THE STATE OF SOUTH CAROLINA
In The Court of Appeals
[In The Supreme Court]

APPEAL FROM BEAUFORT COUNTY
Judge Marvin Dukes – Master In Equity

Appellate Case No. 2018-002170

Steven Craig Molloy and Island Group, Inc.
d/b/a Carolina Cleaning — Appellant

of which Steven Craig Molloy is the — (Plaintiffs)

VS.

Beaufort County Government,
Gary Kubic, Individually, and as Beaufort County Administrator;
Josh Gruber, Individually and as former Beaufort County In-House Attorney;
Bryan Hill, Individually and as former Beaufort County Deputy Administrator;
Shannon Loper, Individually and as employee of the Beaufort County Parks and Leisure;
Stu Rodman, as Finance Chair of Beaufort County Council;
Dave Thomas, as Procurement Director Beaufort County, SC.
Beaufort County Disabilities and Special Needs; Beaufort County DSN Board

Respondents (Defendants)

3/12, 2020

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Pro Se' Appellant

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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	IN THE COURT OF COMMON PLEAS 14TH JUDICIAL COURT CASE NO: 2016-CP-0701825
Steven Craig Molloy, individually and on behalf of the Beaufort County Taxpayers and Island Group, Inc. dba Carolina Cleaning, **Plaintiffs,** **vs.** **Beaufort County Government Gary Kubic, Individually, and as Beaufort County Administrator; Josh Gruber, Individually and as former Beaufort County In-House Attorney; Bryan Hill, Individually and as former Beaufort County Deputy Administrator; AND Shannon Loper, Individually, and as employee of the Beaufort County Parks and Leisure; Stu Rodman, as Finance Chair of Beaufort County Council; Dave Thomas, Procurement Director Beaufort County, SC. Disabilities and Special Needs (NON-PROFIT) Beaufort County DSN Board** **Defendants.**	**AMENDED VERIFIED COMPLAINT**

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TO: THE ABOVE-NAMED DEFENDANTS BY AND THROUGH THEIR ATTORNEYS, DAWES COOKE AND JOHN FLETCHER, REPRESENTING EACH DEFENDANT, CORPORATELY AND INDIVIDUALLY:

The Plaintiffs Amended Verified Complaint by and through his Attorney, Lauren Martel, to the above-named Defendant(s) respectfully alleges, based on conflicting information and in good faith that this Original Complaint and the Amended Complaint has merit and genuine issues of material fact exist that should be brought to the fact-finder after Discovery for a trial on the merits, in accordance with Due Process of Law, Opportunity for Discovery, South Carolina statutes and case law.

The premise for the relief requested, include but is not limited to: that the Defendants, individually and corporately breached a contract with the Plaintiffs with a fraudulent act and/or in such a manner as to be done unconscionably and to cause unnecessary hardship. The Interference with the Plaintiffs contract was done in such a manner, by corporate and individual Defendants as to be the exact, proximate cause of the loss of his business and harm to him individually, as owner of the business and as a taxpayer of Beaufort County, South Carolina due to various deceptive, bid-rigging, procurement violations, use of his confidential information, conspiring and retaliatory actions by the Defendants both individually and corporately.

The Plaintiffs are informed and believe that much has occurred to bring the totality of the causes of action together and that he has filed 2 timelines to help designate when certain events occurred. The Plaintiffs timely filed this action in accordance with the law within the statute of limitations on when the Plaintiffs knew of should have know how the breach occurred. The Plaintiffs have had to spend much time and money in connecting how the fraud was perpetrated. One main issue is that the Plaintiffs now have a definition of how a government non-profit is considered a separate entity. An Attorney General Opinion dealing with these issues are attached to this filing. These timelines are incorporated in this Amended Complaint as if fully re-stated. The allegations are as follows:

PARTIES AND JURISDICTION

1. The Island Group, Inc. is a corporation organized and operating under the laws of the State of South Carolina. Further, conducting business in the commercial cleaning and janitorial business, under the name of Carolina Cleaning, in and for Beaufort County, including, but not limited to, local governments such as Beaufort

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County and other municipalities. A Copy of the Contract is attached hereto and incorporated herein as previously filed.

2. The Plaintiff, Steven Craig Molloy, is a resident and citizen of Beaufort County, South Carolina, residing in Hilton Head Island, South Carolina. Plaintiff, Steven Craig Molloy, is the owner of the Island Group, Inc., d/b/a Carolina Cleaning

3. Plaintiff is informed and believes there were two third party entities that interfered in his contractual relationship in a fraudulent manner. One was the BCDSN Board/BCDSN non-profit. This third-party entity, created by an Ordinance that appears to be completely at odds with Statutory Law on the subject of appointments of boards and commissions, County Council and the Defendants schemed to replenish "their" budget via the machination of the contract system and their use of a sub minimum wage certificate to minimally compensate disabled individual contractors who are in BCDSN's day services program. This program itself may be done with Federal waivers, however compliance is very important and a concern for Commercial Clean being a potential hazard was concerning to the Plaintiffs, nor did it appear to be best business practices for the County taxpayers in cleaning the buildings. It appears the BCDSN board is appointed by and reports to the Beaufort County Council, under this 2011 Ordinance that has been previously filed and is incorporated herein.

4. The other "third-party entity(s) "were the individual disabled contractors ("consumers") who were used by BCDSN Board/BCDSN as unwitting co-conspirators in this scheme to defraud both the Plaintiff and the taxpayers of Beaufort County.

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5. Plaintiffs are informed and believe that County Ordinance does not supersede South Carolina State Law, as BCDSN Board is an appointed position by the Governor of South Carolina. (SEE ATTACHED FSLA). (See Also Attorney general opinion of ordinances and complying with statutory law on appointments of boards and commissions.)

6. Plaintiffs are informed and believe the Beaufort County DSN is a non-profit organization created in 2002 operated by the BCDSN Board according to the Department of Labor. It is the Plaintiffs position that the BCDSN Board and the BCDSN nonprofit are a third-party entity that hires special needs (individual contractors) for janitorial services.

7. Plaintiff "Steven Craig Molloy" (hereinafter "MOLLOY" has owned and operated a Janitorial Cleaning company in Beaufort County since 1994. Molloy and the Beaufort County taxpayers have been and **continue** to be irreparably harmed by Beaufort County, Plaintiff Molloy is a taxpayer in Beaufort County South Carolina and has taxpayer standing being individually, and specifically, harmed and injured by the Defendants.

8. The Plaintiffs are informed and believes that It wasn't until after the FOIA information came in this all became a clear picture of how premeditated the County and the individuals were acting as they eventually did take all of the Plaintiffs buildings and work away by unconscionably removing the work in such a manner to cause bad faith and unnecessary harm and damage to taxpayer and to the Plaintiffs.

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9. Plaintiffs are informed and believes documents obtained through FOIA from Beaufort County indicate "personal emails" were used for communications on the interference and fraud perpetrated on the Plaintiffs.

10. Plaintiffs are informed and believes that the Defendants have written in some case affidavits that do give rise to continuing **GENUINE ISSUES OF MATERIAL FACT AND A CASE AND CONTROVERY and COVER UP**. There contain material misrepresentations. See below very specific examples of facts that are important to the disposition of this case that are contradictory and genuine and are disputed. These are in the Defendants own documents, affidavits and internal communications. It appears even the Defendants do not know how the special needs sub minimum wage scheme is paid out in compliance with labor laws. Within their own statements and affidavits and documents they label the "consumers" as employees and contractors. How this third-party entity's is set up to compete with the Plaintiffs is important. Either way it is set up, it engaged in unlawful acts that directly damaged the Plaintiffs

11. Plaintiff is informed and believes The **Defendant, Gary Kubic**, is, and was at all times relevant to this action as the County Administrator for Beaufort County. He is named in this lawsuit both in his capacity as the Beaufort County Administrator and individually under the South Carolina Tort Act. Upon information and belief, Defendant Kubic resides in Beaufort County, South Carolina. All Causes of Action, but not limited to those set out in this Amended Complaint, are pled against Defendant Kubic more specifically set out below.

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12. Plaintiff is informed and believes The **Defendant, Joshua Gruber**, though presently serving as Beaufort County Deputy Administrator was at all times relevant to this action as the Attorney for Beaufort County. Defendant Gruber is named in this lawsuit in his capacity as the County Attorney and individually under the South Carolina Tort Claim Act pled in this Amended Complaint. Upon information and belief, Defendant Gruber resides in Beaufort County, South Carolina. All Causes of Action, but not limited to those set out in this Amended Complaint, are pled against Defendant Gruber.

13. Plaintiff is informed and believes The **Defendant, Bryan Hill,** was at all times relevant to this action as the (then) Beaufort County Deputy Administrator. Byran Hill is being named in his capacity as the Deputy administrator of the Beaufort County during the time the damage was caused to the Plaintiffs and he is being named individually as well under the South Carolina Tort Claims act pled herein. Upon information and belief, Defendant Bryan Hill resided in Beaufort during the time the injury to Plaintiff took place. He lives out of state presently, upon information and belief. All Causes of Action, but not limited to those set out in this Amended Complaint, are pled against Defendant Hill. There are allegations of an assault and battery against a minor, which are plead to the extent that the Plaintiffs' were retaliated against by the abuse and cover up of the abuse by named Defendants.

14. Plaintiff is informed and believes The **Defendant, Shannon Loper**, was at all times relevant to this action as a PALS Fiscal Technical III employee, agent, and/or an otherwise individual employed by Defendant of Beaufort County.

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Defendant Loper is being named in her official capacity and individually under the South Carolina Tort Claim act pled herein. Upon information and belief, Defendant Loper, resides in Beaufort County, South Carolina. All Causes of Action, but not limited to those set out in this Amended Complaint, are pled against Defendant Loper.

15. Plaintiff is informed and believes The **Defendant, Stu Rodman,** is a member of Beaufort County Council, and elected official with certain specific duties set out in the oath of office and he chairs the entity that votes on and approves all the bids referenced herein and decisions relevant to Beaufort County Disabled & Special Needs, who is named herein as the (then) Chairman of the Beaufort County Finance Committee. The SC Tort Claim Act is applicable and each cause of Action set out herein in this Amended Complaint.

16. Plaintiff is informed and believes The **Defendant, Dave Thomas,** is the Procurement Director for Beaufort County and responsible for all procurement, contract and RFP requests and submissions. The Causes of Action set out herein apply to this Defendant in the Amended Complaint.

17. Plaintiff is informed and believes the other Beaufort County representatives referenced in this Complaint are named as operating in their capacity as elected, appointed officials or hired employees of Beaufort County.

18. Plaintiffs are informed and believes that each defendant individually acted outside the scope of their job description. Each was a co-conspirator and was necessary to engage in the fraud perpetrated on Plaintiffs. Each acted corporately, and

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individually outside the scope of their job to utilize and engage a third-party non-profit, and third party appointed board that set a course of action to interfere and disrupt unconscionably the Plaintiffs awarded competitive contract.

19. Plaintiffs are informed and believes that each defendant individually participated in this course of action that caused unnecessary harm to the Plaintiffs, and that Plaintiffs seek the maximum recovery against each individual and Beaufort County for each cause of action.

20. Plaintiff is informed and believes the events giving rise to this action occurred in Beaufort County, South Carolina; that each Defendant and Carolina Cleaning had substantial connections to Beaufort County; and that subject matter and personal jurisdiction is proper.

21. If the Plaintiffs need to serve on any individual Defendant, they request the Defendants acknowledge who is represented by lawyer for electronic service;

22. Plaintiff is informed and believes the Defendant, **Beaufort County, and Beaufort County Employees and Elected officials in their official capacity** is a governmental subdivision of the State of South Carolina, with its principal offices located in Beaufort County, South Carolina.

INTRODUCTION FACTS THAT GIVE RISE TO CAUSES OF ACTION

Paragraphs 1 to 18 restated and incorporated herein

19. The Plaintiff is informed and believes that terminology is crucial in this case and that the following definitions matter: Terminology: A RFP = a Request for Proposal - the County

would release this out into the Public for companies to place a Bid for these services. A BID (or Proposal) = A response by a company (such as mine and others) wh would respond by submitting a prepared document (bid) to an RFP from a County / Govt. who is seeking specific contracted services.

23. Plaintiffs are informed and believes that County Ordinance does not supersede South Carolina State Law, as BCDSN Board is an appointed position by the Governor of South Carolina. (SEE ATTACHED FSLA)

24. Plaintiffs are informed and believes the Beaufort County DSN is a non-profit organization created in 2002 operated by the BCDSN Board according to the Department of Labor. It is the Plaintiffs position that the BCDSN Board and the BCDSN nonprofit are a third-party entity that hires special needs (individual contractors) for janitorial services.

25. Plaintiffs are informed and believes that Beaufort County Council, signed off by Weston Newton, Chairman, a change in the BC ordinance *§46-92* giving BCDSN Board the right to appoint board members for the BCDSN Board, a conflict with the power of appointment by the Governor, violation of South Carolina Code.

26. Plaintiffs are informed and believes that the Beaufort County DSN Board was formed in 2002, well after 1991. Furthermore, Beaufort County in 2011 amended the following: *§ 46-92 which reads as follows: Membership; Terms of Office. (a) The membership of the Board shall be at least (7) seven members, but not more than (11) eleven, and* ***shall be appointed by Beaufort County Council in direct conflict with South Carolina Code §§ 44-20-375***

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(C) After June 30, 1992, the department shall recognize only county boards of disabilities and special needs that plan, administer, or provide services to persons with intellectual disability, related disabilities, head injuries, and spinal cord injuries within a county or combination of counties which are created or established pursuant to this section, ***including those whose members are appointed by the Governor.*** *Legislative Oversight Committee: Healthcare and Regulatory Subcommittee Meeting.* ***dated September 18, 2017*** *Discussion pertaining to the study performed on the South Carolina DSN on Tuesday, 10/10/2017. South Carolina Department of Disabilities and Special Needs Board of Governance* ***dated October 3, 2017 clearly states,*** that the **BCDSN Board is appointed by the Governor**. Beaufort County's amendment of *§§ 46-92 in 2011* directly interferes with the powers of the South Carolina sitting Governor.

SECTION 44-20-375. *County boards of disabilities and special needs; establishment; recognition.*

(A) Before July 1, 1992, county boards of disabilities and special needs must be created within a county or within a combination of counties by ordinance of the governing bodies of the counties concerned. The ordinance must establish the number, terms, appointment, and removal of board members and provide for their powers and duties in compliance with state law and the process for appointing board members which existed on January 1, 1991, must be preserved in the ordinance. However, where the county legislative delegation or county council recommends board members to the appointing authority, the delegation may transfer its authority to recommend to the council or the council may transfer its authority to the delegation. If there is a transfer, preservation of the authority to recommend existing on January 1, 1991, is not required, and the new recommending authority must be contained in the ordinance.

(C) After June 30, 1992, the department shall recognize only county boards of disabilities and special needs that plan, administer, or provide services to persons with intellectual disability, related disabilities, head injuries, and spinal cord injuries within a county or combination of counties which are created or established pursuant to this section, including those whose members are appointed by the Governor.

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27. Plaintiffs are informed and believes by statement of Defendants: "Carolina Cleaning did not have any right to obtain contract". The RFP was and "open market" RFP under Procurement Law. Dawes further states "the County could fulfill its janitorial needs outside of RFP process". If this were true, there was no reason for BCDSN Board, and the BCDSN non-profit, to submit an RFP proposal.

28. Plaintiffs are informed and believes that the Beaufort County needed to adhere to appearances of being above board by submitting the RFP. The RFP was submitted by a third-party entity, 501(3)(c) nonprofit Beaufort County DSN Board, offered by Beaufort County to itself, subcontracted the janitorial services to "consumers", independent contractors, and yet, Dave Thomas in his affidavit stated, that the "consumers" were in fact employees.

29. Plaintiffs are informed and believes the members discuss a $1 from SCDHHS match with $3 from Medicaid which would be a great source of funds for **"us".** The explanation of this match from SCDDSN (attached) states that **these funds are per hour per disabled consumer to be paid to a third- party contractor with regular employees who can supervise and train the disabled consumers.** So, the only question that remains is who is "us"? Genuine issue of material fact exists here, as Joy Nelson during FOIA discoveries in November of 2014 stated that **the "consumers" "independent contractors" are paid by and through the contract.** A contract from an open market RFP, offered by Beaufort County, awarded to the non-profit third-party BCDSN, who paid subminimum wage while

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receiving 3 to 1 in Medicaid Reimbursements. Beaufort County contracted services to itself for profit.

30. Plaintiffs are informed and believes that the County has predicatively not had any audits done of these programs and the Internal Audit has many problems which go toward the premeditative acts by the Defendants to establish this scheme and cover it up:

31. Plaintiffs are informed and believes this audit (not done recently) focused only on some payroll records and some transportation logs with no explanation of how the selections were made. Many errors were found in nonpayment of travel time between buildings which is considered work hours. (SEE ATTACHED FSLA INVESTIGATION) The auditor calculated an amount to be paid with no indication of whether that was just for the selected consumers for the periods sampled or for all consumers for all periods. Further, she noted, as a "lesser" note, a consumer's time sheet had been altered after the fact. Her only comment was that they should note the reason. If this had been a GAAS audit the scope would have been expanded to find if any other falsification of documents had occurred. The auditor mentioned that there were other issues that were not noteworthy.

32. Plaintiffs are informed and believes that the court should appoint an independent third-party auditor that reports to the court. The affidavits and FOIA requests that are contradictory and create many genuine issues of material fact as to who is paying the disabled consumers: Is it the County? Is it DSN? Is it Mitzi Wagner as owner of some company? But I am aware as I said in my earlier statement from the Single Audit Section of the CAFR (attached) and from FOIA requests that

Beaufort County is receiving Medicaid funds some through SCDHHS and some through SCD Drug and Alcohol Abuse. If these consumers are paid by the County, are they in the SC State Pension Plan. Were they offered Beaufort County Benefits? How did who ever arrive at their hourly pay? Why were these questions not addressed by the auditors? a court appointed auditor is necessary? This gives rise to the causes of action on behalf of the Beaufort County taxpayers and directly relate to how the Defendants acted or omitted to act in causing a breach of contract with a fraudulent Act. Plaintiff filed 2 Affidavits by Former council member Cynthia Bensch that give rise to the good faith claims contained herein.

33. The Plaintiffs are informed and believes that It wasn't until after the FOIA information came available to him after October of 2014 –March 2015 and continuing to discover new elements presently did this all became a clear picture of how premeditated the County and the individuals were acting as they eventually did take all of the Plaintiffs buildings and work away by unconscionably removing the work in such a manner to cause bad faith and unnecessary harm and damage to taxpayer and to the Plaintiffs. (See filed timelines incorporated herein.)

34. Plaintiffs are informed and believes documents obtained through FOIA from Beaufort County indicate "personal emails" were used for communications on the interference and fraud perpetrated on the Plaintiffs.

35. Plaintiffs are informed and believe that Paragraph 9 of Loper's Affidavit (See Exhibit 12/12/12 letter from Dave Thomas to Plaintiff - Change Order to Remove Bluffton Gym from contract), creates a genuine issue of material fact.

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36. Plaintiffs are informed and believe that Paragraphs 10 -14 are material misrepresentations. The awarded contracts to Plaintiff's company, CC, dating back more than 15 years show that we provided consistent, solid, and satisfactory services including the many changes that exist during different athletic seasons.

37. Plaintiffs are informed and believe that they never once received a complaint for non-performance at any BC sports facilities.

38. Plaintiffs are informed and believe that Paragraph 15 in Lopers affidavit is a material misrepresentation. Please see Exhibit Plaintiff's awarded 2010 bid which demonstrated savings to the BC taxpayers $200,000 per year or $1,000,000 over the five-year term.

39. Plaintiffs are informed and believes that Defendants used RFP confidential and personal business bidding information by giving it to the Beaufort County DSN Board formed in 2002, and the BCDSN non-profit formed in 2002, for the purpose of securing the RFP "open market" bid that put BCDSN in business against private companies bidding on public RFP's. The BCDSN programs were supposedly developed for disabled persons to learn work skills; however, evidence shows BC's intentions were not for the development of skills for the people involved, but rather for BC's own profit. These show BC premeditated actions and intent via (and in their own words) intra office BC emails.

40. The Plaintiff is informed and believes Beaufort County made numerous misrepresentations as to this "janitorial enterprise", conceived of by former BCDSN Executive Director Mitzi Wagner and presented to the BCDSN Board June 2012 (Exhibit) as a profit-making venture. The county has submitted a sworn

affidavit by Dave Thomas, Beaufort County Director of Procurement (Exhibit) wherein Thomas states:

"in 2012 and 2013, in an effort to further reduce costs, Beaufort County began considering using ***its in-house Disabilities and Special Needs ("DSN") [According to the DOL, is a non-profit entity, separate from BC]*** *Department to provide the [janitorial] service. Under that approach, "consumers" of DSN services i.e. individuals with disabilities and special needs, would perform janitorial work for Beaufort County* ***as employees of the county.*** *" Thomas further states "This would provide benefits to both those consumers and to the taxpayers of Beaufort County. Because any "contract" for the use of DSN was* ***essentially a use of "in-house" employees,*** *it was not technically required to be bid out under the South Carolina Consolidated Procurement Code or the Beaufort County Procurement Code. Nonetheless, in an effort to safeguard the taxpayers of Beaufort County, the County permitted the submission of competing proposals against DSN. Every RFP in which DSN submitted a proposal was in full compliance with all governing procedures.* ***DSN was never given any advantage with regard to bidding or contracting. [Dave Thomas allowed BCDSN to submit a proposal 3 month after the deadline of March 22, 2012]*** *Beaufort County began rebidding for janitorial services for certain locations in order to save money* ***and provide better service,*** *which resulted in the change orders and contract terminations herein."*

Based upon information and belief, none of these statements by Thomas are true, based upon the following:

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41. Plaintiffs are informed and believes that if the BCDSN/BCDSN Board were a part of Beaufort County government, they were by extension the "***offeror***" of any County RFP, and were therefore precluded from bidding, as **the County cannot sell itself a service, for profit.**

42. Plaintiffs are informed and believes the ***Department of Labor defines the BCDSN/BCDSN Board as a 501 (3) (c) Non-Profit,*** making them a Third-Party entity, aka a ***"vendor"***. *Therefore, BCDSN/BCDSN Board must submit any proposals pursuant to both State and local procurement law(s), just like Island Group or any other vendor (and to determine if BCDSN were even qualified to submit a bid under this challenged RFP). In other words, BCDSN/BCDSN Board cannot be, simultaneously, the "offeror" and also the "vendor". Either they are a Third Party 501(c) 3 Non-Profit, as defined by the Department of Labor in documents received through FOIA (and noted as such on the BCDSN Board's website), or they are a (self-described) county department, in which case they would not be eligible to submit bids in response to any county RFP's.*

43. Plaintiffs are informed and believes the disabled individuals at issue in this matter are "consumers", aka "individual contractors" (a "**third party**") as defined by both the Department of Labor and the BCDSN/BCDSN Board itself. **They are not, and were never, county employees.**

44. Plaintiffs are informed and believes the other vendors could not have known they were "competing against BCDSN", as DSN did not submit their proposal until July 2012, four months late and after the 2012 RFP officially closed. The county did

not publicly notice or advise that a competing proposal from a ***third-party non-profit*** had been submitted.

45. Plaintiffs are informed and believes that further, based upon the county's own admission in internal emails discovered via FOIA between August 29, 2015 and June of 2015, Wagner and another individual, county employee Shannon Loper, sifted through all the vendors (previously sealed) bids, including the Plaintiff's, in order to craft a quick, late entry RFP. And, as the August 2012 Finance committee meeting minutes memorialize, Wagner and Loper also sat on the bid selection committee and selected their own (plagiarized) entry as the winning bid. Therefore, and contrary to Thomas's statement that "***DSN was never given any advantage with regard to bidding or contracting***" having Wagner and Loper on the bid selection committee to choose their own bid was a huge advantage.

46. Plaintiffs are informed and believes, based upon information and belief, the costs to run a program utilizing individuals with special needs, brain damage, physical limitations and/or varying degrees of mental illness will **never be a financial benefit** to the taxpayers of Beaufort County. It will **always** be more expensive and less efficient to operate a disabled workforce because it can never be the equivalent of an able bodied one. It requires more supervision, more intensive training, more safety, security and oversight measures, and even special vehicles and drivers for transportation, to name but a few. No experienced business owner, consultant or reasonable person would or could quantify this as "a benefit" and "a better deal" for the taxpayer. If so, Beaufort County would have terminated Island Cleaning upon implementation of this hastily created alternative to a professionally trained

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janitorial service. And, if it were such a boon for the taxpayer, the county would not have found itself in the position of having to re-bid for yet *another* professional janitorial vendor only two short years later. Based upon information and belief, and the indisputable facts presented, the tax payers of the State and Beaufort County have been additionally harmed along with the Plaintiff's 23 -year old business and the many employees that worked for his company in Beaufort County.

47. Plaintiff is informed and believes that on September 7, 2010 Plaintiff was awarded a contract (**RFP # 3910/100566**) under South Carolina and Beaufort County Procurement Laws pursuant to a public bidding process, to provide professional janitorial services to select buildings in Beaufort County. Plaintiff included pricing that showed taxpayer savings of $200,000 annually over a five-year period. Plaintiff had provided professional janitorial services successfully to Beaufort County under several previously awarded five-year contracts without complaint.

48. Plaintiff is informed and believes that In August 2011 Plaintiff was contacted by a County procurement employee via letter and informed his contract was (involuntarily) reduced by ten (10) percent; the Plaintiff objected. The County then forced Plaintiff's involuntary consent to this reduction by withholding payments for services already rendered until Plaintiff agreed. Plaintiff later learned through FOIA March 2015 the County had unexpected budget shortfalls due to the recession and were looking for ways to resolve their monetary problems.

49. Plaintiff is informed and believes that Shortly thereafter, Plaintiff was approached by both the Executive Director and Assistant Director of Beaufort County

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Department of Special Needs (BCDSN), Mitzi Wagner and William Love, respectively, to hire numerous disabled individuals from their Day Services Program to perform janitorial services with the Plaintiff's company, and pay a wage of less than minimum wage. Plaintiff declined, and recently learned that **BCDSN is a 501(c) 3 non-profit public agency with an EIN number (#57-6000311) (THIRD PARTY ENTITY)** and held a certificate to pay sub-minimum wages to disabled contract workers (aka "consumers"- a THIRD PARTY ENTITY). Due to fact that Plaintiffs have received NO discovery answers to date nor have the Defendants cooperated with Depositions or other Discovery responses the Plaintiff is informed and believes the Employees of BSDSN maybe either 1099 or given W2 forms. Either way, the Plaintiffs are informed the entity that engaged in the bid rigging, procurement violations and other causes of action that caused unnecessary harm to the Plaintiffs, is a third party to be considered as interfering with the Contract.

50. Plaintiff is informed and believes that in January 2012 Beaufort County publicly advertised a Request for Proposal (**RFP # 3910/1120221**) for professional janitorial services for various dormant County buildings. Plaintiff and two other area vendors submitted sealed bids and this **RFP officially closed March 22, 2012**.

51. Plaintiff is informed and believes that Plaintiff awaited word on the decision and continued his contracted work without any negative feedback from County administration. Three months after this RFP officially closed, in June, and unbeknownst to the Plaintiff, Mitzi Wagner gave a presentation June 19, 2012 to

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the BCDSN Board. In this address, Wagner spoke of BCDSN [THIRD-PARTY NON-PROFIT] "scraping by" with their budget and her and the County's idea for resolving the Beaufort County budgetary shortfalls:

Ms. Wagner said she is meeting with county in regard to the cleaning contract. She said "we are not pleased with the cleaning crew we now have and are in hopes of having someone new next year". They were complaining about the smaller buildings in the county, mainly with PALS. She said our individuals could clean the smaller buildings. County liked the idea and we put ***together an RFP proposal to do a lot of the community buildings, Green Street gym, Bluffton gym, and Burton Wells Senior Citizens.*** *Some will be monthly, some on an as needed basis.* ***[Demonstrated by and through emails [Mitzi Wagner] where directives were changed in the original RFP to accommodate the THIRD-PARTY NON-PROFIT BCDSN,*** *stating* ***the contract would bring in $45,000 to $50,000 annually [BCDSN THIRD-PARTY NON-PROFIT, SUBMITTING AN RFP FOR PROFIT]*** *and would mean a lot of our individuals in the day program would be employed.*

52. Plaintiffs are informed and believes that The Plaintiff could not have known that Wagner and senior County employees, including, but not limited to, the Director of Procurement, the Chief Financial Officer, and Attorney for the County had secretly conceived of a scheme to financially exploit unqualified and underpaid disabled workers in the BCDSN Day Services Program to solve their financial problems, thus meeting the Statute of Limitations requirement of two-years pursuant to South Carolina Code.

53. Plaintiffs are informed and believes that among the contrivances in this scheme was the use of BCDSN, A THIRD-PARTY NON-PROFIT AND the sub-minimum wage certificate as a means to obtain (allegedly) cheaper, janitorial labor service, thus eliminating professional vendors including the Plaintiff, AS A MEANS TO SHORE UP THE FAILING BC BUDGET.

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54. Plaintiff is informed and believes this Court should take note during Wagner's presentation, above, two of the buildings she informed the Board her group planned to take over *were already a part of the Plaintiff's existing contract.*

55. Plaintiffs are informed and believes that in furtherance of this unconscionable and conspiratorial plot, these same senior County employees allowed Wagner and another co-conspirator, County employee Shannon Loper, with the County's Parks and Leisure Department (PALS), to sift through, at their leisure, all of the sealed bids for the RFP, including the Plaintiff's, to glean confidential and proprietary pricing and internal information to allow Wagner and Loper to submit an BCDSN RFP three (3) months after the June deadline, a violation of Procurement Law sealed bidding.

56. Plaintiffs are informed and believes that these same senior County employees invited Wagner and Loper to participate in the Bid Selection Committee for the 2012 RFP in question, whereupon BCDSN, along with PALS, was voted the winning bidder at the August 13, 2012 County Finance Committee and signed off on by all senior County employees.

57. Plaintiffs are informed and believes that the result of the coercion, tortious interference, unconscionable, fraudulent act, and conspiracy to include the Plaintiff's ongoing protest and investigation of same, (revealed through intra office emails obtained via FOIA) the County embarked on a course of retaliatory conduct, through Tortious Interference which ultimately destroyed both the Plaintiff's contract and eventually the Plaintiff's entire company. These actions by the Defendants caused unnecessary harm and damage to the Plaintiffs' beyond a

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normal "termination of contract" and these acts were done in such a manner to cause a breach of contract in an unconscionable manner with prejudice and harm and damage to Plaintiff and including the Beaufort County taxpayers and the special needs "consumers", [individual contractors] possible unwitting participants in this conspiracy, however the Board of Directors are responsible for the actions and they would have intentionally known the interference.

LAW TO PROCEED TO DISCOVERY STANDARD OF PROOF AND CAUSES OF ACTION FOR WHICH RELEIF CAN BE GRANTED TO REDRESS DAMAGE AND INJURY CLAIMED;

Paragraphs 1 to 57 restated and incorporated herein

58. The Plaintiffs are informed and believe that the Defendants have filed or will file a Motion to Dismiss on *SCRCP Rule 12(b) (6).* The Plaintiffs are informed that such Motion should be denied. A ruling on a motion to dismiss a claim pursuant to *Rule 12(b)(6), SCRCP*, must be based solely on the allegations set forth on the face of the complaint. The motion will not be sustained if the facts alleged and the inferences reasonably deducible therefrom would entitle the plaintiff to relief on any theory of the case. *Washington v. Lexington County Jail, 337 S.C. 400, 404, 523 S.E.2d 204, 206 (Ct. App. 1999); McCormick v. England, 328 S.C. 627, 632-33, 494 S.E.2d 431, 433 (Ct. App. 1997).* "[A] judgment on the pleadings is considered to be a drastic procedure by our courts." *Russell v. City of Columbia, 305 S.C. 86, 89, 406 S.E.2d 338, 339 (1991).* Therefore, pleadings in a case should be construed liberally and the trial court and this Court must presume all well pled facts to be true so that substantial justice is done between the parties. See *Justice v.*

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Pantry, 330 S.C. 37, 42, 496 S.E.2d 871, 874 (Ct. App. 1998). "The cause of action should not be struck merely because the court doubts the plaintiff will prevail in the action." *McCormick, 328 S.C. at 633, 494 S.E.2d at 434.. This case should NOT be dismissed under Rule 12 b 6.. There exist enough facts that are in controversy to have case go to Discovery and to trial.*

59. The Plaintiffs are informed and believe the Defendants' will file or have filed a Motion for Summary Judgment. They are informed this should be denied as the Plaintiffs' have used clean hands in the Discovery process and the Defendants have failed to cooperate in the Discovery process causing great hardship to the Plaintiffs'.

60. The Plaintiffs are informed and believe they have timely filed a Motion to Compel that is outstanding and it is incorporated as if fully restated herein to the Amended Complaint. The Defendants never responded with actual answers to written Discovery requests and they have refused to have any depositions taken even after Plaintiff went to time to set up exact dates for depositions. this is extremely prejudicial to the Plaintiffs.

61. As a general proposition, "summary judgment is appropriate only after adequate time for discovery." *Evans v. Tech. Applications & Serv. Co.*, 80 F.3d 954, 961 (4th Cir. 1996) (internal quotation marks omitted). In the main, discovery is essential in a contested proceeding prior to summary judgment because [**54] a party can show that the relevant facts are undisputed only by: (A) citing to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations . . .,

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admissions, interrogatory answers, or other materials; or (B) showing that the materials cited do not establish the absence or presence of a genuine dispute, or that an adverse party cannot produce admissible evidence to support the fact. *Fed. R. Civ. P. 56(c)(1)*. Hence, "by its very nature, the summary judgment process presupposes the existence of an adequate record." *Doe v. Abington Friends Sch., 480 F.3d 252, 257 (3d Cir. 2007)*. At minimum, a court "must refuse summary judgment where the nonmoving party has not had the opportunity to discover information that is essential to [its] opposition." *See Nader v. Blair, 549 F.3d 953, 961 (4th Cir. 2008)*(internal quotation marks omitted).The City took "the proper course" when it filed the Declaration, "stating that it could not properly oppose . . . **summary judgment without** a chance to conduct **discovery**." *See Harrods Ltd. v. Sixty Internet Domain Names, 302 F.3d 214, 244 (4th Cir. 2002)* (internal quotation [**55] marks omitted) (deeming **summary judgment** award premature where, inter alia, court made its award only six weeks after complaint was filed, before significant discovery). Such a declaration is "broadly favored and should be liberally granted because the rule is designed to safeguard non-moving parties from summary judgment motions that they cannot adequately oppose." *Raby v. Livingston, 600 F.3d 552, 561 (5th Cir. 2010)* (internal quotation marks omitted); *accord Harrods Ltd., 302 F.3d at 245 n.18*. Nevertheless, the district court decided that the City's discovery requests were merely "an attempt to generate justifications for the Ordinance following its enactment." *O'Brien, 768 F. Supp. 2d at 810*.

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62. The law is clear on denying Summary Judgement where in South Carolina, **unconscionability** is the **absence of meaningful choice** on the part of one party due to **one-sided contract provisions, together** with terms that are so **oppressive** that no **reasonable person** would make them and no fair and **honest person** would accept them. Thus, **unconscionability** is due to both an **absence of meaningful choice** and **oppressive, one-sided** terms. The Plaintiffs were placed in an unconscionable situation by the Defendants as the Defendants continued to intentionally breach the contract and engage in a fraud on the Plaintiffs;

63. In the context of a claim of **unconscionability, absence of meaningful choice** on the part of one party speaks to the fundamental fairness of the bargaining process. In determining whether a contract was tainted by an **absence of meaningful choice**, courts should take into account the nature of the injuries suffered by the plaintiff; whether the plaintiff is a substantial business concern; the relative disparity in the parties' bargaining power; the parties' relative sophistication; whether there is an element of surprise in the inclusion of the challenged clause; and the conspicuousness of the clause. The loss of the right to a jury trial and foregoing statutorily provided remedies are also relevant to this determination. *York v. Dodgeland of Columbia, Inc., 406 S.C. 67*

64. Under South Carolina law, civil conspiracy consists of three (3) elements: (1) a combination of two or more persons; (2) joining for the purpose of injuring the plaintiff; (3) which causes him special damage. *Lee v. Chesterfield County General Hospital, 289 S.C. 6, 344 S.E.2d 379 (S.C. Ct. App. 1986).*

EMOTIONAL DISTRESS

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Paragraphs 1 to 64 restated and incorporated herein

65. South Carolina expressly recognized the cause of action for intentional infliction of emotional distress, sometimes referred to as "outrage," in 1981 in *Ford v. Hutson, 276 S.C. 157, 276 S.E.2d 776 (S.C. 1981)*. South Carolina has adopted the RESTATEMENT to define this cause of action: "One who by extreme and outrageous conduct intentionally or recklessly causes severe emotional distress to another is subject to liability for such emotional distress, and if bodily harm to the other results from it, for such bodily harm." Id. In order to succeed on a cause of action for intentional infliction **[*62]** of emotional distress, a plaintiff must establish that: (1) the defendant intentionally or recklessly inflicted severe emotional distress or was certain or substantially certain that such distress would result from his conduct; (2) the conduct was so "extreme and outrageous" as to exceed "all possible bounds of decency" and must be regarded as "atrocious, and utterly intolerable in a civilized community"; (3) the actions of the defendant caused the plaintiff's emotional distress; and (4) the emotional distress suffered by the plaintiff was "severe" so that no reasonable man could be expected to endure it. Id.

66. The intentional infliction of emotional distress cause of action was designed not as a replacement for existing tort actions, but was conceived as a remedy for tortious conduct where no remedy previously existed. *Todd v. South Carolina Farm Bureau, 283 S.C. 155, 321 S.E.2d 602, 610-11 (S.C. Ct. App. 1984), rev'd on other grounds, 287 S.C. 190, 336 S.E.2d 472 (1985)*. An action should only be submitted

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to the jury if the court determines that a jury may reasonably regard a defendant's conduct as sufficiently extreme and outrageous to permit recovery. Id. at 609.

67. The South Carolina Tort Claims Act ("SCTCA"), *S.C. Code Ann. § 15-78-10, et seq.* The SCTCA waives governmental immunity to the extent of insurance coverage and allows claimants to recover for the **actions** of police in the same manner as they would against any private citizen. "The **state**, an **agency**, a political subdivision, and a **governmental entity** are liable for their **torts** in the same manner and to the same extent as a private **individual** under like circumstances." *S.C. Code Ann. § 15-78-40*. The plaintiffs state that it is undisputed that Beaufort County and each individual employee or "Non-Profit" or elected official, and its officers are covered by claims under the SCTCA in the amount of $300,000 per person and $600,000 aggregate.

BREACH OF CONTRACT ACCOMPANIED BY A FRAUDULENT ACT

Paragraphs 1 to 67 restated and incorporated herein

68. The Plaintiff is informed and believes the scheme (Breach of Contract Accompanied with a Fraudulent ACT) was contrived by the Defendants under a program designed to train and develop work programs for disabled persons (aka "consumers – individual contractors in this program). The program operators (BCDSN) were required to follow stringent requirements from the State of South Carolina Procurement Law, the Federal Department of Labor as well as the State of South Carolina Department of Disability and Special Needs (SCDDSN) Employment Services Standards. Based upon information and belief Defendants were not aware nor did they implement the rigorous training, education,

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background checks, waivers, and other policies and procedures required for proper implantation of Supported Employment Services. Also, included in this is that it appears the BCDSN board has been operating outside of SC Statutory law and in incompliances with SC law when engaging in these acts and omissions.

69. Plaintiffs by and through FOIA in March of 2015 revealed the "unconscionable", "tortious interference", "coercion", violations of Article 4 Consolidated Procurement and "Breach of Contract Accompanied with a Fraudulent Act by the Defendants which gives rise to actions for which he can sue and get redress. The Defendants own documents shows the Defendant's falsified information, used and shared Plaintiff's personal RFP documents, colluded behind closed doors, rigged bids, in order to set up and "award themselves "an "open market" (RFP) contrived for the purpose of putting this program in business under the watch of Beaufort County, Beaufort County DSN Board, and Beaufort County DSN non-profit.

70. Plaintiffs are informed and believes the Defendants utilized confidential bidding information, violating Procurement Law, and committed a "Breach of Contract" accompanied with a Fraudulent Act" by awarding RFP's to the BCDSN Board, created in 2002 and the BCDSN non-profit created in 2002 according to the DOL.

71. The Defendant's OWN DOCUMENTS and intra office emails that were made available to the Plaintiff only after his termination and via FOIA. Plaintiff was not able to know or would not have known the acts of the Defendants, which gave rise to actions for which he can sue and get redress. The Defendant's own documents shows the Defendant's falsified information, used and shared Plaintiff's personal documents, falsified documents, colluded behind closed doors, and rigged bids, in

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order to set up and "award themselves "an "open market" (RFP) contrived to shore up the budget shortfall. (Per Mitzi Wagner, BC would make $45,000.00 to $50,000.00 annually)

72. Plaintiffs are informed and believe that as soon as BCDSN (Contractors) received the award BC began to take apart Plaintiff's previously awarded Contract and apportioned the work to BCDSN (Contractors).

73. Plaintiffs are informed and believe that BC, BCDSN Board, and BCDSN (Contractors) utilized Plaintiffs RFP confidential information and BC, and BCDSN (Contractors) department accessed Plaintiffs information and used this information to develop their RFP "open market bid" submitted three months after the deadline of March 22, 2012.

74. Plaintiffs are informed and believes Beaufort County's misuse of tax money should not be allowed to continue. Plaintiffs are informed and believes and are seeking an immediate independent forensic audit of the BCDSN cleaning program.

75. Plaintiffs Molloy is a taxpayer in Beaufort County South Carolina and has taxpayer standing REMOVE BEING individually, and specifically harmed and injured by the named Defendants, individually and in their official capacity.

76. The Plaintiffs are informed and believes that Craig Molloy has standing to sue as a Taxpayer on behalf of all the taxpayers of Beaufort County, South Carolina***;*** ***Sloan v. Greenville Cty , 1j 6 S.f 548, 590S.E.2d 338, 347 (Ct.App.2003)*** (holding plaintiff had standing to bring declaratory judgment action alleging county failed to comply with ordinances governing procurement). Furthermore, under the public importance exception, may be conferred upon a party "when an

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issue is of such public importance as to require its resolution for future guidance." ***Baird v. Charleston City ., 333 S.C. 519, 531, 511 S.E.2d 69, 75 (1999). SPAPW v. SC Dept. of Natural Resources, 34S.C. 594, 550 S.E.2d 287 (S.C., 2001)*** To have standing, one must have a personal stake in the subject matter of the lawsuit.

77. The Plaintiffs are informed and believe the facts of this case will demonstrate that a Breach of Contract occurred and it was after a period of time that the Plaintiff knew OR SHOULD HAVE KNOWN that the other causes of action set out in detail in this case arose from the unconscionable breach of contract and bad faith disregard for causing unnecessary harm to the Plaintiffs'. Carolina Cleaning has been doing business in Beaufort County since 1993. Their business successfully employed over 100 people at its height, based on their integrity and building a professional reputation over a 17-year period providing a cleaning service and fulfilling each contract in their entirety.

78. The Plaintiffs are informed and believe in 1998 Plaintiffs bid on and was awarded a RFP Contract with Beaufort County for the "South of the Broad Facilities". Plaintiff successfully performed on the contract and later placed bids during an open market RFP, wherein he was additionally awarded the "North of the Broad" contract. The term for these contracts were five years, with one-year renewals with no breaches of contract or issues wherein Plaintiff's company was in good standing, and no reasons existed to remove his company from performing contractual duties. Further, there were never occasions to interrupt, stop or cancel these contracts mid-term within the five-year terms.

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79. The Plaintiffs are informed and believe the contract in question is the 2010 contract **[RFP #3910/100566.]** executed October 25, 2010, Plaintiffs will demonstrate as a matter of law, Defendants are in "Breach of Contract Accompanied by a Fraudulent Act", "Violation of Procurement Law", "Violation of "The Budget and Control Board Procurement Regulations: ARTICLE 4 Consolidated Procurement Code", "Collusion and Tortious Interference", "Intentional Tort", "Emotional Distress".

80. The Plaintiffs are informed and believe the malicious, unconscionable, fraudulent actions and omissions of the Defendants caused actual, collateral and damage to the Plaintiff and interfered with the Plaintiff's contracts through the use by Beaufort County's Third-Party Entity (BCDSN).

81. The Plaintiffs are informed and believe that in emails received via FOIA Thomas also recognized wrong doing on behalf of Beaufort County with regards to Plaintiff's Contract, stating *"his contract has already been cut by 10 %, and if further deductions occur he may protest and request additional monies"*. Beaufort County intentionally withheld Plaintiffs contractual pay hostage until Plaintiff agreed to sign off on the 10% reduction. These actions by Beaufort County caused emotional stress to the Plaintiff, with "specific intent" by their actions of failure to pay the Plaintiff.

82. The Plaintiffs are informed and believe that Beaufort County knew with "substantial certainty" the consequences of failing to pay the Plaintiff for services rendered would cause "emotional distress" when Plaintiff was unable to pay employees, and suppliers. The Intentional Infliction of Emotional Distress goes to

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the Plaintiffs state of mind. Beaufort Counties actions are the direct cause of the anxiety, humiliation, embarrassment Plaintiff experienced. Beaufort County Violated Plaintiffs right to be free from emotional distress and psychological harm.

83. The Plaintiffs are informed and believe that Disruption of the Plaintiffs 2010 contract began in 2012, when Defendants began removing buildings from the 2010 contracts, when Beaufort County and BCDSN non-profit "business entity" (BCDSN) collaborated behind closed doors to submit the RFP proposal three (3) months after the closing date of March 22, 2012 violating **19-445.2045. Receipt and Safeguarding of Bids. A. Procedures Prior to Bid Opening; 19-445.2050. Bid Opening. A. Procedures; B. Postponement of Bid Opening;** Beaufort County failed to follow South Carolina Procurement Law, when they allowed Beaufort County DSN, Third-Party Non-Profit, to submit their proposal three (3) months later. Beaufort County further violated **C. Disclosure of Bid Information.** *Only the information disclosed by the procurement officer of the governmental body or his designee at bid opening is considered to be public information under the Freedom of Information Act, Chapter 4 of Title 30, until the notice of intent to award is issued.* Beaufort County awarded the contract to BCDSN, a non-profit *third-party*, for profit under the awarded contract. An internal email between Dave Thomas and Alicia Holland revealed that the 2012 awarded contract to BCDSN non-profit, (bidding for profit under procurement law);

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STATUTE OF LIMITATIONS

Paragraphs 1 to 83 restated and incorporated herein

84. Plaintiffs are informed and believes the case was brought within the two (2) year Statute of Limitations, through the acquisition of internal Beaufort County emails and documents in Beginning August 29, 2015 through June of 2015 under the *Freedom of Information Act,* revealing Beaufort County unsealed the RFP proposal, removed elements of the Plaintiffs proposal, to be copied and paste into the RFP proposal of the Beaufort County DSN proposal. Defendants stated, "that the Plaintiffs Tort Claims are Time Barred". South Carolina Code Ann. *§§ 15-78-110. Statute of limitations.*

Except as provided for in Section 15-3-40, any action brought pursuant to this chapter is forever barred unless an action is commenced within two years after the date the loss was or should have been discovered; provided, that if the claimant first filed a claim pursuant to this chapter then the action for damages based upon the same occurrence is forever barred unless the action is commenced within three years of the date the loss was or should have been discovered. An action for "Breach of Contract must be brought within three years from the date it accrues, *S.C. Code Ann § 15-3-530(1). Under the discovery rule, a "Breach of Contract action accrues of the date the injured party either discovered the breach or should have discovered the breach through the exercise of reasonable diligence,* State v. McClinton, 369 S.C. 167, 173, 631 S.E.2d 895, 898 (2006). Santee Portland Cement Co. v. Daniel Int'l Corp., 299 S.C. 269, 271, 384 S.E.2d 693, 694 (1989) *(discovery rule applies in contract actions)* The Plaintiff had no knowledge of the

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"Unconscionable Breach of Contract accompanied by a Fraudulent Act" until the Plaintiff received the documents from FOIA request that came in beginning August 29, 2014-June 2015. His Original Complaint was filed on August 22, 2016. All dates are set out in a timeline filed with this Court to see visual of when events occurred to best of Plaintiffs knowledge.

85. Plaintiffs are informed and believes the disruption of the 2010 contract began when Beaufort County approached the Plaintiff, prior to the 2012 RFP to hire "Disabled and Special Needs" Beaufort County "consumers" [independent contractors] and pay them less than "Minimum Wage" and he declined.

86. Plaintiffs are informed and believes that Beaufort County committed an "Intentional Tort". The intent by Beaufort County was to find a way to supplement their failing budget. **[DIRECT QUOTE BY WAGNER IN MEETING MINUTES]** Beaufort County Violated Procurement Law, and Beaufort Counties own RFP rules, when the Beaufort County Procurement Director allowed the **THIRD- PARTY BCDSN non- profit** to submit the 2012 RFP after the closing date of March 12, 2012.

87. The Plaintiffs are informed and believe the County facilities **(closed: Coosaw Center, Broomfield Center, Scott Center, Sea side Center, Green Street Gym, Port Royal, Lind Brown Centers, St. Helena Gym) (previously awarded under Plaintiff's 2010 contract: Dale Center, Burton Wells Gym & Senior, Booker T Center, Green's Shell Park and others)** involved in this proposed enterprise had, been closed and the others removed. Additional facilities were randomly taken from Plaintiff's contract **(Burton Wells Gym, Burton Wells Senior, Bluffton**

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Center, Bluffton Gym, Buckwalter Gym and others) without considerations or opportunity to provide alternative pricing. **(PROTEST LETTERS ARE PREVIOUSLY FILED EXHIBITS)**

GOOD FAITH

Paragraphs 1 to 87 restated and incorporated herein

88. *SC Code § 11-35-30 (2013)* Every contract or duty within this code imposes an obligation of good faith in its negotiation, performance or enforcement. "Good faith" means honesty in fact in the conduct or transaction concerned and the observance of reasonable commercial standards of fair dealings.

89. Plaintiffs are informed and believes that Defendants acted in "bad faith" regarding the 2010 RFP awarded contract. The formation of the BCDSN Board and the BCDSN non-profit are in direct conflict of "Good Faith". Defendants imply and conclude that the implied covenant of "Good Faith" and "Fair Dealing" is not an independent cause, under Procurement Code, "Good Faith" is a legislative cause. Defendants have an obligation to deal fairly with RFP Vendor Proposals in accordance with Procurement Code. Exhibits, and filed affidavits demonstrate Defendants did the opposite in their dealings with the Plaintiffs.

90. Plaintiffs are informed and believes there was no transparency in negotiations and service in "good faith", and contracts with Beaufort County through the years were entered into *"good faith"*, with the expectation the contractual obligation would be honored and Island Group would be paid in a timely manner for services rendered

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(within thirty days), and thus relied upon the previous pattern of contracts without reason to doubt this professional working relationship would continue.

91. Plaintiff believes based on his expert professional knowledge that his pricing submitted in the latest 2010 RFP accounted for a savings to Beaufort County and the Taxpayers of more than $200,000.00 per year (totaling $1,000,000.00 over the expected new 5-year term).

92. The Plaintiffs are informed and believe The Island Group was considered so trustworthy and competent that Beaufort County awarded contracts to Island Group to clean sensitive county facilities, including the Sheriffs DNA Lab, the SWAT Team enclave, County treasurer's office, the Airports (which required more rigorous security checks by Homeland Security, including FBI background checks and fingerprinting for all employees and owners) ***"at the expense of the Plaintiff.*** And the tax offices and SCDSS State and County Drug offices are some of the highest level and restricted facilities.

CAUSE OF ACTION BREACH OF CONTRACT WITH FRAUDULENT ACT/ BID-RIGGING AND NON-COMPLAINT BC ORDINACE /BCDSN BOARD

Paragraphs 1 to 92 restated and incorporated herein

93. The Plaintiffs are informed and believe that The South Carolina Tort Claims Act provides that the State of South Carolina, an agency, a political subdivision, and a governmental entity are liable for their torts in the same manner and to the same extent as a private individual under like circumstances, subject to the limitations upon liability and damages, and exemptions from liability and damages contained

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therein. S.C. Code Ann. § 15-78-40 (2005). The provision containing the exceptions to the waiver of immunity provides that a governmental entity is not liable for a loss resulting from employee conduct outside the scope of his official duties or which constitutes actual fraud, actual malice, intent to harm, or a crime involving moral turpitude. S.C. Code Ann. § 15-78-60(2017).

94. The Plaintiffs are informed and believe that §§15-78-70. Liability for act of government employee; requirement that agency or political subdivision be named party defendant; effect of judgment or settlement. Plaintiffs are informed this statute applies to the acts and omissions of each named Defendant corporately and individually.

95. The Plaintiffs are informed and believe that This chapter constitutes the exclusive remedy for any tort committed by an employee of a governmental entity. Nothing in this chapter may be construed to give an employee of governmental entity immunity from suit and liability if it is proved that the employee's conduct was not within the scope of his official duties or that it constituted actual fraud, actual malice, intent to harm, or a crime involving moral turpitude.

96. The Plaintiff is informed and believes that the Defendants willfully, and intentionally, with malice acted outside the scope of their assigned duties, "Breached the Contract" and used confidential information to collude and conspire to intentionally, with malice, specific intent, and with substantial certainty irreparable harm and damages would be the desired outcome for the Plaintiff. The Plaintiff had the right to rely on the Contract.

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97. The Plaintiffs are informed and believe that BCDSN formed a non-profit with a separate EIN and submitted a RFP in 2012. The RFP was a for-profit proposal to shore up the budget shortfalls in Beaufort County. All done behind closed doors, under multiple acts of collusion by the Defendants, or persons named below in the Complaint without any consideration or due process or transparency to the Plaintiff. **(See attached Internal Emails)**

98. The Plaintiff is informed and believes the Breach of Contract was accompanied by a fraudulent act. occurred by the acts and omissions of the Defendants and named county representatives herein in: *Peoples v. Orkin Exterminating Co., 244 S.C. 173, 135 S.E.2d 845 (1964),* the theory of breach of contract accompanied by a fraudulent act is identified as an action in contract: An action for breach of contract accompanied by a fraudulent act is an action ex contract, *Cain v. United Insurance Company of America, 232 S.C. 397, 102 S.E.2d 360; Ross v. American Income Life Insurance Company, 232 S.C. 433, 102 S.E.2d 743;* however, it partakes of elements of both contract and tort. *Peoples, 244 S.C. at 178, 135 S.E.2d at 847.* South Carolina has long recognized a plaintiff's right to recover punitive damages for breach of contract accompanied by a fraudulent act. *Floyd v. Country Squire Mobile Homes, Inc., 287 S.C. 51, 336 S.E.2d 502 (Ct.App.1985).* The failure to comply with the 60-day termination and the unconscionable actions: **1) Violation of 19-445.2045 2) Violation of 19-445.2050; A, B, and C.** demonstrates that BC arbitrarily, maliciously, with intent, and unconscionably "Breached the Contract" **[2010 RFP #3910/100566.**

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SECOND CAUSE OF ACTION: INTENTIONAL INTERFERENCE WITH PROSPECTIVE CONTRACTUAL RELATIONS

Paragraphs 1 to 98 restated and incorporated herein

99. The Plaintiffs are informed and believe that South Carolina recognized the tort of intentional interference with prospective contractual relations in *Crandall Corp. v. Navistar Int'l Transp. Corp., 302 S.C. 265, 395 S.E.2d 179 (1990).* The elements of the cause of action are (1) the intentional interference with the plaintiff's potential contractual relations, (2) for an improper purpose or by improper methods, and (3) causing injury to the plaintiff. *Brown v. Stewart, Op. No. 3408 (S.C. Ct. App. filed Nov. 19, 2001) (Shearouse Adv. Sh. No. 41 at 33, 50); Love v. Gamble, 316 S.C. 203, 214, 448 S.E.2d 876, 882 (Ct. App. 1994).*[4] "As an alternative to establishing an improper purpose, the plaintiff may prove the defendant's method of interference was improper under the circumstances." *Crandall, 302 S.C. at 266, 395 S.E.2d at 180.* Generally, there can be no finding of intentional interference with prospective contractual relations if there is no evidence to suggest any purpose or motive by the defendant other than the proper **pursuit of its own contractual rights with a third party.** *Southern Contracting, Inc. v. H.C. Brown Constr. Co., 317 S.C. 95, 102, 450 S.E.2d 602, 606 (Ct. App. 1994).*

100. The Plaintiff is informed and believes that a Tortious Interference with Contract Rights occurred. He requests to recover all damages for intentional interference with prospective contractual relations and actual contractual relations.

