximately 18,470 square foot facility located thereon (collectively, the ***"Projects"***); and (2) paying certain fees and expenses incurred in connection with the issuance of the Bonds. The Projects are owned and operated by Goodwill; and

**WHEREAS,** Goodwill is projecting that the assistance of the Issuer by the issuance of the Bond will result in maintaining employment for approximately 235 employees (as well as a substantial number of indirect job positions through Goodwill's job training and placement services by the placement of a multitude of Goodwill trainees and jobs placement candidates), in the Counties and surrounding areas and that the portion of the Projects located in Beaufort County (the ***"County"***) will stimulate the economy of the County and surrounding areas by increased payrolls, capital investment and tax revenues; and

**WHEREAS,** the County Council of the County and the Issuer have on this date jointly held a public hearing, duly noticed by publication on August 10, 2018, in *The Beaufort Gazette*, a newspaper having general circulation in the County, not less than 15 days prior to the date hereof, at which all interested persons have been given a reasonable opportunity to express their views;

**NOW, THEREFORE, BE IT RESOLVED** by the County Council of Beaufort County, South Carolina, as follows:

**SECTION 1**. It is hereby found, determined and declared that (a) the Beaufort County Project will subserve the purposes of the Act, (b) the Beaufort County Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally, (c) the Beaufort County Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power, (d) the amount of bonds required for the purposes described herein is not exceeding $20,000,000, and as a part thereof the amount of bonds required to finance the Beaufort County Project is approximately $2,128,867; and (e) the documents to be delivered by Goodwill and the Issuer with respect to the Bond will provide, among other things, (i) for the amount necessary in each year to pay the principal of and interest on the Bond, (ii) whether reserve funds of any nature will be established with respect to the retirement of the Bond and the maintenance of the Beaufort County Project (and, if any such reserve funds are to be so established, the amount necessary to be paid each year into such funds), and (iii) that Goodwill shall maintain the Beaufort County Project and carry all proper insurance with respect thereto.

**SECTION 2**. The County Council of the County supports the Issuer in its determination to issue the Bond a portion of the proceeds of which will used be to defray the costs related to the financing of the Beaufort County Project.

**SECTION 3**. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its adoption.

Adopted this _____ day of _____, 2018.

**BEAUFORT COUNTY, SOUTH CAROLINA**

By:_____
D. Paul Sommerville, Chairman

AS TO FORM:

_____
Thomas J. Keaveny, II
Interim County Administrator
Beaufort County Attorney

ATTEST:

_____
Connie T. Schroyer, Clerk to Council

**STATE OF SOUTH CAROLINA**

**COUNTY OF BEAUFORT**

I, the undersigned Clerk of the County Council of Beaufort County, South Carolina, do hereby certify that the foregoing is a true, correct and verbatim copy of a Resolution duly adopted at a meeting of said County Council held on August 27, 2018, at which meeting a quorum was at all times present.

**WITNESS MY HAND** this _____ day of August, 2018.

_____
Clerk to County Council of
Beaufort County, South Carolina

# Financial Policy Guidelines

*For:*

# Beaufort County, South Carolina

| | |
|---|---|
| **Authority:** | South Carolina Statutes and other Public Finance Law |
| **Supersedes:** | Financial policies existing prior to date of adoption |
| **Review Responsibility:** | Financial Services |
| **Review Scheduled:** | Annually or as needed |
| **Approval Needed:** | County Council (Resolution # 2018/__) |

**Adopted: the ___ day of _____, 2018**

# Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August ___, 2018

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# Financial Policy Guidelines

Beaufort County, South Carolina
Adopted August ___, 2018

## 1. OBJECTIVES

This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practices of Beaufort County, South Carolina. A fiscal policy that is adopted, adhered to, and regularly reviewed is the cornerstone of sound financial management. Effective fiscal policy:

- Contributes significantly to the County's ability to insulate itself from fiscal crisis,
- Enhances short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the County rather than single issue areas,
- Promotes the view of linking long-term financial planning with day to day operations, and
- Provides the County Council, citizens and the County professional management team a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

This comprehensive Financial Policy Guideline combines existing policies with new policies. Existing policies were reviewed for accuracy and completeness. Additionally, numerous other jurisdictions financial policies were studied to identify new policy guidelines that are appropriate for Beaufort County. With the above objectives as a guide, the following fiscal policy guideline is presented.

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## 2. OPERATING BUDGET

1. The County will develop the Budget in conjunction with a stated program of performance objectives and measures in which to gauge progress toward meeting those objectives.