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101. The Plaintiff is informed and believes that: (1) the defendant(s) intentionally interfered with the plaintiff's potential and actual contractual relations; (2) for an improper purpose or by improper methods; and (3) which causes injury to the plaintiff.

102. The Plaintiff is informed and believes that elements of recoverable damages include the pecuniary loss of the benefits of the contract or prospective contract, consequential losses for which the interference is the legal cause, lost profits, and loss of business good will.

103. The Plaintiffs are informed and believe that South Carolina is among the majority of jurisdictions that have recognized tort liability for intentional interference with a person's economic relationship with a third party. **[BCDSN].** Tort liability is imposed for intentional interference with the performance of an existing contract or the formation of a prospective one.

104. The Plaintiffs are informed and believe that An essential element to the cause of action for tortious interference with contractual relations requires the intentional procurement of the contract's breach. Where there is no breach of the contract, there can be no recovery. The clear use of the Defendants Private and Confidential bidding information is a prima facie breach of Contract, and violating the 60-day termination, in 2014 in writing constitutes a Breach of Contract.

105. The Plaintiff is informed and believes that the underlying Breach of Contract was created and the element wherein was later discovered in March 2015 through FOIA. The intentional interference, the Breach of Contract accompanied by

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fraudulent act regarding the contractual agreement with the county for the commercial cleaning contract demonstrates intent to commit fraud with forethought. Beaufort County set up the BCDSN BOARD IN 2002 awarded RFP's to this **BCDSN/BCDSN Board THIRD-PARTY NON-PROFIT BY SUBMITTING RFP BIDS FOR PROFIT TO SHORE UP BEAUFORT COUNTY'S FAILIING BUDGET**. Then they implemented the scheme by using BCDSN's sub minimum wage certificate to contract the disabled "consumers" in the Day Services to complete the work, thus disrupting an awarded contract to the Plaintiff causing irreparable harm, and damages.

106. Plaintiffs are informed and believes that interference with contractual relations was intentional, willful, and premeditated and that interference to be actionable. A claim of intentional interference with contract can be based on interference with a contract terminable at will. The elements necessary to establish the tort of intentional interference with an existing contract are: (1) a contract; (2) the defendant's knowledge thereof; (3) the defendant's intentional procurement of its breach; (4) the absence of justification; and (5) damages resulting there from.

107. The Plaintiffs are informed and believe that In addition to damaging the Plaintiffs it caused him to go out of business and more than 50 local people lost their jobs as a result of Beaufort County's acts.

108. The Plaintiffs are informed and believe that this has caused damage to the Plaintiffs' and the Beaufort County Taxpayers.

THIRD CAUSE OF ACTION: COERCION

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Paragraphs 1 to 108 restated and incorporated herein

109. The Plaintiffs are informed and believe that Coercion Defined: Coercion generally means to impose one's will on another by means of force or threats. Coercion may be accomplished through physical or psychological means. It may occur in a variety of contexts, such as unfair trade practices.

110. The Plaintiffs are informed and believe that **August 2011:** Richard Hineline Jr., Beaufort County Contract Specialist, informed Carolina Cleaning they needed to "*reduce their existing contract by 10% or the County would not pay their current invoices, the contract would be bid again, and Carolina Cleaning would then possibly lose the contract*". Carolina Cleaning contacted Mark Roseneau, Director Facilities Management, to meet/report county employees were extorting the company. ***After not receiving pay for services rendered for three (3) months,*** and without resolution of the complaint, Carolina Cleaning was forced to agree to the reduction.

FOURTH CAUSE OF ACTION: VIOLATION OF PROCUREMENT; ARTICLE 4 OF CONSOLIDATED PROCUREMENT CODE

Paragraphs 1 to 110 are restated and incorporated herein

111. Plaintiffs are informed and believe that employees of Beaufort County, to include the Director and Assistant Director of the Department of Special Needs, the Director and employees of Procurement, the Director of Facilities Management, employees of the Parks and Leisure Department, the Administrator and Assistant County Administrators, CFO's past and current, and the County Attorney

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participated in a Procurement Violation. Knowingly Divulging confidential information obtained from the Plaintiffs 2012 RFP was later discovered in the Beaufort County DSN 2012 RFP through FOIA in March of 2015. **19-445.2045. Receipts and Safeguarding of Bids. A. Procedures Prior to Bid Opening; 19-445.2050. Bid Opening. A. Procedures; B. Postponement of Bid Opening;** something that Beaufort County failed to do, when they allowed the Beaufort County DSN/Pals to submit their proposal 3 months later. Beaufort County further violated **C. Disclosure of Bid Information.** *Only the information disclosed by the procurement officer of the governmental body or his designee at bid opening is considered to be public information under the Freedom of Information Act, Chapter 4 of Title 30, until the notice of intent to award is issued.*

112. The Plaintiffs are informed and believe three (3) Professional Janitorial Vendors submitted bids; the RFP closed on March 22, 2012. Beaufort County, BCDSN Board/**BCDSN THIRD-PARTY NON-PROFIT** violated Procurement Law by allowing this non-profit third-party to submit the proposal three (3) months after the close of the accepting date of March 22, 2012. It was learned in Beaufort County's August 2012 finance meeting that Beaufort County's **BCDSN THIRD-PARTY NON-PROFIT** was awarded the contract, **FOR PROFIT TO SHORE UP THE FAILING BC COUNTY BUDGET. ($45,000 TO $50,000 ANNUALLY PER MITZI WAGNER)** (Exhibit letter from DSN Director Mitzi Wagner stating they quickly set up to submit their bid) failing to recognize their lack of business licensing and inability to meet the criteria of the bid.

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113. The Plaintiffs are informed and believe that **February 2012:** While DSN was communicating with Carolina Cleaning, RFP 3910/120221 came up for bid, with a submission/close date of **March 22, 2012**. *Note: according to the county records some of the buildings contained in this bid were either closed or rarely used. Three (3) local vendors submitted bids.

114. The Plaintiffs are informed and believe that **June 27, 2012**: An email was sent from M. Wagner to D. Thomas, Joe Penale (PALS Interim Director), Loper, Hill, Morris Campbell (Community Services Director), Roseneau, and cc'd to Love and a "Beth Cody", regarding the RFP 39010/120221 **(over three months after the RFP bid close date)** referencing a discussion they'd had about Beaufort County DSN's inability to perform some of the requirements listed in the RFP (*When one compares the requirements of the RFP v. this e-mail from Wagner, in addition to the obvious contract violations, BCDSN confirms they were not equipped to handle the bid specifications.)*. See email from Wagner to Thomas including RFP pages containing "OMIT" and "REMOVE" indicating changes be made for items BCDSN could not perform.

115. The Plaintiffs are informed and believe that Beaufort County's submitted bids and submissions after the RFP close date, by BCDSN and a county department, Parks and Leisure Services (PALS) and participated in interviews with other bidders where they had confidential access to the RFP bidder's confidential information and bids.

116. The Plaintiffs are informed and believe that Senior Administrative personnel signed off despite the fact that Beaufort County's, **BCDSN THIRD-PARTY**

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NON-PROFIT DSN's bid(s) were submitted months after the RFP's official close date of 3/22/2012, Beaufort County DSN's bid(s) were unsigned, *and both the head of BCDSN, Mitzi Wagner, and PALS Fiscal Technician, Shannon Loper (whose department's buildings became part of the bid after being summarily removed from Carolina Cleaning's contract), were part of the selection committee. Note: one of the first buildings removed* arbitrarily from Carolina Cleaning's contract was the Senior Center, where Loper herself worked. *Also noteworthy is the dollar amount difference between the June and July Beaufort County DSN proposals – $43,125 - this was achieved by taking buildings away from the existing Carolina Cleaning contract.*

117. Beaufort County employees allowed BCDSN and PALS staff to sit in on bid meetings that discussed the pricing and strategy for this 2012 bid, knowing Wagner, Love and Loper had ***full knowledge that BCDSN was a non-profit organization,*** the formed in 2002 and submitted an RFP for-profit to Beaufort County, the offeror, further, that Loper worked at one of the buildings under contract to Carolina Cleaning. **(Attached email, Dated, December 7, 2012, demonstrate as follows):** *Shannon Loper to Alicia Holland stated, "that she needed to send an email to Dave Thomas to terminate Carolina Cleaning, as she would no longer communicate with the Plaintiff".* Shannon Loper and Alicia Holland both were operating outside the scope of their job description.

118. The Plaintiffs are informed and believe that Beaufort County Purchasing Director and others allowed DSN/PALS to change the dictates of the RFP to better accommodate their requirements. These changes were not consistent with the

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specifications, both financially and otherwise, from the legitimate bidders. The BCDSN bid specifications were different (cleaning requirements/times/schedule etc. which directly effects pricing). And **every** DSN proposal had a "line item mark-up", of 15%- for supplies, travel, and supervision, which is impossible, given a disabled, untrained workforce would need substantive on-site training and supervision, translating to significant additional overhead and costs. According to the Plaintiff and BC records, BCDSN put at least 50 "consumers" [individual contractors, third party] into this "employment program" (more heads = more reimbursements). This did not include support staff and additional costs associated with this program. Note the difference in the specs required in the 2012 BC RFP and the differences in the specs submitted by BCDSN and others. Other bidders complied with the RFP specs while BCDSN did not.

119. The Plaintiffs are informed and believe that when the Director of Procurement, Dave Thomas, was questioned about these procurement violations and **THIRD-PARTY NON-PROFIT** Beaufort County BCDSN taking over existing contracted work, he replied: "*there was nothing that could be done, as the county was going to give the work to the Beaufort County DSN program*" and "*no one would challenge it as had to do with helping the disabled.*"

FIFTH CAUSE OF ACTION: STATUTE OF LIMITATIONS THRESHOLD

Paragraphs 1 to 119 restated and incorporated herein

120. Plaintiff is informed and believes that the threshold for the Statute of Limitations has been met. Plaintiff did not have knowledge of the "unconscionable Breach of

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Contract accompanied by fraudulent acts" until after receiving the majority of FOIA requests in March of 2015. Defendants stated, "that the Plaintiffs Tort Claims are Time Barred. *South Carolina Code Ann. §§ 15-78-110. Statute of limitations.*

Except as provided for in Section 15-3-40, any action brought pursuant to this chapter is forever barred unless an action is commenced within two years after the date the loss was or should have been discovered; provided, that if the claimant first filed a claim pursuant to this chapter then the action for damages based upon the same occurrence is forever barred unless the action is commenced within three years of the date the loss was or should have been discovered. An action for "Breach of Contract must be brought within three years from the date it accrues, *S.C. Code Ann § 15-3-530(1).* Under the discovery rule, a "Breach of Contract action accrues of the date the injured party either discovered the breach or should have discovered the breach through the exercise of reasonable diligence, *State v. McClinton, 369 S.C. 167, 173, 631 S.E.2d 895, 898 (2006). Santee Portland Cement Co. v. Daniel Int'l Corp., 299 S.C. 269, 271, 384 S.E.2d 693, 694 (1989) (discovery rule applies in contract actions)* An action for "Breach of Contract must be brought within three years from the date it accrues, *S.C. Code Ann § 15-3-530(1).* The Plaintiff had no knowledge of the "Unconscionable Breach of Contract accompanied by a Fraudulent Act until the Plaintiff received the FOIA in March of 2015.

SIXTH CAUSE OF ACTION: BID-RIGGING/ COLLUSION/INTERFERENCE

Paragraphs 1 to 121 restated and incorporated herein

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121. The Plaintiffs are informed and believe that *South Carolina Code § 2-532. - Reporting of anticompetitive practices. "When for any reason collusion or other anticompetitive practices are suspected among any bidders or offerors under this division, a notice of the relevant facts shall be transmitted to the state attorney general and the county attorney" Also these acts and omissions are in direct violation of the language contained in the Contract between Plaintiff and Defendant (s).* Joshua Gruber, named defendant was aware of the anti-competitive practices of Beaufort County employees, and subsequently failed in his sworn duties.

122. The Plaintiffs are informed and believe that Under Freedom of Information Act Plaintiff requested documents regarding Beaufort County programs relative to: a) DSN/Pals program and bids submitted by DS/Pals and other bidders. Upon receipt Plaintiff learned his own proprietary, confidential information was contained within the DSN/Pals proposals. This information was discussed by Plaintiff in meetings with D. Thomas, M. Roseneau, (and emailed to B. Hill) as the Plaintiff suggested options and adjustments to his remaining contracted work, once DSN/Pals was awarded parts of his contracted work.

123. The Plaintiffs are informed and believe that Upon close inspection of the documents Plaintiff noted that elements of his 2012 RFP were copied and pasted into the RFP Proposal submitted by **THIRD -PARTY NON-PROFIT** BCDSN and the proposal submission dates date for DSN was different from the requirement for the other bidders, including the Plaintiff. Plaintiff made additional FOIA requests for internal emails and communications and related documents,

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which were instrumental in exposing the bid rigging, alleged collusion, and interferences with his contract, reception of the FOIA in March of 2015

124. The Plaintiffs are informed and believe that Thomas and M. Roseneau in discussions to adjust his original contract after BC decided to extort 10 % from his original contract and remove at random awarded buildings and give to the new DSN/Pals program with no opportunity to match or considerations. **(Exhibit email to B. Hill, M. Roseneau)** to present options and adjustments his remaining contracted work after being removed from his contract and given to the DSN non-profit program. **(Exhibit).**

SEVENTH CAUSE OF ACTION: UNJUST ENRICHMENT and BREACH of SOUTH CAROLINA CODE *§ 2-532 Reporting Anti-Competitive Practices*"

Paragraphs 1 to 124 restated and incorporated herein

125. The Plaintiff is informed and believes that the Defendants were unjustly enrichment by their willful breach, misrepresentation, manipulation of bids, and other fraudulent acts and omissions and that they gained unfairly from the manner in which they breached the contract. In general, a court will consider the following questions when proving unjust enrichment:

(a) The Plaintiff is informed the defendant enriched by the activity of the plaintiff;

(b) The enrichment occurs at the expense of the plaintiff;

(c) The enrichment unfair or unjust;

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(d) There are no defenses available to the defendant;

126. "Unjust enrichment is an equitable doctrine, akin to restitution, which permits the recovery of that amount the defendant has been unjustly enriched at the expense of the plaintiff." *Ellis v. Smith Grading & Paving, Inc., 294 S.C. 470, 473, 366 S.E.2d 12, 14 (Ct. App. 1988).* To recover on a theory of restitution, the plaintiff must show: "(1) he conferred a no gratuitous benefit on the defendant; (2) the defendant realized some value from the benefit; and (3) it would be inequitable for the defendant to retain the benefit without paying the plaintiff its value." *Moore-Hudson Oldsmobile/GMC, Inc. v. Waterman, 298 S.C. 107, 109, 378 S.E.2d 279, 280 (Ct. App. 1989)*

127. The Plaintiff seeks full damages, to include actual collateral and future damages from Defendants

EIGHTH CAUSE OF ACTION: UNFAIR TRADE PRACTICES as to Individuals named as Defendants in this action.

Paragraphs 1 to 127 restated and incorporated herein

128. The Plaintiffs are informed and believe that The South Carolina Unfair Trade Practices Act provides that "[u]fair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful." *S.C. Code Ann. § 39-5-20(a) (1985). Under S.C. Code Ann. § 39-5-*

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may bring an action individually, but not in a representative capacity, to recover actual damages. If the court finds that the use or employment of the unfair or deceptive method, act or practice was a willful or knowing violation of *§ 39-5-20*, the court shall award three times the actual damages sustained and may provide such other relief as it deems necessary or proper. Upon the finding by the court of a violation of this article, the court shall award to the person bringing such action under this section reasonable attorney's fees and costs.

129. The Plaintiffs are informed and believe that Plaintiff is informed and believes that the individual named Defendants are in violation of the *South Carolina Unfair Trade Practices Act, SC. Code 39-5-10 and 39-5-140.*

130. The Plaintiffs are informed and believe that Plaintiffs are informed they have suffered actual damages in an amount of no less than set out below in the damages portion of this Complaint.

131. Plaintiffs are informed and believe they are due triple damages, interest and attorney fees as a result of the unfair trade practices, breach of contract with a fraudulent act, coercion, emotional distress, and tortious interference, collusion, bid rigging, and Procurement Law violations by defendants, and award, triple damages, interest, and attorney fees to the Plaintiffs.

132. The Plaintiffs are informed and believe that Evidence of these acts and omissions are set out as partial exhibits incorporated herein and the below paragraphs as background of the chain of events or representations made. The Defendants were both "Vendor and Customer" and bidding and awarding contracts in house for

these services. This had no transparency and is a violation of SCDDSN employment services standards found in the SCDDSN rules and regulations.

133. The Plaintiff is informed and believes the Defendant engaged in collusion, fraud, and breach of contract, misrepresentation, Tortious Interference with contractual and potential contractual relations, Unjust enrichment and retaliation, manipulation of bidding, (more than 20 Beaufort County / State Procurement Codes violated) in regard to actions by Beaufort County employees (Exhibit - Division 4 Procurement)

134. The Plaintiffs are informed and believe that **February 2012:** While DSN was communicating with Plaintiffs, RFP 3910/120221 came up for bid with a submission/close date of **March 22, 2012**. Three local companies submitted bids.

135. The Plaintiffs are informed and believe that **June 19, 2012:** Wagner's presentation to the DSN Board, memorialized in published minutes on June 19, 2012, speaks for itself in reference to DSN and Commercial Cleaning contracts.

136. The Plaintiffs are informed and believe that **June 27, 2012**: An email was sent from Wagner to Thomas, Joe Penale (PALS Interim Director), Loper, Hill, Morris Campbell (Community Services Director), Roseneau, and cc'd to Love and a "Beth Cody", re RFP39010/120221 **(over three months after the RFP bid close date)** discussing BCDSN's inability to perform requirements listed in the RFP.

137. The Plaintiffs are informed and believe that **August 2012:** At the August 20, 2012 Beaufort County Finance meeting, the assembled were formally notified by Elizabeth Wooten (Senior Buyer – Purchasing) BCDSN was selected, and a

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memorandum dated August 13, 2012 distributed. It was signed off on by senior administrative personnel, in spite of the fact that BCDSN's bid(s) were submitted months after the RFP's official close date of 3/22/12, BCDSN's bid(s) were unsigned.

138. The Plaintiffs are informed and believe that in addition to the clear and convincing violations of county and state procurement rules, Beaufort County employees committed the following violations of procurement code. Paying "*according to the DSN" "DSN labeled as Beaufort County Consumers according to FLSA", Subcontractors"* under the minimum wage, while using Federal Medicaid monies to pay their supervisors, who were paid well above the minimum wage

139. The Plaintiffs are informed and believe that BCDSN THIRD-PARTY NON-PROFIT, submitted an RFP for janitorial services and they have approx. 128 "consumers" [contractors] in this "employment program" (more heads = more reimbursements). This did not include support staff and additional costs associated with this program. The State requirements do not permit such an enterprise. ***BCDSN IS A NON-PROFIT ORGANIZATION, WITH THE PURPOSE OF AND REGARDING THE PLAINTIFFS IN THIS CASE, WAS TO SUBMIT AN RFP FOR JANITORIAL SERVICES. BEAUFORT COUNTY the offeror to the BCDSN BOARD, BEAUFORT COUNTY DSN THIRD PARTY NON-PROFIT, SUBMITTED THE RFP ,and SUBCONTRACTED JANITORIAL WORK TO "CONSUMERS" "CONTRACTORS" FOR PROFIT*** **(See attached Internal Emails)**

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140. The Plaintiff is informed and believes that damages are due from the Defendants in actual and triple damages, consequential damages, future, attorney fees, and costs to be determined: Also, that their continued practice is a threat to the Public in general and the taxpayers of Beaufort County South Carolina.

141. **SECTION 39-5-140.** Actions for damages.

(a) Any person who suffers any ascertainable loss of money or property, real or personal, as a result of the use or employment by another person of an unfair or deceptive method, act or practice declared unlawful by ***§ 39-5-20*** may bring an action individually, but not in a representative capacity, to recover actual damages. If the court finds that the use or employment of the unfair or deceptive method, act or practice was a willful or knowing violation of ***§ 39-5-20***, the court shall award three times the actual damages sustained and may provide such other relief as it deems necessary or proper. Upon the finding by the court of a violation of this article, the court shall award to the person bringing such action under this section reasonable attorney's fees and costs.

(b) Upon commencement of any action brought under subsection (a) of this section, the clerk of court shall mail a copy of the complaint or other initial pleading to the Attorney General and, upon entry of any judgment or decree in the action, shall mail a copy of such judgment or decree to the Attorney General.

(c) Any permanent injunction, judgment or order of the court made under Section 39-5-50 shall be prima facie evidence in an action brought under ***§ 39-5-140*** that the respondent used or employed a method, act or practice declared unlawful by ***§ 39-5-20. (d)*** For the purposes of this section, a willful violation occurs when the

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party committing the violation knew or should have known that his conduct was a violation of *§ 39-5-20.*

142. The Plaintiff is informed and believes that the Plaintiffs has incurred triple damages and attorney fees and that Defendants should be responsible for any further fees that are incurred in this litigation.

NINETH CAUSE OF ACTION: TAXPAYER STANDING TO SUE

Paragraphs 1 to 142 restated and incorporated herein

143. The Plaintiffs are informed and believe that in numerous recent cases, this Court has found that Standing is not inflexible and standing may be conferred upon a party when an issue is of such public importance as to require its resolution for future guidance. ***Sloan v. Dep't of Transportation, 365 S.C. 299, 618 S.E.2d 876 (2005)*** (finding Sloan had [642 S.E.2d 742] deciding to bring actions for alleged violation of statutory bidding violations by the *DOT); **Sloan v. Filkins, 362 S.C. 430, 60 S.E, 2d 579 (20051** (holding Sloan had standing to challenge legislative enactment). Additionally, both this Court and the Court of Appeals have found standing in other cases of important public interest without requiring the plaintiff to show he has an interest greater than other potential plaintiffs. **See id ; Sloan v. Sanford, 357 S.C. 431 , 593 S.E.2d 470 (2004)*** (holding standing to challenge governor's commission as officer in Air Force reserve***); Sloan v. Greenville Cty , Ij 6 S.{ 548, 590S.E.2d 338, 347 (Ct.App.2003)*** (holding plaintiff had standing to bring declaratory judgment action alleging county failed to comply with ordinances governing procurement). Furthermore, under the public

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importance exception, may be conferred upon a party "when an issue is of such public importance as to require its resolution for future guidance." ***Baird v. Charleston City ., 333 S.C. 519, 531, 511 S.E.2d 69, 75 (1999). SPAPW v. SC Dept. of Natural Resources, 34S.C. 594, 550 S.E.2d 287 (S.C., 2001)*** To have standing, one must have a personal stake in the subject matter of the lawsuit.

144. The Plaintiffs are informed and believe that The Sworn testimony indicates that in these programs implementations were based on DSN Labor Program participants as test participants. They have NEVER participated in the Program. See the Affidavits provided herein. The Plaintiff has no confidence that this state agency can adequately oversee or regulate this program.

145. In an Affidavit sworn to by a former County Councilwoman, Cynthia Bensch the genuine issues of material fact are sworn to as well as the concern for the public in Beaufort County as to these acts and omissions by the Defendants.

146. The Plaintiffs are informed and believe that there was no discussion of information provided by County Attorney Josh Gruber or Chairman of Finance Stu Rodman regarding the dissatisfaction with contracted vendor. That it was not disclosed that Beauport County had previously asked the vendor (Plaintiffs) to employ the county's disabled individuals at sub minimum wage.

147. The Plaintiffs are informed and believe that BCDSN clients were used as underpaid employees to clean county public facilities without the approval of County Council and without adequate training and safeguards. This has caused

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unnecessary harm and damage to the Plaintiffs and the Beaufort County Tax payers in general.

148. The Affidavit of a former Beaufort County Councilwoman is incorporated in the Complaint as if fully re-stated and to extent it demonstrated Public Corruption and Bid-rigging and procurement violations it is incorporated into the Complaint.

WHEREFORE, Plaintiff prays:

149. Maintain Jurisdiction over all parties and subject matter at hand;

150. Consider moving the Venue if the case presents a Conflict of Interest in Beaufort County, concerning the parties named in Complaint;

151. Deny Defendants Motion for Summary Judgment and allow Discovery under the South Carolina Rules of Procedure to go to a Jury Trial on the merits of the case;

152. Statute f limitations for the individual Defendants is 3 years and for the corporate entities is 2 years from when the Plaintiffs knew of should have known of the acts and omissions giving rise to harm and damage. Immediately set the Depositions of each Defendant in a reasonable time and set a scheduling order to respond to written Discovery requests; and to allow the Plaintiffs to ask 50 written interrogatories and request to produce in this case as its complex litigation;

153. Cease the BCDSN "cleaning" Program for continuing until a full Independent Audit can be accomplished for every year the program has been operational. Cease the Non-Profit program that is linked to the County by the BCDSN board

and get an independent audit of any government money used in fundraising for the programs;

154. Allow the Plaintiff after further proceedings and efforts and discovery to revise and/or amend the pleadings to provide a full and final disposition of any and all claimed remedies that might be sought; Without limit, allow the Plaintiff all further remedies and/or relief to which he and his family might be entitled, and

155. Grant and allow all such yet to be determined rights and remedies that the Court might deem just and proper.

156. Grant monetary damages as permitted by law and actual, consequential and punitive damages;

157. Grant Attorney Fees and Costs involved in the litigation of this matter;

158. For such Further relief, as may be just and proper.

s Lauren Martel
Lauren Martel
2 Corpus Christi Place, Suite 200 Professional Building
Hilton Head Island, South Carolina 29928
(843) 298-3831

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FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO. 2016 CP-07-01825

Steven Craig Molloy, et al. — PLAINTIFF(S)

Beaufort County, et al. — DEFENDANT(S)

Submitted by: BEAUFORT COUNTY MASTER IN EQUITY	Attorney for : ☐ Plaintiff ☐ Defendant or ☐ Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

☐ **JURY VERDICT**. This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☐ **DECISION BY THE COURT**. This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ **ACTION DISMISSED** (*CHECK REASON*): ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other

☐ **ACTION STRICKEN** (*CHECK REASON*): ☐ Rule 40(j), SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT** (*CHECK APPLICABLE BOX*): ☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order (formal order to follow) ☒ Statement of Judgment by the Court:

Parties are in consent for the Plaintiff to amend the Summons and Complaint. Plaintiff filed an Amended Complaint on May 25th, 2018 and another Amended Complaint on June 5th, 2018. The Amended Complaint filed on May 25th, 2018 was filed in error. The Amended Complaint filed on June 5th, 2018 is accepted by all parties and the court as the new Verified Complaint. The May 25th, 2018 Complaint shall be stricken from the record.

ORDER INFORMATION

This order ☐ ends ☒ does not end the case.
Additional Information for the Clerk :

INFORMATION FOR THE PUBLIC INDEX

Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.

Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled (List amount(s) below)
N/A	N/A	$N/A
		$
		$

If applicable, describe the property, including tax map information and address, referenced in the order:

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest

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or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. **Note: Title abstractors and researchers should refer to the official court order for judgment details.**

Circuit Court Judge	3069 Judge Code	Date

For Clerk of Court Office Use Only

This judgment was entered on the day of , 20 and a copy mailed first class or placed in the appropriate attorney's box on this day of , 20 to attorneys of record or to parties (when appearing pro se) as follows:

Lauren L. Martel	M. Dawes Cooke jr. John W. Fletcher Christopher M. Kovach
ATTORNEY(S) FOR THE PLAINTIFF(S)	**ATTORNEY(S) FOR THE DEFENDANT(S)**

CLERK OF COURT

Court Reporter: N/A

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Beaufort Common Pleas

Case Caption: Steven Craig Molloy , plaintiff, et al VS Beaufort County , defendant, et al

Case Number: 2016CP0701825

Type: Order/Other

So Ordered:

s/Marvin H. Dukes III #3069

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOURTEENTH JUDICIAL CIRCUIT
COUNTY OF BEAUFORT	)	C/N: 2016-CP-07-01825

Steven Craig Molloy, Jack Wayne Molloy and Island Group, Inc. dba, Carolina Cleaning, Plaintiffs, v. Beaufort County; Gary Kubic, Individually and as Beaufort County Administrator; Josh Gruber, Individually and as former Beaufort County In-House Attorney; Bryan Hill, Individually and as former Beaufort County Deputy Administrator; and Shannon Loper, Individually, and as an employee of the Beaufort County Parks and Leisure; Stu Rodman, as finance Chair of Beaufort County Council, Dave Thomas, Procurement Director Beaufort County Defendants.	)	**ANSWER TO PLAINTIFFS' (SECOND) AMENDED VERIFIED COMPLAINT** (Jury Trial Demanded)

TO: LAUREN L. MARTEL, ESQUIRE, ATTORNEY FOR PLAINTIFFS, STEVEN CRAIG MOLLOY AND ISLAND GROUP, INC. dba CAROLINA CLEANING:

AND NOW COME DEFENDANTS, Beaufort County; Gary Kubic, Individually and as Beaufort County Administrator; Josh Gruber, Individually and as former Beaufort County In-House Attorney; Bryan Hill, Individually and as former Beaufort County Deputy Administrator; and Shannon Loper, Individually, and as an employee of the Beaufort County Parks and Leisure; Stu Rodman, as finance Chair of Beaufort County Council; Dave Thomas, Procurement Director Beaufort County; the Beaufort County Disabilities and Special Needs Board, incorrectly designated in the caption as "Disabilities and Special Needs (NON-PROFIT)"; and the Beaufort County Disabilities and Special Needs Board, incorrectly designated in the caption as "Beaufort County DSN Board" (collectively "Defendants"), by and through their undersigned counsel, and

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file this Answer to Plaintiff's second Amended Verified Complaint filed in this matter on June 5, 2018 ("Amended Complaint"), alleging as follows:

Each and every allegation of the Plaintiff's Complaint not specifically admitted herein is denied, and Defendants demand strict proof thereof.

Defendants deny the allegations of the unnumbered introductory paragraphs on page 2 of Plaintiffs' Amended Complaint.

FOR A FIRST DEFENSE AND BY WAY OF ANSWER

PARTIES AND JURISDICTION

1. Defendants admit in part and deny in part the allegations of Paragraph 1 of Plaintiffs' Amended Complaint. Defendants admit only that Beaufort County has entered into a contract with Island Group, Inc., d/b/a Carolina Cleaning. Defendants deny the remaining allegations of Paragraph 1 of Plaintiffs' Amended Complaint.

2. Defendants admit the allegations of Paragraph 2 of Plaintiffs' Amended Complaint.

3. The allegations of Paragraph 3 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 3 of Plaintiffs' Amended Complaint.

4. The allegations of Paragraph 4 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 4 of Plaintiffs' Amended Complaint.

5. The allegations of Paragraph 5 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 5 of Plaintiffs' Amended Complaint.

6. Defendants deny the allegations of Paragraph 6 of Plaintiffs' Amended Complaint.

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7. The allegations of Paragraph 7 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 7 of Plaintiffs' Amended Complaint.

8. The allegations of Paragraph 8 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 8 of Plaintiffs' Amended Complaint.

9. The allegations of Paragraph 9 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 9 of Plaintiffs' Amended Complaint.

10. The allegations of Paragraph 10 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 10 of Plaintiffs' Amended Complaint.

11. Defendants admit in part and deny in part the allegations of Paragraph 11 of Plaintiffs' Amended Complaint. Defendants admit only that Gary Kubic was the County Administrator for Beaufort County. The remaining allegations of Paragraph 11 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the remaining allegation of Paragraph 11 of Plaintiffs' Amended Complaint.

12. Defendants admit in part and deny in part the allegations of Paragraph 12 of Plaintiffs' Amended Complaint. Defendants admit only that Joshua Gruber was a Deputy County Administrator for Beaufort County. The remaining allegations of Paragraph 12 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or

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appropriate. To the extent is deemed necessary or appropriate, Defendants deny the remaining allegation of Paragraph 12 of Plaintiffs' Amended Complaint.

13. Defendants admit in part and deny in part the allegations of Paragraph 13 of Plaintiffs' Amended Complaint. Defendants admit only that Bryan Hill was a Deputy County Administrator for Beaufort County. The remaining allegations of Paragraph 13 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the remaining allegation of Paragraph 13 of Plaintiffs' Amended Complaint.

14. Defendants admit in part and deny in part the allegations of Paragraph 14 of Plaintiffs' Amended Complaint. Defendants admit only that Shannon Loper was employed with PALS for Beaufort County. The remaining allegations of Paragraph 14 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the remaining allegation of Paragraph 14 of Plaintiffs' Amended Complaint.

15. Defendants admit in part and deny in part the allegations of Paragraph 15 of Plaintiffs' Amended Complaint. Defendants admit only that Stu Rodman is a member of Beaufort County Council. The remaining allegations of Paragraph 15 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the remaining allegation of Paragraph 15 of Plaintiffs' Amended Complaint.

16. Defendants admit in part and deny in part the allegations of Paragraph 16 of Plaintiffs' Amended Complaint. Defendants admit only that Dave Thomas is Procurement Director for Beaufort County. The remaining allegations of Paragraph 16 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the remaining allegation of Paragraph 16 of Plaintiffs' Amended Complaint.

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17. The allegations of Paragraph 17 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 17 of Plaintiffs' Amended Complaint.

18. The allegations of Paragraph 18 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 18 of Plaintiffs' Amended Complaint.

19. The allegations of Paragraph 19 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 19 of Plaintiffs' Amended Complaint.

20. Defendants admit in part and deny in part the allegations of Paragraph 20 of Plaintiffs' Amended Complaint. Defendants admit only that jurisdiction is proper in this Court. The remaining allegations of Paragraph 20 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the remaining allegation of Paragraph 20 of Plaintiffs' Amended Complaint.

21. The allegations of Paragraph 21 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 22 of Plaintiffs' Amended Complaint.

22. The allegations of Paragraph 22 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 22 of Plaintiffs' Amended Complaint.

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INTRODUCTION FACTS THAT GIVE RISE TO CAUSES OF ACTION

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 22, inclusive, of this Answer.

19. (sic) The allegations of Paragraph 19 (sic) of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 19 (sic) of Plaintiffs' Amended Complaint.

23. The allegations of Paragraph 23 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 23 of Plaintiffs' Amended Complaint.

24. Defendants deny the allegations of Paragraph 24 of Plaintiffs' Amended Complaint.

25. Defendants admit in part and deny in part the allegations of Paragraph 25 of Plaintiffs' Amended Complaint. Defendants admit only that Beaufort County Council has properly enacted and amended certain ordinances. The remaining allegations of Paragraph 25 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the remaining allegation of Paragraph 25 of Plaintiffs' Amended Complaint.

26. The allegations of Paragraph 26 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 26 of Plaintiffs' Amended Complaint.

27. Defendants deny the allegations of Paragraph 27 of Plaintiffs' Amended Complaint.

28. Defendants deny the allegations of Paragraph 28 of Plaintiffs' Amended Complaint.

29. Defendants deny the allegations of Paragraph 29 of Plaintiffs' Amended Complaint.

30. Defendants deny the allegations of Paragraph 30 of Plaintiffs' Amended Complaint.

31. Defendants deny the allegations of Paragraph 31 of Plaintiffs' Amended Complaint.

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32. The allegations of Paragraph 32 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 32 of Plaintiffs' Amended Complaint. Defendants expressly deny that the Court should grant Plaintiffs any equitable relief or appoint an auditor reporting to the Court.

33. Defendants deny the allegations of Paragraph 33 of Plaintiffs' Amended Complaint. To the contrary, Plaintiffs knew or in the exercise of reasonable diligence should have known of the facts giving rise to their claims long before that time.

34. Defendants deny the allegations of Paragraph 34 of Plaintiffs' Amended Complaint.

35. The allegations of Paragraph 35 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 35 of Plaintiffs' Amended Complaint.

36. The allegations of Paragraph 36 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 36 of Plaintiffs' Amended Complaint.

37. After reasonable investigation, Defendants are without sufficient information, knowledge or belief to admit or deny the allegations of Paragraph 37 of Plaintiffs' Amended Complaint. Therefore, Defendants deny the allegations of Paragraph 37 of Plaintiffs' Amended Complaint.

38. The allegations of Paragraph 38 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 38 of Plaintiffs' Amended Complaint.

39. The allegations of Paragraph 39 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed

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necessary or appropriate, Defendants deny the allegations of Paragraph 39 of Plaintiffs' Amended Complaint.

40. The allegations of Paragraph 40 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 40 of Plaintiffs' Amended Complaint.

41. The allegations of Paragraph 41 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 41 of Plaintiffs' Amended Complaint.

42. The allegations of Paragraph 42 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 42 of Plaintiffs' Amended Complaint.

43. The allegations of Paragraph 43 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 43 of Plaintiffs' Amended Complaint.

44. Defendants deny the allegations of Paragraph 44 of Plaintiffs' Amended Complaint.

45. Defendants deny the allegations of Paragraph 45 of Plaintiffs' Amended Complaint.

46. Defendants deny the allegations of Paragraph 46 of Plaintiffs' Amended Complaint.

47. Defendants admit in part and deny in part the allegations of Paragraph 47 of Plaintiffs' Amended Complaint. Defendants admit only that, on or about October 25, 2010, Beaufort County and Island Group, Inc., d/b/a Carolina Cleaning entered into a Contract for Janitorial Services County of Beaufort, SC. That Contract is a written document, which is the best and only evidence of its contents. Defendants object to any attempt to characterize the contents of

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that Contract. Defendants deny the remaining allegations of Paragraph 47 of Plaintiffs' Amended Complaint.

48. Defendants deny the allegations of Paragraph 48 of Plaintiffs' Amended Complaint.

49. Defendants deny the allegations of Paragraph 49 of Plaintiffs' Amended Complaint.

50. Defendants admit in part and deny in part the allegations of Paragraph 50 of Plaintiffs' Amended Complaint. Defendants admit only that it made Request for Proposal # 3910/1120221. That Request for Proposal is a written document, which is the best and only evidence of its contents. Defendants object to any attempt to characterize the contents of that Request for Proposal. Defendants deny the remaining allegations of Paragraph 50 of Plaintiffs' Amended Complaint.

51. Defendants deny the allegations of Paragraph 51 of Plaintiffs' Amended Complaint.

52. Defendants deny the allegations of Paragraph 52 of Plaintiffs' Amended Complaint.

53. The allegations of Paragraph 53 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 53 of Plaintiffs' Amended Complaint.

54. Defendants deny the allegations of Paragraph 54 of Plaintiffs' Amended Complaint.

55. The allegations of Paragraph 55 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 55 of Plaintiffs' Amended Complaint.

56. Defendants deny the allegations of Paragraph 56 of Plaintiffs' Amended Complaint.

57. The allegations of Paragraph 57 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 57 of Plaintiffs' Amended Complaint.

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LAW TO PROCEED TO DISCOVERY STANDARD OF PROOF AND CAUSES OF ACTION FOR WHICH RELEIF (SIC) CAN BE GRANTED TO REDRESS DAMAGE AND INJURY CLAIMED

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 57, inclusive, of this Answer.

58. The allegations of Paragraph 58 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 58 of Plaintiffs' Amended Complaint.

59. Defendants admit in part and deny in part the allegations of Paragraph 59 of Plaintiffs' Amended Complaint. Defendants admit only that they have filed a Motion for Summary Judgment in this matter. That Motion for Summary Judgment is a written document, which is the best and only evidence of its contents. Defendants object to any attempt to characterize the contents of that Motion for Summary Judgment. Defendants deny the remaining allegations of Paragraph 59 of Plaintiffs' Amended Complaint.

60. Defendants admit in part and deny in part the allegations of Paragraph 60 of Plaintiffs' Amended Complaint. Defendants admit only that Plaintiffs have filed a Motion to Compel in this matter. That Motion to Compel is a written document, which is the best and only evidence of its contents. Defendants object to any attempt to characterize the contents of that Motion to Compel. Defendants deny the remaining allegations of Paragraph 60 of Plaintiffs' Amended Complaint.

61. The allegations of Paragraph 61 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 61 of Plaintiffs' Amended Complaint.

62. The allegations of Paragraph 62 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed

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necessary or appropriate, Defendants deny the allegations of Paragraph 62 of Plaintiffs' Amended Complaint.

63. The allegations of Paragraph 63 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 63 of Plaintiffs' Amended Complaint.

64. The allegations of Paragraph 64 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 64 of Plaintiffs' Amended Complaint.

EMOTIONAL DISTRESS

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 64, inclusive, of this Answer.

65. The allegations of Paragraph 65 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 65 of Plaintiffs' Amended Complaint.

66. The allegations of Paragraph 66 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 66 of Plaintiffs' Amended Complaint.

67. The allegations of Paragraph 67 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 67 of Plaintiffs' Amended Complaint.

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BREACH OF CONRACT ACCOMPANIED BY A FRAUDULENT ACT

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 67, inclusive, of this Answer.

68. The allegations of Paragraph 68 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 68 of Plaintiffs' Amended Complaint.

69. The allegations of Paragraph 69 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 69 of Plaintiffs' Amended Complaint.

70. Defendants deny the allegations of Paragraph 70 of Plaintiffs' Amended Complaint.

71. Defendants deny the allegations of Paragraph 71 of Plaintiffs' Amended Complaint.

72. Defendants deny the allegations of Paragraph 72 of Plaintiffs' Amended Complaint.

73. Defendants deny the allegations of Paragraph 73 of Plaintiffs' Amended Complaint.

74. Defendants deny the allegations of Paragraph 74 of Plaintiffs' Amended Complaint.

75. Defendants deny the allegations of Paragraph 75 of Plaintiffs' Amended Complaint.

76. The allegations of Paragraph 76 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 76 of Plaintiffs' Amended Complaint.

77. Defendants deny the allegations of Paragraph 77 of Plaintiffs' Amended Complaint.

78. The allegations of Paragraph 78 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 78 of Plaintiffs' Amended Complaint.

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79. The allegations of Paragraph 79 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 79 of Plaintiffs' Amended Complaint.

80. The allegations of Paragraph 80 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 80 of Plaintiffs' Amended Complaint.

81. Defendants deny the allegations of Paragraph 81 of Plaintiffs' Amended Complaint.

82. The allegations of Paragraph 82 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 82 of Plaintiffs' Amended Complaint.

83. The allegations of Paragraph 83 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 83 of Plaintiffs' Amended Complaint.

STATUTE OF LIMITATIONS

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 83, inclusive, of this Answer.

84. The allegations of Paragraph 84 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 84 of Plaintiffs' Amended Complaint.

85. Defendants deny the allegations of Paragraph 85 of Plaintiffs' Amended Complaint.

86. The allegations of Paragraph 86 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed

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necessary or appropriate, Defendants deny the allegations of Paragraph 86 of Plaintiffs' Amended Complaint.

87. Defendants deny the allegations of Paragraph 87 of Plaintiffs' Amended Complaint.

GOOD FAITH

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 87, inclusive, of this Answer.

88. The allegations of Paragraph 88 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 88 of Plaintiffs' Amended Complaint.

89. The allegations of Paragraph 89 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 89 of Plaintiffs' Amended Complaint.

90. The allegations of Paragraph 90 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 90 of Plaintiffs' Amended Complaint.

91. Defendants deny the allegations of Paragraph 91 of Plaintiffs' Amended Complaint.

92. The allegations of Paragraph 92 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 92 of Plaintiffs' Amended Complaint.

CAUSE OF ACTION BREACH OF CONTRACT WITH FRAUDULENT ACT/BID-RIGGING AND NON-COMPLAINT (SIC) BC ORDINACE (SIC)/BCDSN BOARD

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 92, inclusive, of this Answer.

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93. The allegations of Paragraph 93 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 93 of Plaintiffs' Amended Complaint.

94. The allegations of Paragraph 94 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 94 of Plaintiffs' Amended Complaint.

95. The allegations of Paragraph 95 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 95 of Plaintiffs' Amended Complaint.

96. The allegations of Paragraph 96 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 96 of Plaintiffs' Amended Complaint.

97. The allegations of Paragraph 97 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 97 of Plaintiffs' Amended Complaint.

98. The allegations of Paragraph 98 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 98 of Plaintiffs' Amended Complaint.

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SECOND CAUSE OF ACTION: INTENTIONAL INTERFEENCE WITH PROSPECTIVE CONTRACTUAL RELATIONS

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 98, inclusive, of this Answer.

99. The allegations of Paragraph 99 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 99 of Plaintiffs' Amended Complaint.

100. The allegations of Paragraph 100 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 100 of Plaintiffs' Amended Complaint.

101. The allegations of Paragraph 101 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 101 of Plaintiffs' Amended Complaint.

102. The allegations of Paragraph 102 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 102 of Plaintiffs' Amended Complaint.

103. The allegations of Paragraph 103 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 103 of Plaintiffs' Amended Complaint.

104. The allegations of Paragraph 104 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed

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necessary or appropriate, Defendants deny the allegations of Paragraph 104 of Plaintiffs' Amended Complaint.

105. The allegations of Paragraph 105 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 105 of Plaintiffs' Amended Complaint.

106. The allegations of Paragraph 106 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 106 of Plaintiffs' Amended Complaint.

107. The allegations of Paragraph 107 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 107 of Plaintiffs' Amended Complaint.

108. The allegations of Paragraph 108 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 108 of Plaintiffs' Amended Complaint.

THIRD CAUSE OF ACTION: COERCION

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 108, inclusive, of this Answer.

109. The allegations of Paragraph 109 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 109 of Plaintiffs' Amended Complaint.

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110. The allegations of Paragraph 110 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 110 of Plaintiffs' Amended Complaint.

FOURTH CAUSE OF ACTION: VIOLATION OF PROCUREMENT; ARTICLE 4 OF CONSOLIDATED PROCUREMENT CODE

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 110, inclusive, of this Answer.

111. The allegations of Paragraph 111 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 111 of Plaintiffs' Amended Complaint.

112. The allegations of Paragraph 112 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 112 of Plaintiffs' Amended Complaint.

113. Defendants deny the allegations of Paragraph 113 of Plaintiffs' Amended Complaint.

114. Defendants deny the allegations of Paragraph 114 of Plaintiffs' Amended Complaint.

115. Defendants deny the allegations of Paragraph 115 of Plaintiffs' Amended Complaint.

116. Defendants deny the allegations of Paragraph 116 of Plaintiffs' Amended Complaint.

117. Defendants deny the allegations of Paragraph 117 of Plaintiffs' Amended Complaint.

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118. Defendants deny the allegations of Paragraph 118 of Plaintiffs' Amended Complaint.

119. Defendants deny the allegations of Paragraph 119 of Plaintiffs' Amended Complaint.

FIFTH CAUSE OF ACTION: STATUTE OF LIMITATIONS THRESHOLD

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 119, inclusive, of this Answer.

120. The allegations of Paragraph 120 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 120 of Plaintiffs' Amended Complaint.

SIXTH CAUSE OF ACTION: BID-RIGGING/COLLUSION/INTERFERENCE

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 120, inclusive, of this Answer.

121. The allegations of Paragraph 121 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 121 of Plaintiffs' Amended Complaint.

122. The allegations of Paragraph 122 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 122 of Plaintiffs' Amended Complaint.

123. Defendants deny the allegations of Paragraph 123 of Plaintiffs' Amended Complaint.

124. Defendants deny the allegations of Paragraph 124 of Plaintiffs' Amended Complaint.

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SEVENTH CAUSE OF ACTION: UNJUST ENRICHMENT and BREACH of SOUTH CAROLINA CODE § 2-532 *Reporting Anti-Competitive Practices*

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 124, inclusive, of this Answer.

125. The allegations of Paragraph 125 (including subparagraphs (a) through (d) thereto) of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 125 (including subparagraphs (a) through (d) thereto) of Plaintiffs' Amended Complaint.

126. The allegations of Paragraph 126 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 126 of Plaintiffs' Amended Complaint.

127. The allegations of Paragraph 127 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 127 of Plaintiffs' Amended Complaint.

EIGHTH CAUSE OF ACTION: UNFAIR TRADE PRACTICES as to Individuals named as Defendants in this action

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 127, inclusive, of this Answer.

128. The allegations of Paragraph 128 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 128 of Plaintiffs' Amended Complaint.

129. The allegations of Paragraph 129 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed

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necessary or appropriate, Defendants deny the allegations of Paragraph 129 of Plaintiffs' Amended Complaint.

130. The allegations of Paragraph 130 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 130 of Plaintiffs' Amended Complaint.

131. The allegations of Paragraph 131 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 131 of Plaintiffs' Amended Complaint.

132. The allegations of Paragraph 132 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 132 of Plaintiffs' Amended Complaint.

133. The allegations of Paragraph 133 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 133 of Plaintiffs' Amended Complaint.

134. Defendants deny the allegations of Paragraph 134 of Plaintiffs' Amended Complaint.

135. Defendants deny the allegations of Paragraph 135 of Plaintiffs' Amended Complaint.

136. Defendants deny the allegations of Paragraph 136 of Plaintiffs' Amended Complaint.

137. Defendants deny the allegations of Paragraph 137 of Plaintiffs' Amended Complaint.

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138. Defendants deny the allegations of Paragraph 138 of Plaintiffs' Amended Complaint.

139. Defendants deny the allegations of Paragraph 139 of Plaintiffs' Amended Complaint.

140. The allegations of Paragraph 140 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 140 of Plaintiffs' Amended Complaint.

141. The allegations of Paragraph 141 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 141 of Plaintiffs' Amended Complaint.

142. The allegations of Paragraph 142 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 142 of Plaintiffs' Amended Complaint.

NINTH CAUSE OF ACTION: TAXPAYER STANDING TO SUE

Defendants incorporate by reference, as if set forth at length, the allegations of Paragraphs 1 through 142, inclusive, of this Answer.

143. The allegations of Paragraph 143 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 143 of Plaintiffs' Amended Complaint.

144. The allegations of Paragraph 144 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed

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necessary or appropriate, Defendants deny the allegations of Paragraph 144 of Plaintiffs' Amended Complaint.

145. Defendants deny the allegations of Paragraph 145 of Plaintiffs' Amended Complaint.

146. Defendants deny the allegations of Paragraph 146 of Plaintiffs' Amended Complaint.

147. Defendants deny the allegations of Paragraph 147 of Plaintiffs' Amended Complaint.

148. Defendants deny the allegations of Paragraph 148 of Plaintiffs' Amended Complaint.

WHEREFORE CLAUSES

149. The allegations of Paragraph 149 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 149 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 149 of Plaintiffs' Amended Complaint.

150. The allegations of Paragraph 150 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 150 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 150 of Plaintiffs' Amended Complaint.

151. The allegations of Paragraph 151 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 151 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 151 of Plaintiffs' Amended Complaint.

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152. The allegations of Paragraph 152 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 152 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 152 of Plaintiffs' Amended Complaint.

153. The allegations of Paragraph 153 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 153 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 153 of Plaintiffs' Amended Complaint.

154. The allegations of Paragraph 154 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 154 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 154 of Plaintiffs' Amended Complaint.

155. The allegations of Paragraph 155 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 155 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 155 of Plaintiffs' Amended Complaint.

156. The allegations of Paragraph 156 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 156 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 156 of Plaintiffs' Amended Complaint.

157. The allegations of Paragraph 157 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed

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necessary or appropriate, Defendants deny the allegations of Paragraph 157 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 157 of Plaintiffs' Amended Complaint.

158. The allegations of Paragraph 158 of Plaintiffs' Amended Complaint constitute conclusions of law to which no response is necessary or appropriate. To the extent is deemed necessary or appropriate, Defendants deny the allegations of Paragraph 158 of Plaintiffs' Amended Complaint. Defendants specifically deny that Plaintiffs are entitled to the relief requested in Paragraph 158 of Plaintiffs' Amended Complaint.

FOR A SECOND DEFENSE

(Failure to State a Claim)

159. Plaintiffs Amended Complaint fails to state a claim upon which relief may be granted.

FOR A THIRD DEFENSE

(Statute of Limitations)

160. Plaintiffs have failed to bring this action within the applicable statute of limitations period and are therefore not entitled to recovery of any damages whatsoever.

FOR A FOURTH DEFENSE

(Insufficiency of Service of Process)

161. Plaintiffs have failed to serve a number of the Defendants named herein in a manner consistent with the methods of service contained in Rule 4 SCRCP.

FOR A FIFTH DEFENSE

(South Carolina Tort Claims Act)

162. The South Carolina Tort Claims Act, S.C. Code Sec. 15-78-10, *et seq.*, provides for immunity from liability and suit for any tort, except as waived by the Chapter, for the State and political subdivisions. Beaufort County is an agency of the State of South Carolina, and thus, it and its employees are entitled to the immunity provided for political subdivisions by the Tort Claims Act.

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FOR A SIXTH DEFENSE

(South Carolina Tort Claims Act)

163. Plaintiffs' claims are barred by the provisions of the South Carolina Tort Claims Act, including (but not limited to) S.C. Code Ann. §§ 15-78-60 (1), (2), (4) and (5).

FOR A SEVENTH DEFENSE

(South Carolina Tort Claims Act)

164. Plaintiff's recovery, if any, is limited by the provisions of the South Carolina Tort Claims Act, including (but not limited to) S.C. Code Ann. § 15-78-120.

165. Furthermore, Defendant is not subject to a claim for punitive damages under the South Carolina Tort Claims Act, S.C. Code Ann. § 15-78-120(b).

FOR AN EIGHTH DEFENSE

(Lack of Proximate Causation)

166. The damages allegedly suffered by Plaintiffs were not proximately caused by any action or omission by Defendants.

FOR A NINTH DEFENSE

(Failure to Exhaust Administrative Remedies)

167. Plaintiffs have failed to exhaust available administrative remedies prior to the filing of this action and their claims are therefore barred.

FOR A TENTH DEFENSE

(Laches)

168. Plaintiffs' claims are barred by the doctrine of laches.

FOR AN ELEVENTH DEFENSE

(Unclean Hands)

169. Plaintiffs' claims are barred by the doctrine of unclean hands.

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FOR A TWELFTH DEFENSE

(Lack of Proximate Cause)

170. No act or omission on the part of Defendants either caused or contributed to any alleged injury or damage Plaintiffs may have sustained.

FOR A THIRTEENTH DEFENSE

(Intervening & Superseding Criminal Acts of a Third-Party)

171. Plaintiffs' damages were caused by intervening willful, malicious, and criminal acts of a third-party, unforeseeable by Defendants.

FOR A FOURTEENTH DEFENSE

(Intervening & Superseding Acts of a Third-Party)

172. Plaintiffs' damages were caused by a third-party for whom Defendants have no liability. Defendants plead those acts of others, whether intervening, superseding, or otherwise, as a complete bar to Plaintiffs' recovery.

FOR A FIFTEENTH DEFENSE

(Mitigation)

173. Plaintiffs' claims are barred because they have failed to take reasonable steps to mitigate their damages.

FOR A SIXTEENTH DEFENSE

174. Under the South Carolina Tort Claims Act, Plaintiff may not recover punitive damages against Defendants.

FOR A FOURTEENTH DEFENSE

(Reservation of Additional Defenses)

175. Defendants reserve the right to assert any additional and further defenses that may be revealed by information obtained during the course of investigation and discovery as consistent with the South Carolina Rules of Civil Procedure.

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PRAYER

WHEREFORE, having fully answered Plaintiff's Amended Complaint in this matter, Defendants respectfully pray:

(a) That Plaintiffs' claims be dismissed;

(b) That Plaintiffs take nothing by reason of this suit;

(c) That Defendants recover their costs and attorney fees herein;

(d) For trial by jury, and

(e) For any such further relief to which Defendants may be entitled.

BARNWELL WHALEY PATTERSON & HELMS, LLC

By: s/ John Fletcher
M. Dawes Cooke, Jr.
Christopher M. Kovach
John W. Fletcher
288 Meeting Street, Suite 200 (29401)
P. O. Drawer H
Charleston, South Carolina 29402
T: 843.577.7700
F: 843-577-7708
Counsel for Defendants

Dated: June 19, 2018
Charleston, South Carolina

STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	)	IN THE COURT OF COMMON PLEAS 14TH JUDICIAL COURT CASE NO: 2016-CP-0701825
Steven Craig Molloy, individually and on behalf of the Beaufort County Taxpayers and Island Group, Inc. dba Carolina Cleaning, **Plaintiffs,** **vs.** **Beaufort County Government Gary Kubic, Individually, and as Beaufort County Administrator; Josh Gruber, Individually and as former Beaufort County In-House Attorney; Bryan Hill, Individually and as former Beaufort County Deputy Administrator; AND Shannon Loper, Individually, and as employee of the Beaufort County Parks and Leisure; Stu Rodman, as Finance Chair of Beaufort County Council; Dave Thomas, Procurement Director Beaufort County, SC. Disabilities and Special Needs (NON-PROFIT) Beaufort County DSN Board** **Defendants.**	)	**MOTION TO RECUSE AND CHANGE VENUE**

TO: THE ABOVE-NAMED DEFENDANTS BY AND THROUGH THEIR ATTORNEYS, DAWES COOKE AND JOHN FLETCHER, REPRESENTING EACH DEFENDANT:

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NOW COME THE PLAINTIFFS, by and through their attorney Lauren Martel, file the Motion to Recuse based on newly found evidence. Familial ties to Weston Newton, who signed the Beaufort County Ordinance in 2011 allowing the Beaufort County Council to institute an ordinance change regarding the appointment of DSN Board members, giving Beaufort County Council appointment authority, usurping the Governor of South Carolina. (SEE ATTACHED Letter from Governor office on boards and commissions) A Key change in the ordinance that impacted the Plaintiffs in this case. A change further authorized by the defendants , which basically rendered the BCDSN board out of compliance with state law from 2011 –present during which time the Defendants engaged in the activity that has been alleged in the Amended Complaint. Additionally, Beaufort County Attorney, Josh Gruber who failed in his duties to council or advise the Beaufort County Council on this change in ordinance, giving DSN Board appointments to the Beaufort County Council, in violation of State Law. (SEE LETTER FROM TOMMY WINDSOR)These revelations severely impact the Plaintiffs with a potential for bias and prejudice. During this entire time the Governor did not appoint the boards as the law requires and millions of dollars each year were allocated , received and spent and committed by these non-compliant boards. The intimate relationship between Beaufort County councilman Weston Newton in 2011 and now state legislator Weston Newton presently in the SC Statehouse is an apparent conflict of interests. In fact, Weston Newton's mother and Judge Dukes mother are sisters and they are first cousins. Although Weston Newton is not a party Defendant to this specific case, he is intimately involved with the set up of the non-profit entity BCDSN board through a changed Ordinance that failed to preserve the state law in the ordinance.

Canon 3 Rules of Professional Conduct for Judges in South Carolina, A Judge shall perform the duties of Judicial Office impartially and diligently. Judge Dukes has family connections to Weston Newton who allowed the Beaufort County Council to change BC ordinance, 46-91;

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46-92 in 2011, signed the change as Chairman of the Beaufort County Council. Recent documents also signed by Weston Newton showing Mr. Newton taking a different approach with his signature, that the BC DSN Board is appointed by the Governor of South Carolina. A complete contradiction and a violation of the rule of law governing the State of South Carolina. This clear conflict of positions creates a genuine issue of material fact. The Plaintiffs are concerned that the Court wants to fast track this case to Summary Judgment without any Discovery. This may be one reason the court would fast track a case that has merit and try to side-step any Depositions or discovery.

A. Judicial Duties in General. *(2) A judge shall be faithful to the law* and maintain professional competence in it. A judge shall not be swayed by partisan interests, public clamor or fear of criticism. (5) A judge shall perform judicial duties without bias or prejudice. A judge shall not, in the performance of judicial duties, by words or conduct manifest bias or prejudice, including but not limited to bias or prejudice based upon race, sex, religion, national origin, disability or age, and shall not permit staff, court officials and others subject to the judge's direction and control to do so. (7) A judge shall accord to every person who has a legal interest in a proceeding, or that person's lawyer, the right to be heard according to law.* A judge shall not initiate, permit, or consider ex parte communications, or consider other communications made to the judge outside the presence of the parties concerning a pending or impending proceeding except that: (a) Where circumstances require, ex parte communications for scheduling, administrative purposes or emergencies that do not deal with substantive matters or issues on the merits are authorized; provided:*

(i) the judge reasonably believes that no party will gain a procedural or tactical advantage as a result of the ex parte communication, and

(ii) the judge makes provision promptly to notify all other parties of the substance of the ex parte communication and allows an opportunity to respond.

(7) A judge shall accord to every person who has a legal interest in a proceeding, or that person's lawyer, the right to be heard according to law. A judge shall not initiate, permit, or consider ex parte communications, or consider other communications made to the judge outside the presence of the parties concerning a pending or impending proceeding except that:*

(a) Where circumstances require, ex parte communications for scheduling, administrative purposes or emergencies that do not deal with substantive matters or issues on the merits are authorized; provided:

(i) the judge reasonably believes that no party will gain a procedural or tactical advantage as a result of the ex parte communication, and

(ii) the judge makes provision promptly to notify all other parties of the substance of the ex parte communication and allows an opportunity to respond. Certain ex parte communication is approved by Section 3B(7) to facilitate scheduling and other

D. Disqualification.

(1) A judge shall disqualify himself or herself in a proceeding in which the judge's impartiality might reasonably be questioned, including but not limited to instances where:

Commentary:

Under this rule, a judge is disqualified whenever the judge's impartiality might reasonably be questioned, regardless whether any of the specific rules in Section 3E(1) apply. For example, if a judge were in the process of negotiating for employment with a law firm, the judge would be disqualified from any matters in which that law firm appeared, unless the disqualification was waived by the parties after disclosure by the judge.

A judge should disclose on the record information that the judge believes the parties or their lawyers might consider relevant to the question of disqualification, even if the judge believes there is no real basis for disqualification. (a) the judge has a personal bias or prejudice concerning a party or a party's

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lawyer, or personal knowledge of disputed evidentiary facts concerning the proceeding;* Commentary: A lawyer in a government agency does not ordinarily have an association with other lawyers employed by that agency within the meaning of Section 3E(1)(b); a judge formerly employed by a government agency, however, should disqualify himself or herself in a proceeding if the judge's impartiality might reasonably be questioned because of such association.

(c) the judge knows that he or she, individually or as a fiduciary, or the judge's spouse, parent or child wherever residing, or any other member of the judge's family residing in the judge's household,* has an economic interest* in the subject matter in controversy or in a party to the proceeding or has any other more than de minimis* interest that could be substantially affected by the proceeding;*

(d) the judge or the judge's spouse, or a person within the third degree of relationship* to either of them, or the spouse of such a person:

(i) is a party to the proceeding, or an officer, director or trustee of a party;

(iii) is known by the judge to have a more than de minimis* interest that could be substantially affected by the proceeding;*

(iii) is to the judge's knowledge likely to be a material witness in the proceeding.*

Plaintiffs are informed and believes that the potential for bias and prejudice does exist and may have already prejudiced the Plaintiffs.

Plaintiffs are informed and believes that Weston Newton is a blood relative of Judge Dukes, related as first cousins.

Plaintiffs are informed and believes that the familial connection violates or appears to violate the Canon Rule 3 of Professional Conduct for Judges, now that we have evidence that Weston Newton was intimately involved in setting up the BCDSN board.

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Plaintiffs are informed and believes that Weston Newton has the potential to be a material witness in this case.

WHEREFORE, the Plaintiffs request , with due respect and with humility, only seeking this relief where it is of such concern that the Plaintiffs believe they will be or have been prejudiced, that Judge Dukes recuse himself from this case and it be transferred to a Judge with no intimate relationship with Mr. Weston Newton and that venue be changed to somewhere other than Beaufort County (where clerk of court is married to the Facilities Coordinator for Beaufort County who was Plaintiffs supervisor for 18 years) and for the other reasons set forth in the Affidavit of Craig Molloy and the letter of the Governor to the Beaufort County Attorney dated May 29, 2108 and attached documents.

June 19th 2018

Lauren L. Martel
2 Corpus Christi Place , Suite 200
The Professional Building
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STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

IN THE COURT OF COMMON PLEAS
14TH JUDICIAL COURT
CASE NO: 2016-CP-0701825

Steven Craig Molloy,
individually and on behalf
of the Beaufort County Taxpayers and
Island Group, Inc. dba
Carolina Cleaning,

Plaintiffs,

vs.

Beaufort County Government;
Gary Kubic,
Individually, and as Beaufort County
Administrator;
Josh Gruber,
Individually and as former Beaufort
County In-House Attorney;
Bryan Hill,
Individually and as former Beaufort
County Deputy Administrator; AND
Shannon Loper,
Individually, and
as employee of the Beaufort County
Parks and Leisure;
Stu Rodman, as Finance Chair of
Beaufort County Council;
Dave Thomas,
Procurement Director Beaufort
County, SC.
Beaufort County,
Disabilities and Special Needs (NON-PROFIT)
Beaufort County DSN Board
Defendants.

AFFIDAVIT FOR JUDGE TO RECUSE AND CHANGE VENUE BY CRAIG MOLLOY

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PERSONALLY, appeared before me, Steven Craig Molloy, who, being duly sworn deposes and states as follows:

1. I am the Plaintiff in this case and over eighteen years of age and competent to give this Affidavit. Everything stated herein is based upon direct personal knowledge, unless expressly noted otherwise. All documents referred to or that are evidence are form Beaufort County's own internal communications received from FOIA *(see timeline below)* after Plaintiff's release from their contract on 6/30/2014.
2. The Defendants in this case are Beaufort County and several Senior employees (*some named and some not named*). I really feel that after I found additional evidence of wrongdoing and wanted to add certain parties, it got awkward because one of the parties I wanted to add was the Clerk of Beaufort Count Court's husband. We consented to not putting in any more Defendants just so our Amended Complaint could be filed but I personally believe it is a way to keep others from being entered as Defendants in this case where material facts (and exhibits) demonstrate they were involved.
3. Obvious conflicts have been constant and exist between Defendants and the Courts in this case and have been mentioned at times previously. I believe at this time that Beaufort County and the Defendants have been shown favoritisms in this case and their close ties to the court have allowed Defendants to keep others form being named in this case, kept material facts from being learned via discovery and depositions. In fact no meaningful Discovery has been allowed in this case at all to date and Depositions and discovery is necessary in this case. I have been retaliated by Beaufort County in various ways as set out in my pleadings. I was nervous to keep hearing the case in Beaufort just based on the apparent connections that may influence the outcome of this case. However, only until I put the connections together that Weston Newton (not a named Defendant) was on county council in Beaufort in 2011, when an Ordinance was signed that usurped the BCDSN board from being appointed by Office of Governor and via this ordinance made it so the County

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Council appointed BCDSN and oversaw the board, and then in 2017 Weston Newton was in the State Legislature and wrote a comment about boards and commissions that was contrary to the ordinance. I have submitted previous Attorney General Opinions on these issues of State Statute vs./ County Ordinance and it appears based on the SC law that Beaufort County DSN has been operating out of compliance. It was only a few days ago I confirmed by calling Weston Newton that he is first cousins with Judge Marvin Dukes, who is hearing the Summary Judgment part of this case. In fact, I was surprised this case went to the Master In Equity as it is on a Jury Roster. When I spoke with Weston Newton, and he told me that His mom and Judge Duke's mom are sisters and that if I felt a conflict existed I should file a Motion to have Judge recuse himself. Of course, that is a daunting request of the Court and I continue to pray I will not be retaliated against. I have set out some conflicts that I think will really prejudice me based on the close and intimate connections of the people involved:

Example 1 : is BC Facilities Director Mark Roseneau where the exhibits (*internal BC emails*) show he participated in conversations to dismantle Plaintiff's 2010 awarded contract and made statements in these emails showing he knew illegal procurement violations were taking place by Defendants. Mr. Mark Roseneau's wife is the BC Clerk of Court an apparent conflict in this case.

Example 2 : is BC Finance Director Ms. Alicia Holland who also in exhibits (internal BC emails) participated in conversations to dismantle the Plaintiff's 2010 awarded contract and arrange BCDSN to receive the facilities removed. In addition Ms. Holland participated in conversations to arrange and set up the DSN program and cleaning operation. I believe there exists an real conflict with procurement and BC as an entity. The Defendants have refused to add Ms. Holland as a Defendant.

Example 3: I really believe that I had a Motion to Compel Discovery and had set up specific dates for Depositions. That has not been ruled on, it appears to me there is a myopic attempt to just rush to Summary Judgment for the Defendants and allow them to get away with not ever having 1

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deposition taken in this case that clearly raises genuine issues of material fact. Summary Judgment hearings should not happen without depositions and discovery which the Defendants have been allowed to ignore Deposition requests and have refused to answer questions regarding their own internal email conversations and actions and which give rise to this suit and genuine issues of material facts. I believe this shows a clear attempt to manipulate the justice system and their relationships and the Courts in their favor in an attempt to

Example 3 : It is confirmed via recent direct conversations with Mr. Weston Newton who was the Chairman of Beaufort County Council during the 2010-2013 time frame is in fact the first cousin of the Judge Marvin Dukes who is assigned to hear this case, their mothers are cousins. Since Weston has been involved in some of the ways this BCDSN was set up and some continued legislative oversight and is part of the SC Legislature that advises the Governor to appoint Master-In-Equity the Judge and in this case – happens to be closely related, I feel a conflict exists.

(The Masters-in-Equity are appointed by the Governor with the advice and consent of the General Assembly to a term of six years. They may serve in full or part-time capacity and are compensated by the county governing body. Masters have jurisdiction in equity matters referred to them by the Circuit Court. They have the power and authority of the Circuit Court sitting without a jury, to regulate all proceedings in every hearing before them, and to perform all acts and take all measures necessary or proper for the efficient performance of their duties under the order of reference. This includes the power to rule on all motions, require the production of evidence, and call witnesses and examine them under oath. Masters may also conduct sales under certain circumstances.)

Another apparent conflict .

Exhibits show Mr. Weston Newton *(then the Chairman of BC Council)* singed the 2011 ordinance to remove the Governors DSN Board Appointment and authorities which in turn places Beaufort County Council and BC Attorney and BC Administrators (*who introduced the 2011 ordinance*) in control of at minimum **$ 33,000,000.00 per year from Medicaid** ($ 260,000,000.00 over the years operating illegally) money with no oversight or audit or anyone to oversee except the BC Senior employees who introduced the change of the ordinance and also placing them in control of the DSN Board Appointments and Operations. **Exhibits** show the SCAG opined that it is illegal to remove the Governors Board Appointments for these purposes.

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Exhibits show Mr. Weston Newton is currently the Chairman of the SC Legislative Oversight Committee who has an extensive meetings to review the BCDSN Board appointments and processes and the 2017 report (*exhibit in this case*) shows the BCDSN Board listed as Governor Appointed, another conflict of the 2011 ordinance change (removing the Governor's DSN Board Appointments and authorities) also signed by Mr. Newton.

4. Judge Dukes should recuse himself from this case and / or this case transferred to another venue.
5. Plaintiff's have demonstrated concerns of conflicts from the start in this case and requested a change of venue. A change could only been denied for the obvious reasons that Defendants intent and confidence to use their political and Court relationships to manipulate the Court and be allowed to not answer questions, not be deposed and refuse FOIA. One would only partake in this if they were in fact guilty as all information suggests the guilt of the Defendants.
6. The continued conflicts in this case and the Defendants obvious posturing and reliance on their relationships to the Court and Judge to hide from justice and fact finding have already stretched beyond justifiable or fair and thus the Judge should see this as complete and obvious guilt by the Defendants the only options are a.) Recuse himself b.) Change the venue or c.) Deny the Defendants Summary Judgment d). set up a deposition schedule and Discovery Order.
   I pray the Judge saves the Honor of the Courts and Justice system with his decision.
7. Previous exhibits entered, include but are not limited to examples that the genuine issues of material fact exits, a timeline of events has been entered and supporting documentation and the Defendants appear to have engaged in Breach of Contract with Fraud, Collusion and Conspiracy.

Craig Molloy — Date 6-8-18

Notary S.C. Comm. Exp. — Date 6.8.18

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HENRY MCMASTER
GOVERNOR

May 29, 2018

Mr. Thomas Keaveny, II
Post Office Box 1228
Beaufort, South Carolina 29901-1228

Dear Mr. Keaveny,

It has been brought to my attention that the Beaufort County Disabilities and Special Needs is being appointed by Beaufort County Council.

Pursuant to Section 44-20-375 (A), the county council must pass an ordinance creating a disabilities and special needs board that establishes, "the number, terms, appointment, and removal of board members and provide for their powers and duties in compliance with state law and the process for appointing board members which existed on January 1, 1991, must be preserved in the ordinance." The process of appointment which existed on January 1, 1991, gives appointing authority to the Governor.

Further, the statute permits legislative delegation and the county council to transfer nominating authority from one to the other, not appointment authority.

Beaufort County Ordinance Number 2011/29, Section 46-92 (a) states, "The membership of the Board shall be at least seven (7) members, but not more that eleven (11), and shall be appointed by Beaufort County Council."

It appears that the county ordinance is not in compliance with the state code. Please contact me so that we may discuss this issue.

Yours very truly,

Tommy Windsor
Director
Boards and Commissions

STATE HOUSE • 1100 GERVAIS STREET • COLUMBIA, SOUTH CAROLINA 29201 • TELEPHONE: 803-734-2100

572

COUNTY COUNCIL OF BEAUFORT COUNTY

ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2180
www.bcgov.net

D. PAUL SOMMERVILLE
CHAIRMAN

GERALD W. STEWART
VICE CHAIRMAN

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STEWART H. RODMAN
ROBERTS "TABOR" VAUX

JOSHUA A. GRUBER
INTERIM COUNTY ADMINISTRATOR

THOMAS J. KEAVENY, II
COUNTY ATTORNEY

AGENDA
COMMUNITY SERVICES COMMITTEE
Monday, June 18, 2018
4:00 p.m.
Executive Conference Room, Administration Building
Beaufort County Government Robert Smalls Complex
100 Ribaut Road, Beaufort

Committee Members:
Alice Howard, Chairman
Rick Caporale, Vice Chairman
Michael Covert
Steve Fobes
York Glover
Roberts "Tabor" Vaux

Staff Support:
Monica Spells, Assistant County Administrator
Civic Engagement and Outreach

1. CALL TO ORDER – 4:00 P.M.
2. UPDATE / LOWCOUNTRY AREA VOLUNTEER INCOME TAX ASSISTANCE (VITA) COALITION (backup)
3. CONTRACT RENEWAL / FY19 DAUFUSKIE ISLAND FERRY SERVICES ($361,630.08) (backup)
4. TEXT AMENDMENT / BEAUFORT COUNTY CODE OF ORDINANCES, CHAPTER 46, ARTICLE III DISABILITIES AND SPECIAL NEEDS BOARD, SECTION 46-92 – MEMBERSHIP (backup)
5. ADJOURNMENT



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ORDINANCE NO. 2011 / 29

AN ORDINANCE TO AMEND PART I, CHAPTER 46, ARTICLE III OF THE BEAUFORT COUNTY CODE OF ORDINANCES RELATING TO THE BEAUFORT COUNTY DISABILITIES AND SPECIAL NEEDS BOARD AND PROVISIONS RELATING THERETO

Whereas, Beaufort County Ordinance 2002/33 (General Template) and South Carolina Code Ann. Section 44-20-10 et. seq., establishes the authority for development of County Disabilities and Special Needs Boards; and

Whereas, from time to time it is necessary for County Council to reexamine its codes and ordinances to ensure that they are current in their wording and executions; and

Whereas, it is apparent that certain language contained in Sections 46-91 and 46-92 should be amended to reflect the current processes, characteristics, and purposes of the Beaufort County Disabilities and Special Needs Board.

Now, THEREFORE, BE IT ORDAINED, by Beaufort County Council that Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances be amended to read as follows.

Sec. 46-91. – Purpose.

The purpose of the Beaufort County Board of Disabilities and Special Needs is to advocate for the individuals with disabilities and special needs who are served by the Beaufort County Disabilities and Special Needs Department; to provide assistance and advice to the Beaufort County Disabilities and Special Needs Department staff concerning matters of policy; and to promote community awareness of Beaufort County Disabilities and Special Needs Department programs and services.

Sec. 46-92. – Membership; terms of office.

(a) The membership of the Board shall be at least seven (7) members, but not more than eleven (11), and shall be appointed by Beaufort County Council.

(b) Board members shall serve a term of office of four (4) years as identified in their appointment letter subject to the following voting requirements for appointment and reappointment:

a. 1st Term- Requires an affirmative vote of no less than six (6) Council members;
b. 2nd Term- Requires an affirmative vote of no less than eight (8) Council members; and
c. 3rd or Subsequent Term- Requires and affirmative vote of no less than ten (10) members of Council.

(c) Members of the Board shall serve without compensation from either the State of South Carolina or Beaufort County, with the exception that limited travel or other expenses may be reimbursed upon prior written approval of the County Administrator.

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(d) Any member desiring to resign from the Board shall do so by submitting his or her resignation in writing to the Chairman of County Council and the Chairman of the Board of Disabilities and Special Needs. Members who fail to attend 3 consecutive meetings without prior written notice will be subject to recommendation for removal to County Council.

Adopted this 26th day of September, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

_____
Ladson F. Howell, Staff Attorney

ATTEST:

_____
Suzanne M. Rainey, Clerk to Council

First Reading: August 22, 2011
Second Reading: September 12, 2011
Public Hearing: September 26, 2011
Third and Final Reading: September 26, 2011

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Sec. 46-92. - Membership; terms of office.

(a) The membership of the board shall be at least seven members, but not more than 11 members, ~~and shall be appointed by~~ Beaufort County Council shall nominate members of the board to the Governor who shall have the right of appointment.

(b) Board members shall serve a term of office of four years as identified in their appointment letter subject to the following voting requirements for ~~appointment and reappointment~~ nomination and re-nomination by Council:

(1) First term: Requires an affirmative vote of no less than six councilmembers;

(2) Second term: Requires an affirmative vote of no less than eight councilmembers; and

(3) Third or subsequent term: Requires an affirmative vote of no less than ten members of council.

(c) Members of the board shall serve without compensation from either the State of South Carolina or Beaufort County, with the exception that limited travel or other expenses may be reimbursed upon prior written approval of the county administrator.

(d) Any member ~~desiring~~ who wishes to resign from the board shall do so by submitting his or her resignation in writing to the Governor, the chairman of county council and the chairman of the board of disabilities and special needs. Members who fail to attend three consecutive meetings without prior written notice will be subject to County Council's recommendation for removal to ~~(by)~~ by county council the Governor.

(Code 1982, § 8-66; Ord. No. 2011/29, 9-26-2011.)

2018/

TEXT AMENDMENT TO THE BEAUFORT COUNTY CODE OF ORDINANCES, CHAPTER 46, ARTICLE III DISABILITIES AND SPECIAL NEEDS BOARD, SECTION 46-92 – MEMBERSHIP; TERMS OF OFFICE.

WHEREAS, deleted text is ~~struck through~~ and added text is underlined.

DONE this _____ Day of _____, 2018.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

_____
Thomas J. Keaveny, II
Beaufort County Attorney

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SECTION 44-20-375. County boards of disabilities and special needs; establishment; recognition.

(A) Before July 1, 1992, county boards of disabilities and special needs must be created within a county or within a combination of counties by ordinance of the governing bodies of the counties concerned. The ordinance must establish the number, terms, appointment, and removal of board members and provide for their powers and duties in compliance with state law and the process for appointing board members which existed on January 1, 1991, must be preserved in the ordinance. However, where the county legislative delegation or county council recommends board members to the appointing authority, the delegation may transfer its authority to recommend to the council or the council may transfer its authority to the delegation. If there is a transfer, preservation of the authority to recommend existing on January 1, 1991, is not required, and the new recommending authority must be contained in the ordinance.

(B) County boards of disabilities and special needs established before January 1, 1991, shall continue to exist, operate, and function as they existed on January 1, 1991, until created by ordinance pursuant to subsection (A).

(C) After June 30, 1992, the department shall recognize only county boards of disabilities and special needs that plan, administer, or provide services to persons with intellectual disability, related disabilities, head injuries, and spinal cord injuries within a county or combination of counties which are created or established pursuant to this section, including those whose members are appointed by the Governor. A county board of disabilities and special needs created by ordinance before January 1, 1991, is considered created pursuant to this section, provided the ordinance includes and complies with the provisions of subsection (A).

(D) A county board of disabilities and special needs is a public entity.

(E) In Dorchester County, appointments made pursuant to this section are governed by the provisions of Act 512 of 1996.

(F) In Georgetown County, appointments made pursuant to this section are governed by the provisions of Act 515 of 1996.

HISTORY: 1990 Act No. 496, § 1; 1991 Act No. 32, § 1; 1992 Act No. 381, § 1; 1993 Act No. 181, § 1078; 2011 Act No. 47, § 2, eff June 7, 2011.

SECTION 44-20-378. Composition of board; tenure.

A county board of disabilities and special needs established pursuant to Section 44-20-375 must consist of not less than five members. If the board is created within a combination of counties, the number of members representing each county must be proportional to the county's population in relation to the total population of the counties served by the board. However, a county participating in a multicounty board must not have less than two members. The term of the members is four years and until their successors are appointed and qualify. Vacancies for unexpired terms must be filled in the same manner as the original appointments. A member may be removed by the appointing authority for neglect of duty, misconduct, or malfeasance in office after being given a written statement of reasons and an opportunity to be heard.

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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	)	IN THE COURT OF COMMON PLEAS FOURTEENTH JUDICIAL CIRCUIT CASE NO.: 2016-CP-07-01825
STEPHEN CRAIG MOLLOY and ISLAND GROUP INC., d/b/a CAROLINA CLEANING; Plaintiffs, vs. BEAUFORT COUNTY; GARY KUBIC, Individually and as Beaufort County Administrator; JOSH GRUBER, Individually and as former Beaufort County In-House Attorney; BRYAN HILL, Individually and as former Beaufort County Deputy Administrator; SHANNON LOPER, Individually and as Employee of the Beaufort County Parks and Leisure; STU RODMAN, as Finance Chair of the Beaufort County Council; DAVE THOMAS, Procurement Director for Beaufort County, South Carolina; DISABILITIES AND SPECIAL NEEDS (NON-PROFIT); and BEAUFORT COUNTY DSN BOARD Defendants.	)	**DEFENDANTS' SECOND SUPPLEMENTAL MEMORANDUM IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT**

Beaufort County; Gary Kubic, Individually and as Beaufort County Administrator; Josh Gruber, Individually and as former Beaufort County In-House Attorney; Bryan Hill, Individually and as former Beaufort County Deputy Administrator; and Shannon Loper, Individually, and as an employee of the Beaufort County Parks and Leisure; Stu Rodman, as finance Chair of Beaufort County Council; Dave Thomas, Procurement Director Beaufort County; the Beaufort County Disabilities and Special Needs Board, incorrectly designated in the caption as "Disabilities and Special Needs (NON-PROFIT)"; and the Beaufort County Disabilities and

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Special Needs Board, incorrectly designated in the caption as "Beaufort County DSN Board" (collectively "Defendants"), by and through their undersigned counsel, submit this Second Supplemental Memorandum in Support of Motion for Summary Judgment:

INTRODUCTION

Defendants[1] have filed a fully supported and briefed Motion for Summary Judgment in this matter. In response, Plaintiffs have filed numerous affidavits, documents, and memoranda in opposition. The Court has conducted oral argument on the Motion for Summary Judgment and held a follow-up telephone status conference.

At that last conference, Plaintiffs stated a need to proffer further evidence regarding a peripheral issue. Specifically, Plaintiffs assert that summary judgment is not proper because Defendant Beaufort County paid special needs individuals to perform work through a "separate" "nonprofit" entity. As we understand Plaintiff's argument, this would mean that Beaufort County was required to follow the competitive bidding process before awarding a contract to that separate entity. This argument ignores the other, controlling issues in this case (which have been fully briefed and argued), including that Plaintiffs' contract was terminable at the County's convenience; that the contract expired by its own terms; that Plaintiffs failed to file a bid protest when it was not awarded a new contract; and that Plaintiffs' claims are barred by the statute of limitations. Nevertheless, Plaintiffs' new argument is demonstrably wrong, as will be shown below. The Beaufort County Disabilities and Special Needs Department (and its advisory Board) is – as Defendants have consistently maintained – a part of Beaufort County.

Additionally, in response to the Court's request, Defendants provide as an Appendix to this Memorandum a timeline of relevant events.

---

[1] In their second Amended Verified Complaint, Plaintiffs — based on their mistaken belief in a separate nonprofit corporation — named two additional Defendants in this matter, "Disabilities and Special Needs (NON-PROFIT)" and "Beaufort County DSN Board." No such separate entities exist. The Beaufort County Disabilities and Special Needs Board is created by statute and ordinance and advises Disabilities and Special Needs Department regarding the provision of services to special needs individuals in Beaufort County. The claims against these new Defendants fail for the reasons set forth in Defendants' Motion for Summary Judgment.

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ARGUMENTS

A. Even If Plaintiffs Are Correct That There Was a Nonprofit Corporation Separate from Beaufort County Involved With the Provision of Janitorial Services, This is Irrelevant to Defendants' Summary Judgment Motion

In their Motion for Summary Judgment, Defendants demonstrate that there are no *material* factual issues and that they are entitled to judgment as a matter of law. The bases for Defendants' Motion for Summary Judgment are simple and straightforward. They include (but are not limited to) the following, which have been argued in detail in prior filings and oral argument:

- Plaintiffs have improperly sued individual Defendants in violation of the South Carolina Tort Claims Act. *See* S.C. Code § 15-78-70(c) ("On or after January 1, 1989, a person, when bringing an action against a governmental entity under the provisions of this chapter, shall name as a party defendant only the agency or political subdivision for which the employee was acting and is not required to name the employee individually, unless the agency or political subdivision for which the employee was acting cannot be determined at the time the action is instituted. In the event that the employee is individually named, the agency or political subdivision for which the employee was acting must be substituted as the party defendant.").

- Plaintiffs' contractual claims fail because the subject 2010 contract was terminable at the County's convenience. While there is a covenant of good faith and fair dealing implied in every contract, "'there is no breach of an implied covenant of good faith where a party to a contract has done what provisions of the contract expressly gave him the right to do.'" *Hotel & Motel Holdings, LLC v. BJC Enterprises, LLC*, 414 S.C. 635, 653, 780 S.E.2d 263, 273 (Ct. App. 2015) (citation omitted). Moreover, that implied covenant is not actionable as a separate cause of action. *See RoTec Servs., Inc. v. Encompass Servs., Inc.*, 359 S.C. 467, 473, 597 S.E.2d 881, 884 (Ct. App. 2004). Plaintiffs cite no legal authority supporting their contract claim.

- The 2010 contract expired by its terms and was extended as an at-will contract.

- Plaintiffs did not file a timely protest of Beaufort County's use of consumers of the Disabilities and Special Needs Department for the provision of janitorial services for certain locations.

- Plaintiffs' tort claims are time-barred by the South Carolina Tort Claims Act.

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At oral argument and in subsequent filings, Plaintiffs attempted to divert the Court from these straightforward, controlling issues. Specifically, Plaintiffs argue that Beaufort County created a nonprofit corporation to, in essence, provide janitorial services to itself. Plaintiffs apparently believe that the creation of a separate nonprofit entity suggests an improper attempt by Beaufort County to financially profit from the provision of janitorial services. Respectfully, Defendants are entitled to summary judgment irrespective of whether the consumers who performed janitorial work for Beaufort County were employed by Beaufort County department or by a separate third-party entity created by the County. The grounds set forth above are simple and crystal-clear. These grounds remain the same and remain equally valid, irrespective of who provided janitorial services to Beaufort County. In other words, Plaintiffs' recent filings — including those on May 25, 2018 — are irrelevant to Defendants' Motion for Summary Judgment.

Nonetheless, Defendants will use the remainder of this Second Supplemental Memorandum to demonstrate that Plaintiffs are mistaken. There is no secret nonprofit corporation that Beaufort County is somehow using to improperly provide janitorial services to itself.

B. Contrary to Plaintiffs' Accusations, There Is Not a Separate Nonprofit Corporation Providing Janitorial Services for Beaufort County Buildings

The thrust of Plaintiffs' recent filings on May 25, 2018 is that Beaufort County is not entitled to summary judgment because (as to certain buildings) it replaced Carolina Cleaning with Beaufort County Disabilities and Special Needs Board consumers, but did so using a "separate" nonprofit entity, presumably the "Disabilities and Special Needs (NON-PROFIT)" referenced in the caption of Plaintiffs second Amended Verified Complaint. Plaintiffs rely upon a hearsay document, entitled FLSA Narrative, for this belief that there is some separate nonprofit corporation affiliated with the Beaufort County Special Needs Department.[2] Even if this is true,

[2] Plaintiffs rely on a single line from the FLSA Narrative for their assertion that a separate nonprofit entity existed: "The subject firm is a 501(c)(3) governmental non-profit organization and began operation in 2002." The FLSA Narrative does not explain the source for this statement and does not further elaborate

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Defendants are entitled to summary judgment because Plaintiffs' claims are plainly time barred and because Beaufort County only exercised its contractual rights with regard to the 2010 contract. Nonetheless, the evidence does not support Plaintiffs' allegations regarding a separate entity.

1. **The South Carolina Secretary of State Has No Record of Such an Entity**

The Beaufort County Disabilities and Special Needs Department and Beaufort County Disabilities and Special Needs Board are not separate entities from Beaufort County. (*See* Ex. K ¶ 15). The Beaufort County Disabilities and Special Needs Department and/or Board are not nonprofit corporations and have never been incorporated as such. (*See* Ex. A ¶ 10; Ex. K ¶ 16). The Beaufort County Disabilities and Special Needs Department/Board did not create a separate entity to provide janitorial services to Beaufort County. (*See* Ex. A ¶ 17). Plaintiffs present no evidence showing the existence of a separate improper nonprofit corporation.[3]

The Beaufort County Disabilities and Special Needs Board is an advisory board that makes recommendations for the Beaufort County Disabilities and Special Needs Department. (*See* Ex. K ¶ 9). The Beaufort County Disabilities and Special Needs Board, as an advisory board, does not exercise and does not have the authority to enter into contracts on its own. (*See*

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upon it. The FLSA Narrative does not state that there is a nonprofit entity separate from Beaufort County. Defendants had no direct involvement with the United States Department of Labor's creation of the FLSA Narrative and did not author that sentence. This single reference in the FLSA Narrative does not create an issue of fact as to whether a separate nonprofit entity exists. The existence of a separate nonprofit entity would be a matter of public record. There is no evidence of the creation of a nonprofit entity by Beaufort County.

[3] Plaintiffs recently filed a lengthy September 22, 1988 opinion from the South Carolina Secretary of State, in the form of a letter from James W. Rion to Jack M. Scoville, Georgetown County Attorney. In that opinion, the Attorney General's office considered the issue of "whether the [Georgetown County Mental Retardation] Board, as duly constituted under [S.C. Code] section 44-21-810 *et seq.*" had the power to borrow money and mortgage its property. If that board was a non-profit corporation, it would have had such authority, pursuant to former S.C. Code § 33-31-100(2) (1988), now codified at S.C. Code § 33-31-302(7). The opinion concluded that, under the law, the Georgetown County Mental Retardation Board was "a public, municipal or quasi-municipal corporation; and would not have the power to privately incorporate or to borrow *per se*." (*See id.*, at pp.18-19). It is unclear what Plaintiffs believe the relevance of this opinion is. It is a 30-year old opinion decided under former versions of relevant statutes. Moreover, it concluded (under the statutes then governing) that boards such as the Beaufort County Disabilities and Special Needs Board could not privately incorporate. This conclusion in no way supports Plaintiff's argument.

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Ex. K ¶ 10). The Beaufort County Disabilities and Special Needs Department is a true department of Beaufort County; it does not have a separate legal existence apart from Beaufort County. (*See* Ex. K ¶ 11). Beaufort County may be the only county in the state whose disabilities and special needs department is a true department of the County, rather than a separate entity. (*See* Ex. K ¶ 12). The Beaufort County Disabilities and Special Needs Department does not have the power to enter into contracts with outside entities; rather, all contracts are entered into by Beaufort County and signed by the Beaufort County Administrator. (*See* Ex. K ¶ 13).

The Executive Director of the Beaufort County Disabilities and Special Needs Department was hired directly by Beaufort County through a hiring process coordinated by the Beaufort County Employee Services Department. (*See* Ex. K ¶ 7). The Executive Director of the Beaufort County Disabilities and Special Needs Department serves as the staff liaison between the Beaufort County Disabilities and Special Needs Board and Beaufort County Council. (*See* Ex. K ¶ 8).

In the face of this clear evidence that *no* separate entity exists, Plaintiffs have failed to present any direct evidence of such an entity (though such evidence would be readily available if that entity actually existed). Under the South Carolina Nonprofit Corporation Act, "One or more persons may act as the incorporator or incorporators of a corporation by delivering articles of incorporation to the Secretary of State for filing." *See* S.C. Code § 33-31-201. The articles of incorporation of a nonprofit corporation must include:

> (1) a corporate name for the corporation that satisfies the requirements of Section 33-31-401;
>
> (2) one of the following statements:
>
> (i) This corporation is a public benefit corporation.
>
> (ii) This corporation is a mutual benefit corporation.
>
> (iii) This corporation is a religious corporation;

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(3) the street address of the corporation's initial registered office with zip code and the name of its initial registered agent at that office;

(4) the name, address, and zip code of each incorporator;

(5) whether or not the corporation will have members;

(6) provisions not inconsistent with law regarding the distribution of assets on dissolution; and

(7) the address, including zip code, of the proposed principal office for the corporation which may be either within or outside South Carolina.

See S.C. Code § 33-31-302(a)(1)-(7). The "corporate existence" of a nonprofit corporation begins "when the articles of incorporation are filed." *See* S.C. Code § 33-31-203. Such articles of incorporation are public records that are available from the South Carolina Secretary of State and can be obtained the Secretary of State's website.[4]

Plaintiff has not produced articles of incorporation for the alleged nonprofit corporation. That is because the Beaufort County Disabilities and Special Needs Board has never filed articles of incorporation or other documents required for the creation of a separate private nonprofit corporation. (*See* Ex. A ¶ 12). If the Beaufort County Disabilities and Special Needs Department/Board (or anyone associated with Beaufort County) had, in fact, created a separate nonprofit corporation, Plaintiff could easily obtain that publicly available information, which can be searched for free at the Secretary of State's website. Plaintiffs have not taken this simple step to investigate their accusations; if they had done so, they would have discovered that *there are no articles of incorporation creating the claimed nonprofit corporation.* Attached hereto as Exhibit B are search results from the Secretary of State's website for "beaufort county," "beaufort county disabilities" and "beaufort county dsn," which do identify no such entity.[5] Plaintiff has presented no evidence showing the actual creation of a nonprofit corporation by or on behalf of Beaufort County or the Beaufort County Disabilities and Special Needs Department or Board.

[4] https://businessfilings.sc.gov/BusinessFiling/Entity/Search

[5] A search of the Secretary of State's corporation website shows that numerous other South Carolina counties have created nonprofit corporations for their Disabilities and Special Needs Departments. (*See* Ex. J). However, Beaufort County has not done so. To the contrary, Beaufort County is one of the few counties to have its Disabilities and Special Needs board operate as a true department of the County.

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In reality, the Beaufort County Disabilities and Special Needs Department, with its advisory Board, is part of Beaufort County, with the powers of a body corporate granted by statute. The Beaufort County Disabilities and Special Needs Board is not a nonprofit corporation, but is a statutorily-created advisory board to a department of Beaufort County.

In addition, the procedures governing janitorial work by consumers of the Beaufort County Disabilities and Special Needs Board demonstrate that there was not some separate nonprofit corporation. The Beaufort County Disabilities and Special Needs Department consumers' provision of janitorial services to Beaufort County is not subject to procurement laws, because it does not involve contracting with an outside entity. (*See* Ex. K ¶ 14). When consumers of the Beaufort County Disabilities and Special Needs Board are paid for janitorial work, they are paid by Beaufort County. (*See* Ex. A ¶¶ 13-14). Any amount Beaufort County "paid" for janitorial services in excess of consumers' wages would simply be internally credited to Beaufort County Disabilities and Special Needs in Beaufort County's accounting systems. (*See* Ex. A ¶ 15). Beaufort County never paid a separate entity for work performed by consumers of the Beaufort County Disabilities and Special Needs Board. (*See* Ex. A ¶ 18).

Plaintiff argues that the alleged separate entity has a specific Employer Identification Number ("EIN"): "BCDSN is a 501(c) 3 non-profit public agency with an EIN number (#XX-XXXX311) formed in 2002." (*See* May 1, 2018 Pls.' Post Hearing Mem., at 4). This EIN does not evidence some separate or secret nonprofit entity. (*See* Ex. A ¶ 7). To the contrary, that EIN is Beaufort County's general EIN. It is the EIN number used for all agencies, boards and departments which are part of Beaufort County (including the Disabilities and Special Needs Department and its advisory Board). (*See* Ex. A ¶ 8). Plaintiff's suggestion that Beaufort County or the Beaufort County Disabilities and Special Needs Department or its advisory Board has created a separate nonprofit corporation with its own EIN is without merit. The Beaufort County Disabilities and Special Needs Board "does not have (and has never had) its own EIN number." (*See* Ex. A ¶ 10). To the contrary, Beaufort County Disabilities and Special Needs Department is within the scope of the general county EIN, XX-XXXX311. (*See* Ex. A ¶ 11).

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For the foregoing reasons, there is no reliable evidence of the existence of a separate nonprofit corporation.

2. Plaintiffs' Claimed "Expert" Testimony Does Not Assist Them

In support of their contentions, Plaintiffs present an email from James A. Parrish, CPA, which states in part:

> I have read over the report and it appears that for some reason or another the Beaufort County Board of Disabilities and Special Needs, did not know or did not believe that they had to pay employees for travel time. I would think that this is something that should have been checked on prior to an investigation having to be held.
>
> It appears that the Beaufort County Board of Disabilities and Special Needs is a separate entity, operating under the Beaufort County umbrella.

(*See* Pl.'s Exs. to Affid., filed on May 25, 2018 4:42 p.m.). Plaintiffs do not provide a *curriculum vitae* for Mr. Parrish or any information about his qualifications. His "statement" is unsworn hearsay and is not in the form of an affidavit. He does not identify the evidence, information and facts forming the basis for his opinion. He does not express his opinions to a reasonable degree of certainty. He does not satisfy even the most basic requirements for expert testimony. Moreover, this topic is not appropriate for expert testimony. The existence or nonexistence of a nonprofit corporation is an objective, provable fact, not a matter of opinion.

3. Plaintiffs Are Likely Confused by the ABLE Foundation

Defendants believe that Plaintiffs' present contentions about a separate nonprofit corporation might the result of the fact that there is a nonprofit entity with a similar name. The Disabilities Foundation of Beaufort County ("ABLE") is also known as the ABLE Foundation and is a 501(c)(3) nonprofit corporation with an EIN of XX-XXXX168. (*See* Ex. A ¶ 20 and Ex. D). The Secretary of State's website reflects that ABLE was incorporated on November 21, 2003. (*See* Ex. C). ABLE's Articles of Incorporation and related documents — which counsel for Defendants obtained with little difficulty from the Secretary of State's website — are attached hereto as Exhibit E.

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ABLE — while working in conjunction with Beaufort County — is *entirely separate* from Beaufort County. (*See* Ex. A ¶ 22). ABLE "is a private nonprofit corporation created to benefit disabled persons and to raise funds for programs for disabled persons." (*See* Ex. A ¶ 21). This is consistent with South Carolina statute, which authorizes the Beaufort County Disabilities and Special Needs Department to "promote and accept local financial support for the county program from private and other lawful sources." *See* S.C. Code § 44-20-385(4). ABLE "is a vendor of Beaufort County and donates funds for services provided to consumers" of the Beaufort County Disabilities and Special Needs Department. (*See* Ex. A ¶ 22). ABLE has its own Board of Directors and its own management. There is no evidence that ABLE had any involvement with providing janitorial services to Beaufort County. ABLE "has nothing whatsoever to do with any of the issues in this litigation," and "Beaufort County has never, directly or indirectly, paid the Foundation for janitorial services." (*See* Ex. A ¶¶ 23-24).

ABLE's 2014-2016 Form 990 Returns of Organizations Exempt from Income Tax, Schedule A (Public Charity Status and Public Support) — all of which are readily available online — state that "[t]he organization [ABLE] supported a governmental entity" and "[a]ll programs supported are run by the Beaufort County Government, Disabilities and Special Needs." (*See* Exs. F-I). ABLE's Form 990's further indicate that its mission or most significant activities are: "[f]undraising to assist organizations that provide se[r]vices to persons with developmental disabilities in Beaufort County, SC." (*See id.* Form 990 Part I ¶ 1).

ABLE's Form 990's reflect that it has no income, aside from contributions and grants. It does not reflect any income from services — and certainly no income from janitorial contracts with Beaufort County. ABLE's primary expenses and programs/accomplishments are its contribution toward Camp Treasure Chest (a summer camp for consumers with developmental disabilities), the CinderellaFella Ball (a prom theme dance for consumers with developmental disabilities), consumer services (including temporary housing and home fumigation), and travel assistance ($148 in 2016) for consumers with developmental disabilities.

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4. Plaintiff's Attack on the 2011 Amendment to Beaufort County's Ordinance Is Without Merit

Although it has no bearing on Defendants' Motion for Summary Judgment, Plaintiffs' most recent filings suggest that there was some impropriety in the manner in which the Beaufort County Disabilities and Special Needs Board members — which merely serves to advise the Disabilities and Special Needs Department — are appointed: "The 2011 BC Ordinance changed that was introduced by BC Attorney Josh Gruber and BC Administrator Gary Kubic changing the ordinance to overrule the Governor's appointment of the DBCDSN Board and placing themselves with this authority." (*See* May 25, 2018 Aff. of Craig Molloy ¶ 6). Plaintiffs complain that, starting in 2011, County Council is *appointing* members to the Beaufort County Disabilities and Special Needs Board, rather than *nominating* them for appointment by the Governor. Initially, Defendants note that this a red herring. Plaintiffs cite no legal authority that would make this issue relevant to the issues in Defendants' Motion for Summary Judgment. Plaintiffs make no argument that any decision on any issue impacting them was, in any way, the product of this ordinance or the appointment of any particular Board members. Plaintiffs' conspiracy theory argument sheds much heat, but very little light.

In any event, even if this were a relevant issue, the evidence does not support Plaintiffs' arguments. Plaintiffs are correct that on September 26, 2011 Ordinance No. 2011/29 amended Section 46-92(a) of the Beaufort County Code to state "The membership of the Board shall be at least seven (7) members, but not more than eleven (11), and shall be appointed by Beaufort County Council." This amendment was not a novel change to County practice. Rather, it codified the Count's prior practice.[6] By way of example, at least as early as February, 2006, the Beaufort County Council appointed members to the Beaufort County Disabilities and Special Needs Board. (*See* Ex. L). There is no evidence that this was a new practice or that the ordinance was changed to harm Plaintiffs. There is no evidence that the 2011 amendment to the

[6] This procedure might indeed be inconsistent with South Carolina statute. Beaufort County is in the process of amending its ordinances to provide for the appointment of members of the Beaufort County Disabilities and Special Needs Board by the Governor, with nominations coming from Beaufort County Council.

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ordinance had anything to do with Plaintiffs or with the provision of janitorial services to Beaufort County. There is no evidence that any specific member of the Beaufort County Disabilities and Special Needs Board who was appointed by County Council would not have been appointed by the Governor on nomination by County Council. Most importantly, there is no evidence (or even suggestion) of any specific act by a particular member of the Beaufort County Disabilities and Special Needs Board that harmed Plaintiffs.

Contrary to Plaintiffs' assertions, this ordinance was not the product of some conspiracy or impropriety by Messrs. Kubic and Gruber — and it certainly does not give them power to appoint members of the Beaufort County Disabilities and Special Needs Board. To the contrary, it was the product of the normal course of operations of Beaufort County government and grants Beaufort County Council — elected officials who represent the citizens of the County and are accountable to their constituents — appointment power. At the August 15, 2011 meeting of the Community Services Committee of County Council, the proposed amendment was discussed:

> This ordinance is a house-cleaning procedure. When Disabilities and Special Needs became a part of the County system in the late 1980s, there were some changes made to the charter/ordinance that regulated how the Board operated. Since then the operation has been continuously in a changing process. *The ordinance changes are being proposed to reflect what the Board in (sic) doing presently.* The composition of the Board has not been changed. There were discussions among Committee members relative to some of the language within the proposed ordinance, from which it was agreed that it needed legal review prior to going before full Council.

(*See* Ex. M (emphasis added)). That committee unanimously recommended that full council "approves an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board, pending legal review of the language." (*See id.*). The proposed change to the ordinance came up for two votes before County Council, where it passed unanimously each time. (*See* Exs. N and O). The third and final vote in favor of this ordinance on September 26, 2011 was again unanimous, with votes in favor by "Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten." (*See* Ex. P).

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Moreover, the final version of the ordinance is signed "APPROVED AS TO FORM" by Staff Attorney Ladson F. Howell, *not* Mr. Gruber. (*See* Ex. Q). Plaintiffs present no evidence of any irregularities in the procedures followed for the enactment of this ordinance and make not allegations of such. Plaintiffs present no evidence to support their contention that this ordinance was somehow created by Mr. Kubic or Mr. Gruber. Plaintiffs present no evidence that Mr. Kubic or Mr. Gruber did anything regarding the enactment of this ordinance.

As a result of the foregoing, Plaintiffs' arguments about the 2011 ordinance amendment are without merit.

CONCLUSION

For the foregoing reasons, this Court should grant summary judgment to all Defendants against Plaintiffs as to all claims asserted in this lawsuit.

BARNWELL WHALEY PATTERSON & HELMS, LLC

By: s/ John Fletcher
M. Dawes Cooke, Jr.
Christopher M. Kovach
John W. Fletcher
288 Meeting Street, Suite 200 (29401)
P.O. Drawer H
Charleston, South Carolina 29402
T: 843.577.7700
F: 843-577-7708
Counsel for Defendants

Charleston, South Carolina
Dated: June 22, 2018

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CERTIFICATE OF SERVICE

The foregoing Second Supplemental Memorandum in Support of Defendants Motion for Summary Judgment has been or will be served on Plaintiffs' counsel of record on this 22nd day of June, 2018 by the Court's automatic service through the E-Filing System, as permitted by South Carolina Electronic Filing Policies and Guidelines Pilot Version-Common Pleas 4(e)(2).

BARNWELL WHALEY PATTERSON & HELMS, LLC

By: s/ John Fletcher
M. Dawes Cooke, Jr.
Christopher M. Kovach
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Counsel for Defendants

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APPENDIX TO SECOND SUPPLEMENTAL MEMORANDUM IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT

TIMELINE

DATE	EVENT
5/27/2010	• Closing date on RFP #3910/100566
10/25/2010	• Contract with Carolina Cleaning on RFP #3910/100566
9/8/2011	• Letter to Carolina Cleaning renewing contract on RFP #3910/100566 with 10% price reduction • Contract now for 11/1/11-10/31/12
2/15/2012	• Beaufort County issues RFP #3910/120221 for 8 locations North of Broad River • 3/5/12 Addendum #1 adds 1 location to bring total to nine (9) locations • 3/8/12 Addendum #2 adds 1 location to bring total to ten (10) locations • 7/30/12 Addendum #3 removes all locations *except for* Sheriff's Office DNA lab
7/5/2012	• Renewal of contract on RFP #3910/100566 by letter from Dave Thomas to Carolina Cleaning • Contract now for 10/31/12-11/1/13
8/13/2012	• Memorandum regarding recommendations on RFP #133020130215 • DSN to perform services on nine (9) recreation centers, while Carolina Cleaning was to perform services for Sheriff's Office DNA lab
10/16/12	• Beaufort County enters into month-to-month agreement with Carolina Cleaning for services for St. Helena Library
12/20/2012	• Beaufort County issues RFP #133020130215 for St. Helena Library
6/11/2013	• Beaufort County granted a 2.3% increase on the contract for RFP #3910/120221 (Sheriff's Office DNA laboratory)
6/14/2013	• Memo from Dave Thomas recommending DSN for St. Helena Library on RFP #133020130215 • Carolina Cleaning was second-place proposal, at approximately $800 more per month
6/27/2013	• Letter terminating Carolina Cleaning for St. Helena Library effective 7/1/13 (Re: RFP #133020130215)
2/3/2014	• Beaufort County issues RFP #140305 for janitorial services North

DATE	EVENT
	and South of Broad River
3/5/2014	• Last date for submission of proposals on RFP #140305
5/19/2014	• Memorandum recommending awarding contract on RFP #140305 to A&B Cleaning Service, Inc. of Greenville, NC • Carolina Cleaning scored in 10th place out of 16 proposals
6/30/2014	• Carolina Cleaning last performed work for Beaufort County
8/22/2016	• Plaintiffs commence this lawsuit
2/15/2017	• Plaintiffs filed their Amended Verified Complaint
6/5/2018	• Plaintiffs filed their second Amended Verified Complaint

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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	IN THE COURT OF COMMON PLEAS FOURTEENTH JUDICIAL CIRCUIT CASE NO.: 2016-CP-07-01825
STEPHEN CRAIG MOLLOY and ISLAND GROUP INC., d/b/a CAROLINA CLEANING; Plaintiffs, vs. BEAUFORT COUNTY; GARY KUBIC, Individually and as Beaufort County Administrator; JOSH GRUBER, Individually and as former Beaufort County In-House Attorney; BRYAN HILL, Individually and as former Beaufort County Deputy Administrator; SHANNON LOPER, Individually and as Employee of the Beaufort County Parks and Leisure; STU RODMAN, as Finance Chair of the Beaufort County Council; and DAVE THOMAS, Procurement Director for Beaufort County, South Carolina, Defendants.	**AFFIDAVIT OF MONICA N. SPELLS**

1. I am an adult individual and resident of Beaufort County, South Carolina.

2. I have personal knowledge of the facts set forth herein.

3. I have been employed by Beaufort County since February 2011.

4. I have my Bachelor of Arts degree in History from College of Charleston and Master of Public Administration degree from the University of South Carolina. I am also a graduate of the South Carolina Institute for County Officials, the South Carolina Economic Development Institute, and the Senior Executive Institute at the University of Virginia's Colgate Darden School of Business.

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5. I am presently an Assistant County Administrator for Defendant Beaufort County, South Carolina with direct oversight of several County departments, including the Beaufort County Disabilities and Special Needs Department.

6. The Executive Director of the Beaufort County Disabilities and Special Needs Department reports directly to me.

7. The Executive Director of the Beaufort County Disabilities and Special Needs Department was hired directly by Beaufort County through a hiring process coordinated by the Beaufort County Employee Services Department.

8. The Executive Director of the Beaufort County Disabilities and Special Needs Department serves as the staff liaison between the Beaufort County Disabilities and Special Needs Board and Beaufort County Council.

9. The Beaufort County Disabilities and Special Needs Board is an advisory board that makes recommendations for the Beaufort County Disabilities and Special Needs Department.

10. The Beaufort County Disabilities and Special Needs Board as an advisory board does not exercise and does not have the authority to enter into contracts on its own.

11. The Beaufort County Disabilities and Special Needs Department is a true department of Beaufort County. It does not have a separate legal existence apart from Beaufort County.

12. To the best of my knowledge, the Beaufort County Disabilities and Special Needs Department is the only county disabilities and special needs department in South Carolina that operates as a true department of a county.

13. Generally, the Beaufort County Disabilities and Special Needs Department does not have the power to enter into contracts with outside entities; rather, all contracts are entered into by Beaufort County and signed by the Beaufort County Administrator.

14. The Beaufort County Disabilities and Special Needs Department consumers' provision of janitorial services to Beaufort County is not subject to procurement laws, because it does not involve contracting with an outside entity.

15. The Beaufort County Disabilities and Special Needs Department and Beaufort County Disabilities and Special Needs Board are not separate entities from Beaufort County.

16. The Beaufort County Disabilities and Special Needs Department and Beaufort County Disabilities and Special Needs Board are not nonprofit corporations.

FURTHER THE AFFIANT SAYETH NOT!

Monica N. Spells 6/22/18
Monica N. Spells

Sworn to and Subscribed to before
me this 22nd day of June, 2018.