2. The Financial Services Department will maintain a system for monitoring the County's budget during the fiscal year. This system will provide opportunity for departments and management to monitor and evaluate monthly financial information on expenditures and performance at both the department and fund level. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of South Carolina budgetary statutes.

3. The County shall continue to focus on using one-time, non-recurring, or other special revenues for funding special one-time projects.

4. The County will continue to pursue an aggressive policy seeking the collection of delinquent rescue collections, permits and other fees due to the County.

5. For services that benefit specific users, the County shall establish and collect fees to recover the costs of those services. The County Council shall determine the appropriate cost recovery level when establishing user fees. Where feasible and desirable, the County shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery attainment levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

6. The County shall endeavor to reduce its reliance on property tax revenues by revenue diversification, implementation of user fees, and economic development. The County shall also strive to minimize the property tax burden on Beaufort County residents.

7. In order to maintain a stable level of services, the County shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and resulting impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling

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**OPERATING BUDGET (cont.)**

short of budget estimates during the year and should help avoid the need for mid-year service reductions.

8. The County shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue updates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, furloughs, lay-offs, forced days off, expenditure reductions, fee increases, or use of fund balance. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget for recurring expenditures.

9. The tax rate will be set each year in accordance with state law and based on the cost of providing general governmental services and paying debt service. Consideration will be given to future net revenue requirements for capital improvement projects, operational expenditure impacts and programmed debt service.

10. Expenditure budgets are reviewed by staff, the County Administrator, and County Council prior to adoption and are continually monitored throughout the budget year. Budgeted funds will be spent for the categorical purposes for which they were intended. The annual operating budget ordinance defines staff authorization for operating budget adjustments. No appropriations of the proceeds of a debt instrument will be made except for the purpose for which such debt instrument was issued. Donations will be spent only toward the intent for which they were given.

11. Annually, the County will update a five-year period forecast (for both revenues and expenditures). This forecast will assist in taking a long-term view of the financial planning of the General Fund and will assist with the preparation of the County's strategic biennial budget.

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## 3. CAPITAL IMPROVEMENT BUDGET POLICY

1. The County will prioritize all capital improvements in accordance with an adopted capital improvement program (CIP) and South Carolina law.

2. The County will develop a five-year plan for capital improvements and review and update the plan at least every two years. The County conducts a needs assessment and projects are ranked according to priority. The estimated costs and potential funding sources for each capital project proposal will be identified before it is submitted for approval within the Capital Improvement Program (CIP) budget. The estimated costs will include consideration for inflation; the inflation rate to be determined annually in the budget process and disclosed in the capital budget. Additional projects can be added to the CIP without ranking, but funding for projects added in this manner are subject to normal operating budget constraints.

3. The County will enact a capital budget at least every two years based on the five-year capital improvement plan. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections.

4. In general, effective maintenance and operations of capital facilities should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. In addition, state or federal mandates or new service demands may require acquisition of new facilities even when maintenance needs are not fully met. The County shall have an on-going 10-year facilities improvement plan to respond to maintenance and operational needs timely.

5. The County will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.

6. The County will seek intergovernmental assistance to finance those capital improvements that are consistent with the capital improvement plan and County priorities, and whose operating and maintenance costs have been included in operating budget forecasts.

7. The County will maintain all its assets at a level adequate to protect the County's capital investment and to minimize future maintenance and replacement costs. The County will maintain accurate information on the condition, lifespan and estimated replacement cost of its major physical assets to assist in long term planning.

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## CAPITAL IMPROVEMENT BUDGET (cont.)

8. The County will identify the estimated costs and potential funding sources for each capital project proposed before it is submitted for approval.

9. The County will attempt to determine the most cost effective and flexible financing method for all new projects.

10. The County will match the financing of major capital assets to the debt schedules that closely assign payments with the expected major asset life span to insure intergenerational equity.

11. The capitalization for fixed assets resulting from purchases shall be $5,000. Fixed assets will only be capitalized if they have a useful life of at least two years following the date of acquisition.

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## 4. FINANCIAL RESERVES POLICIES

In 2014 the County adopted a General Fund Balance Policy. It is found in Beaufort County's Code of Ordinances Section 2-403 through 2-405.

### A. General Fund Reserve Policy

1. The County will establish and maintain a General Fund Reserve to pay for needs caused by unforeseen emergencies. This reserve will be maintained within a range of fifteen percent (15%) and thirty percent (30%) of the total General Fund expenditures for the previous fiscal year and be held in the General Fund account.