Janice N. Beach
Notary Public for South Carolina
My Commission Expires: 5-29-25

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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	IN THE COURT OF COMMON PLEAS FOURTEENTH JUDICIAL CIRCUIT CASE NO.: 2016-CP-07-01825
STEPHEN CRAIG MOLLOY and ISLAND GROUP INC., d/b/a CAROLINA CLEANING; Plaintiffs, vs. BEAUFORT COUNTY; GARY KUBIC, Individually and as Beaufort County Administrator; JOSH GRUBER, Individually and as former Beaufort County In-House Attorney; BRYAN HILL, Individually and as former Beaufort County Deputy Administrator; SHANNON LOPER, Individually and as Employee of the Beaufort County Parks and Leisure; STU RODMAN, as Finance Chair of the Beaufort County Council; and DAVE THOMAS, Procurement Director for Beaufort County, South Carolina, Defendants.	**SUPPLEMENTAL AFFIDAVIT OF ALICIA HOLLAND**

1. I am an adult individual and resident of Beaufort County, South Carolina.

2. I have personal knowledge of the facts set forth herein.

3. I am presently the Assistant County Administrator, Director of Finance and Chief Financial Officer for Defendant Beaufort County, South Carolina.

4. I have my Bachelor of Science, Accounting degree from Clemson University and Master of Accounting degree from Georgia Southern University.

5. I am a Certified Public Accountant.

6. I have been employed by Beaufort County for eight (8) years.

7. It is my understanding that the Plaintiffs in this lawsuit have recently asserted, among other things, that Beaufort County "established a BCDSN Board in 2011 and BCDSN is a 501(c)3 non-profit public agency with an EIN number (#[redacted]311) formed in 2002." That is false.

8. Employer Identification Number (EIN) [redacted]311 has been assigned as the general number for Beaufort County. This is the EIN number used for *all* agencies, boards and departments which are part of Beaufort County.

9. Attached hereto as Exhibit A is the W-9 relating to EIN [redacted]311, which indicates that it belongs to Beaufort County Council.

10. The Beaufort County Disabilities and Special Needs Board is not a nonprofit corporation and has never been incorporated as a nonprofit corporation. It is a public entity created by statute and county ordinance. It does not have (and has never had) its own EIN number.

11. The Beaufort County Disabilities and Special Needs Board uses Beaufort County's general EIN, [redacted]311.

12. The Beaufort County Disabilities and Special Needs Board has never filed articles of incorporation or other documents required for the creation of a separate private nonprofit corporation.

13. When consumers of the Beaufort County Disabilities and Special Needs Board provide janitorial services for Beaufort County, they are paid by Beaufort County, in the same manner Beaufort County would pay a contractor or vendor.

14. Attached hereto as Exhibit B is a true and correct copy of a check (with identifying information redacted) showing payment to a consumer of the Beaufort County Disabilities and Special Needs Board for work performed.

15. With regard to contracts for the performance of janitorial services between Beaufort County and Beaufort County Disabilities and Special Needs Board, any amount "paid" by Beaufort County in excess of the wages of consumers would be credited to Beaufort County Disabilities and Special Needs Board's accounts in Beaufort County's internal accounting systems.

16. Although the ordinance enabling the Beaufort County Disabilities and Special Needs Board was amended in 2011, the Beaufort County Disabilities and Special Needs Board was, in fact, in existence long before that.

17. The Beaufort County Disabilities and Special Needs Board did not create a separate entity to provide janitorial services to the County.

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18. Beaufort County never paid a separate entity for work performed by consumers of the Beaufort County Disabilities and Special Needs Board.

19. The Disabilities Foundation of Beaufort County, Inc. (the "Foundation") is a nonprofit corporation, which uses the name "ABLE Foundation."

20. The Foundation is a 501(c)(3) charity with an EIN of [redacted]168. The W-9 for the Foundation is attached hereto as Exhibit C.

21. The Foundation is a private nonprofit corporation created to benefit disabled persons and to raise funds for programs for disabled persons.

22. The Foundation is a nonprofit corporation, which is entirely separate from Beaufort County. It is a vendor of Beaufort County and donates funds for services provided to consumers of the Beaufort County Disabilities and Special Needs Board.

23. The Foundation has nothing whatsoever to do with any of the issues in this litigation, including the provision of janitorial services for Beaufort County.

24. Beaufort County has never, directly or indirectly, paid the Foundation for janitorial services.

FURTHER THE AFFIANT SAYETH NOT!

Alicia Holland

Sworn to and Subscribed to before
me this 14th day of June, 2018.

Notary Public for South Carolina
My Commission Expires: 10/13/2025

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STATE OF SOUTH CAROLINA
SECRETARY OF STATE
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant to Section 33-31-202 of the South Carolina Code of Laws, as amended, the undersigned corporation submits the following information:

1. The name of the nonprofit corporation is *The Disabilities Foundation of Beaufort County, Inc.*

2. The initial registered office of the nonprofit corporation is 1804 Old Shell Road (Street Address) Port Royal, (City) Beaufort (County) South Carolina (State) 29935 (Zip Code)

The name of the registered agent of the nonprofit corporation at that office is

Mitzi Wagner (Print Name)

I hereby consent to the appointment as registered agent of the corporation.

Mitzi W. Wagner (Agent's Signature)

3. Check "a", "b", or "c" whichever is applicable. Check only one box:

a. ☑ The nonprofit corporation is a public benefit corporation.

b. ☐ The nonprofit corporation is a religious corporation.

c. ☐ The nonprofit corporation is a mutual benefit corporation.

4. Check "a" or "b", whichever is applicable:

a. ☐ This corporation will have members.

b. ☑ This corporation will not have members.

5. The address of the principal office of the nonprofit corporation is

1804 Old Shell Rd (Street Address) Port Royal (City) Beaufort (County) SC (State) 29935 (Zip Code)

6. If this nonprofit corporation is either a public benefit or religious corporation (when box "a" or "b" of paragraph 3 is checked), complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.

a. ☑ Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated

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[illegible] Corporation of Beaufort County, Inc.
Name of Corporation

exclusively for such purposes.

b. ☐ Upon dissolution of the corporation, consistent with the law, the remaining assets of the corporation shall be distributed to

_____

7. If the corporation is a mutual benefit corporation (when box "c" of paragraph 3 is checked), complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

a. ☐ Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b. ☐ Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

_____

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See 33-31-202(c) of the 1976 South Carolina Code of Laws, as amended, the applicable comments thereto, and the instructions to this form)

_____

_____

9. The name and address of each incorporator is as follows (only one is required)

Ron Voegeli
Name

Grace Dennis
Name

Kathy Holley
Name

[redacted]
Address Zip Code

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles.

Ron Voegeli
Name (Only if named in articles)
Ron Voegeli
Signature of director

Grace Dennis
Name (Only if named in articles)
Grace F. Dennis
Signature of director

Kathy Holley
Name (Only if named in articles)
Kathy Holley
Signature of director

11. Each incorporator must sign the articles.

Ron Voegeli
Signature of incorporator

Grace F. Dennis
Signature of incorporator

Kathy Holley
Signature of incorporator

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Attachment to Articles of Incorporation for
The Disabilities Foundation of Beaufort County, Inc.

9. Name and addresses of incorporators:

Sam Murray [redacted]

10. Signature of directors

Sam Murray — Signature of Director
Name (only if named in articles)

11. Each incorporator must sign the articles:

Signature of Incorporator

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STATE OF SOUTH CAROLINA
SECRETARY OF STATE

NOTICE OF CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OR BOTH OF A NONPROFIT CORPORATION

TYPE OR PRINT CLEARLY WITH BLACK INK

Pursuant to Sections 33-31-502 and 33-31-1508 of the 1976 South Carolina Code of Laws, as amended, the undersigned corporation submits the following information:

1. The name of the corporation is Disabilities Foundation of Beaufort County, Inc AKA/ABLE

2. The corporation is (complete either "a" or "b", whichever is applicable)

   a. A domestic nonprofit corporation incorporated in South Carolina on ~~[illegible]~~ 8-31-2004 or

   b. A foreign nonprofit corporation incorporated in _____ (State) on _____ (Date), and authorized to do business in South Carolina on _____ (Date).

3. The street address of the current registered office in South Carolina is ~~1903 Lenora Dr Port Royal SC 29935~~ (Street Address / City / State / Zip Code) 1804 Old Shell Rd Port Royal SC 29935

4. If the current registered office is to be changed, the street address to which its registered office is to be changed is ~~1804 Old Shell Road Port Royal SC 29935~~ (Street Address / City / State / Zip Code) 1903 Lenora Dr. Port Royal SC. 29935

5. The name of the current registered agent is Mitzi H. Wagner.

6. If the current registered agent is to be changed, the name of the successor registered agent is Edward L. Cushing Berry, JR.

*I hereby consent to the appointment as registered agent of the corporation.

Signature of New Registered Agent

7. The street addresses of the registered office and of the office of the registered agent, as changed, will be identical. YES

*Pursuant to Sections 33-31-502 (5) and 33-31-1508 (5) of the 1976 South Carolina Code of Laws, as amended, the written consent of the registered agent may be attached to this form.

110801-0321 FILED: 08/01/2011
DISABILITIES FOUNDATION OF BEAUFORT COUNTY, INC.
Filing Fee: $10.00 ORIG

Mark Hammond South Carolina Secretary of State

604

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Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

Disabilities Foundation of Beaufort County, Inc. AKA/ABLE
Name of Corporation

Date 7/19/2011

Signature

Edward L. Washington, JR. Director
Type or Print Name and Title

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed.
2. Filing Fee (payable to the Secretary of State at the time of filing this document) - $10.00

Return to: Secretary of State
1205 Pendleton Street, Suite 525
Columbia, SC 29201

NP-NOTICE OF CHG OF REG OFFICE OR REG AGT.DOC

Form Revised by South Carolina
Secretary of State, May 2011

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File ID: 04-10197395
Filing Date: 08/03/2004

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AUG 0 3 2004

Mark Hammond
SECRETARY OF STATE

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

NONPROFIT CORPORATION ARTICLES OF AMENDMENT

TYPE OR PRINT CLEARLY WITH BLACK INK

Pursuant to the provisions of Section 33-31-1005 of the 1976 South Carolina Code of Laws, as amended, the applicant delivers to the Secretary of State these articles of amendment.

1. The name of the nonprofit corporation is The Disabilities Foundation of Beaufort County, Inc.

2. Date Incorporated November 21, 2003

3. Specify (a) the text of every amendment adopted, and (b) list when each amendment was adopted.
   See attached Exhibit A.

4. ☑ By checking this paragraph #4 the applicant represents that (a) approval of the amendment by the members was not required, (b) the amendment was approved by a sufficient vote of the board or directors or the Incorporators. (Do not check this paragraph #4 if member vote was required or if the required vote of directors or Incorporators was not obtained.)

5. If the approval of the members was required to adopt the amendment(s), provide the following information:

   (a) Designation (Classes of Membership)
   Board of Directors

   (b) Number of memberships outstanding
   None

   (c) Number of votes entitled to be cast by each class entitled to vote separately on the amendment
   Seven

   (d) Number of votes of each class indisputably voting on the amendment
   Seven

   (e) Complete one of the following as appropriate

   (i) Total number of votes cast for and against the amendment by each class entitled to vote separately Seven For / 0 against

   (ii) Total number of undisputed votes cast for the amendment by each class which was sufficient for approval for that class Seven

050401-5002

606

ERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE
Jun 12 2018
REFERENCE ID: 1806081410546
Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

The Disabilities Foundation of Beaufort County, Inc.
Name of Corporation

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6. ☐ By checking this paragraph #6 the applicant represents that approval of the amendment by some person or persons other than the members, the board, or the incorporators is required pursuant to Section 33-31-1030 of the 1976 South Carolina Code of Laws, as amended, and that the approval was obtained. (Do not mark paragraph #6 if either of these statements is not true.)

7. If the amendment provides for an exchange, reclassification, or cancellation of memberships, provisions for implementing the amendment must be set forth here if provisions are not contained in the amendment itself _____

8. ☐ If this corporation is converting from either a public benefit or religious corporation into a mutual benefit corporation, mark this paragraph #8 which certifies that a notice, including a copy of the proposed amendment, was delivered to the South Carolina Attorney General at least twenty days before the consummation of the amendment.

Date July __, 2004

The Disabilities Foundation of Beaufort County, Inc.
Name of Corporation

Ron Voegeli
Signature or Officer

Ron Voegeli
Type or Print Name and Office

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must by filed.
2. If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk which will allow for expansion of space on the form.
3. This form must be accompanied by the filing fee of $10.00 payable to the Secretary of State.

Return to: Secretary of State
P.O. Box 11350
Columbia, SC 29211

NP-ARTICLES OF AMENDMENT.doc

Form Revised by South Carolina
Secretary of State, January 2000

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EXHIBIT A

Said organization is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof.

No substantial part of the activities of the corporation shall be the carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by IRC section 501(h)), and the corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

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Jun 12 2018
REFERENCE ID: 1806081410546

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

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CORPORATE RESOLUTIONS
BOARD OF DIRECTORS
THE DISABILITIES FOUNDATION OF BEAUFORT COUNTY, INC.

WHEREAS, The Disabilities Foundation of Beaufort County, Inc. (the "Foundation") has previously filed for tax-exempt status with the Internal Revenue Service (the "IRS"); and

WHEREAS, the IRS has required that the Articles of Incorporation of the Foundation include certain provisions regarding the Foundation's activities; and

WHEREAS, the Board of Directors have determined that such provisions are consistent with the Foundation's purposes and that it is in the best interest of the Foundation to include such provisions in the Foundation's Articles of Incorporation.

NOW THEREFORE be it resolved unanimously by the Board of Directors of the Foundation as follows:

Resolved, that the Articles of Incorporation of the Foundation be amended to include the following provisions:

> Said organization is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.
>
> Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.
>
> No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof.
>
> No substantial part of the activities of the corporation shall be the carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by IRC section 501(h)), and the corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

Resolved further, that the Chairman of the Board of Directors is hereby authorised and directed to execute and file the Articles of Amendment presented to the Board of Directors.

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S TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE
Jun 12 2018
REFERENCE ID: 1806081410546
Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

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Adopted and approved this 20th day of July, 2004.

Ron Vogel

Danny J Linkerton

Kathy Holley

Dan M Newman

Grace T. Dennis

Samuel E. Murray

STATE OF SOUTH CAROLINA)
COUNTY OF Beaufort)

IN THE COURT OF COMMON PLEAS

Steven Craig Molloy
Plaintiff(s)

vs.

Beaufort County, et al
Defendant(s)

CIVIL ACTION COVERSHEET

2016 AUG 22 AM 11:46 -CP- 07 01825

BEAUFORT, S.C.

Submitted By: Lauren Mabry
Address: 2 Carolina Christy Suite 200 Professional Way Hilton Head, SC 29926

SC Bar #: 65125
Telephone #: 8432985831
Fax #:
Other:
E-mail: mabrylaw@hargray.com

NOTE: The coversheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this coversheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (*Check all that apply*)

***If Action is Judgment/Settlement do not complete**

- [X] **JURY TRIAL** demanded in complaint. [ ] **NON-JURY TRIAL** demanded in complaint.
- [ ] This case is subject to **ARBITRATION** pursuant to the Court Annexed Alternative Dispute Resolution Rules.
- [ ] This case is subject to **MEDIATION** pursuant to the Court Annexed Alternative Dispute Resolution Rules.
- [ ] This case is exempt from ADR. (Proof of ADR/Exemption Attached)

NATURE OF ACTION (*Check One Box Below*)

Contracts
- [ ] Constructions (100)
- [ ] Debt Collection (110)
- [ ] General (130)
- [X] Breach of Contract (140)
- [X] Fraud/Bad Faith (150)
- [ ] Failure to Deliver/ Warranty (160)
- [ ] Employment Discrim (170)
- [ ] Employment (180)
- [X] Other (199) Collateral related to Contract Procurement

Torts - Professional Malpractice
- [ ] Dental Malpractice (200)
- [ ] Legal Malpractice (210)
- [ ] Medical Malpractice (220)

Previous Notice of Intent Case # 20___-NI-_____-_____
- [ ] Notice/ File Med Mal (230)
- [ ] Other (299) _____

Torts – Personal Injury
- [ ] Conversion (310)
- [ ] Motor Vehicle Accident (320)
- [ ] Premises Liability (330)
- [ ] Products Liability (340)
- [ ] Personal Injury (350)
- [ ] Wrongful Death (360)
- [ ] Assault/Battery (370)
- [ ] Slander/Libel (380)
- [ ] Other (399) _____

Real Property
- [ ] Claim & Delivery (400)
- [ ] Condemnation (410)
- [ ] Foreclosure (420)
- [ ] Mechanic's Lien (430)
- [ ] Partition (440)
- [ ] Possession (450)
- [ ] Building Code Violation (460)
- [ ] Other (499) _____

Inmate Petitions
- [ ] PCR (500)
- [ ] Mandamus (520)
- [ ] Habeas Corpus (530)
- [ ] Other (599) _____

Administrative Law/Relief
- [ ] Reinstate Drv. License (800)
- [ ] Judicial Review (810)
- [ ] Relief (820)
- [ ] Permanent Injunction (830)
- [ ] Forfeiture-Petition (840)
- [ ] Forfeiture—Consent Order (850)
- [ ] Other (899) _____

Judgments/Settlements
- [ ] Death Settlement (700)
- [ ] Foreign Judgment (710)
- [ ] Magistrate's Judgment (720)
- [ ] Minor Settlement (730)
- [ ] Transcript Judgment (740)
- [ ] Lis Pendens (750)
- [ ] Transfer of Structured Settlement Payment Rights Application (760)
- [ ] Confession of Judgment (770)
- [ ] Petition for Workers Compensation Settlement Approval (780)
- [ ] Other (799) _____

Appeals
- [ ] Arbitration (900)
- [ ] Magistrate-Civil (910)
- [ ] Magistrate-Criminal (920)
- [ ] Municipal (930)
- [ ] Probate Court (940)
- [ ] SCDOT (950)
- [ ] Worker's Comp (960)
- [ ] Zoning Board (970)
- [ ] Public Service Comm. (990)
- [ ] Employment Security Comm (991)
- [ ] Other (999) _____

Special/Complex /Other
- [ ] Environmental (600)
- [ ] Automobile Arb. (610)
- [ ] Medical (620)
- [ ] Other (699) _____
- [ ] Sexual Predator (510)
- [ ] Permanent Restraining Order (680)
- [ ] Pharmaceuticals (630)
- [ ] Unfair Trade Practices (640)
- [ ] Out-of State Depositions (650)
- [ ] Motion to Quash Subpoena in an Out-of-County Action (660)
- [ ] Pre-Suit Discovery (670)

Submitting Party Signature: _____ **Date:** 8/22/16

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRCP, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. §15-36-10 et. seq.

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Effective January 1, 2016, Alternative Dispute Resolution (ADR) is mandatory in all counties, pursuant to Supreme Court Order dated November 12, 2015.

SUPREME COURT RULES REQUIRE THE SUBMISSION OF ALL CIVIL CASES TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS, UNLESS OTHERWISE EXEMPT.

Pursuant to the ADR Rules, you are required to take the following action(s):

1. The parties shall select a neutral and file a "Proof of ADR" form on or by the 210th day of the filing of this action. If the parties have not selected a neutral within 210 days, the Clerk of Court shall then appoint a primary and secondary mediator from the current roster on a rotating basis from among those mediators agreeing to accept cases in the county in which the action has been filed.

2. The initial ADR conference must be held within 300 days after the filing of the action.

3. Pre-suit medical malpractice mediations required by S.C. Code §15-79-125 shall be held not later than 120 days after all defendants are served with the "Notice of Intent to File Suit" or as the court directs.

4. Cases are exempt from ADR only upon the following grounds:

    a. Special proceeding, or actions seeking extraordinary relief such as mandamus, habeas corpus, or prohibition;

    b. Requests for temporary relief;

    c. Appeals

    d. Post Conviction relief matters;

    e. Contempt of Court proceedings;

    f. Forfeiture proceedings brought by governmental entities;

    g. Mortgage foreclosures; and

    h. Cases that have been previously subjected to an ADR conference, unless otherwise required by Rule 3 or by statute.

5. In cases not subject to ADR, the Chief Judge for Administrative Purposes, upon the motion of the court or of any party, may order a case to mediation.

6. Motion of a party to be exempt from payment of neutral fees due to indigency should be filed with the Court within ten (10) days after the ADR conference has been concluded.

Please Note: **You must comply with the Supreme Court Rules regarding ADR. Failure to do so may affect your case or may result in sanctions.**

612

STATE OF SOUTH CAROLINA	)	**IN THE COURT OF COMMON PLEAS**
	)	**FOURTEENTH JUDICIAL CIRCUIT**
COUNTY OF BEAUFORT	)	**CIVIL CASE NO.: 2016-CP-07-** 01825
Steven Craig Molloy, Jack Wayne Molloy and Island Group, Inc. dba Carolina Cleaning, **Plaintiffs,**	)	
vs.	)	**SUMMONS**
Beaufort County; Gary Kubic, Individually, and as Beaufort County Administrator; Josh Gruber, Individually and as former Beaufort County In-House Attorney; Bryan Hill, Individually and as former Beaufort County Deputy Administrator; AND Shannon Loper, Individually, and as an employee of the Beaufort County Parks and Leisure; Stu Rodman, as finance Chair of Beaufort County Council; **Defendants.**	)	

TO: THE ABOVE-NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action, a copy of which is herewith served upon you, and to serve a copy of your Answer to said Complaint on the subscriber at the Law Office of Lauren L. Martel, Post Office Box 23101, Hilton Head Island, South Carolina 29925, within thirty (30) days after service hereof, exclusive of the date of service; and **IF YOU FAIL TO ANSWER THE COMPLAINT WITHIN THE TIME AFORESAID, THE PLAINTIFF IN THIS ACTION WILL APPLY TO THE COURT FOR A JUDGMENT BY DEFAULT FOR THE RELIEF DEMANDED IN THIS COMPLAINT.**

Respectfully Submitted:

Lauren L. Martel, Esquire
P.O. Box 23101
Hilton Head Island, S.C. 29925
(843) 298-3831

This 20, August, 2016

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IN THE COURT OF COMMON PLEAS
FOURTEENTH JUDICIAL CIRCUIT
STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

Steven Craig Molloy and Island Group, Inc. dba Carolina Cleaning,	**CIVIL CASE NO.: 2016-CP-07-** 01825
Plaintiffs,	
vs.	**VERIFIED COMPLAINT (Jury Trial Demanded)**
Beaufort County; Gary Kubic, Individually, and as Beaufort County Administrator; Josh Gruber, Individually and as former Beaufort County In-House Attorney; Bryan Hill, Individually and as former Beaufort County Deputy Administrator; AND Shannon Loper, Individually, and as employee of the Beaufort County Parks and Leisure; Stu Rodman, as finance Chair of Beaufort County Council;	
Defendants.	

TO: THE ABOVE-NAMED DEFENDANTS:

The Plaintiffs complaining of the above-named Defendants respectfully allege as follows:

PARTIES AND JURISDICTION

1. The Island Group, Inc. is a corporation organized and operating under the laws of the State of South Carolina. Further, it has been conducting business in the commercial cleaning and janitorial business, under the name of Carolina Cleaning, for a wide array of Beaufort County

#SSM

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Form **W-9**
(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

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Print or type. See Specific Instructions on page 2.

Name (as shown on your income tax return)
BEAUFORT COUNTY COUNCIL

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☑ Other (see Instructions) ▶ GOVERNMENT

Exemptions (see instructions):
Exempt payee code (if any)
Exemption from FATCA reporting code (if any)

Address (number, street, and apt. or suite no.)
P.O. DRAWER 1228

Requester's name and address (optional)

City, state, and ZIP code
BEAUFORT, SC 29901

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
[ ][ ][ ] - [ ][ ] - [ ][ ][ ][ ]

Employer Identification number
[■][■] - [■][■][■][■][3][1][1]

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at *www.irs.gov/w9*. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

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In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

What is FATCA reporting? The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

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Exempt payee code. Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

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What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee [1] The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity [4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

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Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

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Check Number: [redacted]

Beaufort County, Beaufort, SC 29901-1228

Invoice Date	Invoice Number	Description	Invoice Amount
02/28/2018	FEB18	CONTRACT WAGES [redacted]	$14.50

Vendor No	Vendor Name	Check No	Check Date	Check Amount
[redacted]		[redacted]	03/09/2018	14.50

Beaufort County
Post Office Drawer 1228
Beaufort, South Carolina 29901-1228
(843) 255-2290

[redacted]

Check Date: 03/09/2018

Check Number: [redacted]

$14.50

Pay Fourteen Dollars and 50 cents ******

To The Order Of [redacted]

[redacted]
Treasurer

MP

[redacted]

AP

"See Reverse Side for Grey Opacity Instructions"

Beaufort County
Post Office Drawer 1228
Beaufort, South Carolina 29901-1228
(843) 255-2290

ADDRESS SERVICE REQUESTED

[redacted]

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Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Disabilities Foundation of Beaufort County

2 Business name/disregarded entity name, if different from above
ABLE Foundation

3 Check appropriate box for federal tax classification; check only one of the following seven boxes:
☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
☑ Other (see instructions) ▶ **501(c)3 charity public ID C11963**

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any)
Exemption from FATCA reporting code (if any)
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)
100 Clear Water Way

Requester's name and address (optional)

6 City, state, and ZIP code
Beaufort, SC 29906

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number
___ - ___ - ____

or

Employer identification number
[redacted] 16 8

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ [signature] Date ▶ 7-24-17

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at *www.irs.gov/fw9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

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South Carolina Secretary of State Mark Hammond

Business Entities Online

File, Search, and Retrieve Documents Electronically

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Business Name Search

To Search

Enter the business name of the company you wish to view and click "Search." Find the business in the results below and click to view the official business profile and relevant information.

To File for an Existing Business

Enter the business name of the company for which you wish to file documents and click search. Find the business in the results below and click to view the official business profile. From your business's profile click the "Add Filing" button.

Results displayed will show entities that contain your search criteria.

Search by Business Name

beaufort county

This name is available

Search Results

Displaying 60 out of 97 records

Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
ADOPT-A-SCHOOL OF BEAUFORT COUNTY, INC.	11/20/1995	Nonprofit	Good Standing	South Carolina
ARTISTIC ENRICHMENT ASSOCIATION OF BEAUFORT COUNTY	12/04/1996	Nonprofit	Forfeited	South Carolina
ARTS & CULTURAL COUNCIL OF SOUTHERN	08/06/2007	Nonprofit	Good Standing	South Carolina

Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
BEAUFORT COUNTY, INC				
ARTS COUNCIL OF BEAUFORT COUNTY *Former*	01/30/1991	Nonprofit	Good Standing	South Carolina
ARTS COUNCIL OF NORTHERN BEAUFORT COUNTY, THE *Former*	01/30/1991	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY 2000, INC.	07/27/1993	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY AGGREGATE, INC.	04/24/1985	Corporation	Forfeited	South Carolina
BEAUFORT COUNTY ALLERGY LLC	10/28/2005	Limited Liability Company	Good Standing	South Carolina
BEAUFORT COUNTY APARTMENT ASSOCIATION *Former*	08/13/2004	Nonprofit	Good Standing	South Carolina

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Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
BEAUFORT COUNTY ASSOCIATION OF REALTORS, INC.	06/17/1976	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY BLACK CHAMBER OF COMMERCE	06/17/2002	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY BOARD OF REALTORS, INC. *Former*	06/17/1976	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY BRIDGE ASSOCIATION	07/26/2010	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY CHAMBER OF COMMERCE, THE *Former*	03/09/1964	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY CITIES IN SCHOOLS, INC.	05/06/1996	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY CIVIC	06/02/2000	Nonprofit	Good Standing	South Carolina

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Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
ASSOCIATION				
Beaufort County Clubhouse	02/21/2017	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY COMMUNITY CENTER, THE	01/11/1993	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY COMMUNITY LAND TRUST, INC.	11/19/2003	Nonprofit	Dissolved	South Carolina
BEAUFORT COUNTY COUNCIL ON AGING, INC., THE	04/20/1970	Nonprofit	Good Standing	South Carolina

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For filing questions please contact us at 803-734-2158

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Business Entities Online

File, Search, and Retrieve Documents Electronically

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Business Name Search

To Search

Enter the business name of the company you wish to view and click "Search." Find the business in the results below and click to view the official business profile and relevant information.

To File for an Existing Business

Enter the business name of the company for which you wish to file documents and click search. Find the business in the results below and click to view the official business profile. From your business's profile click the "Add Filing" button.

Results displayed will show entities that contain your search criteria.

Search by Business Name

beaufort county

This name is available

Search Results *Displaying 60 out of 97 records*

Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
BEAUFORT COUNTY CRIME STOPPERS	07/15/1985	Nonprofit	Forfeited	South Carolina
BEAUFORT COUNTY DELINQUENCY PREVENTION COUNCIL	05/28/1999	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY DEVELOPMENT CORPORATION	08/04/1972	Corporation	Forfeited	South Carolina

Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
BEAUFORT COUNTY DRUG COURT	08/05/2002	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY ECONOMIC DEVELOPMENT CORPORATION	05/12/2016	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY EDUCATION ASSOCIATION	09/26/1990	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY EXTERMINATORS, LLC	03/19/2007	Limited Liability Company	Good Standing	Georgia
BEAUFORT COUNTY FARM BUREAU	08/21/1968	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY FARMERS ASSOCIATION FOR HOUSING MIGRATORY LA BOR	07/29/1963	Nonprofit	Good Standing	South Carolina
BEAUFORT	02/03/1942	Nonprofit	Good Standing	South Carolina

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Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
COUNTY FARMERS' MARKET ASSOCIATION				
BEAUFORT COUNTY FIRST STEPS TO SCHOOL READINESS PARTNERSHIP, A SOUTH CAROLINA NONPROFIT CORPORATION	09/24/1999	Nonprofit	Good Standing	South Carolina
Beaufort County Football Club, LLC	03/21/2017	Limited Liability Company	Good Standing	South Carolina
BEAUFORT COUNTY FOSTER PARENT ASSOCIATION, INC. THE	03/20/1990	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY HISTORICAL SOCIETY, INC.	06/29/1987	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY HOSPITALITY ASSOCIATION, INC.	06/30/1994	Nonprofit	Good Standing	South Carolina

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Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
BEAUFORT COUNTY HOUSE OF HOPE	10/15/2002	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY LITERACY AND GROUP LEADERSHIP ASSOCIATION *Former*	07/12/1973	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY LITERACY ASSOCIATION, THE *Former*	07/12/1973	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY MUNICIPAL ASSOCIATION	10/11/1993	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY OPEN LAND TRUST, INC.	04/29/1971	Nonprofit	Good Standing	South Carolina

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For filing questions please contact us at 803-734-2158

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Business Entities Online

File, Search, and Retrieve Documents Electronically

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Business Name Search

To Search

Enter the business name of the company you wish to view and click "Search." Find the business in the results below and click to view the official business profile and relevant information.

To File for an Existing Business

Enter the business name of the company for which you wish to file documents and click search. Find the business in the results below and click to view the official business profile. From your business's profile click the "Add Filing" button.

Results displayed will show entities that contain your search criteria.

Search by Business Name

beaufort county

This name is available

Search Results

Displaying 60 out of 97 records

Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
BEAUFORT COUNTY PLANNING AND DEVELOPMENT CORPORATION *Former*	10/03/1989	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY PROBLEM SOLVING COURTS, INC.	11/01/2004	Nonprofit	Good Standing	South Carolina
BEAUFORT	08/13/2008	Limited Liability	Good Standing	South Carolina

Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
COUNTY PROPERTY LISTINGS LLC		Company		
BEAUFORT COUNTY PUBLIC EDUCATION FOUNDATION *Former*	04/05/1988	Nonprofit	Dissolved	South Carolina
BEAUFORT COUNTY PURCHASING AND MARKETING ASSOCIATION	11/19/1941	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY REGIONAL CHAMBER OF COMMERCE *Reserved*	08/02/2004	Reservation	Reserved	South Carolina
BEAUFORT COUNTY REGIONAL CHAMBER OF COMMERCE	10/22/2004	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY SCHOOL BOOK FOUNDATION	08/26/1996	Nonprofit	Good Standing	South Carolina

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Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
BEAUFORT COUNTY TEEN PREGNANCY PREVENTION COUNCIL, INC.	01/29/1999	Nonprofit	Good Standing	South Carolina
BEAUFORT COUNTY TITLE COMPANY, INC.	01/03/1980	Corporation	Forfeited	South Carolina
BEAUFORT COUNTY TRAINING SCHOOL ALUMNI ASSOCIATION THE	10/28/1988	Nonprofit	Forfeited	South Carolina
BEAUFORT COUNTY UNITED FUND, INC. *Former*	01/23/1964	Nonprofit	Good Standing	South Carolina
BIG BROTHERS/BIG SISTERS OF BEAUFORT COUNTY	02/19/1986	Nonprofit	Good Standing	South Carolina
BOOKER T. WASHINGTON COMMUNITY CENTER ORGANIZATION OF BEAUFORT COUNTY	09/14/1992	Nonprofit	Good Standing	South Carolina

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Entity Name	Date of Incorporation	Entity Type	Entity Status	Incorporated State
BP ENTERPRISES OF BEAUFORT COUNTY, LLC	02/12/2007	Limited Liability Company	Good Standing	South Carolina
CAROLINE HOSPICE OF BEAUFORT COUNTY	11/28/1980	Nonprofit	Forfeited	South Carolina
CD of Beaufort County, LLC	01/10/2018	Limited Liability Company	Good Standing	South Carolina
CONCERNED CITIZENS FOR BEAUFORT COUNTY	02/13/1997	Nonprofit	Good Standing	South Carolina
DISABILITIES FOUNDATION OF BEAUFORT COUNTY, INC. THE	11/21/2003	Nonprofit	Good Standing	South Carolina
FAMILY PROMISE OF BEAUFORT COUNTY, INC.	10/03/2006	Nonprofit	Good Standing	South Carolina

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If you do not see the results you are looking for, please refine your search or contact the South Carolina Secretary of State for bulk data options.

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To File for an Existing Business

Enter the business name of the company for which you wish to file documents and click search. Find the business in the results below and click to view the official business profile. From your business's profile click the "Add Filing" button.

Results displayed will show entities that contain your search criteria.

Search by Business Name

beaufort county disabilities

This name is available

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To File for an Existing Business

Enter the business name of the company for which you wish to file documents and click search. Find the business in the results below and click to view the official business profile. From your business's profile click the "Add Filing" button.

Results displayed will show entities that contain your search criteria.

Search by Business Name

beaufort county DSN

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DISABILITIES FOUNDATION OF BEAUFORT COUNTY, INC. THE

Corporate Information

Entity Type: Nonprofit

Status: Good Standing

Domestic/Foreign: Domestic

Incorporated State: South Carolina

Important Dates

Effective Date: 11/21/2003

Expiration Date: N/A

Term End Date: N/A

Dissolved Date: N/A

Registered Agent

Agent: EDWARD L. CUSHINGBERRY, JR.

Address: 1903 LENORA DR.
PORT ROYAL, South Carolina 29935

Official Documents On File

Filing Type	Filing Date
Change of Agent or Office	08/01/2011
Amendment	08/03/2004
Incorporation	11/21/2003

For filing questions please contact us at 803-734-2158

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
EXEMPTION CERTIFICATE

ST-9 (Rev. 2/23/10) 5011

NOT VALID WHEN EXTENDED TO CONSTRUCTION CONTRACTORS THEIR SUB-CONTRACTORS, OR THEIR MATERIAL SUPPLY MEN.

This certificate is issued in accordance with Section 12-36-2120 of Article 21, Section 12-36-120 of Article 1, Section 12-36-2510 of Article 25 of Chapter 36 of title 12, Section 58-25-60 of title 58, or Section 44-96-160(V)(1) of title 44 of the Code of Laws of South Carolina 1976, as amended.

[redacted]
DISABILITIES FOUNDATION OF BEAUFORT COUNTY
100 CLEAR WATER WAY
BEAUFORT SC 2906

CERTIFICATE ISSUED TO:
DISABILITIES FOUNDATION OF BEAUFORT COUNTY
100 CLEAR WATER WAY
BEAUFORT SC 29906

CERTIFICATE NUMBER: [redacted]
DATE ISSUED: [redacted]
EXEMPTIONS:

NOTICE:
The numbers in parentheses, which are a part of your certificate number, have reference to the specific type(s) of exemptions granted by this certificate. **Should this property be diverted to a taxable use, liability for payment of the tax thereon rests with your company. In the event the nature of your operations changes, you should notify the Department of Revenue immediately as this could affect the validity of this certificate.**

SCHEDULE OF EXEMPTION UNDER SECTION 12-36-2120 of Article 21

(9) Coal, or coke or other fuel sold to manufacturers, electric power companies, and transportation companies for:
- (a) Use or consumption in the production of by-products;
- (b) The generation of heat or power used in manufacturing tangible personal property for sale. For purposes of this item, 'manufacturer' or 'manufacturing' includes the activities of a processor;
- (c) The generation of electric power or energy for use in manufacturing tangible personal property for sale; or
- (d) The generation of motive power for transportation. For purposes of this item, 'manufacturing' includes the activities of mining and quarrying.

(14) Wrapping paper, wrapping twine, paper bags and containers, used incident to the sale and delivery of tangible personal property;

(17) Machines used in manufacturing, processing, recycling, compounding, mining, or quarrying tangible personal property for sale. 'Machines' include the parts of machines, attachments, and replacements used, or manufactured for use, on or in the operation of the machines and which (a) are necessary to the operation of the machines and are customarily so used, or (b) are necessary to comply with the order of an agency of the United States or this State for the prevention or abatement of pollution of air, water, or noise that is caused or threatened by any machine used as provided in this section. This exemption does not include automobiles or trucks. As used in this item 'recycling' means any process by which materials that otherwise would become solid waste are collected, separated, or processed and reused, or returned to use in the form of raw materials or products, including composting, for sale. In applying this exemption to machines used in recycling, the following percentage of the gross proceeds of sale, or sales price of, machines used in recycling are exempt from the taxes imposed by this chapter: Fiscal Year of Sale Percentage, Fiscal year 1997-98 fifty percent; after June 30, 1998, one hundred percent.

(19) Electricity use by cotton gins, manufacturers, miners, or quarriers to manufacture, mine, or quarry tangible personal property for sale. For purposes of this item, 'manufacturer' or 'manufacturing' includes the activities of processors.

(24) Supplies and machinery used by laundries, cleaning, dyeing, pressing or garment or other textile rental establishment in the direct performance of their primary function, but not sale of supplies and machinery used by coin-operated laundromats;

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State of South Carolina
Office of the Secretary of State
The Honorable Mark Hammond

Apr 5, 2018

Disabilities Foundation of Beaufort County
Sue A Bolick
1231 Lady's Island Dr., Unit 232
Port Royal, SC 299355798

RE: Registration Confirmation

Charity Public ID: P11963

Dear Sue A Bolick :

This letter confirms that the Secretary of State's Office has received and accepted your Registration, therefore, your charitable organization is in compliance with the registration requirement of the "South Carolina Solicitation of Charitable Funds Act." The registration of your charitable organization will expire on Nov 15, 2018.

If any of the information on your Registration form changes throughout the course of the year, please contact our office to make updates. It is important that this information remain updated so that our office can keep you informed of any changes that may affect your charitable organization.

If you have not yet filed your annual financial report or an extension for the annual financial report, the annual financial report is still due 4 ½ months after the close of your fiscal year.

- Annual financial reports must either be submitted on the Internal Revenue Service Form 990 or 990-EZ or the Secretary of State's Annual Financial Report Form.
- If you wish to extend the filing of that form with us, please submit a written request by email or fax to our office using the contact information below. Failure to submit the annual financial report may result in an administrative fine of up to $2,000.00.

If you have any questions or concerns, please visit our website at www.sos.sc.gov or contact our office using the contact information below.

Sincerely,

K. Wickersham

Kimberly S. Wickersham
Director, Division of Public Charities

South Carolina Secretary of State, Division of Public Charities
1205 Pendleton Street, Suite 525, Columbia, SC 29201
Phone (803) 734-1790 Fax (803) 734-1604 Email: charities@sos.sc.gov

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INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

RECEIVED SEP 7 2004
BY:

Date:

THE DISABILITIES FOUNDATION OF
BEAUFORT COUNTY INC
PO BOX 129 1804 OLD SHELL RD
PORT ROYAL, SC 29935

Employer Identification Number: [redacted]168
DLN: [redacted]
Contact Person:
MARY ASHLINE
Contact Telephone Number: [redacted]
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
November 11, 2003
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
December 31, 2007

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

If you distribute funds to other organizations, your records must show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence the funds will be used for section 501(c)(3) purposes.

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THE DISABILITIES FOUNDATION OF

If you distribute funds to individuals, you should keep case histories showing the recipient's name and address; the purpose of the award; the manner of selection; and the relationship of the recipient to any of your officers, directors, trustees, members, or major contributors.

Sincerely,

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)
Form 872-C

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SECRETARY OF STATE OF SOUTH CAROLINA

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FILED
NOV 2 1 2003
Mark Hammond
SECRETARY OF STATE

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant to Section 33-31-202 of the South Carolina Code of Laws, as amended, the undersigned corporation submits the following information:

1. The name of the nonprofit corporation is *The Disabilities Foundation of Beaufort County, Inc.*

2. The initial registered office of the nonprofit corporation is 1804 Old Shell Road (Street Address), Port Royal (City), Beaufort (County), South Carolina (State), 29935 (Zip Code)

The name of the registered agent of the nonprofit corporation at that office is

Mitzi Wagner
Print Name

I hereby consent to the appointment as registered agent of the corporation.

Mitzi W. Wagner
Agent's Signature

3. Check "a", "b", or "c" whichever is applicable. Check only one box:

a. ☑ The nonprofit corporation is a public benefit corporation.

b. ☐ The nonprofit corporation is a religious corporation.

c. ☐ The nonprofit corporation is a mutual benefit corporation.

4. Check "a" or "b", whichever is applicable:

a. ☐ This corporation will have members.

b. ☑ This corporation will not have members.

5. The address of the principal office of the nonprofit corporation is

1804 Old Shell Rd (Street Address), Port Royal (City), Beaufort (County), SC (State), 29935 (Zip Code)

6. If this nonprofit corporation is either a public benefit or religious corporation (when box "a" or "b" of paragraph 3 is checked), complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.

a. ☑ Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated

040406-0032

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The Disabled Foundation of Beaufort County, Inc.
Name of Corporation

exclusively for such purposes.

b. ☐ Upon dissolution of the corporation, consistent with the law, the remaining assets of the corporation shall be distributed to

_____

7. If the corporation is a mutual benefit corporation (when box "c" of paragraph 3 is checked), complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

a. ☐ Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b. ☐ Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

_____

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See 33-31-202(c) of the 1976 South Carolina Code of Laws, as amended, the applicable comments thereto, and the instructions to this form)

_____

_____

9. The name and address of each incorporator is as follows (only one is required)

Ron Voegeli
Name

Grace Dennis
Name

Kathy Holley
Name

[redacted]
Address

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles.

Ron Voegeli
Name (Only if named in articles)

Ron Voegeli
Signature of director

Grace Dennis
Name (Only if named in articles)

Grace F. Dennis
Signature of director

Kathy Holley
Name (Only if named in articles)

Kathy Holley
Signature of director

11. Each incorporator must sign the articles.

Ron Voegeli
Signature of incorporator

Grace F. Dennis
Signature of incorporator

Kathy Holley
Signature of incorporator

6241

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Attachment to Articles of Incorporation for
The Disabilities Foundation of Beaufort County, Inc.

9. Name and addresses of incorporators:

Sam Murray [redacted]

10. Signature of directors

Sam Murray — Signature of Director
Name (only if named in articles)

11. Each incorporator must sign the articles:

Signature of Incorporator

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STATE OF SOUTH CAROLINA
SECRETARY OF STATE

NOTICE OF CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OR BOTH OF A NONPROFIT CORPORATION

TYPE OR PRINT CLEARLY WITH BLACK INK

Pursuant to Sections 33-31-502 and 33-31-1508 of the 1976 South Carolina Code of Laws, as amended, the undersigned corporation submits the following information:

1. The name of the corporation is Disabilities Foundation of Beaufort County, Inc AKA/ABLE

2. The corporation is (complete either "a" or "b", whichever is applicable)

   a. A domestic nonprofit corporation incorporated in South Carolina on ~~Feb 2004~~ 8-31-2004 or

   b. A foreign nonprofit corporation incorporated in _____ (State) on _____ (Date), and authorized to do business in South Carolina on _____ (Date).

3. The street address of the current registered office in South Carolina is

   ~~1905 Lenora Dr Port Royal SC 29935~~
   (Street Address) (City) (State) (Zip Code)
   1804 Old Shell Rd Port Royal SC 29935

4. If the current registered office is to be changed, the street address to which its registered office is to be changed is

   ~~1804 Old Shell Road Port Royal SC 29935~~
   (Street Address) 1903 Lenora (City) Or. Port (State) Royal SC. (Zip Code) 29935

5. The name of the current registered agent is Mitzi H. Wagner

6. If the current registered agent is to be changed, the name of the successor registered agent is Edward L. Cushingberry, JR

*I hereby consent to the appointment as registered agent of the corporation.

Signature of New Registered Agent

7. The street addresses of the registered office and of the office of the registered agent, as changed, will be identical. YES

*Pursuant to Sections 33-31-502 (5) and 33-31-1508 (5) of the 1976 South Carolina Code of Laws, as amended, the written consent of the registered agent may be attached to this form.

110801-0321 FILED: 08/01/2011
DISABILITIES FOUNDATION OF BEAUFORT COUNTY, INC.
Filing Fee: $10.00 ORIG

Mark Hammond South Carolina Secretary of State

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Disabilities Foundation of Beaufort County, Inc. AKA/ABLE
Name of Corporation

Date 7/19/2011

Signature

Edward L. Washington, Jr. Director
Type or Print Name and Title

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed.
2. Filing Fee (payable to the Secretary of State at the time of filing this document) - $10.00

Return to: Secretary of State
1205 Pendleton Street, Suite 525
Columbia, SC 29201

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File ID: 04-10197395
Filing Date: 08/03/2004

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AUG 0 3 2004

Mark Hammond
SECRETARY OF STATE

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

NONPROFIT CORPORATION
ARTICLES OF AMENDMENT

TYPE OR PRINT CLEARLY WITH BLACK INK

Pursuant to the provisions of Section 33-31-1005 of the 1976 South Carolina Code of Laws, as amended, the applicant delivers to the Secretary of State these articles of amendment.

1. The name of the nonprofit corporation is The Disabilities Foundation of Beaufort County, Inc.

2. Date incorporated November 21, 2003

3. Specify (a) the text of every amendment adopted, and (b) list when each amendment was adopted.
   See attached Exhibit A.

4. ☑ By checking this paragraph #4 the applicant represents that (a) approval of the amendment by the members was not required, (b) the amendment was approved by a sufficient vote of the board or directors or the Incorporators. (Do not check this paragraph #4 if member vote was required or if the required vote of directors or Incorporators was not obtained.)

5. If the approval of the members was required to adopt the amendment(s), provide the following information:

   (a) Designation (Classes of Membership)
   Board of Directors

   (b) Number of memberships outstanding
   None

   (c) Number of votes entitled to be cast by each class entitled to vote separately on the amendment
   Seven

   (d) Number of votes of each class indisputably voting on the amendment
   Seven

   (e) Complete one of the following as appropriate

   (i) Total number of votes cast for and against the amendment by each class entitled to vote separately Seven For / 0 against

   (ii) Total number of undisputed votes cast for the amendment by each class which was sufficient for approval for that class Seven

050401-5002

645

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The Disabilities Foundation of Beaufort County, Inc.
Name of Corporation

6. ☐ By checking this paragraph #6 the applicant represents that approval of the amendment by some person or persons other than the members, the board, or the incorporators is required pursuant to Section 33-31-1030 of the 1976 South Carolina Code of Laws, as amended, and that the approval was obtained. (Do not mark paragraph #6 if either of these statements is not true.)

7. If the amendment provides for an exchange, reclassification, or cancellation of memberships, provisions for implementing the amendment must be set forth here if provisions are not contained in the amendment itself _____

8. ☐ If this corporation is converting from either a public benefit or religious corporation into a mutual benefit corporation, mark this paragraph #8 which certifies that a notice, including a copy of the proposed amendment, was delivered to the South Carolina Attorney General at least twenty days before the consummation of the amendment.

Date July __, 2004

The Disabilities Foundation of Beaufort County, Inc.
Name of Corporation

Ron Voegeli
Signature or Officer

Ron Voegeli
Type or Print Name and Office

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must by filed.
2. If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk which will allow for expansion of space on the form.
3. This form must be accompanied by the filing fee of $10.00 payable to the Secretary of State.

Return to: Secretary of State
P.O. Box 11350
Columbia, SC 29211

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CORPORATE RESOLUTIONS
BOARD OF DIRECTORS
THE DISABILITIES FOUNDATION OF BEAUFORT COUNTY, INC.

WHEREAS, The Disabilities Foundation of Beaufort County, Inc. (the "Foundation") has previously filed for tax-exempt status with the Internal Revenue Service (the "IRS"); and

WHEREAS, the IRS has required that the Articles of Incorporation of the Foundation include certain provisions regarding the Foundation's activities; and

WHEREAS, the Board of Directors have determined that such provisions are consistent with the Foundation's purposes and that it is in the best interest of the Foundation to include such provisions in the Foundation's Articles of Incorporation.

NOW THEREFORE be it resolved unanimously by the Board of Directors of the Foundation as follows:

Resolved, that the Articles of Incorporation of the Foundation be amended to include the following provisions:

Said organization is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof.

No substantial part of the activities of the corporation shall be the carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by IRC section 501(h)), and the corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

Resolved further, that the Chairman of the Board of Directors is hereby authorised and directed to execute and file the Articles of Amendment presented to the Board of Directors.

RTIFIED TO BE A TRUE AND CORRECT COPY
S TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE
Jun 12 2018
REFERENCE ID: 1806081410546
Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

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Adopted and approved this 20th day of July, 2004.

Ron Wagli

Danny J Pinkerton

Kathy Holley

Paul M Nowak

Grace T. Dennis

Samuel E. Murray

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SCANNED FEB 17 2016

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2014 calendar year, or tax year beginning 07/01 , 2014, and ending 06/30 , 20 15

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization: The Disabilities Foundation of Beaufort County Inc.
Doing business as: ABLE
Number and street (or P.O. box if mail is not delivered to street address): 100 Clear Water Way
Room/suite:
City or town, state or province, country, and ZIP or foreign postal code: Beaufort, South Carolina

D Employer identification number: [redacted]168

E Telephone number: 843.255.6300

G Gross receipts $:

F Name and address of principal officer: David R Striebinger, Treasurer
[redacted]

H(a) Is this a group return for subordinates? ☐ Yes ☑ No
H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status: ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.ablefoundationbc.org

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 2004

M State of legal domicile: SC

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: Fundraising to assist organizations that provide sevices to persons with developmental disabilities in Beaufort County, SC		
	2	Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	10
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	10
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

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			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	22450	31240
	9	Program service revenue (Part VIII, line 2g)		
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1704	
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	24154	31240
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 2737		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	8166	38258
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	8166	38258
	19	Revenue less expenses. Subtract line 18 from line 12	15988	(7018)

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	67584	60566
	21	Total liabilities (Part X, line 26)	0	0
	22	Net assets or fund balances. Subtract line 21 from line 20	67584	60566

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

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Sign Here

Signature of officer: [signature] 11/20/15

Type or print name and title: David Striebinger, Trea[redacted]

Paid Preparer Use Only

Print/Type preparer's name | Preparer's signature

Firm's name ▶

Firm's address ▶

May the IRS discuss this return with the preparer shown above? (se[redacted]

For Paperwork Reduction Act Notice, see the separate instructions.

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission:

Fundraising to assist organizations that provide services to persons with developmental disabilities in Beaufort County, SC

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 34467.36 including grants of $) (Revenue $)

Camp Treasure Chest, summer camp for consumers with developmental disabilities

4b (Code:) (Expenses $ 500 including grants of $) (Revenue $)

Annual CinderellaFella Ball , prom theme dance for consumers with developmental disabilities

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 34,967.36

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Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		✓
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		✓
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a		✓
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		✓
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		✓
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		✓
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		✓
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I* (see instructions)	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		✓
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		✓

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Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		✓
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		✓
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		✓
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		✓
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		✓
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34		✓
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		✓
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		✓
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	✓	

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Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			✓
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b			
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a			✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			✓
b	If "Yes," enter the name of the foreign country: ▶ ..... See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			✓
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			✓
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8			✓
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a			✓
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b			✓
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			✓
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b			

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Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☐

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . 1a 10			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent . . 1b 10			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .	3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		✓
6	Did the organization have members or stockholders?	6		✓
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		✓
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		✓
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a		✓
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b		
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c		
13	Did the organization have a written whistleblower policy?	13		✓
14	Did the organization have a written document retention and destruction policy?	14		✓
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a		✓
b	Other officers or key employees of the organization	15b		✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ South Carolina

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶
David R Striebinger, [redacted]

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☑ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Dawn Frank Chairperson	2			✓				0	0	0
(2) Beverly Dore Vice Chairperson	2			✓				0	0	0
(3) David Striebinger Treasurer	5			✓				0	0	0
(4) Hank Herring	1	✓						0	0	0
(5) Rhonda Cole	1	✓						0	0	0
(6) Sue Ann Bolick	3	✓						0	0	0
(7) Wendy Decareau	1	✓						0	0	0
(8) Strawn King	2	✓						0	0	0
(9) Barbara Sinsheimer	2	✓						0	0	0
(10) John Eddy	1	✓						0	0	0
(11)										
(12)										
(13)										
(14)										

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								0	0	0

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		✓
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*		✓
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	4,882			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	26,358			
	g	Noncash contributions included in lines 1a-1f: $					
	h	**Total.** Add lines 1a–1f ▶		31,240			
Program Service Revenue			Business Code				
	2a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f ▶		0			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶					
	4	Income from investment of tax-exempt bond proceeds ▶					
	5	Royalties ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) ▶					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less: cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss) ▶					
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from fundraising events ▶					
	9a	Gross income from gaming activities. See Part IV, line 19 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from gaming activities ▶					
	10a	Gross sales of inventory, less returns and allowances a					
	b	Less: cost of goods sold b					
	c	Net income or (loss) from sales of inventory ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d ▶					
	12	**Total revenue.** See instructions. ▶		31,240			

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2	Grants and other assistance to domestic individuals. See Part IV, line 22				
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages				
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9	Other employee benefits				
10	Payroll taxes				
11	Fees for services (non-employees):				
a	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12	Advertising and promotion				
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization				
23	Insurance				
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	Ornament costs (fundraising)	2,737			2,737
b	CinderellaFella Ball	500	500		
c	Camp Treasure Chest	34,467	34,467		
d					
e	All other expenses	554	554		
25	Total functional expenses. Add lines 1 through 24e	38,258	35,521		2,737
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	67,584	1	60,566
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a			
	b	Less: accumulated depreciation — 10b		10c	
	11	Investments—publicly traded securities		11	
	12	Investments—other securities. See Part IV, line 11		12	
	13	Investments—program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	67,584	16	60,566
Liabilities	17	Accounts payable and accrued expenses		17	
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	0	26	0
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	67,584	27	60,566
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	67,584	33	60,566
	34	Total liabilities and net assets/fund balances	67,584	34	60,566

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	31,240
2	Total expenses (must equal Part IX, column (A), line 25)	2	38,258
3	Revenue less expenses. Subtract line 2 from line 1	3	(7,018)
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	67,584
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	60,566

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☑ Cash ☐ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		✓
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2b		✓
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

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SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization

The Disabilities Foundation of Beaufort County dba ABLE

Employer identification number

[redacted]168

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33⅓% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.

a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations . . . . . .

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

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Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2014 Schedule A, Part II, line 14 . . . . . 15 %

16a **33⅓% support test—2015.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓% support test—2014.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2015.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test—2014.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

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Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	6111	14578	22450	26358		69497
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513	0	640	1704	4882		7226
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	6111	15218	24154	31240		76723
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						76723

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
9 Amounts from line 6	6111	15218	24154	31240		76723
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)	6111	15218	24154	31240		76723

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	100 %
16	Public support percentage from 2014 Schedule A, Part III, line 15	16	100 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2015** (line 10c, column (f) divided by line 13, column (f))	17	0 %
18	Investment income percentage from **2014** Schedule A, Part III, line 17	18	0 %

19a **33⅓% support tests—2015.** If the organization did not check the box on line 14, and line 15 is more than 33⅓%, and line 17 is not more than 33⅓%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☑

b **33⅓% support tests—2014.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓%, and line 18 is not more than 33⅓%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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Part IV Supporting Organizations
(Complete only if you checked a box in line 11 on Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* ***Part VI*** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1		✓
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		✓
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*	3a		✓
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.*	4a		✓
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* ***Part VI*** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in* ***Part VI****, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		✓
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		✓
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	7		✓
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	8		✓
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		✓
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		✓
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		✓
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b below.*	10a		✓
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		✓

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Part IV Supporting Organizations *(continued)*

		Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?		
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		✓
b	A family member of a person described in (a) above?	11b		✓
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in* ***Part VI.***	11c		✓

Section B. Type I Supporting Organizations

		Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in* ***Part VI*** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1		✓
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* ***Part VI*** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.*	2		✓

Section C. Type II Supporting Organizations

		Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* ***Part VI*** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		✓

Section D. All Type III Supporting Organizations

		Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	✓	
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	2		✓
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard.*	3		✓

Section E. Type III Functionally-Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the year* ***(see instructions)****:*

a ☐ The organization satisfied the Activities Test. *Complete* ***line 2*** *below.*

b ☐ The organization is the parent of each of its supported organizations. *Complete* ***line 3*** *below.*

c ☑ The organization supported a governmental entity. *Describe in Part VI how you supported a government entity (see instructions).*

		Yes	No
2	Activities Test. ***Answer (a) and (b) below.***		
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations. ***Answer (a) and (b) below.***		
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in* ***Part VI.***	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* ***Part VI*** *the role played by the organization in this regard.*	3b		

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6 and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount		Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2 Enter 85% of line 1	2	
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4 Enter greater of line 2 or line 3	4	
5 Income tax imposed in prior year	5	
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	

7 ☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations *(continued)*

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in **Part VI**). See instructions.	
7	**Total annual distributions.** Add lines 1 through 6.	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**). See instructions.	
9	Distributable amount for 2015 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1	Distributable amount for 2015 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
3	Excess distributions carryover, if any, to 2015:			
a				
b				
c				
d	From 2013			
e	From 2014			
f	**Total** of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2015 distributable amount			
i	Carryover from 2010 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2015 from Section D, line 7: $			
a	Applied to underdistributions of prior years			
b	Applied to 2015 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4.			
5	Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6	Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7	**Excess distributions carryover to 2016.** Add lines 3j and 4c.			
8	Breakdown of line 7:			
a				
b				
c	Excess from 2013 . . .			
d	Excess from 2014 . . .			
e	Excess from 2015 . . .			

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Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Part IV sec E,1c. All programs supported are run by the Beaufort County Government Disabilities and Special Needs.

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization

The Disabilities Foundation of Beaufort County Inc. dba ABLE

Employer identification number

[redacted]168

01. Form 990 governing body review (part VI, line 11)

Board of Directors

02. Form 990 Governing documents, etc. available to the public (part VI, line 19)

Available upon request

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization

The Disabilities Foundation of Beaufort County Inc. dba ABLE

Employer identification number

[redacted]168

01. Form 990 governing body review (part VI, line 11)

Board of Directors

02. Form 990 Governing documents, etc. available to the public (part VI, line 19)

Available upon request

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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning 07/01 , 2016, and ending 06/30 , 20 17

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization The Disabilities Foundation of Beaufort County
Doing business as ABLE
Number and street (or P.O. box if mail is not delivered to street address) Room/suite
100 Clear Water Way
City or town, state or province, country, and ZIP or foreign postal code
Beaufort, South Carolina 29901

D Employer identification number [redacted]68

E Telephone number 843 255.6300

G Gross receipts $

F Name and address of principal officer: [redacted]
Sue Ann Bolick

H(a) Is this a group return for subordinates? ☐ Yes ☑ No
H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

I Tax-exempt status: ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.ablefoundationbc.org

H(c) Group exemption number ▶

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 2004

M State of legal domicile: SC

Part I Summary

1 Briefly describe the organization's mission or most significant activities: Fundraising to assist organizations that provide services to persons with developmental disabilities in Beaufort County, SC

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	
	5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	
	6 Total number of volunteers (estimate if necessary)	6	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	
	b Net unrelated business taxable income from Form 990-T, line 34	7b	

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	23883	29599
	9 Program service revenue (Part VIII, line 2g)		
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	23883	29599
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) 2340		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	1776	46542
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	2396	48882
	19 Revenue less expenses. Subtract line 18 from line 12	21487	(19283)

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	82053	62770
	21 Total liabilities (Part X, line 26)	0	0
	22 Net assets or fund balances. Subtract line 21 from line 20	82053	62770

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IRS
OGDEN UT

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Sue Ann J Bolick Chairperson — 9-18-17
Signature of officer

Sue Ann J Bolick Chairperson [redacted]
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name | Preparer's signature

Firm's name ▶

Firm's address ▶

May the IRS discuss this return with the preparer shown above? (se

For Paperwork Reduction Act Notice, see the separate instructions.

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SCANNED OCT 10 2017

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission:

Fundraising to assist organizations that provide services to persons with developmental disabilities in Beaufort County, SC

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 45437 including grants of $) (Revenue $)

Camp Treasure Chest, a summer camp for consumers with developmental disabilities

4b (Code:) (Expenses $ 700 including grants of $) (Revenue $)

Annual CinderellaFella Ball, prom theme dance for consumers with developmental disabilities

4c (Code:) (Expenses $ 148 including grants of $) (Revenue $)

travel assistance for consumer with developmental disabilities

4d Other program services (Describe in Schedule O.)
(Expenses $ Including grants of $) (Revenue $)

4e Total program service expenses ▶ 46285

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Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		✓
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a		✓
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		✓
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		✓
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		✓
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		✓
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I* (see instructions)	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓

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Part IV Checklist of Required Schedules *(continued)*

			Yes	No
20	a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		✓
	b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		✓
21		Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		✓
22		Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23		Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		✓
24	a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		✓
	b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		✓
	c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		✓
	d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		✓
25	a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
	b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26		Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	26		✓
27		Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		✓
28		Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
	a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
	b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
	c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29		Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30		Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31		Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32		Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33		Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34		Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34		✓
35	a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		✓
	b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		✓
36		**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
37		Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38		Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	✓	

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Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		✓
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b		
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		✓
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		✓
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8		✓
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?		9a		✓
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		9b		✓
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		✓
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

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Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☐

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . .	1a 11		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent . .	1b 11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .	3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		✓
6	Did the organization have members or stockholders?	6		✓
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		✓
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		✓
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a		✓
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b		
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c		
13	Did the organization have a written whistleblower policy?	13		✓
14	Did the organization have a written document retention and destruction policy?	14		✓
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a		✓
b	Other officers or key employees of the organization	15b		✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ South Carolina

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶ Melina Lee

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Sue Ann DoLick Chairperson	5			✓						
(2) BEVERLY DORE Vice Chairperson	2			✓						
(3) MELINA LEE TREASURER	3			✓						
(4) BARBARA SINSHEIMER SECRETARY	2			✓						
(5) BILL KREBS	1	✓								
(6) JANE KREBS	1	✓								
(7) RHONDA GOLE-GREEN	1	✓								
(8) JANICE LYLES	1	✓								
(9) HANK HERRING	1	✓								
(10) CHARLENE EKAUL	1	✓								
(11) MARTHA GRIFFIN	1	✓								
(12)										
(13)										
(14)										

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		✓
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*		✓
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	3892				
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	25707				
	g Noncash contributions included in lines 1a-1f: $						
	h **Total.** Add lines 1a–1f . . . . . ▶			29599			
Program Service Revenue		Business Code					
	2a						
	b						
	c						
	d						
	e						
	f All other program service revenue .			0			
	g **Total.** Add lines 2a–2f . . . . . ▶			0			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) . . . . . ▶						
	4 Income from investment of tax-exempt bond proceeds ▶						
	5 Royalties . . . . . ▶						
		(i) Real	(ii) Personal				
	6a Gross rents . .						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss) . . . . . ▶						
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory						
	b Less: cost or other basis and sales expenses .						
	c Gain or (loss) . .						
	d Net gain or (loss) . . . . . ▶						
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . . a						
	b Less: direct expenses . . . . b						
	c Net income or (loss) from fundraising events . . ▶						
	9a Gross income from gaming activities. See Part IV, line 19 . . . . . a						
	b Less: direct expenses . . . . b						
	c Net income or (loss) from gaming activities . . ▶						
	10a Gross sales of inventory, less returns and allowances . . . a						
	b Less: cost of goods sold . . . b						
	c Net income or (loss) from sales of inventory . . ▶						
	Miscellaneous Revenue	Business Code					
	11a						
	b						
	c						
	d All other revenue						
	e **Total.** Add lines 11a–11d . . . . . ▶						
	12 **Total revenue.** See instructions. . . . . ▶			29599			

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a ornament expense (fund raising)	2340			2340
b Camp Treasure Chest	45437	45437		
c CinderellaFella Ball	700	700		
d Consumer transportation	148	148		
e All other expenses	257	257		
25 **Total functional expenses.** Add lines 1 through 24e	48882	46542		2340
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	82053	1	62770
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a			
	b	Less: accumulated depreciation — 10b		10c	
	11	Investments—publicly traded securities		11	
	12	Investments—other securities. See Part IV, line 11		12	
	13	Investments—program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	82053	16	62770
Liabilities	17	Accounts payable and accrued expenses		17	
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	0	26	0
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	82053	27	62770
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	82053	33	62770
	34	Total liabilities and net assets/fund balances	82053	34	62770

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	29599
2	Total expenses (must equal Part IX, column (A), line 25)	2	48882
3	Revenue less expenses. Subtract line 2 from line 1	3	(19283)
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	82053
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	62770

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☐ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		✓
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2b		✓
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

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SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

The Disabilities Foundation of Beaufort County Inc. dba ABLE

Employer identification number

[redacted]168

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:

10 ☐ An organization that normally receives: (1) more than 33⅓% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations . . . . . ☐

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

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Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) . . . . 14 %

15 Public support percentage from 2015 Schedule A, Part II, line 14 . . . . 15 %

16a **33⅓% support test—2016.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33⅓% support test—2015.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances test—2016.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test—2015.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

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Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	14578	22450	26358	15720	25707	104813
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513	640	1704	4882	8163	3892	19281
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	15218	24154	31240	23883	29599	124094
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						124094

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6	15218	24154	31240	23883	29599	124094
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)	15218	24154	31240	23883	29599	124094

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	100 %
16	Public support percentage from 2015 Schedule A, Part III, line 15	16	100 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2016** (line 10c, column (f) divided by line 13, column (f))	17	0 %
18	Investment income percentage from **2015** Schedule A, Part III, line 17	18	0 %

19a **33⅓% support tests—2016.** If the organization did not check the box on line 14, and line 15 is more than 33⅓%, and line 17 is not more than 33⅓%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☑

b **33⅓% support tests—2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓%, and line 18 is not more than 33⅓%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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Part IV Supporting Organizations
(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* ***Part VI*** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1		✓
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		✓
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*	3a		✓
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.*	4a		✓
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* ***Part VI*** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in* ***Part VI****, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		✓
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		✓
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	7		✓
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	8		✓
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		✓
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		✓
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		✓
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b below.*	10a		✓
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		✓

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Part IV Supporting Organizations *(continued)*

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		✓
b	A family member of a person described in (a) above?	11b		✓
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in* ***Part VI.***	11c		✓

Section B. Type I Supporting Organizations

			Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in* ***Part VI*** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1		✓
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* ***Part VI*** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.*	2		✓

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* ***Part VI*** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		✓

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	✓	
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	2		✓
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard.*	3		✓

Section E. Type III Functionally Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).*

a ☐ The organization satisfied the Activities Test. *Complete* ***line 2*** *below.*

b ☐ The organization is the parent of each of its supported organizations. *Complete* ***line 3*** *below.*

c ☑ The organization supported a governmental entity. *Describe in* ***Part VI*** *how you supported a government entity (see instructions).*

			Yes	No
2	Activities Test. ***Answer (a) and (b) below.***			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations. ***Answer (a) and (b) below.***			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in* ***Part VI.***	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* ***Part VI*** *the role played by the organization in this regard.*	3b		

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See Instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6, and 7 from line 4).	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount		Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2 Enter 85% of line 1.	2	
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4 Enter greater of line 2 or line 3.	4	
5 Income tax imposed in prior year	5	
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations *(continued)*

		Current Year
Section D - Distributions		
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in **Part VI**). See instructions.	
7	**Total annual distributions.** Add lines 1 through 6.	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**). See instructions.	
9	Distributable amount for 2016 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

	Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1	Distributable amount for 2016 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2016 (reasonable cause required—explain in Part VI). See instructions.			
3	Excess distributions carryover, if any, to 2016:			
a				
b				
c	From 2013			
d	From 2014			
e	From 2015			
f	**Total** of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2016 distributable amount			
i	Carryover from 2011 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2016 from Section D, line 7: $			
a	Applied to underdistributions of prior years			
b	Applied to 2016 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4.			
5	Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6	Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7	**Excess distributions carryover to 2017.** Add lines 3j and 4c.			
8	Breakdown of line 7:			
a				
b	Excess from 2013 . . .			
c	Excess from 2014 . . .			
d	Excess from 2015 . . .			
e	Excess from 2016 . . .			

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Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Part IV sec. E, 1c. All programs supported are run by the Beaufort County Government, Disabilities and Special Needs

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

Employer identification number

6 of 10

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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning 07/01 , 2016, and ending 06/30 , 20 17

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization The Disabilities Foundation of Beaufort County
Doing business as ABLE
Number and street (or P.O. box if mail is not delivered to street address) Room/suite
100 Clear Water Way
City or town, state or province, country, and ZIP or foreign postal code
Beaufort, South Carolina 29901
F Name and address of principal officer: [redacted]
Sue Bolick

D Employer identification number [redacted]68

E Telephone number 843 255.6300

G Gross receipts $

H(a) Is this a group return for subordinates? ☐ Yes ☑ No
H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status: ☑ 501(c)(3) ☐ 501(c)( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.ablefoundationbc.org

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 2004

M State of legal domicile: SC

Part I Summary

1 Briefly describe the organization's mission or most significant activities: Fundraising to assist organizations that provide services to persons with developmental disabilities in Beaufort County, SC

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	
5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	
6	Total number of volunteers (estimate if necessary)	6	
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	
b	Net unrelated business taxable income from Form 990-T, line 34	7b	

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	23883	29599
	9 Program service revenue (Part VIII, line 2g)		
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	23883	29599
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) 2340		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	1776	46542
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	2396	48882
	19 Revenue less expenses. Subtract line 18 from line 12	21487	(19283)

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	82053	62770
	21 Total liabilities (Part X, line 26)	0	0
	22 Net assets or fund balances. Subtract line 21 from line 20	82053	62770

SCANNED OCT 10 2017

RECEIVED SEP 05 2017 OGDEN UT

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

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Sign Here	Sue Ann J Bolick Chairperson Signature of officer	9-16-17
	Sue Ann J Bolick Chairperson Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature
	Firm's name ▶	
	Firm's address ▶	

May the IRS discuss this return with the preparer shown above? (se

For Paperwork Reduction Act Notice, see the separate instructions.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission:
Fundraising to assist organizations that provide services to persons with developmental disabilities in Beaufort County, SC

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 45437 including grants of $) (Revenue $)
Camp Treasure Chest, a summer camp for consumers with developmental disabilities

4b (Code:) (Expenses $ 700 including grants of $) (Revenue $)
Annual CinderellaFella Ball, prom theme dance for consumers with developmental disabilities

4c (Code:) (Expenses $ 148 including grants of $) (Revenue $)
travel assistance for consumer with developmental disabilities

4d Other program services (Describe in Schedule O.)
(Expenses $ Including grants of $) (Revenue $)

4e Total program service expenses ▶ 46285

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Part IV Checklist of Required Schedules

			Yes	No
1		Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2		Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		
3		Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4		**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		✓
5		Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6		Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7		Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8		Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9		Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10		Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		✓
11		If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
	a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a		✓
	b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		✓
	c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
	d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		✓
	e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		✓
	f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		✓
12	a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		✓
	b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		✓
13		Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14	a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
	b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15		Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16		Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17		Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I* (see instructions)	17		✓
18		Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19		Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓

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Part IV Checklist of Required Schedules *(continued)*

			Yes	No
20a		Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*		✓
b	20b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		✓
21		Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*		✓
22		Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*		✓
23		Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*		✓
24a		Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*		✓
b	24b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		✓
c	24c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		✓
d	24d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		✓
25a		**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*		✓
b	25b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*		✓
26		Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*		✓
27		Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*		✓
28		Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	28a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*		✓
b	28b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*		✓
c	28c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*		✓
29	29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*		✓
30		Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*		✓
31		Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*		✓
32		Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*		✓
33		Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*		✓
34		Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*		✓
35a		Did the organization have a controlled entity within the meaning of section 512(b)(13)?		✓
b	35b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*		✓
36		**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*		✓
37		Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*		✓
38		Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O.	✓	

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Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V ☐

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		✓
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		
b	If "Yes," enter the name of the foreign country: ▶ ____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		✓
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		✓
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		✓
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a		✓
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		✓
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state?	13a		
	Note. See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c	Enter the amount of reserves on hand	13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		✓
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b		

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Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☐

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . .	1a 11		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent . .	1b 11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .	3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		✓
6	Did the organization have members or stockholders?	6		✓
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		✓
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		✓
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a		✓
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b		
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c		
13	Did the organization have a written whistleblower policy?	13		✓
14	Did the organization have a written document retention and destruction policy?	14		✓
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a		✓
b	Other officers or key employees of the organization	15b		✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ South Carolina

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶ Melina Lee

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Sue Ann Bolick Chairperson	5			✓						
(2) Beverly Dore Vice Chairperson	2			✓						
(3) Melina Lee Treasurer	3			✓						
(4) Barbara Sinsheimer Secretary	2			✓						
(5) Bill Krebs	1	✓								
(6) Jane Krebs	1	✓								
(7) Rhonda Gole-Green	1	✓								
(8) Janice Lyles	1	✓								
(9) Hank Herring	1	✓								
(10) Charlene Eyaul	1	✓								
(11) Martha Griffin	1	✓								
(12)										
(13)										
(14)										

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		✓
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		✓
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	3892			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	25707			
	g	Noncash contributions included in lines 1a-1f: $					
	h	**Total.** Add lines 1a–1f ▶		29599			
Program Service Revenue			Business Code				
	2a						
	b						
	c						
	d						
	e						
	f	All other program service revenue		0			
	g	**Total.** Add lines 2a–2f ▶		0			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶					
	4	Income from investment of tax-exempt bond proceeds ▶					
	5	Royalties ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) ▶					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less: cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss) ▶					
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from fundraising events ▶					
	9a	Gross income from gaming activities. See Part IV, line 19 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from gaming activities ▶					
	10a	Gross sales of inventory, less returns and allowances a					
	b	Less: cost of goods sold b					
	c	Net income or (loss) from sales of inventory ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d ▶					
	12	**Total revenue.** See instructions. ▶		29599			

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2	Grants and other assistance to domestic individuals. See Part IV, line 22				
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages				
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9	Other employee benefits				
10	Payroll taxes				
11	Fees for services (non-employees):				
a	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12	Advertising and promotion				
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization				
23	Insurance				
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	ornament expense (fund raising)	2340			2340
b	Camp Treasure Chest	45437	45437		
c	CinderellaFella Ball	700	700		
d	Consumer transportation	148	148		
e	All other expenses	257	257		
25	**Total functional expenses.** Add lines 1 through 24e	48882	46542		2340
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	82053	1	62770
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a			
	b	Less: accumulated depreciation — 10b		10c	
	11	Investments—publicly traded securities		11	
	12	Investments—other securities. See Part IV, line 11		12	
	13	Investments—program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	82053	16	62770
Liabilities	17	Accounts payable and accrued expenses		17	
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	0	26	0
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	82053	27	62770
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	82053	33	62770
	34	Total liabilities and net assets/fund balances	82053	34	62770

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	29599
2	Total expenses (must equal Part IX, column (A), line 25)	2	48882
3	Revenue less expenses. Subtract line 2 from line 1	3	(19283)
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	82053
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	62770

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☐ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		✓
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2b		✓
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

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SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ.

► Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

The Disabilities Foundation of Beaufort County Inc. dba ABLE

Employer identification number

[redacted]168

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:

10 ☐ An organization that normally receives: (1) more than 33⅓% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations . . . . . .

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Cat. No. 11285F Schedule A (Form 990 or 990-EZ) 2016

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Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2015 Schedule A, Part II, line 14 . . . . . 15 %

16a **33⅓% support test—2016.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓% support test—2015.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2016.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test—2015.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

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Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	14578	22450	26358	15720	25707	104813
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513	640	1704	4882	8163	3892	19281
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	15218	24154	31240	23883	29599	124094
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						124094

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6	15218	24154	31240	23883	29599	124094
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)	15218	24154	31240	23883	29599	124094

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	100 %
16	Public support percentage from 2015 Schedule A, Part III, line 15	16	100 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2016** (line 10c, column (f) divided by line 13, column (f))	17	0 %
18	Investment income percentage from **2015** Schedule A, Part III, line 17	18	0 %

19a **33⅓% support tests—2016.** If the organization did not check the box on line 14, and line 15 is more than 33⅓%, and line 17 is not more than 33⅓%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☑

b **33⅓% support tests—2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓%, and line 18 is not more than 33⅓%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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Part IV Supporting Organizations
(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* ***Part VI*** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1		✓
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		✓
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*	3a		✓
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.*	4a		✓
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* ***Part VI*** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in* ***Part VI****, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		✓
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		✓
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	7		✓
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	8		✓
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		✓
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		✓
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		✓
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b below.*	10a		✓
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		✓

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Part IV Supporting Organizations *(continued)*

			Yes	No
11		Has the organization accepted a gift or contribution from any of the following persons?		
	a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		✓
	b	A family member of a person described in (a) above?	11b		✓
	c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in Part VI.*	11c		✓

Section B. Type I Supporting Organizations

		Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1		✓
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.*	2		✓

Section C. Type II Supporting Organizations

		Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		✓

Section D. All Type III Supporting Organizations

		Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	✓	
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).*	2		✓
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.*	3		✓

Section E. Type III Functionally Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).*

a ☐ The organization satisfied the Activities Test. *Complete line 2 below.*

b ☐ The organization is the parent of each of its supported organizations. *Complete line 3 below.*

c ☑ The organization supported a governmental entity. *Describe in Part VI how you supported a government entity (see instructions).*

2 Activities Test. ***Answer (a) and (b) below.***

		Yes	No
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		

3 Parent of Supported Organizations. ***Answer (a) and (b) below.***

a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in Part VI.*	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in Part VI the role played by the organization in this regard.*	3b		

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See Instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6, and 7 from line 4).	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations *(continued)*

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in **Part VI**). See instructions.	
7	**Total annual distributions.** Add lines 1 through 6.	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**). See instructions.	
9	Distributable amount for 2016 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1	Distributable amount for 2016 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2016 (reasonable cause required—explain in Part VI). See instructions.			
3	Excess distributions carryover, if any, to 2016:			
a				
b				
c	From 2013			
d	From 2014			
e	From 2015			
f	**Total** of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2016 distributable amount			
i	Carryover from 2011 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2016 from Section D, line 7: $			
a	Applied to underdistributions of prior years			
b	Applied to 2016 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4.			
5	Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6	Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7	**Excess distributions carryover to 2017.** Add lines 3j and 4c.			
8	Breakdown of line 7:			
a				
b	Excess from 2013 . . .			
c	Excess from 2014 . . .			
d	Excess from 2015 . . .			
e	Excess from 2016 . . .			

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Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Part IV sec. E, 1c. All programs supported are run by the Beaufort County Government, Disabilities and Special Needs

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

Employer identification number

7 4 1

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Official Proceedings
County Council of Beaufort County
February 13, 2006

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

The regularly scheduled meeting of the County Council of Beaufort County was held at 4:00 p.m., Monday, February 13, 2006, in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Weston Newton, Vice Chairman W. R. "Skeet" Von Harten, and members Frank Brafman, Gerald Dawson, Mark Generales, Herbert Glaze, Margaret Griffin, Peter Lamb, William McBride and Dick Stewart. Starletta Hairston absent.

The Vice Chairman chaired the meeting until the Chairman arrived.

PLEDGE OF ALLEGIANCE

The Vice Chairman led those present in the Pledge of Allegiance to the Flag.

INVOCATION

Councilman Herbert Glaze gave the Invocation.

MOMENT OF SILENCE
Coretta Scott King

The Vice Chairman called for a moment of silence in remembrance of Coretta Scott King, widow of Martin Luther King Jr., who died January 30, 2006, at the age 78.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD JANUARY 23, 2006

The following correction and/or addition was made to the minutes of the meeting held January 23, 2006: Page 19, line 23, change "District" to "Tax."

It was moved by Mr. Generales, seconded by Mr. McBride, that Council approve the proceedings of the regular meeting held January 23, 2006. The vote was: FOR – Mr. Brafman, Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Stewart and Mr. Von Harten. ABSENT - Mr. Dawson, Mrs. Hairston and Mr. Newton. The motion passed.

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PUBLIC COMMENT

The Vice Chairman recognized Mrs. Sheilah Bond Fulton, a Lady's Island resident, who read from a prepared statement, "For 20 years I have enjoyed living in a beautiful, isolated area. The choice to live near enough to shopping amenities, but secluded enough as to be virtually unattractive to potential developers, was a well-thought out one. My husband and I had been anticipating that Hazel Farm Road, which connects to our driveway, would be improved from a dirt road to a paved road at some future point. We were shocked last fall to learn that it was being considered as a potential route for a by-pass that Council wants to build from SC Highway 802-North to the Sea Islands. In fact, our property might even be condemned so as to purchase it to be used for constructing this road. I cannot agree that a by-pass is the answer to the traffic problems that Council hopes to alleviate. I present to you today, a package that contains my Letter to the Editor of the *Beaufort Gazette*, expressing my opinion that two turning lanes need to be built at the SC Highway 802 and US Highway 21 intersection instead. You will also find in the packet a diagram of the current vehicle usage of this intersection. The usage chart that I have enclosed was provided to me by our County Transportation Engineer. It shows that during peak usage, 536 people go straight through this intersection, while 297 want to turn towards the Sea Islands. I understand that Council is looking for a 7% increase in 20 years at this intersection and, I still cannot agree that this by-pass is viable. I present to you further, a petition signed by Beaufort County residents who agree that this by-pass is unnecessary. The traffic problem existing at the Lady's Island intersection of SC Highway 802 and US Highway 21 needs to be solved by other means than this proposed by-pass. The residential community that is being considered as expendable is one of the oldest on Lady's Island. Where we, as citizens of Beaufort County, live should be our choice, not Council's."

The Chairman arrived at 4:20 p.m.

The Vice Chairman returned the gavel to the Chairman to continue the meeting.

Ms. Joni Dimond, a Hilton Head Island resident, stated Council will consider today concerns of the impacts of a proposed annexation of Clarendon Farms and McLeod Farm by the City of Beaufort (hereinafter "City"). The City Mayor said the planning of this has been on-going for five years, obviously, behind the citizens' backs because they only heard about it at the end of January. Then there seems to be a big push and a rush to pass the annexation of more than 5,000 acres overnight. In the 2000 referendum to build a new school north of the Whale Branch River, for five years all we heard from the politicians was that there was no need for a school out there because there were only 800 students. We were told this story for five years. This is fraud. City Mayor, Bill Rauch, and City Council have voted twice to bring these 5,000 acres into the City. When you are told 16,000 new homes, it could be as many as 50,000 new homes. After all, these areas are five times the size of Sun City. If we have been lied to about these developers in the City doing business behind our backs, what else can we expect, but more lies. We were told the homes would be in the $200,000 range. Think again. What started out on Hilton Head Island as $40,000 homes turned into $300,000, $400,000 to $3,000,000 homes along with the taxes paid by people who are on fixed incomes. This is outrageous. It is out of control. Politicians don't know what to tax next. These expensive homes drive up our taxes. This will go down as another

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dirty trick like the City did with the $1.6 million that was earmarked to fix up some of run-down homes in the Northwest Quadrant. This money went to build water and sewer systems on Dataw Island. Rich Whites developed Dataw Plantation on the backs of the poor. Everything is geared toward pushing poor White and Blacks out of Beaufort County. After all the homes in Beaufort were once owned by Blacks. Poor folks cannot afford to fix up these homes in the Northwest Quadrant to City specifications. Therefore, they are pushed into selling expensive land for very little money. Were all of the Blacks hoodwinked into thinking nice shinny new mobile homes were better than their wonderful older homes?

Mr. Clarence Washington, a 30-year resident of Hazel Farm Road on Lady's Island, asked Council to reevaluate the effort to put in a by-pass from SC Highway 802-North to the Sea Islands. This by-pass will disrupt the many families who have lived in this area for more than 30 years. In our effort to support our request, the residents have received information from the County Engineering Department as well as SCDOT. This survey shows that if we put a right-turn lane from SC Highway 802 onto US Highway 21, it could easily alleviate the traffic problem. The property for the right-turn lane is owned by the County. Using this property would eliminate the spending of taxpayer money. The state has said that a by-pass from one highway into another would require traffic lights. If we need a traffic light at the beginning of the by-pass and one at the ending of the by-pass, it will be a problem for Beaufort County. The residents request that some consideration be given to our effort that could save tax dollars and provide safety to the people who have lived on Lady's Island for more than 30 years. There seems to be a rush to judgment by Kimley-Horn and Associates about the best, safest and most economical way to solve the traffic problem. The residents would appreciate any efforts by this Council to alleviate that problem.

Mr. Dawson arrived at 4:35 p.m.

Mr. Tommy O'Brien, a Burton resident, remarked that Council has increased building permit fees, entertained the thought of increasing business license fees, and instituted an admissions fee. However, just by accident he has uncovered a situation where he believes certain commercial properties are not being assessed properly. The property is located at 1304 Boundary Street in Beaufort. In 1996 and 1997 the assessed land value was $15,000 and the building value $37,600. From 1998 to 2003 the assessed land value was $24,000 and the building was $29,200. This represents a drop in the building value. In 2004 the assessed land value was $100,000 and the building value was $42,200. This is possibly a reasonable reassessment. Strange though in 2005 the land value dropped to $30,000, but the building value remained at $42,200. The property is listed on the market. He thought a reasonable offer of $75,000 for a piece of property and land that is assessed at $72,000 was fair. Then he was told "no", this property was just appraised for $385,000. Is our Assessor's Office that far off? We cannot help but wonder why people in Beaufort are being taxed off their land and why the amount of money homeowners have paid in taxes increased more than 600% in over five year. In 2004 Beaufort County and the City of Beaufort collected $1,787 in taxes on this property. In 2005 they collected $917.02. What is wrong with this picture? How many other properties within the municipalities of Beaufort County are being so severely under assessed? Why do homeowners have to make up the difference? What is going on that we don't know about? It is time for a full and complete audit

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of assessed properties for commercial use within the municipalities of Beaufort County and their most recent resale value.

Mr. Emil Meyers, a Lady's Island resident, read from a prepared statement, "The by-pass is not the answer to the traffic backup at the intersection of SC Highway 802 (hereinafter "Hwy. 802") and US Highway 21 (hereinafter "Hwy. 21") on Lady's Island. In the short term, an immediate reprogramming of the traffic signal will assist to eliminate most of the current congestion. This was suggested to Mr. Colin Kinton, County Transportation Planner, on November 15, 2005, at the By-Pass Community Workshop. Currently, only six vehicles can make the left turn on the green arrow, two vehicles go through on yellow, and one to two on red. The green arrow signal needs the time extended to at least 30 seconds or more for the east-to-west bound traffic (from Fripp Island) heading south of Hwy. 802 toward McTeer Bridge. This would result in the west-to-east bound traffic (from Woods Bridge) receiving the same time to go north on Hwy. 802 toward Coosaw Island. In addition, right turn arrows should be installed for northern/south bound traffic (from McTeer Bridge/Coosaw Island) wanting to turn right (to Fripp Island or Woods Bridge). Of course, no straight-through traffic moves on the green arrows. If you need an example how this works well, go to the intersection of Ribaut Road and Hwy. 802 (east side of McTeer Bridge) and observe how the traffic moves on the turning arrows with two left turning lanes going out on Hwy. 802 and one left turning lane to empty onto Ribaut Road then onto McTeer Bridge. The intersection at Hwy. 802 and Hwy. 21 can be even better. Reconfiguration of the turning lanes at the intersection needs to be completed as soon as possible in lieu of building a by-pass. This would mean multi-turning lanes to quickly move the morning and evening rush-hour traffic. In addition, the intersection needs to have multiple turning lanes extended to the McTeer Bridge now, with "Alternate Merge" prior to crossing on the current two-lane bridge. The "Alternate Merge" would vanish when the "new" additional two lanes are added to the McTeer Bridge as I suggested in my March 24, 2004, Community Forum letter entitled, "Complete the Natural By-Pass of Beaufort." This solution would eliminate the need for a "four-lane by-pass" that empties into Highway 21 (Sea Island Parkway) just before it narrows into one-lane at the Beaufort County Airport. Furthermore, the two new stoplights, one at each end of the by-pass, which I understand are not currently included in the by-pass plans, would be eliminated. Can you imagine no stoplights where a by-pass intersects with the main road? We have a paramedic location on Hwy. 21 at the Beaufort County Airport; we would need to build one where the by-pass intersects with Hwy. 802. If I have received erroneous information regarding inclusion of stoplights, as they are included, this proposed "by-pass" only changes where the traffic congestion will occur. As most of you are aware, I emailed County Council on June 21, 2004, advising that the additional 1% tax to be voted on in November 2004 would be a hard sell with the City of Beaufort including funding requests for their City Hall and Municipal facilities. Roads and parks that all the people in the County could use would be an easier sell. Again, as most of you are aware, my letter in the October 23, 2004, *Beaufort Gazette*, spoke to the City buildings being included on the referendum, "City should pay for its facilities." We don't need a by-pass. If we reconfigure that intersection properly, it will solve the problem. We don't need to pave any more on these fragile islands than absolutely necessary."

Mr. David Tedder, representing Clarendon Farms and McLeod Farm, stated that Council will consider for adoption tonight a resolution regarding these two projects. This proposed resolution contains some misconceptions and misinformation. The first misconception is the statement the

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Development Agreements do not contain specific provisions to allow for the adoption of future impact fees or the increase. That is wrong. There is a section in the Development Agreement that clearly states that those fees are in addition to any other fees adopted by the City of Beaufort. This section is followed by another paragraph that says we are not exempting ourselves from Beaufort County's impact fees as we specifically know that you are going to be working at changing those impact fees in Year 2014, which is about when Clarendon anticipates starting up because your Impact Fee ordinance expires. By state law, Section 6-1-109, of the *Code of Laws of South Carolina*, 1976, as amended, which deals with annexation by municipalities, clearly indicates that we cannot exempt ourselves from impact fees. Specifically, Chapter 82, Section 82-39, Effects of Annexation, of the *Code of Ordinances for Beaufort County*, has the same language that we cannot exempt ourselves from impact fees. We are not exempting ourselves from impact fees. We understand there will be different impact fees. We have not opted out of that procedure. We fully expect to pay it. We expect to pay parks, fire, traffic, all of those fees that you have in place, even after annexation. It is a misconception that we do not have to pay.

The second misconception is that we are not paying attention to the Air Installation Compatible Use Zone (AICUZ). It is well known that we went through an entire joint cooperative effort with the City of Beaufort, Beaufort County, and MCAS Beaufort to do a Joint Land Use Study, which thereafter created some maps and an ordinance adopted by the City of Beaufort, Section 6.7, Air Installation Compatible Use Zone, of the *United Development Ordinance*. We have specifically not exempted ourselves from any part of that Section. That Section specifically has in it the map, which the County has adopted, but requires that the map that is in effect at the time you go forward be the most current map. If Council reads these documents carefully, you see that we are not trying to get out of things. We have talked with representatives at the MCAS Beaufort. In 2004 Cherokee Farms project had the same issues that were raised there. It was planned for 300 units. There was a noise ordinance involved. We received a letter from the Air Station. We went through the Planning Commission. We went through the Planning staff. Council gave first reading approval, but adopted, as part of that Development Agreement, a noise standard by recommendation of the Air Station. We are not going to stop doing that. It is the same thing. We have a study that we put into effect. We are going to live underneath it.

The third misconception is we have not exempted ourselves from traffic studies and mitigation. The Development Agreement that is posted on the County website is outdated and no longer valid. It needs to be taken off. We will forward to you another PDF format. It is not the current Development Agreement to look at. The traffic study is going to be required by SCDOT because any road that we encroach on is a SDCOT road and we have to do a traffic study at both the state and City levels. We specifically said we should do traffic studies when the City asks for them as well as a mitigation study when it is identified. This will occur about the time the County redoes its Road Impact Facilities Fees in 2014.

The fourth misconception is about how long we have been working on this and who knew about it. Approximately three years ago, the McLeod Family came to the County and met with the Planning Staff and School District staff looking at trying to site schools and how we could put a plan together. The McLeod Farm development has been known for years. We have had meetings as far back as 1998 with Beaufort County staff. Whether we chose to go with the City

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or County was a choice of the owner. We did not play one against the other. We chose a group. We stuck with it. There was knowledge out there about what was going on.

The fifth and final misconception is the proposed resolution says Council concurs with the Joint Municipal Planning Commissions request to have a thorough study performed to determine the impact of the annexations. He does not know if they asked for a study, but they did ask for a workshop. Both owners have made a commitment to try and answer every question in a timely manner. The proposed resolution before Council tonight is based on erroneous information.

Mr. Lamb remarked it is very unfortunate Mr. Tedder has chosen to provide the County the most current version of the Development Agreement tonight, instead of bringing it to Mr. Kubic earlier when it was, or should have been, available to the public.

COUNTY ADMINISTRATOR'S REPORT

Two-Week Progress Report

Mr. Gary Kubic, County Administrator, circulated copies of his Two-Week Progress Report, which summarized his activities that took place January 23 through February 10, 2006.

Staff Reports Provided to Council

Mr. Gary Kubic, County Administrator, reported Council has received the following department reports: (i) Treasurer - Cash Flow Weekly Reports for the weeks of January 30 and February 8, 2006; (ii) Animal Shelter - Monthly Report for the period ended January 2006; (iii) Business License – Monthly Report for the period ended December 31, 2005; (iv) Chief Financial Officer – Impact Fee Collection Report for the period ended December 31, 2005 and the Quarterly General Fund Revenue and Expenditures for the period ended December 31, 2005; (v) Clerk to Council – Citizen Volunteers Reappointment/Vacancy Monthly Report, Ordinances Pending monthly report, Committee Assignments monthly report. (vi) Detention Center – Status Report and Population Report – January 16 to January 20, 2006; (vii) Veterans Affairs – Semi-Annual Operation Report for the period July 1, 2005 through December 31, 2005, (viii) Airports – Economic Impact of Hilton Head Island and Beaufort County Airports, and (ix) Assessor – Analysis of Point of Sale Impact to Beaufort County.

Summary of SCDOT US Highway 278 Widening Project Weekly Meeting

Mr. Gary Kubic, County Administrator, gave a brief construction update on the SCDOT US Highway 278 Widening Project. The 14,000 required linear feet of drainage throughout the entire site of the project is now completed. That is a very sizable portion of this project. It is a very significant accomplishment because the remaining portion of the project simply requires the dirt to be filled into the areas where pavement will be placed upon it. Then it becomes a resurfacing project. That is where we are at present. An effort to lay 14,000 linear feet of pipe does not come without the cooperation of Palmetto Electric, Hargray, SCE&G and Beaufort/Jasper Water and Sewer Authority that worked very well with APAC-Southeast (the contractor), the County, and SCDOT. APAC has been laying approximately 1,200 tons of

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asphalt depending upon the temperature. We are going to continue a rather aggressive hauling program to bring in that material so that the paving can actually be completed. We are doing that as we have been throughout the course of the project. APAC has already accomplished almost two miles of fill in either direction of the installation to widen the base for the project. We are going to very soon be consolidating a temporary signal at Moss Creek Plantation and, that work should be underway this week. There have been no significant traffic incidents. People are heeding the speed limits. We have asked SCDOT to review the left-turn heading west from Hilton Head Island onto Buckwalter Parkway. That is a stacking problem. SCDOT, today, is attacking that problem and trying to allow more time through the signalization so that people can make that left turn and not have that significant stacking problem. We are still working on the intersection in the Home Depot/Target area. This particularly area involves ongoing discussions between the private sector and SCDOT with a timeline for that decision which is the end of business on Tuesday, February 14, 2006.

Briefing on American Red Cross Services

Mr. Lawrence Rockwell, Executive Director of the American Red Cross Palmetto Chapter ("Chapter"), gave a brief summary report as to the social service agencies' efforts, coordinated by the American Red Cross, for the Hurricane Katrina victims. Too often we think of the Red Cross as a faceless entity. That is absolutely not true. On August 29, 2005, we watched the devastation as Hurricane Katrina made landfall. One day later, on August 30, 2005, the first client family rolled in the parking lot of our Bluffton office literally on the last fumes of gasoline seeking Red Cross assistance. Over the next two-and-half months our lives would see a level of activity that most of our volunteers had not seen before. We launched into a full-scale disaster relief operation for a disaster that did not strike Beaufort County. It struck two and half states away and yet we engaged in a full-scale disaster response. We helped the family who arrived here without that tank of gas, without a stitch of clothing other than what they had on their backs, and no food to eat. We helped families of all shapes and sizes who self-evacuated to our community here because they had a place to stay, family, friends or other relatives. We helped a gentleman who had cut his arms so severely evacuating his home out of the flooded Ninth Ward of New Orleans. He had not seen any medical treatment until he had arrived here, in Beaufort County. We helped a gentleman who was #2 on the Heart Transplant list in New Orleans, to get himself settled here and, ultimately, back into New Orleans where he was once again put on the list. Later we received word that he did, in fact, receive his new heart. All in all, 258 client families received assistance from the American Red Cross and the other community organizations in our area translating to 579 individuals, 390 adults, and 289 children. All toll the Chapter provided more than $188,000 in direct financial assistance to these families.

We could not possibly meet the needs of all these families alone. We are proud to say that we were able to work with more than 110 local businesses, other non-government organizations, and local government entities to provide additional assistance for these families, such as access to housing, additional clothing, food needs, educational needs, health care, and crisis mental health counseling. Throughout the response of the Hurricane Katrina relief effort, more than 350 people turned out to the American Red Cross and said, "I want to be a new volunteer" and took disaster training. Of those 125 said, "I want to be able to go to the disaster area" and took additional training and joined our national roster of trained volunteers to respond. There were 40

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individuals who boarded a plane, bus or car and went to the disaster sites and helped first-hand in the effected areas. There were 148 individuals who participated in the relief operation here in Beaufort County. We saw a lot of good work done by our community, by our volunteers, a lot of happy tears shed by volunteers, and happy tears shed by clients. Beaufort County stepped up and helped people in need like never before. Our community raised $1.3 million for Hurricane Katrina. He is very proud of the work that was done. Our community responded by opening up their wallets to the back-to-back hurricanes of 2004, four in a row that struck southern Florida. Our community donated generously to help the victims of the Southeast Asia tsunami in January 2005. We are now 108 days away from hurricane season 2006. Those 250 new volunteers are taking additional training. They are inventorying and obtaining additional supplies, surveying facilities, and being ready to respond should something like this happen locally.

Mr. Von Harten reported that he, along with 14 others from Carteret Street United Methodist Church, returned last night from Long Beach, Mississippi to help the folks there. It is necessary for all of us to know, for those people who have not been there, to see the physical destruction that occurred during Hurricane Katrina. It is breathtaking. This small town, a beach-front town with a population of 18,000 individuals, is about one mile long on the Gulf of Mexico. For five city blocks deep every single structure was laid flat. All of those buildings have been further demolished, bulldozed, scooped up, and taken away in a truck. There is nothing, absolutely nothing, for miles, in linear length and five blocks deep. As you move a little north of that site to Gulfport, Mississippi, a large town, with huge churches the equalivent of four to five stories tall with steel frame and brick exterior, the entire first floor--the first 12' to 15' of the structure--is completely demolished. You look through-and-through the structures. All the walls are gone. The only thing holding it up is the steel support beams. The tide surge was 28-verticle feet high with 4' to 6' waves on top of it. The Gulf of Mexico in front of these towns is littered with oak trees for one mile out to sea. All of that will have to be removed. The beaches, with every sort of debris and detritus, are being plowed, the sand sifted, the debris removed, and the sand replaced. Mr. Von Harten learned, after talking with Long Beach City Mayor Skellie, the one issue he was not able to solve was the loss of cash flow. There is nobody there to pay taxes. Every business is gone. Every house is destroyed or damaged. There is no income. They have no way to pay for the things that need to be done. Their contingency fund on August 28, 2005, was $500,000 and that lasted approximately 24 hours.

Mr. Stewart announced that Mayor Skellie is the feature speaker at the United Way Annual Meeting on Thursday, March 30, 2006.

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Announcement of US Department of Housing and Urban Development HOME Investment Partnership Allocation

Mr. Gary Kubic, County Administrator, announced the US Department of Housing and Urban Development has approved Beaufort County's grant allocation for FY 2006 for HOME Investment Partnerships in the amount of $696,736 and for the American Dream Downpayment Initiative $12,156.

Resolution Regarding Transportation Services for Programs for Exceptional People

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council adopt a resolution authorizing Programs for Exceptional People to provide transportation to persons with disabilities. The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. The motion passed.

Reimbursement from State Budget and Control Board for Phase 2 (E911) Costs

Mr. Gary Kubic, County Administrator, reported the Emergency Management Department has recently received a reimbursement check from the State Budget and Control Board in the amount of $604,443.82. These monies will be deposited into the County's 911 Contingency Fund Account. The Department submitted an application, invoices and proof of payment for any Phase 2 (E911) costs expended prior to January 4, 2005. This has been a lengthy process. More specifically it has taken almost one year's worth of work to achieve this goal. The ability to make this happen is due solely to the excellent bookkeeping and recordkeeping skills of Ms. Donna Kelty, fiscal manager, and Mr. Alan Williams, 911 Systems Manager.

Dedication Plaques on Various Fire Stations and Park Buildings – Town of Hilton Head Island

Mr. Gary Kubic, County Administrator, reported in recognition of some of our efforts and partnerships with Hilton Head Island Town Council, they have placed 15 bronze dedication plaques on various fire stations and park buildings. These plaques contain the date the facility was dedicated the name of the park or building, the names of Town Council members, Town Manger, and in some cases County Council members, who held office at the time that these facilities were developed and opened. In the future all new facilities will have these dedication plaques added to them. Mr. Kubic thanked Hilton Head Island Town officials for that recognition.

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Drainage Easement Abandonment – Old Shell Road

Main motion.

It was moved by Mr. Lamb, as Public Services Committee Chairman (no second required), that Council approve the abandonment of the existing 30-foot drainage easement in Shell Point located between Ashwood Circle and Hickory Street in the Town of Port Royal.

Mr. Newton asked Ms. Kelly Golden, Staff Attorney, if, in her judgment, the action by which we abandon the County's public interest in a piece of property, the County complied with the road abandonment process. Are their similar concerns or procedures? If there are, have we gone through all the requisite statutory requirements in order to relinquish whatever interest we may or may not have in this drainage easement?

Ms. Golden, at the request of Mr. Newton, distributed copies of Section 4-9-130 of the *Code of Laws of South Carolina*, 1976, as amended. If the County considers an easement to be an interest in land and considers the sale of that interest to be the sale of County-owned real property, then under this statute it does require public notice and an ordinance.

Mr. Lamb suggested that this issue is not a sale. This is an easement the County has not used. It does not affect any of the landowners.

Mr. Newton inquired if the additional steps Ms. Golden is suggesting would require three readings and notification in the newspaper?

Ms. Golden replied it does not require notification in the newspaper. But it does require a public notice on Council's agendas reflecting three readings and a 6:00 p.m. public hearing. She does not have enough answers to the question, "How did the County obtain the easement"? If it was for zero value, a Quit Claim to the County, she would suggest a Quit Claim, presumably to the owner, would be appropriate. That is all that would be involved. The risk, of course, is the issue of easement would still be clouded without following proper procedure.

Mr. Stewart stated landownership and Quit Claim issues to the County are very different, in his opinion, than granting of easements. If we begin to treat these as the same as the sale of property and property rights, he anticipates this would have a significant chilling impact on our ability to obtain easements in other places where they might be desirable for the public good. It is his understanding of Ms. Golden's recommendation that if the County considers this easement like a sale of property, then Council has some burden to consider what it was—an easement to go across a dirt road. We do not own that road. We are now ceasing an obligation to perform services on it. Mr. Stewart would not want to set a precedent where the County would be transferring those rights to some third-named party, follow the public process, and then we found out somebody showed up who wanted to do something--like buy it. He would like Council not to treat this as a sale of land.

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Mr. Brafman noted Council should avoid any possible clouded titles down the road. Council ought to heed Ms. Golden's advice, dot all the "Is" and cross all the "Ts", rather than some time in the future have what we are doing today, questioning for whatever purpose.

Mr. Newton stated if the County did not pay for this easement, but recognizes that it is absolutely an interest in real property, to say that it is otherwise defies an easement by definition. As stewards of the publics' resources did we legally comply with all statutory requirements in South Carolina? We did not pay for it. We are not selling it. The taxpayers of Beaufort County spent nothing for this. It is not being utilized for any public purposes. It is not intended to be utilized for any public purposes. Can we merely Quit Claim this property back, by motion of Council, to this last owner and resolve this issue? Or is an ordinance required to transfer the property? Whoever currently owns the land, Council should make the land subject to this encumbrance.

Ms. Golden replied under the circumstance described above by Mr. Newton, she is comfortable in giving the owner a Quit Claim deed.

Motion to amend by addition.

It was moved by Mr. Lamb, seconded by Mr. Glaze, that Council approve the abandonment of the existing 30-foot drainage easement in Shell Point located between Ashwood Circle and Hickory Street in the Town of Port Royal. Further, authorize the County Administrator to take such steps as are necessary, provided that all legal requirements have been complied with and confirmation that the County did not pay for this easement. The vote was: FOR - Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. The motion passed.

Vote on the amended motion, which is now the main motion and includes the motion to amend by addition.

Council approve the abandonment of the existing 30-foot drainage easement in Shell Point located between Ashwood Circle and Hickory Street in the Town of Port Royal. Further, authorize the County Administrator to take such steps as are necessary, provided that all legal requirements have been complied with and confirmation that the County did not pay for this easement. The vote was: FOR - Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. The motion passed.

County Council Proposed Workshop Dates

Mr. Gary Kubic, County Administrator, announced that as a result of Council's Annual Planning Meeting two workshop dates have been scheduled: (i) March 16, 2006, beginning at 6:00 p.m. in Council Chambers of the Administration Building. The topic is review the 3% local accommodations tax applications and (ii) April 20, 2006, beginning at 4:00 p.m. in Council Chambers of the Administration Building. The topic is the proposed FY-07 Budget (compensation, staffing, equipment services, etc.).

CONSIDERATION OF CONTRACT AWARDS

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Aerial Photograph

Mr. Dan Morgan, Geographic Information System Department (GIS) Director, stated the Department has had discussions with several vendors that provide aerial photography, several of whom have performed work for the County in the past. They provide a single photo in a black or white film-type product. New technology is allowing us to use digital cameras. Three vendors submitted proposals, two were digital cameras and the other was a regular film-type camera. The vendor staff investigated and proposes to Council for approval EarthData International. This company has joined efforts with Microsoft to create Virtual Earth. Their mission is to visit resort areas throughout the United States and world to gather imagery. Virtual Earth will provide the County three different sources of imagery wherein the other two companies are only providing one set of imagery. These three sources of imagery (black and white photo, natural-color photo, and infra-red photo) can enhance many Beaufort County decisions to include: The Stormwater Management Division's ability to classify impervious and pervious surfaces easier as well as drainage patterns and ditches with near-infrared imagery. The natural color imagery will provide classification of forest floor and development areas more readily with comparison of the near-infrared imagery. With these three sources of imagery, the Stormwater Division will be able to classify wetlands and environmental stress areas on critical water resources within Beaufort County. The Planning Department will have the ability to utilize these three sources of imagery in the areas of property management, zoning, flood mapping, natural resources management, census tracking, build-out modeling, and economic development. This data would be excellent in identifying needs in the Northern Comprehensive Planning process and the ten-year update to the Beaufort County Comprehensive Plan.

It was moved by Mr. Generales, as Information Technology Committee Chairman (no second required), that Council award a contract to EarthData International in the amount of $75,000 to provide aerial photography of Beaufort County for year 2006. This is a single-year contract. There are no recurring costs involved with this project. The funding source is GIS Department FY 05-06 budget. Mircosoft will pay 40% or $40,000 of the cost and the County's commitment is $75,000. The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. The motion passed.

Extension of County Fiber Network

Mr. Kubic, County Administrator, reported the Management Information Systems and Emergency Management Departments are requesting $107,750 and $97,850 respectively of capital to convert eight locations from T-1 or no connectivity to fiber connectivity. This is a collaborative effort which deals with upgrading the ability to connect through fiber optics with the Sheriff's Office, Town of Hilton Head Island, Government Center-Hilton Head Island, Bluffton Branch Library, Jasper County Emergency Operations Center, Beaufort Memorial Hospital, Town of Port Royal Police Department, and City of Beaufort Police Department After installation the County's operational recurring expense is estimated to be reduced by approximately $52,000 annually. More importantly, as we talk about issues of connectivity and partnerships, we are creating the County's "fiber backbone network."

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Mr. Newton noted from the supporting documentation that a component of this upgrade will be spent with Hargray Communications. Mr. Newton's law firm does legal work for Hargray Communications. This is not a bid solicitation. The Ethics Act does not require his disqualification. He is reminding Council of that for the purpose of disclosure.

It was moved by Mr. Generales, as Information Technology Committee (no second required), that Council approve the Management Information Systems ($107,750) and Emergency Management Departments ($97,850) to convert eight locations from T-1 (or no connectivity) to fiber connectivity. The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. The motion passed.

RESOLUTION OF BEAUFORT COUNTY'S CONCERNS OF THE IMPACTS OF THE PROPOSED ANNEXATION OF CLARENDON FARMS AND MCLEOD FARM BY THE CITY OF BEAUFORT

It was moved by Mr. Lamb, seconded by Mr. Generales, that Council table consideration of a resolution regarding Beaufort County's concerns of the impacts of the proposed annexation of Clarendon Farms and McLeod Farm by the City of Beaufort. The vote was: FOR – Mr. Generales, Mrs. Griffin, Mr. Lamb and Mr. Stewart. OPPOSED – Mr. Brafman, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton and Mr. Von Harten. ABSENT – Mrs. Hairston. The motion failed.

It was moved by Mr. Generales, seconded by Mr. Lamb, that Council postpone consideration of this resolution until the Council meeting of February 27, 2006.

Mr. Stewart stated it seems unfortunate that Council would choose to discuss this issue at the February 27, 2006, Council meeting at the Hilton Head Island Branch Library.

Mr. Lamb's concern is that Council addresses the factors raised by Mr. David Tedder. The resolution is an appropriate resolution. His concern is that the City of Beaufort will take some action before County Council's thoughts are further expanded upon. If we postpone consideration until March 13, 2006, the issue may be moot by that time. If we need to, let's call a special council meeting, with a single-item agenda, and deal with it.

Mr. McBride opposes the motion. With the rapid pace of the City of Beaufort's action up to this point on this issue, County Council will be derelict in its duty to postpone.

Mr. Dawson is in favor of postponement until the February 27, 2006, Council meeting given the fact there is some incorrect information in the proposed resolution. Another two weeks will not hurt the process nor give the City any advantages that they do not already have.

Mr. Newton remarked that Mr. Tedder has advised Council of a couple of issues. The version of the Development Agreement the County was provided and posted on the website may not be the most current version. It is good to know that there are some changes that have been made. Specifically, the impact fee issue may have been addressed in a revised version. If one looks at

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the proposed resolution, all of the whereas clauses Mr. Tedder pointed out where he had concerns that they were factually not correct, are just preamble language anyway. The meat of the resolution is in our request that the City delay this issue for a period of eight weeks to allow a financial analysis to be prepared on potential annexation and two, that County Council is recommending or suggesting that the elected officials in northern Beaufort County, the municipalities as well as the members of County Council, the State Legislative Delegation, members of the School Board get together to specifically discuss issues identified with the annexation the Northern Regional Plan (before we spend $300,000) and include concerns about our military installations here. A two-week postponement to determine whether we have the right whereas does not make any sense at all. Mr. Stewart has proposed some different language--whereas all the local governments have an interest in making sure that we have sat down at the table and raised these questions and issues that have given people concerns. The two things we are asking for are an eight-week delay to allow a fiscal analysis to take place and encouraging and inviting elected officials of the municipalities to get together and discuss this proposed annexation and the work on the Northern Regional Plan. We are at the period of time when Staff wants Council to approve the expenditure of $300,000 for the Northern Regional Plan which is similar to what occurred in southern Beaufort County. We want to make certain all governments are committed to it before we spend that kind of taxpayer money. It does not make sense to delay while we wordsmith the whereas clauses. We ought to go ahead with the version which Mr. Stewart has brought forward which is acceptable to Mr. Newton.