2. The General Fund Reserve balance should only be used in certain limited situations such as to stabilize revenues, mitigate a projected deficit in the current operating period, retire or defease outstanding bonds or notes of the County, fund one-time or unanticipated expenditures, and pay judgments or otherwise settle legal disputes and claims.

3. Any action that results in reducing the General Fund Reserve balance below the fifteen percent (15%) threshold shall contain a provision specifically authorizing the use of such funds.

4. The County Administrator or Finance Director shall inform the Council, with as much advance time as may be practical under the circumstances, whenever the County has obligations that would reasonably be expected to result in the General Fund balance to decline below the minimum fifteen percent (15%) threshold.

5. At any time that the Council determines that the use of the General Fund Reserve balance within the fifteen (15%) to thirty percent (30%) range is needed for one or more of the reasons provided for in this section, the Council shall, by resolution, authorize the use of such reserves.

6. At no time shall County Council take action which shall have the effect of reducing the General Fund balance to an amount below an average of two (2) months' worth of total General Fund expenditures for the previous fiscal year without first declaring that an emergency exists within the County thereby necessitating the use of such funds.

7. Beaufort County shall, during the August through October hurricane season, maintain a fund balance of unrestricted and available cash equal to a minimum of fifteen (15%) of the General Fund Appropriation. Funding sources may include, but are not limited to, credit instruments, bond anticipation notes and tax anticipation notes.

8. The General Fund Reserve balance should be reported to County Council quarterly and be reviewed annually or as needed.

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## B. Debt Service Fund Policy

1. The County will confine long-term borrowing to capital improvement or projects that cannot be paid for from current revenues or fund balance except where approved justification is provided.

2. The County will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances in excess of policy targets, and current-year (pay-as-you-go) appropriations.

3. When the County finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project. Target debt ratios will be calculated at least every two years and included in the review of financial trends.

4. Where feasible, the County will explore the usage of special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.

5. Prior to the issuance of new General Obligation (GO) debt, consideration shall be given to forecasted tax rate requirements, ratio of net GO debt to assessed taxable value, net GO debt per capita, and debt service payments to General Fund operating budget.

6. Direct net debt as a percentage of total assessed value of taxable property should not exceed 2.5%. Direct net debt is defined as any and all debt that is tax-supported.

7. The ratio of direct debt service expenditures as a percent of total governmental fund expenditures will be targeted to remain at or below 10.0% but in any case should not exceed 12.0% with an aggregate direct debt ten-year principal payout ratio target of 60.0% or better.

8. The County recognizes the importance of underlying and overlapping debt in analyzing financial condition. The County will regularly analyze total indebtedness including underlying and overlapping debt.

9. The County may employ municipal finance professionals to assist in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors.

**DEBT SERVICE FUND (cont.)**

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10. The County shall use the Comprehensive Annual Financial Report (the "CAFR") as the disclosure document for meeting its financial reporting obligations.

11. The County will use fixed rate debt in most cases to finance its capital needs; however, the County may issue variable rate debt when necessary if deemed in the best interest of the County.

12. Debt structures that result in significant "back loading" of debt should be avoided.

13. The Chief Financial Officer will maintain good communications with bond rating agencies:

    a. The CFO will provide periodic updates on the County's financial condition.

    b. Required disclosures on every financial report and bond prospectus will be followed.

    c. The County may request ratings prior to the sale of securities from the major rating agencies for bond issues.

14. The County will strive to achieve and maintain the highest credit rating awarded by the bond rating agencies.

15. The County may undertake refinancing of outstanding debt:

    a. When such refinancing allows the County to realize significant debt service savings (net present value savings equal to at least 2.0 percent of the refunded par amount) without lengthening the term of refinanced debt and without increasing debt service in any subsequent year; or

    b. When the public policy benefits outweigh the costs associated with the issuance of new debt and any increase in annual debt service; or

    c. When a restrictive covenant is removed to the benefit of the County.

16. The CFO shall maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements for the federal tax code.

17. The County will maintain enough fund balance, net of any potential incoming revenue, within its Debt Service Fund and County Purchase Property Fund to cover the County's interest-only payments occurring on August 1 and September 1 of every fiscal year. The additional revenues required to grow

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the fund balance may be achieved by maintaining all borrowing premium revenues. (Ordinance No. 2014/7)

## V. CASH MANAGEMENT AND INVESTMENT POLICY

The Treasurer serves as the County's chief banker and investment officer, charged with the responsibility of investing funds that are not needed for immediate expenditures. The Following is the investment policy of the Beaufort County and the Beaufort County Treasurer's Office. The scope of this investment policy applies to all moneys and other financial resources available for deposit and investment by the Beaufort County Treasurer's Office on behalf of Beaufort County and on behalf of any other agency.