Mr. Generales, as maker of the motion, and Mr. Lamb, who seconded the motion, withdrew the motion to postpone.

Mr. Generales asked that the resolution include MCAS Beaufort.

Mr. Von Harten will support the resolution brought forward by Mr. Stewart.

Mr. Stewart stated that if Council is to be credible in its results of the fiscal analysis study, it would be appropriate if we had results from other developments that are, if not what might be contemplated here, between 5 and 20 years old, and see what has actually happened. He would be greatly comforted that Council will be making an accurate assessment as to the real impacts that these may have. When we get into the debate about the action to take as a follow-up of those studies, it would be important to have historic and empirical data for what is actually happening in Beaufort County, as opposed to just plugging in numbers that somebody else gives us.

It was moved by Mr. Stewart, seconded by Mr. Von Harten, that Council adopt a resolution regarding Beaufort County's concerns of the impacts of the proposed annexation of Clarendon Farms and McLeod Farm by the City of Beaufort. The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. The motion passed.

AN ORDINANCE CREATING THE PLEASANT FARM SPECIAL TAX DISTRICT

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It was moved by Mr. Lamb, seconded by Mr. Von Harten, that Council approve on first reading, by title only, an ordinance creating the Pleasant Farm Special Tax District. The vote was: FOR – Mr. Brafman, Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSTAINED – Mr. Dawson. ABSENT - Mrs. Hairston. The motion passed.

The Chairman passed the gavel to the Vice Chairman to receive committee reports.

COMMITTEE REPORTS

Community Services/Public Safety Committee

Alcohol and Drug Abuse Board

Mr. John Coaxum

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. Mr. Coaxum garnered the eight votes required to serve as a member of the Alcohol and Drug Abuse Board.

Beaufort Memorial Hospital Board

Mr. Gerald Schulze

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. Mr. Schulze garnered the eight votes required to serve as a member of the Beaufort Memorial Hospital Board.

Dr. Patricia Thompson

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. Dr. Thompson garnered the six votes required to serve as a member of the Beaufort Memorial Hospital Board.

Bluffton Fire District

Ms. Rainie Steedley

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. Ms. Steedley garnered the eight votes required to serve as a member of the Bluffton Fire District Board.

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Daufuskie Island Fire District

Mr. Jon Michael Bryant

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. Mr. Michael Bryant garnered the eight votes required to serve as a member of the Daufuskie Island Fire District Board.

Mr. George Jenkins

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. Mr. Jenkins garnered the eight votes required to serve as a member of the Daufuskie Island Fire District Board.

Disabilities and Special Needs Board

Ms. Margaret Gatch

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston Ms. Gatch garnered the ten votes required to serve as a member of the Disabilities and Special Needs Board.

Ms. Grace Dennis

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston Ms. Dennis garnered the ten votes required to serve as a member of the Disabilities and Special Needs Board.

Ms. Beverly Dore

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston Ms. Dore garnered the eight votes required to serve as a member of the Disabilities and Special Needs Board.

Finance Committee

Residential Home Development – Disabilities and Special Needs Department

Mr. Generales, as Finance Committee Chairman, reported members received a PowerPoint presentation from Mrs. Mitzi Wagner, Executive Director of Beaufort County Disabilities and Special Needs Department, regarding issues of residential home development.

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It was moved by Mr. Generales, as Finance Committee Chairman (no second required), that Council include in the Capital Improvement Program: (i) constructing one new Community Training Home that is ADA compliant at a cost of approximately $375,000; (ii) selling the existing four Community Training Homes and constructing four new replacement four-bedroom homes that are ADA compliant at a cost of approximately $375,000 each over the next two years; and (iii) building a new Administration/Day Program Building at a cost of approximately $3,767,000 brick and mortar and $500,000 for five acres of land. The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. The motion passed.

Accommodations Tax Board

Mr. Generales, as Finance Committee Chairman, nominated Mr. Richard Farmer, representing at-large, to serve as a member of the Accommodations Tax Board.

Information Technology Committee

Library Board

Mr. Generales as Information Technology Committee Chairman, nominated Mrs. Theresa Dunn, representing Council District 1; Ms. Katherine Doctor, representing Council District 11; Mrs. Patsy Hand, representing Council District 5; and Ms. Janet Kuchler, representing Council District 6, to serve as members of the Library Board.

Public Services Committee

Stormwater Management Utility Board

Mr. Don Smith

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. Mr. Smith, representing unincorporated Sheldon Township, garnered the eight votes required to serve as a member on the Stormwater Management Utility Board.

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Mr. Ron McKenney

The vote was: FOR – Mr. Brafman, Mr. Dawson Mr. Generales, Mr. Glaze, Mrs. Griffin, Mr. Lamb, Mr. McBride, Mr. Newton, Mr. Stewart and Mr. Von Harten. ABSENT - Mrs. Hairston. Mr. McKenney, representing unincorporated St. Helena Island/Islands East, garnered the eight votes required to serve as members of the Stormwater Management Utility Board.

The Vice Chairman returned the gavel to the Chairman to continue the meeting

PUBLIC COMMENT

The Chairman recognized Mr. Tommy O'Brien, a Burton resident, who asked why he has to keep appearing before Council presenting small pieces of government abuse. Why in the world on January 28, 2006, at 4:00 p.m. at the Sunoco station on US Highway 21 and Roseida Road was there a County employee, sitting in a communications vehicle, license plate CG40093, talking on a cellular phone, and visiting with her friends going back and forth? It was 4:00 p.m. on a Sunday. Are we providing go-home cars to County employees who work in the Communications Department? How many employees use a County vehicle to ride to work and back home?

Rev. Reuben Greene, a Burton resident, stated now that all the buildings are constructed, where will the sewer, garbage, and mosquitoes go?

ADJOURNMENT

Council adjourned at 5:55 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST:

_____
Suzanne M. Rainey, Clerk to Council

Ratified: March 13, 1006

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COMMUNITY SERVICES COMMITTEE

August 15, 2011

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

The Community Services Committee met on Monday, August 15, 2011 at 4:00 p.m., in the Executive Conference Room, Administration Building, Beaufort, SC

ATTENDANCE

Community Services Committee Members: Chairman William McBride, Vice Chairman Gerald Dawson and members Steven Baer, Rick Caporale, Herbert Glaze, Paul Sommerville, and Laura Von Harten. Non-Committee member Jerry Stewart was also present.

County staff: Amanda Brewer, Library; Morris Campbell, Division Director – Community Services; Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; Jan O'Rouke, Assistant Library Director; Monica Spells, Compliance Officer; David Starkey, Chief Financial Officer; and Dave Thomas, Purchasing Director.

Media: Joe Croley, Hilton Head Association of Realtors.

Public: Jack Frazier, Barefoot Farms and Gullah Farmers; Jayson Gardner, Beaufort Regional Chamber of Commerce; York Glover, Clemson Extension; Walter Mack, Penn Center; Joe McDonald, Gullah Farmers; Phyllis White, Chief Financial Officer Beaufort County School District; and Larry Wilson, Sodexo.

Councilman McBride chaired the meeting.

1. **An Ordinance To Amend Part I, Chapter 46, Article III Of The Beaufort County Code Of Ordinances Relating To The Beaufort County Disabilities And Special Needs Board**

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

Discussion: This ordinance is a house-cleaning procedure. When Disabilities and Special Needs became a part of the County system in the late 1980s, there were some changes made to the charter/ordinance that regulated how the Board operated. Since then the operation has been continuously in a changing process. The ordinance changes are being proposed to reflect what the Board in doing presently. The composition of the Board has not been changed. There were discussions among Committee members relative to some of the language within the proposed

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ordinance, from which it was agreed that it needed legal review prior to going before full Council.

Motion: It was moved by Ms. Von Harten, seconded by Mr. Caporale, that the Community Services Committee approves and recommends County Council approves an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board, pending legal review of the language. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Ms. Von Harten. The motion passed.

Recommendation: County Council approves an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board, pending legal review of the language.

2. An Ordinance Authorizing Funds In The Amount Of $30,000.00 To Penn Center For The Development Of A Lowcountry Farmers / School District Economic Partnership

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

Discussion: Mr. York Glover, Clemson Extension, reviewed this item with the Committee. The previous action on this item by the Community Service Committee was a recommendation that County Council approves a request that Beaufort County, South Carolina provides a $30,000 grant to retrofit the South Carolina Coastal Community Development Corporation room on St. Helena Island, South Carolina for the purpose of the room's use as a food processing facility for the Gullah Farmers Cooperative Association, contingent upon the United States Department of Agriculture awarding a $245,000 equipment grant to Penn Center, Inc. Also, they request that Council approves the loan of $245,000 to Penn Center, Inc., as submitter of the application to the United States Department of Agriculture for a $245,000 equipment grant, as upfront funding. Further, approval of the loan by Beaufort County, South Carolina is contingent upon the approval of the United States Department of Agriculture $245,000 equipment grant and submission of a business plan for the food processing facility for the Gullah Farmers Cooperative Association. Since that time the Gullah Farmers Cooperative Association received a USDA-Rural Development grant in the amount of $100,000 and has moved the processing operation to another site at Penn Center. They are here today to ask that Council continues to endorse the previously requested $30,000 to retrofit the room.

Mr. Baer pointed out that we still have not seen a complete and updated business plan including cash flows for this project. We agreed the last time this came to us in May that we would have such a Finance Dept. approved plan. He would also like to know from which County account the $30,000 will come from, and what will not be done as a result. This is just good financial policy, and we hold other projects to the same standard. He will vote to move this along today, but expects this information by the time it comes to a full Council vote.

Motion: It was moved by Ms. Von Harten, seconded by Mr. Glaze, that the Community Services Committee recommends Council approves, on second reading, an ordinance to authorize funds in the amount of $30,000 for the Development of a Lowcountry Farmers/School District Economic Partnership. This includes a language change of recipient due to the location

change since first reading. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Ms. Von Harten. The motion passed.

Recommendation: Council approves, on second reading, an ordinance to authorize funds in the amount of $30,000 to Penn Center for the Development of a Lowcountry Farmers/School District Economic Partnership.

3. Presentation / New Harmonies Smithsonian Exhibit At Beaufort Branch Library

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

Discussion: Ms. Amanda Brewer, Library, presented the Committee with a PowerPoint on the New Harmonies Smithsonian Exhibit coming to the Beaufort Branch Library and the benefits it will provide to the local community.

Motion: It was moved by Ms. Glaze, seconded by Mr. Baer, that the Community Services Committee endorses the New Harmonies Smithsonian Exhibit at the Beaufort Branch Library. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Ms. Von Harten. The motion passed.

Status: This item was for informational purposes only.

4. Update / Local Vendor Preference Ordinance

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

Discussion: Mr. Dave Thomas, Purchasing Director, and Ms. Monica Spells, Compliance Officer, presented the Committee with a PowerPoint on local preference as it currently stands and where they are headed.

Status: This item was for informational purposes only.

5. Consideration Of Reappointments And Appointments

- **Library Board**

Status: This item was postponed until the following meeting.

- **Children's Foster Care Review Board**

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

Motion: It was moved by Ms. Dawson, seconded by Mr. Glaze, that the Community Services Committee recommends Mr. Curtis McDaniels to serve as a member of the Children's

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Official Proceedings
County Council of Beaufort County
August 22, 2011

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

CAUCUS

A caucus of the County Council of Beaufort County was held at 4:00 p.m. on Monday, August 22, 2011 in the Executive Conference Room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman and Gerald Stewart. Laura Von Harten arrived at 4:40 p.m.

DISCUSSION ITEMS

Redistricting

Mr. Newton announced the presentation at the regular meeting will include a walkthrough of Plan 1 and Plan 4. The public hearing will include an overlay of the current districts versus those proposals that have been recommended by the Committee. If there is a departure tonight, substantively from either Plan 1 or Plan 4, it will necessitate a repeat of a first reading.

Mr. McBride has concern about Section 3 of the proposed redistricting ordinance. Renumbering the districts was suggested by one committee member; but, the committee never agreed, even conceptually, to renumber the districts. He objects to Section 3 being included in the proposed ordinance.

Mr. Josh Gruber, staff attorney, stated Section 3 is included as a placeholder at this point. The numbering will go in ascending order from 1 to 11 moving with the southern-most portions of the county moving north. The reason for having that in there is if Council wanted to renumber the districts in any kind of order than what is currently proposed by the maps. The districts are still going to have to be labeled at some point when they are submitted to the U.S. Justice Department.

Millage Implications / Transfers from operations to debt service funds and Rural and Critical Lands fund

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Mr. Baer was aware of the approximate $770,000 transfer from county operations to county debt service and Rural and Critical Lands funds. He did not realize there was another $1,000,000 to be taken from other sources.

Mr. David Starkey, Chief Financial Officer, said the $1,000,000 would have been out of the fund balances of the two (operations and Rural and Critical Lands) based on the fact that is all the general fund could afford without further reducing services. Principal and interest due on all debt next year is going to be about $15,300,000. Revenues out of those two items would be deficient by roughly $1,700,000 and we will have to find this money from somewhere – either from fund balances or revenues in those accounts. Of the $1,700,000, Rural and Critical Lands is $351,000 (0.2 mills) and $1,477,000 is debt service. The $351,000 is where the debt service outstrips revenues coming from that fund. All $351,000 came out of the $770,000 county operations funds; and if it were not, it would add 0.2 mills.

Rural and Critical Lands has enough funds left to take the $351,000 from fund balance for fiscal year 2012 only. In 2013 the fund balance is at zero. If the additional $10,000,000 is borrowed, the debt service will increase in fiscal year 2013.

Paying Debt Service out of Operating Funds

Mr. Stewart understands it is difficult, without raising taxes, to pay debt service out of operating funds. In this process Council is actually transferring some of the funds and is not covering capital or debt service out of the millage and debt funds themselves. *The Island Packet / Beaufort Gazette* editorial implied this was a last-minute discussion, which it clearly is not. He is also disappointed that another news article indicated we had excess funds in the operating budget, and that is not true. This issue is also compared with actions Council takes on the School District budget. This issue is focusing on the county capital debt funding. Council has no input with regard to the School District capital debt because Council only approves the operations portion of their budget. Mr. Stewart said there are discussions about issuing $10 million for Rural and Critical Lands and perhaps we could mitigate some of those monies coming out of operations from monies that are there. We are also talking about refinancing some debt on some outstanding bonds which would have some savings.

Mr. David Starkey, Chief Financial Officer, stated the 2003 bonds would cover just general obligation debt because the 2003 bonds did not have Rural and Critical Lands items in it. That money would increase the fund balance of the debt service fund. In an effort to keep our fund balances to an acceptable level in case a disaster hit and especially for our rating agencies, what administration will do is when these items come up for refinancing, we can use those proceeds to bolster those balances without any millage increases from that particular angle.

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An ordinance authorizing funds in the amount of $30,000 to Penn Center for development of a Lowcountry Farmers / School District Economic Partnership

Mr. Sommerville remarked the School District likes this project. It directly affects 17 African-American small farmers. It is agricultural as opposed to residential housing. However, his concern is whether the $30,000 is going to be used for possibly two purposes. One purpose is to create an entity that is going to be the entity that oversees the transfer and conveyance of produce from the small farmer to the School District. Another part is going to renovate a building to do this on the Penn Center campus. These are two separate projects – setting up a business and renovating a building. If the building came to Council as an item for funding, it might well pass on its own merits. Mr. Sommerville has been trying and does not yet have all the background on this issue. Some years ago a USDA grant was applied for the purpose of creating a kitchen culinary entity in Frogmore where folks could come and process vegetables, produce. He is unclear if the County had a role in the grant. He wants to see the grant, read the grant. What was the county's role? Do we have any leverage, and who was the grant applicant? This kitchen has a lot of expensive equipment in it. He does not know how well-utilized it is. His sense is the kitchen is not heavily utilized. Penn Center representatives approached the S.C. Coastal Community Development Corporation (CDC) and asked them to use that kitchen because it made perfect sense for what they are trying to do. The equipment, facility and building are already there. For whatever reason the CDC declined to give them what they wanted. Penn Center went back to their drawing board and decided to renovate a building on their campus and buy the equipment (some degree of duplication). He voiced his concern. We have a huge kitchen with all this equipment underutilized, paid for by the taxpayers, sitting in Frogmore, a stone's throw from Penn Center. Penn Center wants to us it, sp are we doing the right thing with the taxpayers' money to proceed in what may well be a complete duplication of effort and equipment just because somebody has said, "no you cannot use our equipment." This is a great project. We are talking about providing the School District with food. MCAS Beaufort and Beaufort Memorial Hospital both have shown some interest. Walmart has committed publically to buying local produce. He asked staff to obtain a copy of the grant, find out what our role was is in the application of that grant, and who administered the grant. There are a lot of unanswered questions here. He is not comfortable with this at all. He is very comfortable with what Penn Center is doing, but not comfortable with the way the county is talking about funding it.

Mr. McBride remarked whether the project is at Penn Center or CDC the $30,000 is still needed no matter what facility is used. At CDC this money would be used to retrofit the facility and at Penn Center it would be used to refurbish the dairy building. The $100,000 grant Penn Center received is going to be used to purchase equipment that does not exist.

Mr. Baer would like the Finance Department to approve the business plan. Where does the $30,000 come from and what will be displaced when we take it from that place.

Mr. Kubic, County Administrator, remarked it was his impression when this issue was discussed last that the $30,000 was not part of the operations expense, but was purely to go towards creating a renovation

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project. They had chosen this particular facility at Penn Center. Mr. Kubic had sent his staff out to conduct a review of the requested site. They have produced a series of photographs because he wanted to make sure that if we were applying our $30,000 that it would take a building on the historic campus and make it useable. If that money goes for capitalization, then he felt Penn Center and the other authorities would worry more about the business approach toward the relationship of the entities involved from taking product out of the ground, processing it, and getting it to where it needed to go and the county function would simply be to provide money for restoration of the facility.

Mr. Hill believes the $30,000 Council has pledged is to retrofit the dairy barn.

Mr. Stewart finds the whole project to be very confusing in that business plans provided at committee were very sketchy. They did not, in any way, represent what you would expect to have in a business plan and *pro forma* financials were far from being sufficient to understand. After speaking with Mr. Martin Goodman, of the Small Business Development Center, he learned that Mr. Goodman had written a business plan and it was revised after receipt of the grant and change in location. It was then sent to Mr. York Glover. At the beginning it seemed like we were giving the money to a farmers' group, but now it seems like it is nailed down to Penn Center, which makes sense as it is a more reasonable place to put the money. He is concerned with two items. One, the monies that had been granted by the federal government was for $254,000, and $100,000 was received, and there was a long litany of what that was to go for – stainless steel work surfaces, refrigerated truck to deliver the produce, bagging machinery, chopping equipment, refrigeration, etc. in the facility which far exceeds the amount of monies in the $100,000 received. How are they going to make up the difference? Based on the business plan, they are relying on the farmers, who are providing the produce and selling it to this group which will then mark it up 20% and market it to the schools, the end user, to put in capital upfront to keep this going because they are going to show a loss in operations the first two years. They are going to need some banking and working capital, line of credit, etc. Mr. Stewart strongly urged them to obtain some agreement or understanding whether a bank will support this activity or not before they go forward in this operation. It would be good for a bank to weigh in on the business plan.

Mr. Newton, having sat in on the initial meeting 18 months ago, stated this project is a way to create real job opportunity for some of our homegrown products here in Beaufort County and build a market place for them. He applauds the thought of obtaining additional information. There is an effort to have this project up and running as quickly as possible to try to get the products to the School District in 2011.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman, Gerald Stewart and Laura Von Harten.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance to the Flag.

INVOCATION

Councilman Herbert Glaze gave the Invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD AUGUST 8, 2011

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council approve the minutes of the regular meeting held August 8, 2011. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC COMMENT

The Chairman recognized Mrs. Blakely Williams, Executive Director, and Mr. Jayson Gardner, Governmental Affairs Liaison, of the Beaufort Regional Chamber of Commerce, who shared with Council several recently won awards for Operation F-35 Beaufort. The awards were from the American Chamber of Commerce Executives. The Best Campaign and Program in the country was won for the F-35 Beaufort, and the Chamber was informed at the award ceremony that they also won Best in Show, among 83 nominations, and Best Overall Communications Program in the country. They thanked Council for its support.

Mr. Walter Quackenbush, a resident of Lady's Island, addressed Council in regard to an ordinance authorizing funds in the amount of $30,000 to Penn Center for development of the Lowcountry Farmers / School District Economic Partnership. He is objecting to the fact that Council is having the public hearing September 12 on Hilton Head Island, while the folks are on St. Helena Island. That seems to be ludicrous. He also spoke in regard to an ordinance to regulate outdoor burning. He would like it modified, if possible, to an ordinance banning outdoor burning and providing for the enforcement by both the fire department and the Sheriff's Office matters related to fines and leans for those causing an infraction of the rules.

Chairman Newton clarified that as with all of our public hearings if we are meeting south of the Broad River, Council Chambers is open for the public to have the opportunity to make comments directly to members of County Council.

Mr. Fred Washington read from a prepared statement regarding the issue of millage setting. The millage rate to be established today represents another no tax increase, keeping the district operating millage rate at 90.26. As you are probably aware, in 2010, rollback calculation reduced the millage from 102.6 mills to 90.26. While it is true that there are many methodologies to performing a rollback, we believe the rollback performed was inconsistent with the language set forth in the New River Tax Increment Finance (TIF) agreement. As recently demonstrated by the County CFO, the New River TIF impacted our district by slightly more than 3 mills or almost $4 million. Last year's revenue and the revenue about to be set today, is $5.6 million less than in FY 2009. Revenue recently established by the New River TIF, per pupil tuition, will assist with closing some of the gap. We are grateful for that, however, without our millage being reestablished to equal the revenue in 2008-2009 we will continue to face serious deficits, similar to this year. In March 2011, the Board of Education cut $6.8 million out of the budget to meet mandated

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increases and shortfalls facing us for this fiscal year, *i.e.*, 2011-2012 school year. Significant reductions have also been made in the past three years to absorb mandated increases. A total of 169 positions, local jobs, have been eliminated. Operating costs have been reduced and will be further reduced with school closures planned for FY 2012/2013 as well as some partial closures this year. Despite these reductions, our District has demonstrated continued gains and economic achievements. We have also seen continued enrollment increases. He was informed they topped the 20,000 mark today. He urged Council to join the District in the success of our students by finding a funding solution that will provide future financial stability for the children of our school district. He is heartened by the fact that there have been productive meetings with administration and Council, but believes we need to go a step forward and come to an agreement for us all to live with. The track we are on now dooms us for not being able to provide the needs of the children of Beaufort County.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

Mr. Gary Kubic, County Administrator, announced The County Channel crew is putting the finishing touches on a video featuring the Beaufort County Sherriff's SWAT Team and Bomb Squad. The video was shot over several months, and features some action-packed training exercises, including repelling, flash-bang grenades, target practice, and suspect take-downs. The video will serve as an informative piece about how these special forces operate, and as a recruiting tool for the Sherriff's office.

The County Channel has also been working on a documentary following the construction of the new overpass on the McTeer Bridge. Bridge construction has been going on for close to two years. We have documented the construction at different stages along the way, and worked closely with County Engineering and Infrastructure Director Rob McFee.

Two-Week Progress Report

Mr. Kubic presented his Two-Week Progress Report, which summarized his activities from August 8, 2011 through August 19, 2011.

Mr. Kubic spoke about the opportunity he had visiting the Three Rivers Solid Waste Administration offices in Aiken, South Carolina to begin the process of looking at alternate sites, beyond that of Hickory Hill in Jasper County. A whole day was spent at the facility and discussed, at length, opportunities that might be presented by capturing our volume and using techniques, such that of a transfer station for recycling. The most important part is for us to structure either this or some other area for us to lock in on a long-term basis. There is interest in learning more about Hickory Hill, particularly in regard to their life expectancy. It may not be a long as we think. This is a very significant piece in terms of the long-range planning for our County. Beaufort County does not have a landfill facility currently, and he does not believe the thought would ever be entertained to producing one in the future. Next, the County will submit a series of questions dealing with the fact that the Department of Energy owns the property. It is a consortium of other counties. There are lease agreements, volume controls and flows. We are putting our concerns in writing and submitting them to the folks to respond in writing. This will be reported to Council, through committee.

Mr. Kubic also pointed out that he met with Mr. Rick Toomey, Chief Executive Officer of Beaufort Memorial Hospital, who is looking at refinancing their portfolio as an opportunity. They brought the issue forward. County Administration agrees with that process for Beaufort Memorial Hospital, but on a pure procedure matter they need to start first reading at Council on September 12, 2011. It generally goes to committee first. The next Finance meeting is September 12, 2011.

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Stormwater Utility Intergovernmental Agreement between Beaufort County and Town of Hilton Head Island

Mr. Kubic stated administration is asking for Council's permission to execute a Stormwater Utility Intergovernmental Agreement between Beaufort County and the Town of Hilton Head. Staff has reviewed the agreement. It has been presented to the Stormwater Management Utility Board who has recommended approval.

It was moved by Mr. Caporale, seconded by Mr. Sommerville, that Council approve a Stormwater Utility Intergovernmental Agreement between Beaufort County and the Town of Hilton Head Island. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Mr. Kubic informed Council that the Stormwater Program is a consortium with the municipalities. The County collects the money and distributes it by Memorandums of Understanding. It is logical because the fee does appear on our tax bills. That process has been going on for ten years. He has asked the Chief Financial Officer to begin the research of finding a local auditing firm, in Beaufort County, to review the $24 million that has been collected since day one of billing / collecting. The idea is to have a report to Council, who can share it with the residents of the County so they can see how the Program is organized, how much was paid, and how it was applied toward the improvements we have implemented. Having an independent group review the process, allows us to have an extra pair of eyes. We will be sending out requests to the municipalities to have them prepare to develop the research information on all of the capital improvement projects, as well as any administrative or legal fees. Council will be informed as to the progress of this.

Mr. William McBride commented he is still waiting relief on ditches dug 40 to /50 years ago in the rural areas. Those are now overgrown with trees, and residents continue to complain. They want to know why they are paying the stormwater utility fee if these issues are not being addressed. He would like to see some plan to address these long existing drainage ditches.

Mr. Kubic stated his hope is that the report will give an idea as to where the $24 million was spent, and a starting point to have discussions as to the long-term plan for the rural communities and their ditches.

Mr. Caporale stated previously there were arguments about how the monies were divvied amongst our partners and wanted to know if there were any outstanding claims or issues with any of the partners.

Mr. Kubic stated the one outstanding issue that has a significant bearing on all of the public entities is the billing and outstanding amount of U.S. Military Installations. They recently have had a change in command and in legal staff, and are currently reviewing the County's request.

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Resolution / National Moment of Remembrance of the 10th Anniversary of September 11th

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council adopt a resolution joining the national moment of remembrance of the 10th anniversary of September 11th. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Hilton Head Island Airport / Tree Removal

Mr. Kubic reminded Council that the appeal on the tree removal for the trees located at the Hilton Head Island Airport was decided. The Judge ruled in favor of the County. We are meeting with the construction company and the Town of Hilton Head to secure all of the procedural requirements to commence that program.

Rail / Trail Grant Award

Mr. Kubic stated the South Carolina Department of Transportation (SCDOT) has issued a grant award for the Rail Trail in Beaufort County. The amount of the award, with local match, is $1,304,400. It is a program in concert with SCDOT and the Federal Highway Administration. The project will involve the development of the Rail Trail, approximately two to four miles in the populated area between Laurel Bay Road and Ribaut Road. We are looking at ways to come up with the 20% local match. We are very excited and proud of the Planning Department for taking the initiative and filing these grants. He hopes everyone notices the trend that we are aggressively looking at federal dollars wherever we can find them. Thanks to Mr. Criscitiello and planning staff for their success in obtaining this grant. Mr. Tony Criscitiello will provide Council with a detailed briefing of what this means to Beaufort County at a later meeting.

DEPUTY COUNTY ADMINISTRATOR'S REPORT

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Two-Week Progress Report

Mr. Bryan Hill, Deputy County Administrator, submitted his Two-Week Progress Report, which summarized his activities from August 8, 2011 through August 19, 2011.

Birdhouse Skateboards 2011 Tour

Mr. Hill, Deputy County Administrator, announced Tony Hawk, skateboarding legend and owner of Birdhouse Skateboards, along with Kevin Staab and Willy Santos will bring their tour to Bluffton on Thursday, August 25, 2011 at 4:00 p.m. He has picked Bluffton to stop and feature his Birdhouse Crew. The skateboard park is an 11,500 square foot facility. It was designed by Pillar Design Studios. The budget was $500,000 which included the skateboard park, stormwater management, shade pavilion, sidewalks, benches and drinking fountain. The challenge was the water table. This park serves beginners to advance skaters. Tony Hawk is featured in numerous video games. He distributes skateboards and related products worldwide. He prefers to skate at parks designed by Pillar Design Studios.

Construction Project Update

New Bridge over Beaufort River / U.S. 21 / S.C. 802 Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the new bridge over the Beaufort River will be a 4,200-foot bridge. The contractor is United Contractors, Inc. of Great Falls, South Carolina. The cost is $34,573,368. The completion date is August 27, 2011. The contractor has completed all substructure elements and deck. The contractor is working on barrier walls and the grooving.

S.C. Highway 802 Roadway Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of 5.2 miles of S.C. Highway 802 (two sections). The contractor is Sanders Bros. of Charleston, South Carolina. The cost is $10,852,393. The completion date was December 2010.

Shell Point asphalt operations are underway and the Port Royal side of the bridge embankment and pipe are complete.

Bluffton Parkway Phase 5A Roadway

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves construction of 2.31 miles of new four lane divided highway between Burnt Church Road and Buckingham Plantation Road. The contractor is Cleland Construction of Ridgeland, South Carolina. The cost is $11,578,729. The contract completion date is July 2012. The embankment is approximately 80% complete and pipe placement is about 65% complete.

Disabilities and Special Needs Adult Day Care Center and Administration Center

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Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a 25,000 square foot multi-use facility with client activity and program areas and administrative space. The contract is Emory J. Infinger and Associates of Charleston, South Carolina. The cost is $6,436,974. The completion date is fall 2011. Interior equipment placement and finishing is underway.

BEAUFORT COUNTY ZONING MAP AMENDMENT (MASTER PLAN AMENDMENT) FOR R300 009 000 0050 (KNOWN AS OAK ISLAND), PART OF THE DATAW ISLAND PLANNED UNIT DEVELOPMENT/PUD, 31.7 ACRES ADJACENT TO DATAW ISLAND; TO ALLOW 21 DUPLEX UNITS (42 TOTAL DWELLING UNITS) RATHER THAN THE 35 SINGLE FAMILY DWELLING UNITS ORIGINALLY APPROVED

This item comes before Council under the Consent Agenda. It was discussed at the July 26, 2011 Natural Resources Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on second reading the Beaufort County Zoning Map Amendment (Master Plan Amendment) for R300-009-000-0050 [known as Oak Island, part of the Dataw Island Planned Unit Development (PUD), 31.7 acres adjacent to Dataw Island] to allow 21 duplex units (42 total dwelling units) rather than the 35 single-family dwelling units originally approved. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 12, 2011 beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library.

AN ORDINANCE TO ADOPT THE BEAUFORT COUNTY HAZARD MITIGATION PLAN

This item comes before Council under the Consent Agenda. It was discussed at the July 26, 2011 Natural Resources Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on second reading the Beaufort County Hazard Mitigation Plan. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 12, 2011 beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library.

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AN ORDINANCE TO AMEND PART I, CHAPTER 46, ARTICLE III OF THE BEAUFORT COUNTY CODE OF ORDINANCES RELATING TO THE BEAUFORT COUNTY DISABILITIES AND SPECIAL NEEDS BOARD

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 Community Services Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on first reading an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

RESOLUTION ADOPTING THE SCHOOL DISTRICT FISCAL YEAR 2011 / 2012 MILLAGE RATES

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 joint meeting of Finance and Governmental Committees.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council adopt a resolution approving the School District fiscal year 2011 / 2012 millage rates as follows: school operations 90.26 and school debt service 28.00. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

RESOLUTION ADOPTING THE FIRE DISTRICTS' FISCAL YEAR 2011 / 2012 MILLAGE RATES

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 joint meeting of Finance and Governmental Committees.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council adopt a resolution approving the fire districts' fiscal year 2011 / 2012 millage rates as follows: (i) Bluffton Fire District operations 19.67 and debt service 0.38; (ii) Burton Fire District operations 55.87 and debt service 5.53; (iii) Daufuskie Island Fire District operations 31.74 and debt service 0.00; (iv) Lady's Island / St. Helena Fire District operations 32.04 and debt service 1.50; (v) Sheldon Fire District operations 32.22 and debt service 2.18. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING

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$18,250,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 joint meeting of Finance and Governmental Committees.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on first reading an ordinance authorizing the issuance and sale of general obligation refunding bonds, Series 2011a, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding $18,250,000; fixing the form and details of the bonds; authorizing the county administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING FUNDS IN THE AMOUNT OF $30,000 TO PENN CENTER FOR DEVELOPMENT OF A LOWCOUNTRY FARMERS / SCHOOL DISTRICT ECONOMIC PARTNERSHIP

It was moved b Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on second reading an ordinance to authorize funds in the amount of $30,000 to Penn Center for the Development of a Lowcountry Farmers/School District Economic Partnership. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 12, 2011 beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library.

AN ORDINANCE TO REGULATE OUTDOOR BURNING WITHIN THE UNINCORPORATED AREAS OF BEAUFORT COUNTY; TO PROVIDE FOR THE ENFORCEMENT THEREOF, AND MATTERS RELATED THERETO

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, Council approve on first reading an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. OPPOSED – Mr. McBride. The motion passed.

RESOLUTION ADOPTING THE COUNTY AND FIRE DISTRICTS FISCAL YEAR 2011 / 2012 MILLAGE RATES

Mr. Rodman, as Finance Chairman, remarked as Council was going through the budgeting process, it had asked staff to not only hold the millage rate flat, but to also not dip into the fund balances. There was two potential transfers in the general operating fund totaling approximately $700,000 and in order to meet that objective, staff had proposed to transfer that out of that fund and over to the capital side. There was some discussion in June regarding whether or not that approach was or was not the right thing to do. We

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can always transfer from the operating side to capital side, but not vice-versa. This was discussed at the Finance Committee where there was thought about the possibility of considering an alternate way to do this. There was also discussion relative to an analysis that staff had prepared which shows a five-year period and the ending fund balances. Essentially, if we do not transfer for Rural and Critical Lands Program, that fund balance will decrease. Given the probability that they will proceed with the drawdown of the last $10 million, we should be fine on a cash basis. In the case of the general obligation debt, if we do not transfer, we will end up with approximately $4.5 million, and if we do transfer we will end up with about $5 million. The millage rates proposed are the same millage rates discussed in June 2011.

It was moved by Mr. Rodman, seconded by Mr. Stewart, that Council adopt a resolution approving the County fiscal year 2011/2012 millage rates as follows: County operations 40.21 mills, Purchase of Real Property 2.76 mills, and County debt service 4.57 mills. These millage rates represent a zero mill increase.

Mr. Baer is uncomfortable with using operation millage to subsidize or transfer to debt service. It could be rationalized on the county operations side, but finds it difficult to do for the purchase of real property because that is voted debt. The taxpayers should bear the impact of that, and not have it come out of the County operations side of the budget. During caucus, additional data was received which showed there is $350,000 involved that Rural and Critical Lands Program need. There is three ways in obtaining that: (i) transfer from our operations budget; (ii) raise taxes by 2/10 of a mill; or (iii) have the Rural and Critical Lands' folks take that money from their debt reserve. He is in favor of approving this resolution if it states we are not authorizing any transfer of funds from the operations side to the debt service side, at this point, or until a further vote of Council at a later date.

Motion to amend by addition.

It was moved by Mr. Baer, seconded by Mr. Rodman, to amend the motion by addition that no transfers from operations to the Rural and Critical Lands Program or the County debt service fund to cover those two debt items can take place without approval by County Council.

Mr. Flewelling commented this motion would undo the approved budget which allowed the transfer.

Mr. Rodman does not feel this motion would undo the approved budget. He leaves $700,000 that could either be used to build up the reserve, or used for something else.

Mr. Newton stated assuming that the two amounts came from transfers from the fund balances then logic would say that the operation budget would end up with $700,000 more at the end of the year. The $700,000 has been budgeted in the operations budget to cover debt service payments. We need to decide whether or not to allow the transfer from general fund to pay those debt obligations, without coming to County Council, and that the monies can be taken from fund balance and be used for that purpose. It seems as if we had previously dealt with this issue. If administration believes that a different recommendation is appropriate, given the collection rates, etc., they have the ability to come back before County Council.

Mr. Flewelling stated said Council appears to be rehashing something that was previously decided. The motion should be denied.

Mr. Baer disagrees and feels there is new information and felt in June it was decided that we needed a better understanding of the transfers. In the last few days, that new information has been received. There seems to be sufficient money in these fund balance, so that we do not need to proceed with the transfers from the operation side. He feels down the road, Council will authorize the transfer for the County debt service, but not that of the Purchase of Real Property, because they should pay their own debt service.

Vote on motion to amend by addition.

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Glaze, Mr. McBride and Mr. Rodman. NAYS - Mr. Dawson, Mr. Flewelling, Mr. Newton, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion failed.

Vote on main motion.

Council adopts a resolution approving the County fiscal year 2011/2012 millage rates as follows: County operations 40.21 mills, Purchase of Real Property 2.76 mills, and County debt service 4.57 mills. These millage rates represent a zero mill increase. Further, no transfers from operations to the Rural and Critical Lands Program or the County debt service fund to cover those two debt items can take place

without approval by County Council. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC HEARING

CONSIDERATION OF AN ORDINANCE REDISTRICTING THE COUNTY COUNCIL OF BEAUFORT COUNTY

Mr. Newton stated the public hearing relates to the redistricting plan that is before Council tonight. Council has two redistricting maps that have been forwarded from the Redistricting Committee to Council. The charge, when the committee first convened in April 2011, was to adopt the criteria that are prescribed by both state and federal law, the US Constitution, the 1965 Voting Rights Act, and the requirements of the United States Department of Justice. Tantamount to those are the one person, one vote principle (mathematically equal districts), avoid retrogression which is the dilution of the minority population's ability to elect, the contiguity and compactness and to work with the Public Law or new census data that was brought forward. There have been seven committee meetings and a series of public hearings previously held.

Mr. Dan Morgan, Management Information Services Director, walked Council through Plan 1 (Office of Research, Bobby Bowers, baseline plan) and Plan 4 (the result of numerous discussions at the committee as well as 15+ individual sessions with the map drawing exercises and review with the GIS Department. Committee had asked staff to compare the existing districts with Plan 4 and to identify the major changes.

District 1 (Mr. Caporale) – This district no longer represents Port Royal area. It moves into the Bluffton area from Buckingham Plantation to Alljoy Road and following the May River out to Calibogue Sound. North of U.S. Highway 278 all the down to Rose Hill Plantation.

District 2 (Mr. Baer) – The movement changes from the Folly Field area and Greenlawn area into District 1 and also the change in Point Comfort area and moves into Port Royal Plantation area around the Hilton Head Island Airport area and Mitchelville area.

District 3 (Mr. Rodman) – The movement goes into the Port Royal Plantation area and also movement into the Point Comfort area.

District 4 (Mr. Newton) – The movement in the Buckingham Plantation area is going into District 1. The Buckwalter area and Pritchardville area go into a new district.

District 5 (Mr. McBride) – This is a large area and encompasses many of island areas. The movement relinquishes Fripp Island, Hunting Island, and Harbor Island area and gains the Beaufort historic district area, Polk Village area, and Parris Island.

District 6 (Mr. Dawson) – The movement is into what is currently District 8 and goes to U.S. Highway 170 area.

District 7 (Mr. Sommerville) – This district gains Fripp Island, Hunting Island and Harbor Island areas as well as the MCAS Beaufort area and relinquishing the Lady's Island area which goes into District 5.

District 8 (Mr. Glaze) – Due to the census movement and population, this district would be combined into District 6 and District 9. The movement is in the Buckwalter area, Pritchardville area, and Rose Hill Plantation area.

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District 9 (Mr. Flewelling) – The movement relinquishes some of the area in the Shell Point area and moves across the Broad River into the Okatie area and Camp St. Mary's.

District 10 (Mr. Stewart) – The movement compacts the district geographically to the Sun City area up to Oldfield area and Pinckney Colony.

District 11 (Ms. Von Harten) – The movement shrinks the City of Beaufort area and moves into the Shell Point area as well as onto Parris Island.

Mr. Newton stated the significant issue would be retrogression and the population data and total deviation as it relates to Plan 1 and Plan 4.

Mr. Morgan replied Plan 1 total deviation is 3.13 and Plan 4 is 2.74. In terms of retrogression in the minority districts under Plan 4 in District 6 it moves to approximately 58%, District 5 is approximately 51%. Under Plan 1 in District is it approximately 56% and District 5 is about 50% to 51%.

Mr. Newton remarked in terms of total deviation and retrogression Plan 4 has a lower deviation and a higher minority percentage with regard to District 6. What was the target number for the new districts?

Mr. Morgan replied 14,748 compared to the existing 11,500.

The Chairman opened a public hearing at 6:35 p.m. for the purpose of receiving information from the public regarding an ordinance redistricting the County Council of Beaufort County. After calling once for public comment, the Chairman recognized Mr. Walter Quackenbush, a Lady's Island resident, who stated his comments are directly focused on Districts 5 and 7. In looking at the maps, he sees gerrymandering being alive and active in Beaufort County. This is not a good thing. He stands in opposition to both these plans presented to Council. Why? It seems that District 5 is voted on in 2012. District 7 is voted on in 2014. During that two year interim, who becomes the Council representative or the School Board representative? There are a lot of non-contiguous parcels which result in election splits. There are 60 polling locations and 85 precincts in this County. It becomes a serious issue. It can be worked out but he does not feel it to be necessary. He does not believe the Department of Justice is going to approve these plans. Mr. McBride has run unopposed for many years. This is like an attempt to have him removed because it will encourage additional wannabes to run for Council. The same applies for Mr. Sommerville, who now has to travel across Mr. McBride's district to reach these outlying islands of Fripp and Harbor Island. There are more changes in Districts 5 and 7 than any other district in the County. It is too much, too soon, and feels it goes too far. It may be legal by previous decisions, but it is not practical or ethical.

Mr. Fred Washington, Chairman of the Board of Education, said the Board of Education has not had an opportunity to full vet the information received, but will have official comments on September 12. Today he is speaking as an individual. What are we trying to accomplish as a community? Does either plan promote community consensus or do they promote the status quo or polarization? Do we want to be more cohesive as a community and have we designed these lines to foster that? Do we represent or have to consider more than one element in our community to try to bring about consensus as a community? Are we moving in that direction? Are we moving in a different direction? These are questions we have to answer as a community. He stated he is for making sure that we all move forward together. We need to have districts that bring us all forward together.

Ms. Fran White, National Association for the Advancement of Color Peoples - Hilton Head Island/Bluffton Chapter, thanked Council for the opportunity to work together and is grateful to Mr. Steven Baer who has worked with the extensively to work through the plans proposed. The NAACP has come to the conclusion that Plan 1 is not a plan that the NAACP-Hilton Head Island/Bluffton could support. It is retrogressive, and does not follow the interest of the residents on the Island who will need representation that we have not seen before. We are in favor of Plan 4, as it stands. She stated they are in favor of it for the Council Districts and have not considered how that would affect the School Board Districts.

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Mr. Leroy Gilliard stated as a minority he believes that redistricting plans as presented will dilute minority representation, almost as much as voter ID will suppress minority participation in the process. We presently have three minority representatives under the current system. By putting two of those in the same district, they will have to run against each other, meaning we will only have two. That is a guaranteed elimination of one. He stated he is not a statistician, however it does appear that minority opportunities to be elected is diminished based upon the plans. He encourages Council to reconsider these plans and to try to make them more inclusive of minority population to include African American and Hispanic American.

After calling twice more for public comment, the Chairman declared the hearing closed at 6:44 p.m.

Mr. Newton remarked on April 25, 2011 Council adoption a resolution to approve the criteria to redistrict County Council districts. One of those items is adherence to the 1965 Voting Rights Act, as amended, and requiring that Council avoid retrogression. Unfortunately, with the change in population and percentages at the outset of this process Mr. Bobby Bowers, Director, State Budget and Control Board, advised Council that one of the impacts of our population growth was that that it was his opinion that as we went through this process what we would begin to understand more fully, and as recommended in his plan, is that if we tried to preserve three separate and distinct districts, we might be left with what would be interpreted as refrigeration by the Department of Justice in trying to protect two majority minority districts, we would be left with two minority districts without over 50% minority population in that district. Through the committee's work what we have found is that that is what the numbers have shown us. There was great effort made by individual members of this Council to avoid having the very election circumstances Mr. Gilliard spoke to, *i.e.,* Mr. Glaze and Mr. Dawson running in the same district and there were a number of efforts made to work with the numbers and work with the district lines recognizing that one of our paramount concerns was the 1965 Voting Rights Act and the legal requirement that we avoid retrogression. Unfortunately, we are left with natural retrogression as opposed to policy retrogression given the changes in population. Mr. Newton appreciations the committee's hard work looking at this issue and the number of meetings held as a body. As individuals Mr. Newton thanked Mr. Glaze, Mr. Stewart, Mr. Glaze, Mr. McBride and Mr. Dawson for serving on the committee. Tonight we are bringing forward the body of our work. Many of our session were attended by almost the entire complement of Council. The committee brings forward tonight two plans one of which we must advance as the plan on second reading we are moving forward with or a separate plan to be brought forward.

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Council approve on second reading Plan 4. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced a public hearing on this issue would be held Monday, September 12, 2011, beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library.

Mr. Newton remarked a draft ordinance is presented this evening that reflects the metes and bounds description of the 11 County Council districts for approval. There is reference, Section 3, to anticipated renumbering of the districts that is included in the text of the ordinance. Mr. McBride had indicated his opposition to the renumbering process in the caucus meeting.

It was moved by Mr. Sommerville, seconded by Mr. McBride, that Council approve on second reading an ordinance to abolish previous County Council district boundaries; to provide that the County Council of Beaufort County and the Board of Education of Beaufort County continue to be comprised of eleven (11) members; to provide that the council members of the County Council and the members of the Beaufort County Board of Education shall be elected from eleven (11) separate districts; to establish the boundaries of the new eleven (11) districts; and to provide for severability and an effective date. Further, that Section 3 is deleted from the ordinance.

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Mr. McBride stated neither committee nor council made any decision about redistricting the district. Section 3 is preemptive of the decision which rests with council in the future if it wants to renumber the district.

Mr. Newton remarked as confirmed by Mr. Josh Gruber, staff attorney, during the caucus meeting, we do not have to submit the renumbering of the districts to the department of Justice. That can occur at a later date and time.

Mr. Glaze will not support the motion. He does not see any problem with renumbering the districts. Mr. Glaze's situation is different from any one else on Council in that his District 8 is going to District 6. He expressed concern with the expense he will incur changing his District 8 campaign literature and signs to District 6. What harm is there in changing the numbers?

Mr. Rodman's sense was that we do not have the renumbering in the text of ordinance now, but we may very well come back and discuss it and possibly readdress numbering at a subsequent time since it did not have to go US Justice Department.

Ms. Von Harten asked if there is something in the law that says districts have to have numbers. Can they have a team name, flowers name or animal names? People have a hard time remembering their district numbers.

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Glaze. The motion passed.

Mr. Gruber spoke with Mr. Bowers this morning about renumbering the districts. Mr. Bowers had asked what our status was and Mr. Gruber gave him an update and an indication that Plan 4 seemed to have momentum behind it and that the numbers actually decreased the deviation and increased minority representation. Mr. Bowers said, "It sounds like you are good to go."

The Chairman passed the gavel to the Vice Chairman in order to receive committee reports.

COMMITTEE REPORTS

Community Services Committee

New Harmonies Smithsonian Exhibit at Beaufort Branch Library

Mr. McBride, as Community Services Committee Chairman, reported members received a presentation on the New Harmonies Smithsonian Exhibit coming to the Beaufort Branch Library and the benefits it will provide to the local community. Committee endorsed the project. The library system is also requesting $5,000, which committee did not consider.

It was moved by Mr. McBride, as Community Services Committee Chairman (no second required), that Council endorse the New Harmonies Smithsonian Exhibit coming to the Beaufort Branch Library. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Local Vendor Preference Ordinance

Mr. McBride, as Community Services Committee Chairman, reported members received a presentation on local preference as it currently stands and where the Purchasing Department is headed.

Children's Foster Care Review Board

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Mr. McBride, as Community Services Committee Chairman, nominated Mr. Curtis McDaniel to serve as a member of the Children's Foster Care Review Board.

Finance Committee

Available 2011 2% Accommodations Tax Monies

It was moved by Mr. Rodman, as Finance Committee Chairman, that Council approve $252,000 for 2% accommodations tax monies to be used by the Accommodations Tax Board in coming up with grant allocation recommendations to tourism-related organizations. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

USCB Regional Identity

Mr. Rodman, as the Chairman's representative on the Branding Committee of USCB, reported they are in the process of figuring out what, if any name change they might go through both at the USC Columbia as what the individual campuses would be called.

Governmental Committee

County Forms of Government

Mr. Stewart, as Governmental Committee Chairman, reported that Mr. Robert Croom, Director of Legal and Legislative Affairs, SC Association of Counties, presented to Committee a comparison of the manager form of government and administrator form of government. He also explained what the requirements and possible timeline to change the county form of government would be. The only real difference between the two forms is that under the current form of government, Council-Administrator, the Treasurer and Auditor are elected officials. Under the Council-Manager form of government, the Treasurer and Auditor would be hired the Manager. They would no longer be elected positions. The information provided that we need to consider in making the change, if we so desired, was that prior to moving forward we would need to obtain consent from the US Justice Department to authorize us to even consider this process. Once that was received, we must receive a favorable vote of a majority of those persons voting in a referendum, presumably in the 2012 election process. All persons who are serving terms of office on the date on which there is a change in the form of government, they would serve out their term of office for which they were elected. Upon the successful referendum, the US Justice Department must also consent to a change to finally take place. Mr. Croom recommended to have sufficient time for review of US Justice Department to final a petition for the next election and to have time to educate the electorate, it was, in his mind, suggested that a decision prior to no later than December 31 would be required, preferably earlier if we wanted to go forward.

Legislative Policy Issues

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council adopts its list of Legislative Policy Issues and submit to the S.C. Association of Counties. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSTENTION – Mr. Baer. The motion passed.

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

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COMMUNITY SERVICES COMMITTEE

August 15, 2011

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

The Community Services Committee met on Monday, August 15, 2011 at 4:00 p.m., in the Executive Conference Room, Administration Building, Beaufort, SC

ATTENDANCE

Community Services Committee Members: Chairman William McBride, Vice Chairman Gerald Dawson and members Steven Baer, Rick Caporale, Herbert Glaze, Paul Sommerville, and Laura Von Harten. Non-Committee member Jerry Stewart was also present.

County staff: Amanda Brewer, Library; Morris Campbell, Division Director – Community Services; Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; Jan O'Rouke, Assistant Library Director; Monica Spells, Compliance Officer; David Starkey, Chief Financial Officer; and Dave Thomas, Purchasing Director.

Media: Joe Croley, Hilton Head Association of Realtors.

Public: Jack Frazier, Barefoot Farms and Gullah Farmers; Jayson Gardner, Beaufort Regional Chamber of Commerce; York Glover, Clemson Extension; Walter Mack, Penn Center; Joe McDonald, Gullah Farmers; Phyllis White, Chief Financial Officer Beaufort County School District; and Larry Wilson, Sodexo.

Councilman McBride chaired the meeting.

1. **An Ordinance To Amend Part I, Chapter 46, Article III Of The Beaufort County Code Of Ordinances Relating To The Beaufort County Disabilities And Special Needs Board**

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

Discussion: This ordinance is a house-cleaning procedure. When Disabilities and Special Needs became a part of the County system in the late 1980s, there were some changes made to the charter/ordinance that regulated how the Board operated. Since then the operation has been continuously in a changing process. The ordinance changes are being proposed to reflect what the Board in doing presently. The composition of the Board has not been changed. There were discussions among Committee members relative to some of the language within the proposed

ordinance, from which it was agreed that it needed legal review prior to going before full Council.

Motion: It was moved by Ms. Von Harten, seconded by Mr. Caporale, that the Community Services Committee approves and recommends County Council approves an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board, pending legal review of the language. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Ms. Von Harten. The motion passed.

Recommendation: County Council approves an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board, pending legal review of the language.

2. **An Ordinance Authorizing Funds In The Amount Of $30,000.00 To Penn Center For The Development Of A Lowcountry Farmers / School District Economic Partnership**

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

Discussion: Mr. York Glover, Clemson Extension, reviewed this item with the Committee. The previous action on this item by the Community Service Committee was a recommendation that County Council approves a request that Beaufort County, South Carolina provides a $30,000 grant to retrofit the South Carolina Coastal Community Development Corporation room on St. Helena Island, South Carolina for the purpose of the room's use as a food processing facility for the Gullah Farmers Cooperative Association, contingent upon the United States Department of Agriculture awarding a $245,000 equipment grant to Penn Center, Inc. Also, they request that Council approves the loan of $245,000 to Penn Center, Inc., as submitter of the application to the United States Department of Agriculture for a $245,000 equipment grant, as upfront funding. Further, approval of the loan by Beaufort County, South Carolina is contingent upon the approval of the United States Department of Agriculture $245,000 equipment grant and submission of a business plan for the food processing facility for the Gullah Farmers Cooperative Association. Since that time the Gullah Farmers Cooperative Association received a USDA-Rural Development grant in the amount of $100,000 and has moved the processing operation to another site at Penn Center. They are here today to ask that Council continues to endorse the previously requested $30,000 to retrofit the room.

Mr. Baer pointed out that we still have not seen a complete and updated business plan including cash flows for this project. We agreed the last time this came to us in May that we would have such a Finance Dept. approved plan. He would also like to know from which County account the $30,000 will come from, and what will not be done as a result. This is just good financial policy, and we hold other projects to the same standard. He will vote to move this along today, but expects this information by the time it comes to a full Council vote.

Motion: It was moved by Ms. Von Harten, seconded by Mr. Glaze, that the Community Services Committee recommends Council approves, on second reading, an ordinance to authorize funds in the amount of $30,000 for the Development of a Lowcountry Farmers/School District Economic Partnership. This includes a language change of recipient due to the location

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change since first reading. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Ms. Von Harten. The motion passed.

Recommendation: Council approves, on second reading, an ordinance to authorize funds in the amount of $30,000 to Penn Center for the Development of a Lowcountry Farmers/School District Economic Partnership.

3. Presentation / New Harmonies Smithsonian Exhibit At Beaufort Branch Library

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

Discussion: Ms. Amanda Brewer, Library, presented the Committee with a PowerPoint on the New Harmonies Smithsonian Exhibit coming to the Beaufort Branch Library and the benefits it will provide to the local community.

Motion: It was moved by Ms. Glaze, seconded by Mr. Baer, that the Community Services Committee endorses the New Harmonies Smithsonian Exhibit at the Beaufort Branch Library. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Ms. Von Harten. The motion passed.

Status: This item was for informational purposes only.

4. Update / Local Vendor Preference Ordinance

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

Discussion: Mr. Dave Thomas, Purchasing Director, and Ms. Monica Spells, Compliance Officer, presented the Committee with a PowerPoint on local preference as it currently stands and where they are headed.

Status: This item was for informational purposes only.

5. Consideration Of Reappointments And Appointments

- **Library Board**

Status: This item was postponed until the following meeting.

- **Children's Foster Care Review Board**

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

Motion: It was moved by Ms. Dawson, seconded by Mr. Glaze, that the Community Services Committee recommends Mr. Curtis McDaniels to serve as a member of the Children's

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August 22, 2011

Official Proceedings
County Council of Beaufort County
August 22, 2011

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

CAUCUS

A caucus of the County Council of Beaufort County was held at 4:00 p.m. on Monday, August 22, 2011 in the Executive Conference Room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman and Gerald Stewart. Laura Von Harten arrived at 4:40 p.m.

DISCUSSION ITEMS

Redistricting

Mr. Newton announced the presentation at the regular meeting will include a walkthrough of Plan 1 and Plan 4. The public hearing will include an overlay of the current districts versus those proposals that have been recommended by the Committee. If there is a departure tonight, substantively from either Plan 1 or Plan 4, it will necessitate a repeat of a first reading.