1. The primary objectives of the Treasurer's Office investment activities are, in priority order:

    a. To conform with all applicable federal, state and other legal requirements (legality);
    b. Adequately safeguard principal (safety);
    c. To provide sufficient liquidity to meet all operating requirements (liquidity) and;
    d. To obtain a reasonable rate of return (yield).

2. To appropriately meet these objectives, the Treasurer's Office will make investment decisions based on current and ongoing cash flow needs.

3. All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence. Investments shall be made with prudence, diligence, skill, judgment and care, under circumstances then prevailing, which knowledge and prudent persons acting in like capacity would use, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

4. All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.

5. It is the policy of Beaufort County and the Treasurer's Office to diversify its deposits and investments by financial institution, by investment instrument, and by maturity schedule. Diversification of deposit and investment assets should be determined with the utmost care, with safety and liquidity being the primary

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objectives. As portfolios may range in size by account and purpose, depositories and investment managers should seek to invest as prudently as possible, with no investment representing more than 5% of the total portfolio value; including all accounts.

As some accounts may be smaller in size, 5% of the total portfolio value may not be prudent from a diversification standpoint. With these types of accounts special care must be taken to ensure liquidity and safety. Under no circumstance should any investment in smaller accounts represent more than 20% of its portfolio value.

6. It is the policy of Beaufort County and the Treasurer's Office for all moneys collected by any officer or employee of Beaufort County, with the exception of certain special revenues and funds maintained by certain countywide elected officials, to transfer those funds to the Treasurer's Office, or the financial institution designated by the Treasurer's Office, within two (2) business days of deposit, or within the time period specified in law, whichever is shorter.

   The Treasurer is responsible for establishing and maintaining internal control procedures to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, properly recorded, and managed in compliance with applicable laws and regulations.

   Except as may otherwise be provided in a contract with bondholders or noteholders, any moneys invested may be commingled for investment purposes, provided that any investment of commingled moneys shall be payable or redeemable at the time the proceeds are needed to meet expenditures for which such moneys were obtained. The separate identity of the sources of these funds shall be maintained at all times through the general ledger and any income received shall be credited on a pro rata basis to the general ledger fund or account from which the moneys were invested.

7. The Treasurer may utilize the services of any bank, trust company, or savings and loan association authorized to do business within the State of South Carolina.
8. All deposits and investments at a bank, trust company, or savings and loan association (hereinafter, collectively referred to as "depository"), including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively referred to as "deposits") made by the Treasurer's Office that are in excess of the amount of insured under the provisions of the Federal Deposit

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Insurance Act, including pursuant to a Deposit Placement Program in accordance with law, shall be secured by the depository in accordance with South Carolina State Statute 6-5-15, which dictates the securing and collateralization of public funds.

9. As provided by the State of South Carolina Code of Laws Section 6, the Treasurer will invest moneys not required for immediate expenditure, for terms not to exceed its projected cash flow needs, in investments that adhere with South Carolina State Statutes 6-5-10 and 12-45-220.

   The Beaufort County Treasurer may also deposit public monies in excess of current needs into the South Carolina State Treasurer's Local Government Investment Pool.

   Repurchase agreements (referred to as REPOs) are complex transactions that can expose the investing local government to significant risks. If utilized, the Treasurer must submit the agreement to Beaufort County's legal counsel for review and approval; have the resources to negotiate the agreement with trading partners and custodial banks or trust companies, and monitor the investment daily. At a minimum, any repurchase agreement must comply with the requirements listed in Appendix A.

10. Some investments, although in conformity with South Carolina Code of Laws, may be in conflict with the County and the Treasurer's primary objectives of safety and liquidity. As such, the following investments are not permitted:

    a. Interest-only Mortgage Securities
    b. Principal-only Mortgage Securities
    c. Z-Traunch Collateralized Mortgage Obligations (CMO's)
    d. Floating Rate CMO's, including Inverse Floaters

11. All financial institutions and dealers with which the Treasurer's Office transacts business shall be creditworthy, and have an appropriate level of experience, capitalization, size and other factors that make the financial institution or the dealer capable and qualified to transact business with and hold public funds. The Treasurer shall evaluate the financial position and maintain a listing of proposed depositaries, trading partners, and custodians.

    If the Treasurer elects to utilize the services of a financial advisor, that advisor should have at least ten (10) years of experience managing public funds, five (5) years of which should be experience in managing funds within the State of South Carolina, and, at a minimum, should be a registered investment advisor.

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At least annually, the advisor must provide to the Treasurer their ADV forms, part I and II, filed with the Securities and Exchange Commission.

The Treasurer shall maintain a list of financial institutions and dealers approved for investment purposes. To maximize safety, the Treasurer's Office could purchase through, deliver to and hold in custody of a bank or trust company all obligations, unless registered or inscribed in the name of the applicable government agency.

12. The Treasurer shall review this investment policy annually, or as needed, and shall have the power to amend this policy at any time. County Council shall regularly request reporting from the Treasurer regarding the status of investments and changes in investment policy.

    Investment performance should be evaluated at least semi-annually and be taken into consideration when reviewing the investment policy. Investment performance benchmarks may include time weighed return, net of fees, on individual accounts as well as the overall portfolio.

13. The State Treasurer is authorized to assist the Treasurer's Office in investing funds that are temporarily in excess of operating. This can be accomplished by explaining investment opportunities through publication and other appropriate means; acquainting the Treasurer's Office with the State's practice and experience in investing short-term funds; and providing technical assistance in investment of idle funds when such assistance is requested.

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**Appendix A- Repurchase Agreements**

At a minimum, a repurchase agreement must comply with the following:

1. Trading partners should be limited to creditworthy banks or trust companies located and authorized to do business in the State of South Carolina or to registered primary dealers.

2. Unless the obligations that are purchased pursuant to the repurchase agreement are registered or inscribed in the name of the local government, obligations must be purchase through, delivered to and held in the custody of a bank or trust company located and authorized to do business in the State of South Carolina. The custodial bank or trust company may not be the seller of the obligations that are the subject of the repurchase agreement.

3. A Master Repurchase Agreement must be entered into, outlining the basic responsibilities and liabilities of the buyer and seller and a written agreement with the custodial bank or trust company, outlining the basic responsibilities and liabilities of the buyer, seller and custodian.

4. The custodial agreement should provide that the custodian takes possession and maintains custody of the obligations exclusively for the local government, that the obligations are free of any claims against the trading partner, and that any claims by the custodian are subordinate to the local government's claims or rights to those obligations.

5. The obligations must be credited to Beaufort County, or the applicable agency, on the records of the custodial bank or trust company, and the transaction must be confirmed in writing to the local government by the custodial bank or trust company.

6. The obligations purchased may only be sold or presented for redemption of payment by the custodian upon written instructions of the Treasurer.

7. A perfected security interest must be obtained in the obligation.

8. Agreements may be for no more than 30 days.

9. Agreements must specify whether to include margin requirements.

10. No substitution of obligations is permitted.

11. Payment for the purchased obligations should not be made by the custodial bank or trust company until the obligations are actually received, preferably done simultaneously.

12. Obligations that are purchased to a repurchase agreement are deemed to be payable or redeemable, for purposes of the GML, on the on which the purchased obligations are scheduled to be repurchased by the seller.

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County Departments
Committee/Council meeting
Treasurer's office