Mr. McBride has concern about Section 3 of the proposed redistricting ordinance. Renumbering the districts was suggested by one committee member; but, the committee never agreed, even conceptually, to renumber the districts. He objects to Section 3 being included in the proposed ordinance.

Mr. Josh Gruber, staff attorney, stated Section 3 is included as a placeholder at this point. The numbering will go in ascending order from 1 to 11 moving with the southern-most portions of the county moving north. The reason for having that in there is if Council wanted to renumber the districts in any kind of order than what is currently proposed by the maps. The districts are still going to have to be labeled at some point when they are submitted to the U.S. Justice Department.

Millage Implications / Transfers from operations to debt service funds and Rural and Critical Lands fund

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Mr. Baer was aware of the approximate $770,000 transfer from county operations to county debt service and Rural and Critical Lands funds. He did not realize there was another $1,000,000 to be taken from other sources.

Mr. David Starkey, Chief Financial Officer, said the $1,000,000 would have been out of the fund balances of the two (operations and Rural and Critical Lands) based on the fact that is all the general fund could afford without further reducing services. Principal and interest due on all debt next year is going to be about $15,300,000. Revenues out of those two items would be deficient by roughly $1,700,000 and we will have to find this money from somewhere – either from fund balances or revenues in those accounts. Of the $1,700,000, Rural and Critical Lands is $351,000 (0.2 mills) and $1,477,000 is debt service. The $351,000 is where the debt service outstrips revenues coming from that fund. All $351,000 came out of the $770,000 county operations funds; and if it were not, it would add 0.2 mills.

Rural and Critical Lands has enough funds left to take the $351,000 from fund balance for fiscal year 2012 only. In 2013 the fund balance is at zero. If the additional $10,000,000 is borrowed, the debt service will increase in fiscal year 2013.

Paying Debt Service out of Operating Funds

Mr. Stewart understands it is difficult, without raising taxes, to pay debt service out of operating funds. In this process Council is actually transferring some of the funds and is not covering capital or debt service out of the millage and debt funds themselves. *The Island Packet / Beaufort Gazette* editorial implied this was a last-minute discussion, which it clearly is not. He is also disappointed that another news article indicated we had excess funds in the operating budget, and that is not true. This issue is also compared with actions Council takes on the School District budget. This issue is focusing on the county capital debt funding. Council has no input with regard to the School District capital debt because Council only approves the operations portion of their budget. Mr. Stewart said there are discussions about issuing $10 million for Rural and Critical Lands and perhaps we could mitigate some of those monies coming out of operations from monies that are there. We are also talking about refinancing some debt on some outstanding bonds which would have some savings.

Mr. David Starkey, Chief Financial Officer, stated the 2003 bonds would cover just general obligation debt because the 2003 bonds did not have Rural and Critical Lands items in it. That money would increase the fund balance of the debt service fund. In an effort to keep our fund balances to an acceptable level in case a disaster hit and especially for our rating agencies, what administration will do is when these items come up for refinancing, we can use those proceeds to bolster those balances without any millage increases from that particular angle.

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An ordinance authorizing funds in the amount of $30,000 to Penn Center for development of a Lowcountry Farmers / School District Economic Partnership

Mr. Sommerville remarked the School District likes this project. It directly affects 17 African-American small farmers. It is agricultural as opposed to residential housing. However, his concern is whether the $30,000 is going to be used for possibly two purposes. One purpose is to create an entity that is going to be the entity that oversees the transfer and conveyance of produce from the small farmer to the School District. Another part is going to renovate a building to do this on the Penn Center campus. These are two separate projects – setting up a business and renovating a building. If the building came to Council as an item for funding, it might well pass on its own merits. Mr. Sommerville has been trying and does not yet have all the background on this issue. Some years ago a USDA grant was applied for the purpose of creating a kitchen culinary entity in Frogmore where folks could come and process vegetables, produce. He is unclear if the County had a role in the grant. He wants to see the grant, read the grant. What was the county's role? Do we have any leverage, and who was the grant applicant? This kitchen has a lot of expensive equipment in it. He does not know how well-utilized it is. His sense is the kitchen is not heavily utilized. Penn Center representatives approached the S.C. Coastal Community Development Corporation (CDC) and asked them to use that kitchen because it made perfect sense for what they are trying to do. The equipment, facility and building are already there. For whatever reason the CDC declined to give them what they wanted. Penn Center went back to their drawing board and decided to renovate a building on their campus and buy the equipment (some degree of duplication). He voiced his concern. We have a huge kitchen with all this equipment underutilized, paid for by the taxpayers, sitting in Frogmore, a stone's throw from Penn Center. Penn Center wants to us it, sp are we doing the right thing with the taxpayers' money to proceed in what may well be a complete duplication of effort and equipment just because somebody has said, "no you cannot use our equipment." This is a great project. We are talking about providing the School District with food. MCAS Beaufort and Beaufort Memorial Hospital both have shown some interest. Walmart has committed publically to buying local produce. He asked staff to obtain a copy of the grant, find out what our role was is in the application of that grant, and who administered the grant. There are a lot of unanswered questions here. He is not comfortable with this at all. He is very comfortable with what Penn Center is doing, but not comfortable with the way the county is talking about funding it.

Mr. McBride remarked whether the project is at Penn Center or CDC the $30,000 is still needed no matter what facility is used. At CDC this money would be used to retrofit the facility and at Penn Center it would be used to refurbish the dairy building. The $100,000 grant Penn Center received is going to be used to purchase equipment that does not exist.

Mr. Baer would like the Finance Department to approve the business plan. Where does the $30,000 come from and what will be displaced when we take it from that place.

Mr. Kubic, County Administrator, remarked it was his impression when this issue was discussed last that the $30,000 was not part of the operations expense, but was purely to go towards creating a renovation

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project. They had chosen this particular facility at Penn Center. Mr. Kubic had sent his staff out to conduct a review of the requested site. They have produced a series of photographs because he wanted to make sure that if we were applying our $30,000 that it would take a building on the historic campus and make it useable. If that money goes for capitalization, then he felt Penn Center and the other authorities would worry more about the business approach toward the relationship of the entities involved from taking product out of the ground, processing it, and getting it to where it needed to go and the county function would simply be to provide money for restoration of the facility.

Mr. Hill believes the $30,000 Council has pledged is to retrofit the dairy barn.

Mr. Stewart finds the whole project to be very confusing in that business plans provided at committee were very sketchy. They did not, in any way, represent what you would expect to have in a business plan and *pro forma* financials were far from being sufficient to understand. After speaking with Mr. Martin Goodman, of the Small Business Development Center, he learned that Mr. Goodman had written a business plan and it was revised after receipt of the grant and change in location. It was then sent to Mr. York Glover. At the beginning it seemed like we were giving the money to a farmers' group, but now it seems like it is nailed down to Penn Center, which makes sense as it is a more reasonable place to put the money. He is concerned with two items. One, the monies that had been granted by the federal government was for $254,000, and $100,000 was received, and there was a long litany of what that was to go for – stainless steel work surfaces, refrigerated truck to deliver the produce, bagging machinery, chopping equipment, refrigeration, etc. in the facility which far exceeds the amount of monies in the $100,000 received. How are they going to make up the difference? Based on the business plan, they are relying on the farmers, who are providing the produce and selling it to this group which will then mark it up 20% and market it to the schools, the end user, to put in capital upfront to keep this going because they are going to show a loss in operations the first two years. They are going to need some banking and working capital, line of credit, etc. Mr. Stewart strongly urged them to obtain some agreement or understanding whether a bank will support this activity or not before they go forward in this operation. It would be good for a bank to weigh in on the business plan.

Mr. Newton, having sat in on the initial meeting 18 months ago, stated this project is a way to create real job opportunity for some of our homegrown products here in Beaufort County and build a market place for them. He applauds the thought of obtaining additional information. There is an effort to have this project up and running as quickly as possible to try to get the products to the School District in 2011.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

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Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman, Gerald Stewart and Laura Von Harten.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance to the Flag.

INVOCATION

Councilman Herbert Glaze gave the Invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD AUGUST 8, 2011

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council approve the minutes of the regular meeting held August 8, 2011. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC COMMENT

The Chairman recognized Mrs. Blakely Williams, Executive Director, and Mr. Jayson Gardner, Governmental Affairs Liaison, of the Beaufort Regional Chamber of Commerce, who shared with Council several recently won awards for Operation F-35 Beaufort. The awards were from the American Chamber of Commerce Executives. The Best Campaign and Program in the country was won for the F-35 Beaufort, and the Chamber was informed at the award ceremony that they also won Best in Show, among 83 nominations, and Best Overall Communications Program in the country. They thanked Council for its support.

Mr. Walter Quackenbush, a resident of Lady's Island, addressed Council in regard to an ordinance authorizing funds in the amount of $30,000 to Penn Center for development of the Lowcountry Farmers / School District Economic Partnership. He is objecting to the fact that Council is having the public hearing September 12 on Hilton Head Island, while the folks are on St. Helena Island. That seems to be ludicrous. He also spoke in regard to an ordinance to regulate outdoor burning. He would like it modified, if possible, to an ordinance banning outdoor burning and providing for the enforcement by both the fire department and the Sheriff's Office matters related to fines and leans for those causing an infraction of the rules.

Chairman Newton clarified that as with all of our public hearings if we are meeting south of the Broad River, Council Chambers is open for the public to have the opportunity to make comments directly to members of County Council.

Mr. Fred Washington read from a prepared statement regarding the issue of millage setting. The millage rate to be established today represents another no tax increase, keeping the district operating millage rate at 90.26. As you are probably aware, in 2010, rollback calculation reduced the millage from 102.6 mills to 90.26. While it is true that there are many methodologies to performing a rollback, we believe the rollback performed was inconsistent with the language set forth in the New River Tax Increment Finance (TIF) agreement. As recently demonstrated by the County CFO, the New River TIF impacted our district by slightly more than 3 mills or almost $4 million. Last year's revenue and the revenue about to be set today, is $5.6 million less than in FY 2009. Revenue recently established by the New River TIF, per pupil tuition, will assist with closing some of the gap. We are grateful for that, however, without our millage being reestablished to equal the revenue in 2008-2009 we will continue to face serious deficits, similar to this year. In March 2011, the Board of Education cut $6.8 million out of the budget to meet mandated

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increases and shortfalls facing us for this fiscal year, *i.e.*, 2011-2012 school year. Significant reductions have also been made in the past three years to absorb mandated increases. A total of 169 positions, local jobs, have been eliminated. Operating costs have been reduced and will be further reduced with school closures planned for FY 2012/2013 as well as some partial closures this year. Despite these reductions, our District has demonstrated continued gains and economic achievements. We have also seen continued enrollment increases. He was informed they topped the 20,000 mark today. He urged Council to join the District in the success of our students by finding a funding solution that will provide future financial stability for the children of our school district. He is heartened by the fact that there have been productive meetings with administration and Council, but believes we need to go a step forward and come to an agreement for us all to live with. The track we are on now dooms us for not being able to provide the needs of the children of Beaufort County.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

Mr. Gary Kubic, County Administrator, announced The County Channel crew is putting the finishing touches on a video featuring the Beaufort County Sherriff's SWAT Team and Bomb Squad. The video was shot over several months, and features some action-packed training exercises, including repelling, flash-bang grenades, target practice, and suspect take-downs. The video will serve as an informative piece about how these special forces operate, and as a recruiting tool for the Sherriff's office.

The County Channel has also been working on a documentary following the construction of the new overpass on the McTeer Bridge. Bridge construction has been going on for close to two years. We have documented the construction at different stages along the way, and worked closely with County Engineering and Infrastructure Director Rob McFee.

Two-Week Progress Report

Mr. Kubic presented his Two-Week Progress Report, which summarized his activities from August 8, 2011 through August 19, 2011.

Mr. Kubic spoke about the opportunity he had visiting the Three Rivers Solid Waste Administration offices in Aiken, South Carolina to begin the process of looking at alternate sites, beyond that of Hickory Hill in Jasper County. A whole day was spent at the facility and discussed, at length, opportunities that might be presented by capturing our volume and using techniques, such that of a transfer station for recycling. The most important part is for us to structure either this or some other area for us to lock in on a long-term basis. There is interest in learning more about Hickory Hill, particularly in regard to their life expectancy. It may not be a long as we think. This is a very significant piece in terms of the long-range planning for our County. Beaufort County does not have a landfill facility currently, and he does not believe the thought would ever be entertained to producing one in the future. Next, the County will submit a series of questions dealing with the fact that the Department of Energy owns the property. It is a consortium of other counties. There are lease agreements, volume controls and flows. We are putting our concerns in writing and submitting them to the folks to respond in writing. This will be reported to Council, through committee.

Mr. Kubic also pointed out that he met with Mr. Rick Toomey, Chief Executive Officer of Beaufort Memorial Hospital, who is looking at refinancing their portfolio as an opportunity. They brought the issue forward. County Administration agrees with that process for Beaufort Memorial Hospital, but on a pure procedure matter they need to start first reading at Council on September 12, 2011. It generally goes to committee first. The next Finance meeting is September 12, 2011.

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Stormwater Utility Intergovernmental Agreement between Beaufort County and Town of Hilton Head Island

Mr. Kubic stated administration is asking for Council's permission to execute a Stormwater Utility Intergovernmental Agreement between Beaufort County and the Town of Hilton Head. Staff has reviewed the agreement. It has been presented to the Stormwater Management Utility Board who has recommended approval.

It was moved by Mr. Caporale, seconded by Mr. Sommerville, that Council approve a Stormwater Utility Intergovernmental Agreement between Beaufort County and the Town of Hilton Head Island. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Mr. Kubic informed Council that the Stormwater Program is a consortium with the municipalities. The County collects the money and distributes it by Memorandums of Understanding. It is logical because the fee does appear on our tax bills. That process has been going on for ten years. He has asked the Chief Financial Officer to begin the research of finding a local auditing firm, in Beaufort County, to review the $24 million that has been collected since day one of billing / collecting. The idea is to have a report to Council, who can share it with the residents of the County so they can see how the Program is organized, how much was paid, and how it was applied toward the improvements we have implemented. Having an independent group review the process, allows us to have an extra pair of eyes. We will be sending out requests to the municipalities to have them prepare to develop the research information on all of the capital improvement projects, as well as any administrative or legal fees. Council will be informed as to the progress of this.

Mr. William McBride commented he is still waiting relief on ditches dug 40 to /50 years ago in the rural areas. Those are now overgrown with trees, and residents continue to complain. They want to know why they are paying the stormwater utility fee if these issues are not being addressed. He would like to see some plan to address these long existing drainage ditches.

Mr. Kubic stated his hope is that the report will give an idea as to where the $24 million was spent, and a starting point to have discussions as to the long-term plan for the rural communities and their ditches.

Mr. Caporale stated previously there were arguments about how the monies were divvied amongst our partners and wanted to know if there were any outstanding claims or issues with any of the partners.

Mr. Kubic stated the one outstanding issue that has a significant bearing on all of the public entities is the billing and outstanding amount of U.S. Military Installations. They recently have had a change in command and in legal staff, and are currently reviewing the County's request.

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Resolution / National Moment of Remembrance of the 10th Anniversary of September 11th

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council adopt a resolution joining the national moment of remembrance of the 10th anniversary of September 11th. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Hilton Head Island Airport / Tree Removal

Mr. Kubic reminded Council that the appeal on the tree removal for the trees located at the Hilton Head Island Airport was decided. The Judge ruled in favor of the County. We are meeting with the construction company and the Town of Hilton Head to secure all of the procedural requirements to commence that program.

Rail / Trail Grant Award

Mr. Kubic stated the South Carolina Department of Transportation (SCDOT) has issued a grant award for the Rail Trail in Beaufort County. The amount of the award, with local match, is $1,304,400. It is a program in concert with SCDOT and the Federal Highway Administration. The project will involve the development of the Rail Trail, approximately two to four miles in the populated area between Laurel Bay Road and Ribaut Road. We are looking at ways to come up with the 20% local match. We are very excited and proud of the Planning Department for taking the initiative and filing these grants. He hopes everyone notices the trend that we are aggressively looking at federal dollars wherever we can find them. Thanks to Mr. Criscitiello and planning staff for their success in obtaining this grant. Mr. Tony Criscitiello will provide Council with a detailed briefing of what this means to Beaufort County at a later meeting.

DEPUTY COUNTY ADMINISTRATOR'S REPORT

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Two-Week Progress Report

Mr. Bryan Hill, Deputy County Administrator, submitted his Two-Week Progress Report, which summarized his activities from August 8, 2011 through August 19, 2011.

Birdhouse Skateboards 2011 Tour

Mr. Hill, Deputy County Administrator, announced Tony Hawk, skateboarding legend and owner of Birdhouse Skateboards, along with Kevin Staab and Willy Santos will bring their tour to Bluffton on Thursday, August 25, 2011 at 4:00 p.m. He has picked Bluffton to stop and feature his Birdhouse Crew. The skateboard park is an 11,500 square foot facility. It was designed by Pillar Design Studios. The budget was $500,000 which included the skateboard park, stormwater management, shade pavilion, sidewalks, benches and drinking fountain. The challenge was the water table. This park serves beginners to advance skaters. Tony Hawk is featured in numerous video games. He distributes skateboards and related products worldwide. He prefers to skate at parks designed by Pillar Design Studios.

Construction Project Update

New Bridge over Beaufort River / U.S. 21 / S.C. 802 Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the new bridge over the Beaufort River will be a 4,200-foot bridge. The contractor is United Contractors, Inc. of Great Falls, South Carolina. The cost is $34,573,368. The completion date is August 27, 2011. The contractor has completed all substructure elements and deck. The contractor is working on barrier walls and the grooving.

S.C. Highway 802 Roadway Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of 5.2 miles of S.C. Highway 802 (two sections). The contractor is Sanders Bros. of Charleston, South Carolina. The cost is $10,852,393. The completion date was December 2010.

Shell Point asphalt operations are underway and the Port Royal side of the bridge embankment and pipe are complete.

Bluffton Parkway Phase 5A Roadway

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves construction of 2.31 miles of new four lane divided highway between Burnt Church Road and Buckingham Plantation Road. The contractor is Cleland Construction of Ridgeland, South Carolina. The cost is $11,578,729. The contract completion date is July 2012. The embankment is approximately 80% complete and pipe placement is about 65% complete.

Disabilities and Special Needs Adult Day Care Center and Administration Center

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Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a 25,000 square foot multi-use facility with client activity and program areas and administrative space. The contract is Emory J. Infinger and Associates of Charleston, South Carolina. The cost is $6,436,974. The completion date is fall 2011. Interior equipment placement and finishing is underway.

BEAUFORT COUNTY ZONING MAP AMENDMENT (MASTER PLAN AMENDMENT) FOR R300 009 000 0050 (KNOWN AS OAK ISLAND), PART OF THE DATAW ISLAND PLANNED UNIT DEVELOPMENT/PUD, 31.7 ACRES ADJACENT TO DATAW ISLAND; TO ALLOW 21 DUPLEX UNITS (42 TOTAL DWELLING UNITS) RATHER THAN THE 35 SINGLE FAMILY DWELLING UNITS ORIGINALLY APPROVED

This item comes before Council under the Consent Agenda. It was discussed at the July 26, 2011 Natural Resources Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on second reading the Beaufort County Zoning Map Amendment (Master Plan Amendment) for R300-009-000-0050 [known as Oak Island, part of the Dataw Island Planned Unit Development (PUD), 31.7 acres adjacent to Dataw Island] to allow 21 duplex units (42 total dwelling units) rather than the 35 single-family dwelling units originally approved. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 12, 2011 beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library.

AN ORDINANCE TO ADOPT THE BEAUFORT COUNTY HAZARD MITIGATION PLAN

This item comes before Council under the Consent Agenda. It was discussed at the July 26, 2011 Natural Resources Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on second reading the Beaufort County Hazard Mitigation Plan. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 12, 2011 beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library.

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AN ORDINANCE TO AMEND PART I, CHAPTER 46, ARTICLE III OF THE BEAUFORT COUNTY CODE OF ORDINANCES RELATING TO THE BEAUFORT COUNTY DISABILITIES AND SPECIAL NEEDS BOARD

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 Community Services Committee meeting.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on first reading an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

RESOLUTION ADOPTING THE SCHOOL DISTRICT FISCAL YEAR 2011 / 2012 MILLAGE RATES

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 joint meeting of Finance and Governmental Committees.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council adopt a resolution approving the School District fiscal year 2011 / 2012 millage rates as follows: school operations 90.26 and school debt service 28.00. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

RESOLUTION ADOPTING THE FIRE DISTRICTS' FISCAL YEAR 2011 / 2012 MILLAGE RATES

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 joint meeting of Finance and Governmental Committees.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council adopt a resolution approving the fire districts' fiscal year 2011 / 2012 millage rates as follows: (i) Bluffton Fire District operations 19.67 and debt service 0.38; (ii) Burton Fire District operations 55.87 and debt service 5.53; (iii) Daufuskie Island Fire District operations 31.74 and debt service 0.00; (iv) Lady's Island / St. Helena Fire District operations 32.04 and debt service 1.50; (v) Sheldon Fire District operations 32.22 and debt service 2.18. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING

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$18,250,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 joint meeting of Finance and Governmental Committees.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on first reading an ordinance authorizing the issuance and sale of general obligation refunding bonds, Series 2011a, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding $18,250,000; fixing the form and details of the bonds; authorizing the county administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING FUNDS IN THE AMOUNT OF $30,000 TO PENN CENTER FOR DEVELOPMENT OF A LOWCOUNTRY FARMERS / SCHOOL DISTRICT ECONOMIC PARTNERSHIP

It was moved b Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on second reading an ordinance to authorize funds in the amount of $30,000 to Penn Center for the Development of a Lowcountry Farmers/School District Economic Partnership. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 12, 2011 beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library.

AN ORDINANCE TO REGULATE OUTDOOR BURNING WITHIN THE UNINCORPORATED AREAS OF BEAUFORT COUNTY; TO PROVIDE FOR THE ENFORCEMENT THEREOF, AND MATTERS RELATED THERETO

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, Council approve on first reading an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. OPPOSED – Mr. McBride. The motion passed.

RESOLUTION ADOPTING THE COUNTY AND FIRE DISTRICTS FISCAL YEAR 2011 / 2012 MILLAGE RATES

Mr. Rodman, as Finance Chairman, remarked as Council was going through the budgeting process, it had asked staff to not only hold the millage rate flat, but to also not dip into the fund balances. There was two potential transfers in the general operating fund totaling approximately $700,000 and in order to meet that objective, staff had proposed to transfer that out of that fund and over to the capital side. There was some discussion in June regarding whether or not that approach was or was not the right thing to do. We

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can always transfer from the operating side to capital side, but not vice-versa. This was discussed at the Finance Committee where there was thought about the possibility of considering an alternate way to do this. There was also discussion relative to an analysis that staff had prepared which shows a five-year period and the ending fund balances. Essentially, if we do not transfer for Rural and Critical Lands Program, that fund balance will decrease. Given the probability that they will proceed with the drawdown of the last $10 million, we should be fine on a cash basis. In the case of the general obligation debt, if we do not transfer, we will end up with approximately $4.5 million, and if we do transfer we will end up with about $5 million. The millage rates proposed are the same millage rates discussed in June 2011.

It was moved by Mr. Rodman, seconded by Mr. Stewart, that Council adopt a resolution approving the County fiscal year 2011/2012 millage rates as follows: County operations 40.21 mills, Purchase of Real Property 2.76 mills, and County debt service 4.57 mills. These millage rates represent a zero mill increase.

Mr. Baer is uncomfortable with using operation millage to subsidize or transfer to debt service. It could be rationalized on the county operations side, but finds it difficult to do for the purchase of real property because that is voted debt. The taxpayers should bear the impact of that, and not have it come out of the County operations side of the budget. During caucus, additional data was received which showed there is $350,000 involved that Rural and Critical Lands Program need. There is three ways in obtaining that: (i) transfer from our operations budget; (ii) raise taxes by 2/10 of a mill; or (iii) have the Rural and Critical Lands' folks take that money from their debt reserve. He is in favor of approving this resolution if it states we are not authorizing any transfer of funds from the operations side to the debt service side, at this point, or until a further vote of Council at a later date.

Motion to amend by addition.

It was moved by Mr. Baer, seconded by Mr. Rodman, to amend the motion by addition that no transfers from operations to the Rural and Critical Lands Program or the County debt service fund to cover those two debt items can take place without approval by County Council.

Mr. Flewelling commented this motion would undo the approved budget which allowed the transfer.

Mr. Rodman does not feel this motion would undo the approved budget. He leaves $700,000 that could either be used to build up the reserve, or used for something else.

Mr. Newton stated assuming that the two amounts came from transfers from the fund balances then logic would say that the operation budget would end up with $700,000 more at the end of the year. The $700,000 has been budgeted in the operations budget to cover debt service payments. We need to decide whether or not to allow the transfer from general fund to pay those debt obligations, without coming to County Council, and that the monies can be taken from fund balance and be used for that purpose. It seems as if we had previously dealt with this issue. If administration believes that a different recommendation is appropriate, given the collection rates, etc., they have the ability to come back before County Council.

Mr. Flewelling stated said Council appears to be rehashing something that was previously decided. The motion should be denied.

Mr. Baer disagrees and feels there is new information and felt in June it was decided that we needed a better understanding of the transfers. In the last few days, that new information has been received. There seems to be sufficient money in these fund balance, so that we do not need to proceed with the transfers from the operation side. He feels down the road, Council will authorize the transfer for the County debt service, but not that of the Purchase of Real Property, because they should pay their own debt service.

Vote on motion to amend by addition.

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Glaze, Mr. McBride and Mr. Rodman. NAYS - Mr. Dawson, Mr. Flewelling, Mr. Newton, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion failed.

Vote on main motion.

Council adopts a resolution approving the County fiscal year 2011/2012 millage rates as follows: County operations 40.21 mills, Purchase of Real Property 2.76 mills, and County debt service 4.57 mills. These millage rates represent a zero mill increase. Further, no transfers from operations to the Rural and Critical Lands Program or the County debt service fund to cover those two debt items can take place

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without approval by County Council. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC HEARING

CONSIDERATION OF AN ORDINANCE REDISTRICTING THE COUNTY COUNCIL OF BEAUFORT COUNTY

Mr. Newton stated the public hearing relates to the redistricting plan that is before Council tonight. Council has two redistricting maps that have been forwarded from the Redistricting Committee to Council. The charge, when the committee first convened in April 2011, was to adopt the criteria that are prescribed by both state and federal law, the US Constitution, the 1965 Voting Rights Act, and the requirements of the United States Department of Justice. Tantamount to those are the one person, one vote principle (mathematically equal districts), avoid retrogression which is the dilution of the minority population's ability to elect, the contiguity and compactness and to work with the Public Law or new census data that was brought forward. There have been seven committee meetings and a series of public hearings previously held.

Mr. Dan Morgan, Management Information Services Director, walked Council through Plan 1 (Office of Research, Bobby Bowers, baseline plan) and Plan 4 (the result of numerous discussions at the committee as well as 15+ individual sessions with the map drawing exercises and review with the GIS Department. Committee had asked staff to compare the existing districts with Plan 4 and to identify the major changes.

District 1 (Mr. Caporale) – This district no longer represents Port Royal area. It moves into the Bluffton area from Buckingham Plantation to Alljoy Road and following the May River out to Calibogue Sound. North of U.S. Highway 278 all the down to Rose Hill Plantation.

District 2 (Mr. Baer) – The movement changes from the Folly Field area and Greenlawn area into District 1 and also the change in Point Comfort area and moves into Port Royal Plantation area around the Hilton Head Island Airport area and Mitchelville area.

District 3 (Mr. Rodman) – The movement goes into the Port Royal Plantation area and also movement into the Point Comfort area.

District 4 (Mr. Newton) – The movement in the Buckingham Plantation area is going into District 1. The Buckwalter area and Pritchardville area go into a new district.

District 5 (Mr. McBride) – This is a large area and encompasses many of island areas. The movement relinquishes Fripp Island, Hunting Island, and Harbor Island area and gains the Beaufort historic district area, Polk Village area, and Parris Island.

District 6 (Mr. Dawson) – The movement is into what is currently District 8 and goes to U.S. Highway 170 area.

District 7 (Mr. Sommerville) – This district gains Fripp Island, Hunting Island and Harbor Island areas as well as the MCAS Beaufort area and relinquishing the Lady's Island area which goes into District 5.

District 8 (Mr. Glaze) – Due to the census movement and population, this district would be combined into District 6 and District 9. The movement is in the Buckwalter area, Pritchardville area, and Rose Hill Plantation area.

District 9 (Mr. Flewelling) – The movement relinquishes some of the area in the Shell Point area and moves across the Broad River into the Okatie area and Camp St. Mary's.

District 10 (Mr. Stewart) – The movement compacts the district geographically to the Sun City area up to Oldfield area and Pinckney Colony.

District 11 (Ms. Von Harten) – The movement shrinks the City of Beaufort area and moves into the Shell Point area as well as onto Parris Island.

Mr. Newton stated the significant issue would be retrogression and the population data and total deviation as it relates to Plan 1 and Plan 4.

Mr. Morgan replied Plan 1 total deviation is 3.13 and Plan 4 is 2.74. In terms of retrogression in the minority districts under Plan 4 in District 6 it moves to approximately 58%, District 5 is approximately 51%. Under Plan 1 in District is it approximately 56% and District 5 is about 50% to 51%.

Mr. Newton remarked in terms of total deviation and retrogression Plan 4 has a lower deviation and a higher minority percentage with regard to District 6. What was the target number for the new districts?

Mr. Morgan replied 14,748 compared to the existing 11,500.

The Chairman opened a public hearing at 6:35 p.m. for the purpose of receiving information from the public regarding an ordinance redistricting the County Council of Beaufort County. After calling once for public comment, the Chairman recognized Mr. Walter Quackenbush, a Lady's Island resident, who stated his comments are directly focused on Districts 5 and 7. In looking at the maps, he sees gerrymandering being alive and active in Beaufort County. This is not a good thing. He stands in opposition to both these plans presented to Council. Why? It seems that District 5 is voted on in 2012. District 7 is voted on in 2014. During that two year interim, who becomes the Council representative or the School Board representative? There are a lot of non-contiguous parcels which result in election splits. There are 60 polling locations and 85 precincts in this County. It becomes a serious issue. It can be worked out but he does not feel it to be necessary. He does not believe the Department of Justice is going to approve these plans. Mr. McBride has run unopposed for many years. This is like an attempt to have him removed because it will encourage additional wannabes to run for Council. The same applies for Mr. Sommerville, who now has to travel across Mr. McBride's district to reach these outlying islands of Fripp and Harbor Island. There are more changes in Districts 5 and 7 than any other district in the County. It is too much, too soon, and feels it goes too far. It may be legal by previous decisions, but it is not practical or ethical.

Mr. Fred Washington, Chairman of the Board of Education, said the Board of Education has not had an opportunity to full vet the information received, but will have official comments on September 12. Today he is speaking as an individual. What are we trying to accomplish as a community? Does either plan promote community consensus or do they promote the status quo or polarization? Do we want to be more cohesive as a community and have we designed these lines to foster that? Do we represent or have to consider more than one element in our community to try to bring about consensus as a community? Are we moving in that direction? Are we moving in a different direction? These are questions we have to answer as a community. He stated he is for making sure that we all move forward together. We need to have districts that bring us all forward together.

Ms. Fran White, National Association for the Advancement of Color Peoples - Hilton Head Island/Bluffton Chapter, thanked Council for the opportunity to work together and is grateful to Mr. Steven Baer who has worked with the extensively to work through the plans proposed. The NAACP has come to the conclusion that Plan 1 is not a plan that the NAACP-Hilton Head Island/Bluffton could support. It is retrogressive, and does not follow the interest of the residents on the Island who will need representation that we have not seen before. We are in favor of Plan 4, as it stands. She stated they are in favor of it for the Council Districts and have not considered how that would affect the School Board Districts.

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Mr. Leroy Gilliard stated as a minority he believes that redistricting plans as presented will dilute minority representation, almost as much as voter ID will suppress minority participation in the process. We presently have three minority representatives under the current system. By putting two of those in the same district, they will have to run against each other, meaning we will only have two. That is a guaranteed elimination of one. He stated he is not a statistician, however it does appear that minority opportunities to be elected is diminished based upon the plans. He encourages Council to reconsider these plans and to try to make them more inclusive of minority population to include African American and Hispanic American.

After calling twice more for public comment, the Chairman declared the hearing closed at 6:44 p.m.

Mr. Newton remarked on April 25, 2011 Council adoption a resolution to approve the criteria to redistrict County Council districts. One of those items is adherence to the 1965 Voting Rights Act, as amended, and requiring that Council avoid retrogression. Unfortunately, with the change in population and percentages at the outset of this process Mr. Bobby Bowers, Director, State Budget and Control Board, advised Council that one of the impacts of our population growth was that that it was his opinion that as we went through this process what we would begin to understand more fully, and as recommended in his plan, is that if we tried to preserve three separate and distinct districts, we might be left with what would be interpreted as refrigeration by the Department of Justice in trying to protect two majority minority districts, we would be left with two minority districts without over 50% minority population in that district. Through the committee's work what we have found is that that is what the numbers have shown us. There was great effort made by individual members of this Council to avoid having the very election circumstances Mr. Gilliard spoke to, *i.e.*, Mr. Glaze and Mr. Dawson running in the same district and there were a number of efforts made to work with the numbers and work with the district lines recognizing that one of our paramount concerns was the 1965 Voting Rights Act and the legal requirement that we avoid retrogression. Unfortunately, we are left with natural retrogression as opposed to policy retrogression given the changes in population. Mr. Newton appreciations the committee's hard work looking at this issue and the number of meetings held as a body. As individuals Mr. Newton thanked Mr. Glaze, Mr. Stewart, Mr. Glaze, Mr. McBride and Mr. Dawson for serving on the committee. Tonight we are bringing forward the body of our work. Many of our session were attended by almost the entire complement of Council. The committee brings forward tonight two plans one of which we must advance as the plan on second reading we are moving forward with or a separate plan to be brought forward.

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Council approve on second reading Plan 4. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced a public hearing on this issue would be held Monday, September 12, 2011, beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library.

Mr. Newton remarked a draft ordinance is presented this evening that reflects the metes and bounds description of the 11 County Council districts for approval. There is reference, Section 3, to anticipated renumbering of the districts that is included in the text of the ordinance. Mr. McBride had indicated his opposition to the renumbering process in the caucus meeting.

It was moved by Mr. Sommerville, seconded by Mr. McBride, that Council approve on second reading an ordinance to abolish previous County Council district boundaries; to provide that the County Council of Beaufort County and the Board of Education of Beaufort County continue to be comprised of eleven (11) members; to provide that the council members of the County Council and the members of the Beaufort County Board of Education shall be elected from eleven (11) separate districts; to establish the boundaries of the new eleven (11) districts; and to provide for severability and an effective date. Further, that Section 3 is deleted from the ordinance.

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Mr. McBride stated neither committee nor council made any decision about redistricting the district. Section 3 is preemptive of the decision which rests with council in the future if it wants to renumber the district.

Mr. Newton remarked as confirmed by Mr. Josh Gruber, staff attorney, during the caucus meeting, we do not have to submit the renumbering of the districts to the department of Justice. That can occur at a later date and time.

Mr. Glaze will not support the motion. He does not see any problem with renumbering the districts. Mr. Glaze's situation is different from any one else on Council in that his District 8 is going to District 6. He expressed concern with the expense he will incur changing his District 8 campaign literature and signs to District 6. What harm is there in changing the numbers?

Mr. Rodman's sense was that we do not have the renumbering in the text of ordinance now, but we may very well come back and discuss it and possibly readdress numbering at a subsequent time since it did not have to go US Justice Department.

Ms. Von Harten asked if there is something in the law that says districts have to have numbers. Can they have a team name, flowers name or animal names? People have a hard time remembering their district numbers.

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Glaze. The motion passed.

Mr. Gruber spoke with Mr. Bowers this morning about renumbering the districts. Mr. Bowers had asked what our status was and Mr. Gruber gave him an update and an indication that Plan 4 seemed to have momentum behind it and that the numbers actually decreased the deviation and increased minority representation. Mr. Bowers said, "It sounds like you are good to go."

The Chairman passed the gavel to the Vice Chairman in order to receive committee reports.

COMMITTEE REPORTS

Community Services Committee

New Harmonies Smithsonian Exhibit at Beaufort Branch Library

Mr. McBride, as Community Services Committee Chairman, reported members received a presentation on the New Harmonies Smithsonian Exhibit coming to the Beaufort Branch Library and the benefits it will provide to the local community. Committee endorsed the project. The library system is also requesting $5,000, which committee did not consider.

It was moved by Mr. McBride, as Community Services Committee Chairman (no second required), that Council endorse the New Harmonies Smithsonian Exhibit coming to the Beaufort Branch Library. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Local Vendor Preference Ordinance

Mr. McBride, as Community Services Committee Chairman, reported members received a presentation on local preference as it currently stands and where the Purchasing Department is headed.

Children's Foster Care Review Board

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Mr. McBride, as Community Services Committee Chairman, nominated Mr. Curtis McDaniel to serve as a member of the Children's Foster Care Review Board.

Finance Committee

Available 2011 2% Accommodations Tax Monies

It was moved by Mr. Rodman, as Finance Committee Chairman, that Council approve $252,000 for 2% accommodations tax monies to be used by the Accommodations Tax Board in coming up with grant allocation recommendations to tourism-related organizations. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

USCB Regional Identity

Mr. Rodman, as the Chairman's representative on the Branding Committee of USCB, reported they are in the process of figuring out what, if any name change they might go through both at the USC Columbia as what the individual campuses would be called.

Governmental Committee

County Forms of Government

Mr. Stewart, as Governmental Committee Chairman, reported that Mr. Robert Croom, Director of Legal and Legislative Affairs, SC Association of Counties, presented to Committee a comparison of the manager form of government and administrator form of government. He also explained what the requirements and possible timeline to change the county form of government would be. The only real difference between the two forms is that under the current form of government, Council-Administrator, the Treasurer and Auditor are elected officials. Under the Council-Manager form of government, the Treasurer and Auditor would be hired the Manager. They would no longer be elected positions. The information provided that we need to consider in making the change, if we so desired, was that prior to moving forward we would need to obtain consent from the US Justice Department to authorize us to even consider this process. Once that was received, we must receive a favorable vote of a majority of those persons voting in a referendum, presumably in the 2012 election process. All persons who are serving terms of office on the date on which there is a change in the form of government, they would serve out their term of office for which they were elected. Upon the successful referendum, the US Justice Department must also consent to a change to finally take place. Mr. Croom recommended to have sufficient time for review of US Justice Department to final a petition for the next election and to have time to educate the electorate, it was, in his mind, suggested that a decision prior to no later than December 31 would be required, preferably earlier if we wanted to go forward.

Legislative Policy Issues

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council adopts its list of Legislative Policy Issues and submit to the S.C. Association of Counties. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSTENTION – Mr. Baer. The motion passed.

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

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Official Proceedings
County Council of Beaufort County
September 12, 2011

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

CAUCUS

A caucus of the County Council of Beaufort County was held at 4:00 p.m. on Monday, September 12, 2011 in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, South Carolina.

ATTENDANCE

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman, Gerald Stewart and Laura Von Harten.

DISCUSSION ITEMS

Redistricting

Ms. Von Harten heard that the way the School District redistricting is going to happen it may reduce minority representation on the Board of Education. They were concerned about that. She still intends to support redistricting as Council decided previously.

Mr. Newton replied Mr. Josh Gruber, staff attorney, will make a presentation today regarding what the law requires and the facts regarding the population increase. Some folks, who expressed opinions concerning the redistricting maps as presented, actually sat down with the GIS staff and tried to redraw the maps and came to the conclusion that Council has. Council has been working on this issue since November 2010. Some folks saw it for the first time in the newspaper within the last few weeks despite the previous publications and invitations for input.

Rails to Trails / Magistrates' Salaries

Mr. Rodman reported Finance Committee discussed two items to increase the approved budgeted expenditures. They may, in fact, be covered by other changes as we go forward. One item is a $260,888 matching grant for the Rails / Tails Program. The other is $72,159.83 to cover the magistrate's salaries increases that are mandated by law based on the census. Both of these made sense and require three readings. In conversation with the County Administrator, we agreed that probably in October, before third and final readings, we would get an update on where the budget stands in general. Hopefully, we can contain these without dipping into the reserve fund.

Mr. Dawson talked about the $260,888 matching grant for the Rails / Tails Program and $72,159.83 to cover the magistrate's salaries increases which total $333,647.83. Since these funds source is the reserve fund, what is the balance?

Mr. Kubic replied the reserve balance as of today is approximately $18,700,000.

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2012 Accommodations Tax Board Recommendations

Mr. Newton commented the Finance Committee is recommending approval of the $252,000 Accommodations Board's recommendations.

Mr. Rodman talked about the Wounded Warrior Weekend Program, *a.k.a.* Independence Fund. Everybody clearly supports that. Finance Committee did not override the Accommodations Board recommendation to add funds. The general sentiment was that we allocate the $252,000 that was in the bank at the end of FY 2011. We would expect to receive another $600,000 coming in. Even after the distributions to the county and chambers of commerce by ordinance, we are probably going to have approximately $350,000 left. We certainly do not want to run that balance to zero. Mr. Rodman foresees Council allocating some additional monies. That would be the time to consider their request since it is primarily for the following year. Council funded $10,000 to the Program to accommodate their schedule they seem to be okay financially this particular year. Mr. Rodman did not want it misinterpreted in any form that Council is not in support of that Program

Ms. Von Harten stated South Carolina Department of Parks, Recreation & Tourism has released the *Tourism, Product Development Concept for the Lowcountry Region, Strategy and Plan.* The report maps out what Council should be doing to improve tourism in this region. She is not getting the sense that the Accommodations Board recommendations are reflective of the goals outlined in this Plan. It would behoove Council to educate itself about this Plan and make sure that everything that is on the funding list is in line with the recommendations in the Plan. She would like to postpone consideration of the Accommodations Board recommendations for two weeks.

Economic Development Consultants and Task Force

Mr. Baer commented there are two consulting study teams underway, at least one and possibly both using public funds. County Council needs to know what they are doing and be aware of the outputs we paid. That is also true of the Economic Development Task Force.

$377,000 Water Line for Beaufort Commerce Park

Mr. Baer remarked several years ago (around 2006 – 2007), the County paid $377,000 for a water line in the Beaufort Commerce Park as part of some sort of agreement for a developer to build or occupy a building there. The County did its part but the other side reneged on the deal. The deal was written off mainly in 2010, and $377,000 was paid by the General Fund. Earlier this year he raised several questions about this deal (included in notes he sent to staff), mainly from the standpoint of how it came into being, and how we might get a refund of our outlay. Such a refund, even if only partial, would come in handy in our tight budget. Mr. Kubic agreed to research the topic.

Transfer Policy Examples

Mr. Baer stated during deliberations for the FY12 budget, he raised a question to better understand the level of County Council approval and/or notice required for the administrator and staff to transfer funds between accounts. Mr. Gruber took on the task of researching an answer, and came up with a good legal opinion on the issue. He requested clarifying information on how those legal words would actually be interpreted and applied in a few specific examples (that he specified) from our own budget. Mr. Gruber has agreed to complete the work on this.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. on Monday, September 12, 2011 in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, South Carolina.

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ATTENDANCE

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman, Gerald Stewart and Laura Von Harten.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance to the Flag.

INVOCATION

Councilman Gerald Dawson gave the invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD AUGUST 22, 2011

It was moved by Mr. McBride, seconded by Mr. Caporale, that Council approve the minutes of the regular meeting held August 22, 2011. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC COMMENT

The Chairman recognized Ms. Joni Dimond, a Hilton Head Island resident, who spoke to the Rails / Trails Program. When the railroad was built many years ago, the people who lived along the railroad were told that when the railroad stopped running, the land would revert to them. This was a total of 500 acres. Beaufort County helped itself to the rails. The scrap rails were worth $3 million. Who is getting that money? Why did that happen? It belongs to the people who live along that railway. They are looking for matching funds in the amount of $264,000 from the general fund. If they are saying that the $1 million is coming from the scrap metal rails, it is not. Where is the $1 million coming from? She wrote the Federal Transportation Department asking that they not give Beaufort County the $25 million TIGER Grant. She let them know of the intention of making trails in the back of poor people's homes. It is just another trail for Governor Sanford and tourists to put bicycles and buses in these people's backyards. How many of you would like to have a 15-foot wide road put in your backyard? It is wrong. It is dead wrong. Council should not be thinking of putting money towards this. The $3 million should revert to the people who live along the railroad.

Mr. Lloyd Smith, a resident of Hilton Head Plantation, addressed Council regarding the spending of money without good financial analysis and financial plans. Airplane hangars are one example of this where more than $2 million was spent. He has seen a financial analysis that says it is going to breakeven in a few years, but it leaves out a lot of expenditures. He does not believe Council should be spending money for private individuals to hangar an airplane, and at the same time furloughing its employees. We do not have money for the schools. We do not have money to keep our employees employed and we furlough them to save money. But, we seem to have money to stick an airplane inside of a hangar. We need to look at this airport and not keep spending this kind of money. The federal government does not have the money, because we keep taking it. It ties up our state money, as well as our county money. In terms of an economic benefit, it would be much better to take our volume, combine it with Savannah, and try to get in JetBlue or Southwest Airlines. That would provide a better avenue for people to fly. His opposition is spending money for private individuals when it is taxpayers' money. He asked for improvement in terms of financial analysis on these projects.

Mr. Thomas Barnwell, a Hilton Head Island resident, asked for Council's help in several areas. He is excited and pleased that Council has a dialogue with Penn Center regarding the agriculture program and

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helping farmers. It appears that we are going in the right direction. He expressed concern about the Daufuskie Island situation. All the districts are up for discussion in terms of redistricting. When Daufuskie Island was mentioned, he was reminded of his testimony before the U.S. Senate Committee of Nutrition and Human Needs in February 1969. He mentioned not only Daufuskie Island and transportation, but water needs and other needs that this Council has continually addressed. Please try to do whatever possible to allow those persons, who have very keen concerns and close ties to the native communities and the minority communities, to remain on Council, as well as other governmental entities in the County. We need to make sure, as much as practicable, that we have some persons who are well grounded in this community.

Mr. Steve Robinson, a resident of Lands End, stated the Public Works Department recently placed boulders on Warf Road, blocking golf cart access and gathering spots for neighbors to watch sunsets over the Beaufort River. They have eliminated access to numerous elderly and disabled in the neighborhood. Some folks have already filed complaints with the Department of Justice, Office of Americans with Disabilities, and more are likely to file pending tonight's meeting. He was going to show a plat of the neighborhood, dated 1951, showing Warf Road as an access. He was going to read Section 90-62 of the ordinance, damage done to the buffer zone, newspaper articles from 2005 where Division Director Buz Boehm, Attorney Kelly Golden, and PALS Director John Miller said that the County did not own Warf Road. He tried for three weeks to get someone from the County to listen to his thoughts and facts, but his efforts were useless. Someone caused the access to be blocked without warning or public discussion. The road was unjustly blocked. Other accesses in the area have not been blocked. People at The Sands back their cars up to the water's edge. People on Harbor Island ride golf carts on the sand. The Lands End community is being unfairly penalized for doing something that is not illegal. Citizens of Lands End request immediate removal of the boulders until such time that the State Legislature passes a law making it illegal to ride a golf cart on a river bank. A law that all South Carolinians will have to abide by, not just one neighborhood singled out on a whim.

Ms. Cheryl Smith, a resident of Lands End, voiced her concern about the access to the water being blocked by boulders. She has a golf cart, but usually parked it where there is access. This past weekend there were 25 golf carts. She was unable to go down and turn around. There were a lot of visitors Labor Day weekend. She likes to park her golf cart where she can keep an eye on her belongings. If these boulders are going to remain, what happens to property values? She was considering building a cottage on her property, but this might make the decision for her. We are all disappointed. This main access is the essence of Lands End. She does not feel golf carts are doing any damage. She asked that the boulders be removed.

Ms. Annette Mears, a resident of Land End, concurred with Mr. Robinson's remarks. The people, who do not have access, are being singled out. Walking her dog near Woodlands Camp, there were some folks on four-wheelers. She spoke with Mr. Buck Buchanan with the County Public Works Department, who informed her if she saw any four-wheelers to call the police, which she did not do nor felt it necessary. In the pictures provided by the complainant, one of the vehicles had eight wheels and came to the beach via water. Will that be stopped as well? Folks on waterfront property can still access the water with their vehicles. She feels those people, who are not riverfront, have been singled out.

Ms. Karen Coaxum, a resident of Lands End, stated she goes to the beach daily to take her dog to the water and watch the sunset. She does have a golf cart. Now, when she goes there, she can no longer turn around because of the boulders. It will be hard for her to leave her belongings on the golf cart and walk to the water.

Mr. Robert Calf, a resident of Lands End, spoke in support of the barrier that has been put up on Lands End. He wanted to dispel two rumors: (i) that he had the boulders put up; and (ii) that he had it put up because he did not get the dock permit. Both allegations are incorrect. He led the fight against the dock; but, had he known the vehicle traffic was going to be as bad as it is now, he would have supported a three-foot dock. The vehicle traffic has gotten ridiculous. It originally began with a few golf carts. Then it became 12-year olds driving golf carts. Then it became golf cart races at 8:00 p.m. and 10:00 p.m. Then it

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turned into all terrain vehicles, including a mini tank. They have even had an individual drive his Ford F-150 down the beach on neighbor's property up and down the beach. He called himself a golf cart, too. The erosion is getting worse. It is eroding. If it continues like it is, it will look the same as the south end of Lands End Road.

Mr. Kenneth Doe, a Beaufort native and Pastor of the Bethesda Christian Fellowship of St. Helena Island, stated the community has presented the opportunity to lend a helping hand to the farmers. This farmers' co-op processing facility holds the promise of these farmers moving to another level by providing fresh local produce to local and regional entities. This is a win-win situation for our farmers and those who will secure their produce. He asked that Council provide the requested funding that will assist this group in realizing its goal.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

Mr. Gary Kubic, County Administrator, announced The County Channel continues its partnership with USC-Beaufort. This is the inaugural season for Sand Shark Women's Soccer. The County Channel is providing live coverage of a number of team home games, as well as internet coverage, so families can view their players all over the world. The team is coached by Ed Heberling. The team's first game was against USC-Salkahatchi. USCB won this game 2-0. We have provided complimentary videos for our athletes as mementos of their first game and their first victory for USC-Beaufort.

Three-Week Progress Report

Mr. Kubic presented his Three-Week Progress Report, which summarized his activities from August 22, 2011 through September 9, 2011.

Beaufort County Treasurer Doug Henderson / Update on Amnesty Program / Depository Agreement Selection Process

Beaufort County Treasurer Doug Henderson stated he is making a lot of strides in the Office. They are more efficient, more productive, and have cut expenses in several areas – overtime, supplies, and legal fees. The biggest surprise he had, after taking office, was: (i) the volume of items / issues that have to be addressed daily, which are time consuming, and (ii) the legal issues that must be dealt with daily. The Office is making progress and will, in time, be able to have a better handle on things.

Mr. Henderson gave an update on the Depository Agreement Selection Process. Standard procedures were followed to advertise the request for proposal. Bids were received from four full service banks: Bank of America, Wells Fargo, BB&T, and TD Bank. The review committee consisted of: Doug Henderson, Treasurer; Dave Thomas, Purchasing Director; Ed Hughes, Assessor; Jeri Roseneau, Clerk of Court; Alan Eisenman, Finance Department; Maria Walls, CFO Deputy Treasurer; and Joanne Romine, MIS Programmer/Analyst. Exhibit 1 that was provided serves as a score sheet done on each of the institutions. The financial institutions are shown in order of highest score to lowest. Each financial institution was rated separately using a consistent grading system. As shown by the scores, the committee overwhelmingly selected BB&T as the County's financial institution. They were chosen for several reasons. They offer the following services: (i) receipt of current tax payments at bank branch locations, (ii) lock box service, (iii) in-bank credit card merchant department, and (iv) courier services for deposits from each Treasurer's office location. Their pricing is outlined as follows: (i) a compensating balance will offset service charges, (ii) the earnings credit rate will be .65% against total balances, (iii) all excess balances will earn .25%, with a floor of .15%, and (iv) a $2,500 credit per year towards supply costs. They were also chosen due to the ease of transition. The County had a relationship with BB&T for many years and both parties are familiar with each other. In addition, BB&T will be offering training and support to County staff to ensure the transition is as smooth as possible. Lastly, they were chosen due to

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local contacts. The relationship manager is in Beaufort and the County has immediate access should any problems arise. They were the only bank that had a local representative on staff that could be called if needed. The new structure will accomplish some of the following goals: (i) Eliminate the risk and exposure associated with our employees making bank deposits. (ii) Lock box will expedite the payment process because payments will be mailed to and processed by BB&T instead of the Treasurer's office staff. This will increase our staff's availability to assist taxpayers and perform other duties that will increase efficiencies. (iii) Acceptance of payments in BB&T's branch locations will provide added convenience to the taxpayers as well as shorten the lines at our offices during tax season. (iv) BB&T's in-house credit card merchant services will offer us a flat rate pricing. We are still negotiating the final agreement but this should result in the ability to reduce convenience fees for taxpayers paying by credit card.

Treasurer's office Chief Financial Officer Maria Walls gave an update on the Amnesty Program. The amnesty was announced August 11. The Treasurer's fee is determined and charged by the Treasurer's office on all tax accounts once they have become delinquent. The funds are not a part of the County's general revenue and can only be utilized for the purposes of collecting on delinquent accounts. The intention of the Amnesty Program was to encourage delinquent taxpayers to pay and therefore: (i) increase cash flows to the County; (ii) reduce collection costs by having a reduced number of properties going to tax sale; and (iii) reduce advertising costs by reducing the number of properties advertised for tax sale. The amnesty period was held August 14 through September 6. Due to the backup in the processing of payments, this time period varies from the one originally announced. If the payment was made in person, the fee was waived at that time, prior to making payment. The Treasurer's office was unable to waive the fee prior to payment being made for taxpayers, who paid online. Fees paid online during the amnesty period amount to $21,400 and will be refunded to the taxpayers.

Exhibit 2 demonstrated by property class the tax dollars collected and the fees waived during the amnesty period. Approximately 87% of the tax dollars collected was for real property.

Exhibit 3 showed by tax year, the dollars collected and the fees waived during the amnesty period. $132,326.72 was collected from prior tax years. Approximately 96% of the tax dollars collected was for the 2010 tax year.

Exhibit 4 presented by property class, showed the tax dollars collected and the fees waived during this same time period in 2010. Approximately 92.5% of the tax dollars collected was for real property.

Exhibit 5 demonstrated by tax year involved, showed the tax dollars collected and the fees waived during the same time period in 2010. There are no prior years' fees collected because the prior years' fees were not rolled over from Legacy to Manatron during the transition. This happened because fees are in a separate fund and that fund was not rolled over. $29,361.18 was collected from prior tax years. Approximately 98.9% of the tax dollars collected was for the 2009 tax year.

Overall, we collected approximately $750,000 more delinquent tax payments during the amnesty period than the same period in 2010. Approximately $103,000 more delinquent tax payments from prior tax years were collected during the amnesty period than the same period in 2010. The County usually experiences an influx of payments during the month of August as a result of payments to avoid tax sale. For the purpose of these calculations, other property classes are considered to be all property classes except for real property. We included mobile homes in this category because a very small proportion of delinquent mobile homes are sent to tax sale. In 2009 other property class payments made up approximately 7.5% of the total delinquent tax funds collected but during the amnesty period other property class payments were 13.0% of the total delinquent funds collected. This is an increase of 5.5%. Conversely, the proportion of real property payments to the total delinquent tax funds decreased 5.5% from the 2010. This was despite delinquent payments as a whole increasing $750,000 or approximately 29%.

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Exhibit 6 showed that 724 more delinquent accounts were collected during the amnesty period than the same period in 2010. Of those 724 accounts, approximately 28% were for property classes that are not sold at tax sale, such as rentals and watercraft. Mobile homes may be sold at tax sale. There were 1,936 real property and mobile homes accounts collected during the amnesty. These two property classes alone exceed the total of all delinquent accounts collected during the same period in 2010.

Based on the information provided, the Treasurer's office considers the Amnesty Program a success. The County's cash flows were significantly increased overall from the prior year and funds were collected for property classes, which traditionally remain delinquent for extended periods of time. Collection costs were reduced as a result of 523 less real properties going to tax sale.