**BEAUFORT COUNTY FINANCE**
**FISCAL YEAR END CLOSING SCHEDULE**
**FOR THE PERIOD ENDED JUNE 30, 2018**

| DATE DUE | EVENT | RESPONSIBLE PERSONNEL | DATE COMPLETED |
|---|---|---|---|
| Friday, June 29 | Deadline to submit Fiscal Year 2018 purchase requisitions | PURCHASING | 8/1/2018 |
| Friday, July 6 | Deadline for departmental review, allocation and approval of Pcard transactions charged as of June 30 | LORI | 7/17/2018 |
| Wednesday, July 18 | Inventory - Lady's Island Airport year end adjustments posted | AIRPORT PERSONNEL & MIKE | 7/11/2018 |
| Wednesday, July 18 | Inventory - Stormwater Utility year end adjustments posted | STORMWATER UTILITY PERSONNEL & ALICIA | 7/26/2018 |
| Monday, July 23 | Finance Committee - CAFR Proposed Timeline/Schedule | ALICIA | 7/23/2018 |
| Wednesday, July 25 | Group Health, Dental & Workers Comp allocations | ALICIA | 7/11/2018, 7/25/2018 |
| Wednesday, July 25 | Group Health, Dental & Workers Comp liability accruals based on claim lag reports | ALICIA | * |
| *Note: The claims administrators for the County's self-insured health, workers compensation and dental policies are expected to provide lag reports by 8/31/2018. | | | |
| Wednesday, July 25 | Accrued Compensated Absences - reports and rollforward schedule | ALICIA | 7/25/2018 |
| Wednesday, July 25 | Meeting with Mauldin & Jenkins to share CAFR preparation information | ALICIA | 7/26/2018 |
| Friday, July 27 | Deadline for departments to submit invoices to Accounts Payable for services, goods, etc. provided by June 30 | COUNTY DEPARTMENTS | 8/23/2018 |
| Tuesday, July 31 | Fiscal Year 2019 Budget posted in Munis | ALICIA/CHANEL | 8/5/2018 |
| Wednesday, August 1 | Deadline for all Fiscal Year 2018 AP invoices to be posted<br>Deadline for all Fiscal Year 2018 Purchase Orders to be closed | AP/PURCHASING | 8/23/2018 |
| Wednesday, August 1 | Deadline for all Prepaid Expenses to be recorded/posted | ALICIA/CHANEL | 7/28/2018 |
| Friday, August 10 | Deadline for all Fiscal Year 2018 Capital Assets activity to be posted in Munis (additions, transfers, disposals/deletions) | CHANEL | 8/10/2018 |
| Friday, August 17 | Deadline for Fiscal Year 2018 Capital Asset Rollforward Schedule preparation | CHANEL | 8/17/2018 |
| Friday, August 17 | Cash and investments - departmental receipts (PCRs) and outstanding reconciliation items | TREASURER'S OFFICE | 8/13/2018 |
| Friday, August 24 | Fiscal Year Capital Asset Rollforward review completion and depreciation expense run | ALICIA | |

**County Departments**
**Committee/Council meeting**
**Treasurer's office**

# BEAUFORT COUNTY FINANCE
## FISCAL YEAR END CLOSING SCHEDULE
## FOR THE PERIOD ENDED JUNE 30, 2018

| DATE DUE | EVENT | RESPONSIBLE PERSONNEL | DATE COMPLETED |
|---|---|---|---|
| Monday, August 27 | Finance Committee Progress Update - CAFR and Pooled Cash discussion | ALICIA | |
| | | | |
| Friday, August 31 | Cash and Investment GL Accounts - Finance reconciliations and review completed | FINANCE STAFF | |
| | | | |
| Friday, August 31 | Deadline for all Fiscal Year 2018 revenue to be accrued/invoiced in Munis | ALICIA/MIKE/JANET | |
| | | | |
| Friday, August 31 | Purchasing to provide excel file of Purchase Orders carried over from FY 2018 into FY 2019 - should include GL Accounts | PURCHASING | |
| | | | |
| Week of September 3 | Debt Rollforward | ALICIA/CHANEL | |
| | | | |
| Friday, September 7 | 60 day accrual deadline of property tax revenue (property tax revenues paid/received in July and August) | ALICIA/CHANEL | |
| | | | |
| Monday, September 10 | Finance Committee Progress Update - CAFR | ALICIA | |
| | | | |
| Week of September 10 | SEFA Preparation | ALICIA/CHANEL | |
| | | | |
| Week of September 17 | Pension Liability, deferred inflows/outflows | ALICIA/M&J | |
| | | | |
| Prior to month of October 2018 | DSN & PFC special audits (AUP) can be completed | DSN - BETH CODY<br>PFC - MIKE DUNN | |
| | | | |
| **Begins:**<br>**Thursday, October 4 (5:00 pm)**<br>**Ends:**<br>**Saturday, October 6 (11:59 pm)** | **** FINAL SYSTEM CLOSE ****<br>**(Users off GL system, Munis, by 10/4/2018, 5:00 pm)**<br>**Munis will NOT be available on Friday, 10/5/2018** | **ALICIA** | |
| | | | |
| During October 2018 | SEFA/Single Audit can be completed (see above week of 9/10/2018) | FINANCE STAFF | |
| | | | |
| During October 2018 | Information provided to External Financial Auditors throughout the month of October 2018 | FINANCE STAFF | |
| | | | |
| Wednesday, October 31 | Final Trial Balances and all supporting documentation provided to External Financial Auditors | FINANCE STAFF | |
| | | | |
| During November 2018 | Audit fieldwork/testing - Finance staff working with auditors to provide all information requested for testing | FINANCE STAFF | |
| | | | |
| *Monday, December 17* | *Tentative Date to present FY 2018 CAFR/Audit to Finance Committee/Council* | | |