Some additional expense reductions include the consolidation of the tax sale into one day, instead of two, which will cut back on overtime and other expenses related with running the tax sale. The expense of the auctioneer will be reduced by a minimum of $3,600. Also, advertising costs were reduced as a result of six less pages of advertising space than the previous year being needed despite the newspaper increasing the font size from the previous year.

Mr. Baer commented we are only collecting about 52.9% of the taxes on airplanes and wanted to know if anything was being done about that.

Mr. Henderson stated they have not gotten to a place where they can go after the airplanes yet, but it is a goal.

Heritage Classic Foundation / Mr. Simon Fraser and Mr. Steve Wilmot / Status Report

Mr. Simon Fraser and Mr. Steve Wilmot with the Heritage Classic Foundation (Foundation) thanked Council for the support shown to the Foundation last year in their time of need. It enabled the Foundation to guarantee the tournament, which was a great success. From that tournament, the Foundation secured a new Title Sponsor with RBC and a new presenting sponsor with the Boeing Corporation, both have signed agreements. Mr. Fraser presented Council a check in the amount of $250,000 as the first loan payment to the County.

The Chairman thanked Mr. Fraser and Mr. Wilmot for everything they have done. At the point in time when Beaufort County participated with other local governments in ensuring the bridge funding to keep the tournament here, there were lots of community highlights about the significance of the tournament. You all, tirelessly, put in an unbelievable number of hours, not only during the tournament, but to ensure the tournament's continuation and success. He thanked them, on behalf of the taxpayers, for the return on investment. Ultimately, being able to keep that tournament in Beaufort County is an investment in our future.

Impacts of State Legislation to Create Presidential Preference Primaries for South Carolina

Mr. Scott Marshall, Executive Director, Board of Elections and Registration, stated on behalf of the Chairman of the Board of Elections, Mr. Ryan Clifford, and the other members he is happy to come before Council. He gave Council a PowerPoint presentation regarding the presidential preference primaries and their impact to Beaufort County. The Board held a special meeting on August 31, 2011 to discuss concerns of what was known so far regarding the pending presidential preference primaries. The result of that meeting was a unanimous vote to send a position letter to the South Carolina Election Commission (SEC). The letter, dated September 6, 2011, states that the Beaufort County Board of Elections (Board) (i) rejects the conclusion that the SEC has the authority to require counties to conduct presidential preference primaries and (ii) that we object to the use of public funds to finance the presidential preference primaries, especially Beaufort County taxpayer dollars.

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He explained how the Board arrived at this position. In order to understand some of the basic concerns he provided Council an overview of several Provisos that are part of the State of South Carolina's General Appropriations Budget for 2012. Proviso 79.6 authorizes the SEC to use carryover funds from previous primaries to conduct the 2012 Presidential Preference Primaries. It was initially vetoed by the governor, with subsequent override by the General Assembly. Proviso 79.12 authorizes the SEC to carry forward ballot security funds to finance the 2012 Presidential Preference Primaries. Like Proviso 79.6, 79.12 was initially vetoed before being overridden by the General Assembly. Mr. Marshall's understanding, as of yesterday, was that in total the amount of all funds the SEC has to carry over to apply to the Presidential Preference Primaries is $680,000. Proviso 79.14 was the vehicle that would have allowed the SEC to contract with political parties for the purpose of providing fiscal resources to conduct the Presidential Preference Primaries. Proviso 79.14 was stricken by the General Assembly before the budget bill reached the governor. This proviso did not become law.

Mr. Marci Andino, Executive Director of the SCE, sought guidance from the South Carolina Attorney General concerning the SEC's authority to enter into contract, given that Proviso 79.14 did not become law. Prior to 2008, the SEC and counties' Board did not conduct Presidential Preference Primaries. In the South Carolina Code of Laws, 7-11-20(B)(2), a special provision was written into the law for the November 2008 election cycle which stated the SEC "must conduct" the Presidential Preference Primary. A copy of this section of law is in your handouts. The Attorney General's opinion noted that the literal text of the South Carolina *Code of Laws* clearly indicated the law was meant for the November 2008 election cycle only. However, the Attorney General concluded that, since the title of the act was not so limited, the legislature intended 7-11-20(B)(2) to be a continuing authority bestowed on the SEC.

After the Attorney General's opinion was rendered, the spokesperson for the SEC, Mr. Chris Whitmire, was quoted in *The State* newspaper as saying the Attorney General opinion not only gave the SEC the authority to conduct the Presidential Preference Primaries, but that it also gave them a mandate to run them. This was followed two days later on June 29 with a post on the SEC's intranet, Election Net, which informed county election officials in the state that the SEC is working the details of a contractual agreement with the parties. As of today, county election directors have still not been informed regarding the details of the contractual arrangements being made between the SEC and the parties. Mr. Marshall is also unaware of any requests for input from the counties. At this point in time there are things that we know and things that we do not know. Unfortunately, what we do know is as troubling as what we still do not know. We still do not know the exact dates of the Presidential Preference Primaries, or if there will indeed be two primaries.

The Republican Party indicated their preference primary will be either on February 18 or February 25. Both of these dates fall on a Saturday. The Democratic Party will hold their preference primary on February 28, if they have one. We still do not know the answer to that question yet, either. As he alluded to earlier, especially troubling are the unknowns associated with the financial arrangements being made between the parties and the SEC. Until we know the details, we cannot fully assess the economic impact to the county. He presented Council with two actual county examples. He showed a breakdown of the costs of the January 2008 Presidential Preference Primaries. The Republican primary was held January 19, 2008 and The Democratic Party primary was held January 26, 2008.

He presented the actual expenses and reimbursements for both primaries combined. The amount absorbed by Beaufort County taxpayers was $154,138. In January 2008, our voter registration was 79,056. As of yesterday, our voter registration is 102,340 voters. He showed the actual expenses and reimbursement figures from the November 2010 General Election. The figures above in November 2010, nearly 37% of expenses related to the November Election were not reimbursed by the state. He stated he expects that percentage to increase if we conduct the Presidential Preference Primaries. The SEC maintains that the Presidential Preference Primaries will cost $1.3 million state-wide. They also maintain that any arrangement with the parties will adequately augment the $680,000 in carry-forward funds in order to get to that $1.3 million figure. They are not saying the $1.3 million figure quoted will cover the expenses of the SEC, which includes their reimbursements to counties; however, the SEC does not conduct elections. Counties do. There are many expenses that do not get reimbursed. The sum of $1.3

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million will not come close to covering the accumulative outlay of 46 counties to conduct the Presidential Preference Primaries. What do we know? These are countywide events on par with general elections. If both parties have preference primaries, then either scenario for turnaround time is unacceptable. A three-day turnaround is impossible. One of the parties will be using paper. The feasibility of a ten-day turnaround is highly questionable and in order to work at all will incur significant overtime costs, which will not be reimbursed. Deservedly so, the elections community is already under increased scrutiny for thorough and proper auditing of election files. Rushing to wrap up one election and prep for another is not the way we improve our credibility with voters.

The Attorney General's opinion rests upon its interpretation of legislative intent. Recall that the wording of 7-11-20(B)(2) was specific to the November 2008 election cycle. However, the Attorney General determined that the title of the act meant the contents of 7-11-20(B)(2) applied for all time. He stated he would argue that the best indication of legislative intent was the fact that 7-11-20(B)(2) and other factors pertaining to the state's financing of the Presidential Preference Primaries was fully debated in the 2011 General Assembly on both the Senate and House floors. Lawmakers were fully cognizant of the time-specificity of this section of law and chose to leave it as is. Further, Proviso 79.14 was the vehicle to provide a means for the SEC to contract with the parties. Lawmakers made a conscious and collective decision to omit this proviso from the budget. He read that as the legislature's intent not to give the SEC this contract authority. It is important to remember that the Attorney General's opinion is an interpretation of the law and does not carry the force of law itself. There is a lot to question in the opinion. The Board is not ready to tell the taxpayers of Beaufort County that they have this bill to pay, when the requirement for it is less than clear, and is not even codified in law. This is a time when we are already furloughing public employees, closing schools, reducing library hours, and such.

Meanwhile, your County Council continues to work hard to keep taxes level while maintaining quality of life for our residents. Do not confuse the words "mandate" and "authorize" with one another, and do not think of them as synonymous. They have different meanings. Bottom line is this: The Executive Director of the SEC does not have even the authority—much less mandate—to commit the resources of Beaufort County taxpayers to conduct a Presidential Preference Primary. Even your governor recognizes that the preference primaries are not elections and should not be resourced from the bank accounts of your voters. In his capacity as a South Carolina Association of Registration and Election Officials Legislative Committee member, he has spoken with a staff attorney with the South Carolina Association of Counties (SCAC) regarding the concerns shared. His understanding is that the SCAC Steering Committee intends to address this issue in their September 13 meeting in Columbia. He is also in contact with many other directors who share the same concerns and are having the same kinds of conversations with their respective board members. So far the following bodies have adopted these positions. The South Carolina Association of Registration and Elections Officials Position is that the SEC has not statutory authority to commit county resources for the purpose of conducting the 2012 presidential preference primary.

If counties conduct the primaries, then they must be fully funded with monies other than public funds. They must be conducted on the same date as well. The York County Board of Elections and the Dorchester County Board of Elections have positions that mirror that of Beaufort County's. The position of the Hampton County Board of Elections is that both primaries should be on the same date and that the parties should fully fund the events. We expect other county boards to formally address this issue as well. This is a watershed issue with Home Rule implications. The Attorney General's opinion is not law, and is terribly flawed. Its interpretation by the SEC only exacerbates the problem. He stated he does not anticipate that we can run a Presidential Preference Primary on the reimbursements that will be received from the SEC. The Board objects to use of public funds to augment it. If we conduct the Presidential Preference Primaries, then we are forced to run a deficit. He expects Council will make up the difference using constituents' tax dollars. Maybe not today, but at some point in the near future the Board will need to know if Council is willing to subsidize the Presidential Preference Primaries in 2012. The Board's position is that they urge Council to engage in dialogue with other counties and with the SCAC.

Mr. Rodman commented that it seems to make that opinion without Council having the opportunity to decide whether or not we want to spend that money on a democratic process may be getting a little out of what Council should be considering.

Mr. Marshall pointed out that the Board of Elections and Registration is a state appointed board. It is not answerable to the County. They are fully capable and within their rights to come up with their own position. They recognize that they have a relationship that needs to be symbiotic with Council; but, in terms of the decision they made, it was in the best interest of Beaufort County taxpayers.

The Chairman wanted to know if the Board is telling the state that we are not holding these primaries.

Mr. Marshall stated the Board has not told anyone that. They are stating their position. That question may hinge on whether or not Council decides to fund it or not.

Beaufort-Jasper Water and Sewer Authority / Mr. Dean Moss / Mr. Ken Griffin

Mr. Dean Moss, General Manager of Beaufort-Jasper Water and Sewer Authority, announced that Mr. Ken Griffin will serve as his replacement after he retires at the end of the year. He recognized Mrs. Donna Altman and Mr. Skeet Von Harten, who are two of the three County appointees to the Beaufort-Jasper Water and Sewer Authority. The third member, General Patrick O'Neal was out of town. Mr. Griffin is a talented, capable individual. He is a professional engineer in South Carolina, and has advanced degrees in numerous fields. He has a good deal of experience in county government. He worked for Hillsburg County, Florida as a Utility Director and ran a similar board to that of Beaufort/Jasper in Mississippi. He is eminently qualified. He and the Board are confident Mr. Griffin will keep Beaufort-Jasper Water and Sewer Authority operating on the same successful track it has for numerous years.

Mr. Griffin stated he looks forward to working with Council for many years to come and is fortunate to follow a great man. He assured Council he will do what is needed to keep a great agency doing a great job providing an excellent service to our customers.

Chairman Newton, on behalf of Beaufort County Council, thanked Mr. Dean Moss for everything he has done.

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Beaufort Memorial Hospital Refunding and Improvement Revenue Bonds

Mr. Jeff White, Chief Financial Officer, Beaufort Memorial Hospital, stated the Hospital is proposing $48,147,040 of a new bond issue that would include two components. (i) The capital projects of the Hospital to include the expansion of the emergency room, land acquisition, support services building, and property improvements. (ii) Refunding of the existing bond that was originally issued in 1997. Two bond sources were evaluated. One is the public bond offering. The other is a direct bank purchase bond.

Request for Proposals were sent out to banks and determined that TD Bank (Carolina First) was the bank of choice for this bond issue. The reason for going to a private bank bond, as opposed to a public bond issue, is because the interest rate currently for a 30 year, fixed rate public sale is 5.8%. We have a 2.87% interest rate on the project funds, and less than 2% for the refinancing. This would incur savings of approximately $1.1 million a year by going in this direction. Some of the positive points of the bank bond issue – (i) it does not require a debt service reserve fund. (ii) fees are about half of that of a public bond offering would be. (iii) capitalized interest would be much less because with the bank bond the Hospital could draw down as needed, over a two year period, as opposed to the total bond issue and interest paid all at one time. (iii) savings is significant. (iv) interest rates are low.

The only difference with this bank bond is it has a "put" or a "call." At the end of the period where the put is negotiated what happens is the Hospital would let the bank know it wants to refinance or carry the bond through the remainder of its life. If they want us to stay with them, it is possible. If not we would go to another bank and try to negotiate the remainder of the bonds on this type of finance. Thirdly, the Hospital could then go back out to the public bond market. There are a number of opportunities at the end of the put period. Right now it will probably be 10 years because of the interest rates being so low.

Ms. Kathleen McKinney, bond counsel with Haynsworth, Sinkler, and Boyd, stated this is a two-step process. (i) The County has to petition the State Budget and Control Board to look at this project an approve it. That takes a resolution. (ii) The ordinance is what Council adopts to authorize the issuance of the bonds.

Approval / Town of Bluffton Intergovernmental Agreement on Stormwater Utility Operation

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Council approve an Intergovernmental Agreement with the Town of Bluffton for Stormwater Utility Operation. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

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Approval / One-Year Extension City of Beaufort Intergovernmental Agreement on Stormwater Utility Operation

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Council approve a one-year extension for an Intergovernmental Agreement with the City of Beaufort for Stormwater Utility Operation. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Approval / One-Year Extension Town of Port Royal Intergovernmental Agreement on Stormwater Utility Operation

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Council approve a one-year extension for an intergovernmental agreement with the Town of Port Royal for Stormwater Utility Operation. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE TO AMEND PART I, CHAPTER 46, ARTICLE III OF THE BEAUFORT COUNTY CODE OF ORDINANCES RELATING TO THE BEAUFORT COUNTY DISABILITIES AND SPECIAL NEEDS BOARD

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 Community Services Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on second reading an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 26, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING $18,250,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO

This item comes before Council under the Consent Agenda. It was discussed at the August 15, 2011 joint meeting of Finance and Governmental Committees.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on second reading an ordinance authorizing the issuance and sale of general obligation refunding bonds, Series 2011a, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding $18,250,000; fixing the form and details of the bonds; authorizing the county administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 26, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building.

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AN ORDINANCE TO REGULATE OUTDOOR BURNING WITHIN THE UNINCORPORATED AREAS OF BEAUFORT COUNTY; TO PROVIDE FOR THE ENFORCEMENT THEREOF, AND MATTERS RELATED THERETO

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on second reading an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced that a public hearing on this issue would be held Monday, September 26, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building.

ROCK PURCHASE FOR COUNTY DIRT ROAD IMPROVEMENTS

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council award a contract to J.R. Wilson Construction Company in the amount of $75,924.53 for the purchase of CR14 crushed granite stone for improvements to Rice Road (Port Royal Island), Stoney Hill Loop (Bluffton), Waters Avenue (Bluffton), and Echo Tango Road (Okatie). The funding source is $10 motorized vehicle (TAG) funds to Account 3322T-54901. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY BEAUFORT COUNTY, SOUTH CAROLINA, OF ITS HOSPITAL REFUNDING AND IMPROVEMENT REVENUE BONDS (BEAUFORT MEMORIAL HOSPITAL) SERIES 2011, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $50,000,000; PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council adopt a resolution making application to the State Budget and Control Board of South Carolina for approval of the issuance by Beaufort County, South Carolina, of its Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011, in an aggregate principal amount of not exceeding $50,000,000; pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $50,000,000 AGGREGATE PRINCIPAL AMOUNT OF HOSPITAL REFUNDING AND IMPROVEMENT REVENUE BONDS (BEAUFORT MEMORIAL HOSPITAL) SERIES 2011; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AND LOAN AGREEMENT, A REFUNDING ESCROW DEPOSIT AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND OTHER MATTERS INCIDENTAL THERETO

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading an ordinance authorizing the issuance of not exceeding $50,000,000 aggregate principal amount of Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011; authorizing the execution and delivery of a bond purchase and loan agreement, a refunding escrow deposit agreement in connection therewith; authorizing proper officers to do all things necessary or advisable, and other matters incidental thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr.

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Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

BEAUFORT COUNTY ZONING MAP AMENDMENT FOR R300 015 000 0101 0000 [KNOWN AS ST. HELENA STATION PLANNED UNIT DEVELOPMENT (PUD), 13.24 ACRES OFF SEA ISLAND PARKWAY/HIGHWAY 21]; FROM PUD TO RURAL (R) ZONING DISTRICT

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading Beaufort County Zoning Map amendment for R300 015 000 0101 0000 [known as St. Helena Station Planned Unit Development (PUD), 13.24 acres off Sea Island Parkway/Highway 21]; from PUD to Rural (R) Zoning District. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE VII, SEC. 106-1845(6) BUFFER DISTURBANCE (ADDS RIVER BUFFER DISTURBANCE STANDARDS)

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading Council approve on first reading a text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article VII, Sec. 106-1845(6) Buffer Disturbance (adds river buffer disturbance standards). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

CONSIDERATION OF A BALLOT REFERENDUM TO CHANGE THE FORM OF BEAUFORT COUNTY GOVERNMENT FROM COUNCIL / ADMINISTRATOR TO COUNCIL / MANAGER

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on first reading a ballot referendum to change the form of Beaufort County Government from Council / Administrator to Council / Manager. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

FISCAL YEAR-2011 FAA GRANT OFFERS IN THE AMOUNT OF $2,842,129 / AIRPORT IMPROVEMENT PROGRAM AT THE HILTON HEAD ISLAND AIRPORT

Mr. Baer commented that this agenda item covers a package of six FAA Grant Offers totaling $2,842,129 proceeding as a package to County Council. Little background information is provided for our vote. In Table I, Mr. Baer will dis-aggregate and overview each separate project: Some of these projects are benign. Others will cause great public concern, yet do not contain the most elementary of necessary background information, such as maps showing impacted areas.

We have seen recently with tree projects at both of our airports, that barging ahead brute force, while failing to address key issues and details in advance, adds confusion, stress, costs and delay. To minimize this delay, it is essential that information to the public be provided and procedures spelled out before these projects come to Council for a vote. In order to expedite approval, the following steps should be accomplished.

Step A - Separate the six projects so that those that can be approved tonight may be.

Step B - For each project indicate clearly that the funding source for the Applicant Share is the Airport Enterprise Fund. The total local component to be charged to the Airport Enterprise Fund totals $66,783.53.

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Step C - Approve Project 3 and Project 6 tonight.

Step D - For Projects 1 and 4, provide maps or diagrams of impacted areas (including relation to local communities and buildings). Provide information on trimming vs. cutting rules. Provide information on applicable Town rules and procedures that would impact the work. Provide information on any public hearings required.

Step E - For Project 2 and 4, provide information on mitigation methodology, technologies, rules and plans. Provide maps or diagrams of mitigation areas (including relation to local communities and buildings). What type noise mitigation will be provided? To what level?

Step F - For Project 5, provide information on the rules governing the content and methodology of both the EA and BCA. Are they separate documents? How and when are Public Hearings involved in the preparation of these documents? How do County and Hilton Head Town Councils ensure that answers to key questions are included in the Statement of Work (SOW), and adequately answered in the documents, as opposed to just using an FAA cookbook procedure?

Most important, Project 5 is the largest of the 6 projects at $856,411.53 in specified combined cost. This cost is remarkably precise, yet no competitive bidding was undertaken. This is an easily separable project, since the Master Plan (one of many inputs) is fresh and has been extremely precisely documented. It would make good sense that this project be put out to competitive bid to ensure that taxpayers (Federal, State, and County) get the most bang for their buck.

Table I - Summary of Projects, Payments, and Comments on FAA Grant Offers (per documents to Public Facilities Committee August 16, 2011).

1. Off Airport Tree Obstruction Removal - Runway 21Approach
Federal Part: $661,390
Applicant (County): $17,405
State: $17,405
- No Maps or Diagrams of Impacted Areas (including relation to local communities and buildings) Provided
- No Information on Trimming vs. Cutting Rules Provided
- No Information on Applicable Town Rules Provided
- No Information on Public Hearings provided

2. Off Airport Tree Removal Mitigation - Runway 21 Approach
Federal Part: $386,650
Applicant (County): $10,175
State: $10,175
- Mitigation Methodology, Technologies, Rules and Plans Unknown
- No Maps or Diagrams of Mitigation Areas (including relation to local communities and buildings) Provided
- Will noise mitigation be provided? To what level?

3. Repair Apron Joint Material
Federal Part: $30,115
Applicant (County): $793
State: $793
- No Comments

4. Easement Acquisition for Off Airport Tree Obstruction Removal - Runway 21 Approach
Federal Part: $646,000

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Applicant (County): $17,000
State: $17,000

- No Maps or Diagrams of Impacted Areas (including relation to local communities and buildings) provided
- No Information on Trimming *vs.* Cutting Rules Provided
- No Information on Applicable Town Rules Provided
- No Information on Public Hearings provided
- Mitigation Methodology, Technologies, Rules and Plans Unknown
- No Maps or Diagrams of Mitigation Areas (including relation to local communities and buildings) Provided
- Will noise mitigation be provided? To what level?

4. Master Plan Reimbursement, Environmental Assessment and Benefit Cost Analysis for Five- Year Capital Improvement Projects.

Federal Part: $813,591
Applicant (County): $21,410.53
State: $21,410

- SOW and Rules for EA/BCA Unknown. How and when are Public Hearings involved?
- Ensuring that work to answer County and Town Council questions is covered in SOW, and executed in results is extremely important, as opposed to just using FAA cookbook.
- Sole Source Contractor hinders ability to construct cost effective contract

5. FAR Part 150 Noise Compatibility Study

Federal Part: $304,384
Applicant (County): $8,010
State: $8,010

- This is a retroactive payment for work already completed. Local match has already been made. No further comments.

It was moved by Mr. Baer, seconded by Mr. Flewelling, that Council bifurcate consideration of the various FAA grant offers. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson and Mr. Flewelling. NAYS - Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion failed.

It was moved by Mr. Glaze, as Public Facilities Committee Chairman (no second required), that Council accept the FY11 FAA Grant Offers in the amount of approximately $2,842,129 for the Hilton Head Island Airport. The three grant projects follow: (i) Runway 21 Off-Airport Tree Obstruction Removal and Mitigation as well as Air Carrier Apron Joint Material Replacement, grant amount $1,724,154, the funding source is state matching funds (2.5%) will be requested and the local match (2.5%) will be $45,373; (ii) Master Plan Reimbursement and to conduct the Environmental Assessment and Benefit Cost Analysis for implementation of Phase I of the Master Plan, the grant amount is $813,591, funding source is state matching funds (2.5%) will be requested and the local match (2.5%) will be $21,410 for the EA/BCA portion; and (iii) Part 150 Noise Compatibility Study Reimbursement, grant amount $304,384. This grant is for reimbursement of previous expenditures. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Baer. The motion passed.

AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A TRANSFER FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF $260,880.00 IN MATCHING GRANT FUNDS FOR THE BEAUFORT COUNTY RAILS TO TRAILS PROGRAM

Mr. Baer commented that he likes trails and has used them elsewhere. But, we just closed libraries and furloughed employees to save money to avoid depleting our reserves. We do not see any better financials on the horizon, and have forecasted the need for another $4 million per year in cuts. But now, a few

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months later we are voting to take an unbudgeted $261,000 from our reserve for this project. Plus, an unknown upkeep and maintenance cost.

What kind of signal does that send: That we do not know how to budget? That we are insincere in wanting to keep taxes low? That we are undisciplined in our wants? That we say one thing, and do another? That trails are more important than libraries?

Why cannot this come from accommodations tax or hospitality tax funds? How much are the City of Beaufort and Town Port Royal and their Council's contributing? Why does this not come out of Rural and Critical Lands? We just paid their debt service of $351,000 out of our County reserves. And more is coming: $351,000 to pay in Rural and Critical debt service, $100,000 for more Economic Development consultants, $30,000 tonight for a food coop, $72,000 tonight for magistrate's raise, and $50,000 around the corner to demolish some buildings for a fishing pier. All this totals to $864,000 - more than we took out of our libraries. It is equivalent to about 0.5 mil on your tax bill. While this is a good project, Mr. Baer cannot vote for it if the funds are to come from our reserves. The funds need to come from the other sources as mentioned above.

It was moved by Mr. McBride, seconded by Mr. Stewart, that Council approve on first reading an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a transfer from the county's general reserve fund in the amount of $260,880 in matching grant funds for the Beaufort County Rails / Trails Program. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Baer. The motion passed.

AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A SUPPLEMENTAL APPROPRIATION FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF $72,159.83 FOR THE PURPOSE OF FUNDING CENSUS-BASED BEAUFORT COUNTY MAGISTRATE SALARY INCREASES FOR THE PERIOD OF JULY 1, 2011 TO JUNE 30, 2012

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It was moved by Mr. McBride, seconded by Mr. Stewart, that Council approve on first reading an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a supplemental appropriation from the county's general reserve fund in the amount of $72,159.83 for the purpose of funding census-Based Beaufort County Magistrate salary increases for the period of July 1, 2011 to June 30, 2012. The vote was: YEAS - Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Baer and Mr. Caporale.. The motion passed.

CONSIDERATION OF AN APPLICATION FOR APPROVAL OF AN EXTENSION TO THE FIVE-YEAR PARTIAL MANUFACTURING EXEMPTION GRANTED TO MISTER LABEL, INCORPORATED, OF 34 BLUFFTON ROAD, BLUFFTON, SC 29910, AS PROVIDED FOR BY SOUTH CAROLINA CODE OF LAWS SECTION 12-37-220(C)

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve an application for approval of an extension to the five-year partial manufacturing exemption granted to Mister Label, Incorporated, of 34 Bluffton Road, Bluffton, SC 29910, as provided for by South Carolina Code of Laws Section 12-37-220(c). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC HEARINGS

CONSIDERATION OF AN ORDINANCE REDISTRICTING THE COUNTY COUNCIL OF BEAUFORT COUNTY

Mr. Newton told Council, the first public hearing is the consideration of an ordinance redistricting Beaufort County Council and with that he asked Mr. Joshua Gruber, County Attorney, to give the Council a description of the process and legal requirements the Council went through.

Mr. Gruber, staff attorney, explained he and Mr. Dan Morgan, GIS Director, put together a presentation to review where the County started, what it has gone through and where it is in terms of the redistricting process. Mr. Gruber said they would highlight: 1. the resolution adopted by Council as a governing body that outlined the process's factors for examination and parameters. 2. What Section 5 of the Voting Rights Act requires, as far as the scrutiny the U.S. Department of Justice would give to any plan that is submitted by Beaufort County for purposes of redistricting.

Mr. Morgan explained the redistricting criteria Beaufort County Council established. (i) Adhere to the court-ordered Constitutional requirement of one person, one vote (i.e. mathematically equal districts) (ii) Adhere to the 1965 Voting Rights Act as amended (iii) Ensure that parts of districts are contiguous (iv) Respect communities of interest (v) Attempt to maintain constituent consistency (vi) Avoid splitting voting precincts (vii) Solicit public input (viii) Work with data provided by Public Law 94-171. Mr. Morgan then explained how the Redistricting Committee and Council met the above criteria. To address (i), Mr. Morgan highlighted the statistics in Plan 4 for the total people living in the area and the deviation percentage. The goal for the mean was 14,748 people per district and the deviation percentage in Plan 4 was 2.47%.

The 1965 Voting Rights Act criteria were addressed by Mr. Gruber. Mr. Gruber said redistricting falls under Section 5, 1965 Voting Rights Act, which the Civil Rights Act is applied to. The Department of Justice, when reviewing plans submitted, looks first for two things. One, does the plan have a direct discriminatory purpose? Two, does it have a retrogressive effect? When discussing a direct discriminatory purpose, which means "did this body undertake a direct action to intentionally be discriminatory and publicly make statements to that effect?" Mr. Gruber stated as someone who has sat in each one of the redistricting meetings and public hearings he can attest that he has not heard anything that would make his ears ring or raise alarms. He added that video transcripts of all the meetings will be submitted to the Department of Justice. The direct discriminatory purpose is not present in the current plan before Council.

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Second, Mr. Gruber addressed whether the plan has a retrogressive effect. Does the proposed plan, under Section 5, have a net effect that would reduce minority voters' effective exercise of electoral franchise? When compared to the benchmark plan, which refers to the last legally enacted plan by this Council. In looking at the plan adopted in 2000 as a benchmark to the proposed plan, does it effectively deny the exercise of electoral franchise? Does the plan diminish the ability of a certain precinct to elect a person of their choice from that precinct?

The criteria compared by the Department of Justice when determining if those are indeed present is that they will look to a few things. (1) Have the minority voting strength been reduced by the proposed redistricting in light of the applicable Census data? (2) Are minority concentrations fragmented amongst many different districts, which is in effect a dilution of the minority majority voting districts? (3) Are minorities over concentrated in one or more districts? (4) Whether alternative plans exist, and whether those plans were considered. (5) Whether the proposed plan departs from the objective criteria established by the submitting jurisdiction. (6) Whether the plan ignores other relevant factors such as compactness, contiguity or displays a configuration that inexplicably disregards available natural or artificial boundaries. The plan before the Beaufort County Council for third reading is a retrogressive plan. Mr. Gruber stated there is no doubt about it. However, the Department of Justice is aware that there may be times when it is necessary to submit a retrogressive plan in order to remain constitutionally compliant with the requirement of one person, one vote. As stated by the Department of Justice, "the one person, one vote issue arises most commonly when substantial demographic changes have occurred in some but not all parts of the jurisdiction." That indeed occurred here in Beaufort County. Preventing regression under Section 5 does not allow a jurisdiction to violate the requirement of one person, one vote. It must be taken into consideration and be paramount as far as jurisdictions having an equal weight with voter population and deviations. Lastly, there may be circumstances when the jurisdiction because of shifts in population or other significant changes since the last redistricting (e.g. residential segregation, demographic distribution of the population within the jurisdiction and the physical geography of the jurisdiction) make retrogression unavoidable. In those circumstances, the submitting jurisdiction seeking preclearance of such a plan bears the burden of demonstrating that a less retrogressive plan cannot reasonably be drawn. Mr. Gruber said he believes through the County's processes the above criteria have been adequately and thoroughly been examined. He said for example that Mr. Flewelling worked doggedly outside of meetings trying to find a plan that would keep three minority districts and stay within the allotted deviation. There was not a plan he drew that could accomplish those two facts. That is what Mr. Bowers said when he initially came to show a benchmark plan based on the software used; it is unavoidable given the demographic changes and location of those changes that retrogression will not be avoidable.

Mr. Gruber said the last criterion the Department of Justice will examine is whether the proposed plan relied upon the Census data as certified in Public Law 94-171, which is the 2010 Census information. Yes, that was part of the Council's requirements. It has been highly deferential in creating this plan.

Mr. Morgan addressed some of the other redistricting criteria. He first addressed the contiguousness of the districts. The software utilized, which is also recommended by the Office of Research and Statistics. Mr. Morgan explained they checked the plans using the software's contiguity check function. Next, he explained how communities of interest were considered. In the public hearings and those who attended Redistricting Committee meetings, the Redistricting Committee received suggestions from individuals. For example, people from the Mitchelville area came to speak. There was specific attention paid to this area to ensure the Census blocks stayed together; it was successful. Constituent consistency requirement was affected by two factors. (1) Population south of the Broad River (2) Population north of the Broad River. Population growth in Beaufort County was primarily in the area south of the Broad River. That population growth in those areas was predominantly Caucasian, which moved our majority minority districts. Regarding the criterion of avoiding splitting voting precincts, speaking with Elections and Voter Registration Director Mr. Scott Marshall it was difficult to look at the new Census data and seeing the dramatic growth these precincts will be addressed as the County moves forward once the proposed redistricting plan has been approved. Mr. Morgan then reviewed all the Redistricting Committee meetings, Public Hearings and County Council meetings to illustrate there was ample time and opportunity for public

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input. Lastly, the criterion of working with the data provided by Public Law 94-171 was addressed because the Redistricting Committee took the data provided from the Census and plugged it into the software used during redistricting.

Mr. Newton summarized that the plan before the County Council is the plan labeled, Plan 4, which has received prior approval by the County Council on two readings and unanimous approval by the members of the Redistricting Committee. The seven members appointed to the Redistricting Committee are: Mr. McBride, Mr. Dawson, Mr. Glaze, Mr. Rodman, Mr. Stewart and Mr. Flewelling. Many other Council members participated in the process.

Mr. Newton opened the public hearing at 6:45 p.m. for the purpose of receiving information from the public on an ordinance redistricting the County Council of Beaufort County. After calling once for public comment, the Chairman recognized Mr. Fred Washington, School Board Chairman, said he wanted to introduce School Board member Mr. Bill Evans. The Board of Education initially established a redistricting committee but it did not meet, he said. Since, Mr. Evans took charge and convened that committee; he has a public statement endorsed by the full board that he will share.

Mr. Evans said the County Council is giving third reading to a redistricting plan for Council's 11 single-member districts. His comments follow. Under special legislation, unique to the Beaufort County Board of Education, members of the Board of Education are elected from the same 11 single-member districts as established by Beaufort County Council. Obviously, this gives the Board of Education and all citizens an interest in the impact on the Beaufort County School District, which serves more than 20,000 children in this county. Those are citizens who cannot vote, but who have the strongest interest imaginable in how well the Board of Education does its job. He acknowledged that the Council, to its credit, invited input from the Board of Education. It is a fact that an appointed committee of the Board of Education to address redistricting did not convene prior to the Council's second reading of its proposed plan. However, members of the Board of Education have attended Beaufort County Council meetings where the Council's redistricting plan was considered and discussed. Of course, this process received some publicity and all Board of Education members are aware of public reports concerning the process. The Board of Education also acknowledges the Council's sought the assistance of Mr. Bobby Bowers with the Office of Research and Statistics, a highly respected state demographer. The Board of Education has been deeply involved in the school's serious financial and budget issues, the difficult project of closing schools and the preparation for opening the school year, Mr. Evans stated. The Board of Education acknowledges that it has not given redistricting of Board of Education election districts the time, attention or study that a matter of this significance or import justifies.

We, the Board of Education, believe the criteria for redistricting recommended by Mr. Bowers to Beaufort County Council deserve to be applied to any redistricting plan for the Board of Education, he added. The Board of Education does not criticize the Beaufort County Council's redistricting plan for its adherence to these criteria from the prospective of the County's governance. It may simply be the case that no plan can best serve both local County interests and the School District's, which are tuned not to only local matters but encompass implementing state and federal education policy. The population of school-aged Beaufort County citizens is much more diverse in every way than the voting age population. The Board of Education serves the former population as its foremost duty, and believes an appropriate government model ought to be considerate of the wide variety of challenges and benefits presented by the rich variety of students as they prepare for their lives as interesting, engaged and productive adults. The Board of Education believes in appropriate consideration to communities of interest, relative to schools, would yield a plan more focused on the schools' attendance clusters, populations of students with common concerns, centers of local revenue sources such as commercial interests, and the ability of parents and citizens to maintain relationships with Board members through stability of incumbency. Mr. Evans said a period of instability in governance coupled with a poor alignment of school interests to Board elections would undermine the School District. This would be an additional challenge not necessary or welcome in these financially difficult times. Given this situation, the Board of Education announces publicly tonight its intention in the months ahead to carefully study the best possible system of School District governance, the appropriate form in which government opinion should be debated and considered. The technological

advances of the last several decades, since the special legislation by which the Board of Education seats were tied to the County seats, make it relatively simple to study and examine alternative plans that could be proposed. They will also consider the best interests of the District, its students, school tax payers and, indeed, the Board of Education's working relationship with the County Council. The Board of Education will continue to keep the public informed of this matter.

After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 6:58 p.m.

Mr. Newton explained to those present at the meeting that the Council is considering the third and final reading of the redistricting plan, as Mr. Gruber outlined the process and adhered to by the Redistricting Committee. There is a Redistricting Committee recommendation to approve; no second is required. He asked for questions or comments from Council members.

Mr. Rodman said based on Mr. Evans comment it was not clear to him whether the Board of Education disagrees with what the County Council did and would contest downstream, or whether the Board of Education thinks the redistricting plan should move forward. Is this one of the things where the County will see a legal action in two or three months from the Board of Education?

Mr. Washington responded by saying that the Board of Education thinks that it will adhere to the 11 districts, but thinks that those 11 districts should be drawn differently. As pointed out when discussing communities of interests and incumbency for the Board of Education members, those two matters should be considered. What the Board of Education proposes to do is, rather than complain about something but not have suggestions, the Board of Education wants to prove it has something else it can put on the table that makes sense. Mr. Washington said as far as the redistricting plan, Mr. Evans was clear in his statement he read. When it comes to County Council and the makeup of the 11 drawn districts, yes, it adheres to all the factors outlined by Mr. Bowers. When considering the composition and mission of the Board of Education those same criteria do not apply as they do with County Council. "Mr. Rodman, we intend to do some homework and if we cannot do the homework then we cannot present the alternative," he said.

Mr. Rodman asked if the Board of Education does not rule out taking a position opposed to what the Council is considering.

Mr. Washington answered that for County Council what is proposed makes sense, to which Mr. Rodman said that was not what he asked. Mr. Washington replied that was his response.

Mr. Rodman stated he asked a direct question: whether or not the Board of Education was willing to rule out taking an adverse position to what the County Council is sending forward to the U.S. Department of Justice.

Mr. Washington stated he would not challenge what the County Council has done for County Council.

Mr. Rodman then said he interpreted Mr. Washington's comment. Mr. Washington said the School Board would look at their options.

Mr. Newton asked for additional comments by Council members. He noted there has obviously been some factual inaccuracies in the newspaper reported in the last few weeks. That is why one of the significant items today is to have the lawyers go through the process, as noted in Mr. Evans' comments that Mr. Bowers actually brought down the first plan the Council examined in early April with regard to what was described as natural retrogression. Mr. Newton noted it can be seen in the composition of the Redistricting Committee, the efforts that have been undertaken, the comments received, reactions the Redistricting Committee had to comments received that the adherence to the court-ordered constitutional requirement of one person, one vote is equally as important to the 1965 Voting Rights Act as amended.

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The County did everything it could, in its power, mathematically to avoid retrogression in Beaufort County and to protect the minority districts on County Council. Mr. Newton stated in his judgment it is as evident in this process as anything else this Redistricting Committee has done. To suggest to the contrary, perhaps, indicates a lack of a full appreciation of the multiple public hearings, the multiple Redistricting Committee meetings held and the multiple opportunities advanced to solicit input and to receive input throughout the process. One of the slides in the earlier PowerPoint indicated the growth in southern Beaufort County and the increase by a higher percentage of the white population in Beaufort County left Beaufort County with what is known as natural retrogression. This has concerned a number of us. Mr. Newton cited Mr. Barnwell, who spoke very eloquently to that earlier. He said he believes the County has done all it can mathematically and technologically to try to protect those communities of interest. Much has been suggested about the attempt to maintain constituent consistency. That quite simply is protecting incumbents with a fancier name placed on it. It is interesting to note this criterion is midway down to the bottom half of the list of what redistricting criteria were, with the two guiding principles were adherence to the law, the constitution and the Voting Rights Act. Mr. Newton said while he cannot say he is pleased two of his colleagues and friends have to run against each other. He said he knows the County has done everything it could to try to avoid that possibility and yet recognize the legal requirements put on the citizens of Beaufort County. In addition, Mr. Newton said he shares a concern, as Mr. Rodman began to state, with the cost of having to justify the redistricting plan in Washington because of the natural retrogression and because of the challenge that now appears to be expected by the School Board. That means a cost to be borne by all the citizens of Beaufort County in very significant numbers. Mr. Newton said he appreciates the School Board's thoughts and comments but said he hopes when they study this process they study much of the same data as Council and come to the conclusion that adherence to the law is much more important than protecting incumbents, especially when talking about the millions of dollars incurred by Beaufort County in trying to justify protecting incumbents.

Mr. Washington asked to comment, but Mr. Newton told him he had his opportunity to comment.

Mr. Newton voiced his support of the plan and looked for more comments from Council.

Mr. Flewelling said he wholeheartedly endorses this redistricting plan. He personally met with staff to manipulate the data and the maps to get the best percentages for more than 12 hours. He spent more than 50 hours attending meetings, talking with constituents, studying the maps offline and studying the demographics of Beaufort County in a furtherance of an effort to get the best plan. The best plan is one that meets the law and the stated goals of the County Council, as well as the moral intent of the law to further one person, one vote. It furthers what we have learned through history through the impetus of the Civil Rights Act of 1964. He said he believes one could potentially say this redistricting is motivated by racism if it is also agreed that the Civil Rights Act is motivated by racism. In this particular case, it is to protect races. It is to protect the minority majority districts in Beaufort County. The Redistricting Committee went to an awful lot of trouble to do that and get the best possible minority representation in as many districts as possible. He concluded by repeating that he wholeheartedly endorses the redistricting plan.

Mr. Glaze referred to his comments earlier in regard to not necessarily the redistricting process but to the renumbering of the districts. He said on the Redistricting Committee they worked very hard trying to make sure that everything was in place. Serving on the Redistricting Committee when we were trying to put different things together from one scenario to the next it was almost impossible to do while addressing the redistricting criteria. He said he is still concerned about a matter he brought up earlier about the numbering of districts, although he acknowledged that is not a part of redistricting. He said he hopes that after the redistricting process is complete, the Council will return to the numbering process and examine it again. Mr. Glaze said he realized everything done and that the Redistricting Committee worked diligently in redistricting. He said the Committee came from Plan 1 to Plan 2, then on to Plan 3, "working, working and working." Everything seemed almost impossible. As far as Council is concerned, Mr. Glaze said he believes this is the best proposal. He said he hopes when it comes to the number of districts, the Council looks at the issue carefully and does what is necessary for the Council to give everyone a fair shake. If this means everyone gets a different number. Mr. Glaze said he earlier stated he would not vote for this

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plan because of the numbering process, but he wanted the Council to see how adamant he is about renumbering the districts. Mr. Glaze expressed his support for the redistricting plan with the expectation the Department of Justice will do what it has to do, but said he hopes the Council will look at the numbering of districts after redistricting is complete.

Mr. Washington stated he wants to be clear. There is no attempt to disagree with the criteria established and that the County, for the County seats, adhered to those. No one is trying to indicate the Council did not adhere to the law for County Council. The Board of Education's position is basically that Board of Education districts should have other factors considered; it is not just about incumbency. Mr. Washington said he is not elected as a minority, not elected from a minority district, but he is elected from a majority district as are several of the members. There are other interests that should be considered, some of which were outlined in Mr. Evans' statement. Mr. Washington handed out copies of those requirements to Council. He added the Board of Education is not saying or indicating that it is a racial issue; for him it is not, he said. Demographics shows, he said he reads numbers too, the numbers add up and Beaufort County cannot have more protected districts when it comes to minority majority. That is not the issue. It is about the Board of Education's responsibility in educating children and the responsibility as the primary education elected officials. That is what the Board of Education is looking for. The Council's charge is different than the Board of Education's charge. The constituencies differ as well. The missions are therefore different. The Board of Education is looking for districts that carve out the difference in the constituency and missions. There is no way, and Mr. Washington noted he said in public and private meetings with the Board of Education, that the Council cannot look at creating or having protected districts and have more than two in Beaufort County. There are other things to consider. "I want to be very clear about that," he said. If the Board of Education cannot do its work it should "shut up." Mr. Washington said he would not put something out that does not have facts or information supporting it. As such the Board of Education needs the time to do that work it did not do on redistricting before. That is what the Board of Education is doing. He reiterated he wants to be clear that the Council did a good job with what it has to deal with as it related to the County Council. "We don't want to inflame things. Now, let's not have unnecessary...let's not have that," Mr. Washington said. He added his personal position is this when it comes to race and color, there is one race: human. The color that counts is green – economics and environment. If more to improve those subjects, then they are moving in a direction of improving a bad system. He said lived too long and wants to enjoy his time as a human being.

Ms. Von Harten pondered if Mr. Washington is requesting the postponement of the redistricting vote tonight and if so what would it do to the redistricting proposal getting to the Department of Justice. Also she asked what would happen if it goes before the Department of Justice and there is dissent from the School Board. It just seems like this puts the County Council in a difficult position.

Mr. Newton said he does not interpret the Board of Education's comments as asking the County Council to delay its process as it relates to County Council. He interpreted that it means the Board of Education may seek the authority to draw their own districts in some other fashion. Mr. Washington agreed. Mr. Newton explained he thinks this will yield a discovery that the criteria are not criteria just for County Council but the criteria for every elected district in the United States. The criteria are not specific to Beaufort County in any way. Mr. Newton expressed appreciation for Mr. Washington's comments about race and said he is a man of his word, as well as candid. Unfortunately, the issue of race has been twisted in the redistricting process in the last few weeks as appearing in the newspaper so as to appear that those who oppose this plan used race as a means to oppose it when the facts demonstrate otherwise, he said.

Mr. Rodman said he senses the Council is on a path where if the Board of Education does anything along the lines discussed, there would be a tremendous impact in cost and schedule in the work put together. He said he thinks the record will show that essentially at every meeting he indicated at every meeting they should make sure the Board of Education has the information and are present. He said he think the Board of Education misjudged on not taking a look or giving any input in this long redistricting process. He asked should the County take another two or four weeks, let the Board of Education examine, then take a final vote. He said this path right now is going to be a disaster.

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Mr. Newton deferred to the attorneys, but said he does not agree as the Board of Education could do something or nothing. He added the County committed to a process ensuring timely review by the Department of Justice and thinks sufficient statements have been made tonight reflecting the racial suggestions in newspapers as to the creation of districts and the effects on other bodies have been clarified. The record will reflect the School Districts was asked to be involved in the redistricting process and advised, but for whatever reason did not decide to do so. The School District now comes with a different set of criteria. Under the existing law, the lines drawn for County Council apply to the School District, per state law.

Mr. Gruber emphasized Mr. Newton's point by explaining what would be required. A plan would have to be created that showed a less retrogressive effect while still conforming to the nine criteria set out. He said Mr. Flewelling could attest to the vast amount of time spent studying the maps and that one would be hard-pressed given an unlimited amount of hours that in this situation. The County took Mr. Bowers' plan as a beginning, made it better and took any of the fat in the situation. The proposed redistricting plan is probably the best plan to be created under the circumstances, given the information.

Ms. Von Harten asked for comment from Mr. Howell. Mr. Howell concurred with what Mr. Gruber said and pointed out the Council chose this timeline specifically to give sufficient time for submission to the Department of Justice, as well as to answer any questions should the Department of Justice have any.

Mr. Sommerville asked if the Department of Justice has questions whether those can be answered administratively or whether it required Council action. Mr. Howell answered that it could be either way.

Mr. Gruber said the County will receive one of a couple of responses from the Department of Justice. They interpose no objections with the plan submitted, which is basically an approval without saying it is an approval. The Department of Justice could interpose objections. Or, additionally they could interpose objections and produce a plan suggested for consideration by Council. The County's plan has been thoroughly reviewed by the Council members, there are a number of hours put in by people, with the County a less retrogressive plan has not been created as of yet.

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Council approve on third and final reading an ordinance redistricting the County Council of Beaufort County. The vote was: YEAS – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Mr. Rodman said he was very offended by the fact we got into a racial discussion. He said he wrote School Board member Mr. Morello an email asking him to come up with a better plan and that he should apologize to Council; failing both those Mr. Morello should resign. Mr. Morello has not done either of those and Mr. Rodman publicly called for Mr. Morello's resignation from the Board of Education.

Mr. Newton said this will not be turned into a circus. There is a public comment session later in the evening open to Board of Education members who would like to address County Council publicly. He then moved on to other Council business.

BEAUFORT COUNTY ZONING MAP AMENDMENT (MASTER PLAN AMENDMENT) FOR R300 009 000 0050 (KNOWN AS OAK ISLAND), PART OF THE DATAW ISLAND PLANNED UNIT DEVELOPMENT (PUD), 31.7 ACRES ADJACENT TO DATAW ISLAND; TO ALLOW 21 DUPLEX UNITS (42 TOTAL DWELLING UNITS) RATHER THAN THE 35 SINGLE FAMILY DWELLING UNITS ORIGINALLY APPROVED

The Chairman opened the public hearing at 7:15 p.m. for the purpose of receiving information from the public on a Beaufort County Zoning Map Amendment (Master Plan Amendment) for R300-009-000-0050 [known as Oak Island, part of the Dataw Island Planned Unit Development (PUD), 31.7 acres adjacent to

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Dataw Island] to allow 21 duplex units (42 total dwelling units) rather than the 35 single-family dwelling units originally approved. After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 7:18 p.m.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on third and final reading the Beaufort County Zoning Map Amendment (Master Plan Amendment) for R300-009-000-0050 [known as Oak Island, part of the Dataw Island Planned Unit Development (PUD), 31.7 acres adjacent to Dataw Island] to allow 21 duplex units (42 total dwelling units) rather than the 35 single-family dwelling units originally approved. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE TO ADOPT THE BEAUFORT COUNTY HAZARD MITIGATION PLAN

The Chairman opened the public hearing at 7:18 p.m. for the purpose of receiving information from the public on the Beaufort County Hazard Mitigation Plan. After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 7:19 p.m.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on third reading the Beaufort County Hazard Mitigation Plan. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING FUNDS IN THE AMOUNT OF $30,000 TO PENN CENTER FOR DEVELOPMENT OF A LOWCOUNTRY FARMERS / SCHOOL DISTRICT ECONOMIC PARTNERSHIP

The Chairman opened the public hearing at 7:19 p.m. for the purpose of receiving information from the public an ordinance authorizing funds in the amount of $30,000 to Penn Center for Development of a Lowcountry Farmers / School District Economic Partnership. After calling once for public comment, the Chairman recognized Mr. Joseph McDomick, President of the Gullah Farmers' Cooperative, who has agreed to provide local fresh produce for children in Beaufort County. He encouraged Council to support the project. After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 7:21 p.m.

Main motion.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Council approve on third reading an ordinance to authorize funds in the amount of $30,000 to Penn Center for the Development of a Lowcountry Farmers/School District.

Motion to amend by addition.

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Council funding is contingent upon a showing that the remaining balance of these up fit monies can come up with but it not something that should not came back to council. Council ought to set policy that it embraces this project and is willing to commit $30,000 to protect this segment of our economy in Beaufort County, and ask administration to then be charged with the responsibility of reviewing the plan, from the perspective of whether the funding components necessary to complete the up fit can be garnered sufficient to where this $30,000 is actually going some good rather than being a partial attempt to try to create this facility for our local farmers. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Mr. Baer stated Council has a fiduciary duty to taxpayers to ensure that their tax money is spent wisely - even if it is only $30,000 as in this case. We subject many of our projects to this kind of scrutiny, including

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the Esturarium, Beaufort Commerce Park, Heritage Tournament, etc. We should do it with all. This project has been before us three times: May, August and tonight. Basically, this is a good project that he would like to approve. But each time it has appeared before Council he has asked similar questions and not received very good answers. He summarized the data Council should those as listed in four basic questions that he sent out to everyone three weeks before this meeting. Since then, he sent repeated emails to ensure that the sponsors look at the questions and provide reasonable answers. At a previous meeting in August he even offered to help the sponsors with their business plan. Over the weekend, he went through all the material provided, carefully, including the new changing numbers in our Council package received September 9, 2011, and the new information in Mr. York Glover's and Mr. Paul Sommerville's emails, both of September 8, 2011. He has summarized all of this, organized by the four questions that were previously asked, below as submitted:

While he thinks this has the potential to be a great project, the data keeps changing and new facts keep coming out. He said he would like to see all the items in bold on the attached definitively addressed before he feels that this is ready for a vote. He understands the time urgency (that is why he sent out the questions three weeks ago), but it seems to me that we have had this project since May without much action until the last minute. There are substantial unanswered questions such as where is the money coming from? Does the business plan make sense? Dependencies on funds for which a source has not yet been identified, and problems with a short term lease. The table below summarizes the status as of when we walked into this meeting. The major issues remaining follow:

Does the County Finance Department believe that the Business Plan provided is viable? (Question from May 2011 meeting.) A new pro-forma financial report business was attached to the County Council meeting package for September 12, 2011. It shows: 190,000 lbs/year in first year sales; 365,000 lbs/yr in year 2 (selling at $1.60/lb). Much lower total expenses ($0.75/lb) than provided in spreadsheet in August ($0.89 - $1.11/lb). Will school or someone buy this amount? Are numbers reasonable? There is still no independent verification of viability, including Phase 1 constraints in item 4 below. Need to ensure that our $30,000 is used to catalyze a viable startup, and that there is no need for, or expectation of ongoing funding.

From which County account will the $30,000 be provided? What will not be done as a result? (Question from May 2011 meeting.) No answer yet.

Please indicate what the $30,000 will be used for, as opposed to the $30,000 mentioned in the Business Plan? (Question from August 2011 meeting.) September 8, 2011 email from York Glover indicates that $30,000 in August Business Plan is for 3 months of startup operations, not building modification. Its source is another USDA grant or private funds. How dependent is the viability on getting that $30,000? Will our $30,000 be contingent on that $30,000? The $30,000 request before CC is for building modifications of old Dairy Barn at Penn Center. Mr. Sommerville's email of September 8, 2011 indicates that the lease on the Penn Center Dairy Barn building is for only two years, with possible options to extend. He also indicates uncertainty of actual building upgrade costs. A longer lease and greater certainty on building upgrade costs are essential elements in judging viability.

Given the fact that the USDA $100,000 Grant is far below the $245,000 originally requested, please indicate what will not be done, and confirm that the project is still viable without additional County fund infusions. (Question from August 2011 meeting.) September 8, 2011 email from Mr. York Glover indicates that they have a Phase 1 plan to limit crops to just Collards for now, and do work-arounds to stay within $100,000. Is this reasonable? Was this considered in the numbers in item 1? Need to ensure that our $30,000 is used to catalyze a viable startup, and that there is no need for, or expectation of ongoing funding.

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It seems to me that we are voting on this as a "feel-good" project, in which we want to ignore warning signals. The fact that we have been at this since May, without answers to simple questions, is in itself a warning signal. No matter how good it might feel, he cannot vote to spend $30,000 of our scarce taxpayer funds this way.

Vote on the amended motion, which is now the main motion, and includes the motion to amend by addition.

Council approve on third reading an ordinance to authorize funds in the amount of $30,000 to Penn Center for the Development of a Lowcountry Farmers/School District. Further, that Council funding is contingent upon a showing that the remaining balance of these up fit monies can come up with but it not something that should not came back to council. Council ought to set policy that it embraces this project and is willing to commit $30,000 to protect this segment of our economy in Beaufort County, and ask administration to then be charged with the responsibility of reviewing the plan, from the perspective of whether the funding components necessary to complete the up fit can be garnered sufficient to where this $30,000 is actually going some good rather than being a partial attempt to try to create this facility for our local farmers. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Baer. The motion passed.

The Chairman passed the gavel to the Vice Chairman in order to receive committee reports.

COMMITTEE REPORTS

Community Services Committee

Children's Foster Care Review Board

Curtis McDaniel

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. McDaniel garnered the six votes required to serve as a member of the Children's Foster Care Review Board.

Governmental Committee

Burton Fire District

Mr. Stewart, as Governmental Committee Chairman, nominated Mr. John Harris to serve as a member of the Burton Fire District Commission.

Lowcoutry Regional Transportation Authority

Mr. Stewart, as Governmental Committee Chairman, nominated Mr. Alexander Wattay to serve as a member of the Lowcountry Regional Transportation Authority.

Mr. Rodman announced that he had been in conversation with Mr. Alexander Wattay who has asked that his name be removed from consideration.

Natural Resources Committee

Southern Corridor Review Board

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Public Facilities Committee

Solid Waste and Recycling Board

Mr. Glaze, as Public Facilities Committee Chairman, nominated Mr. Ben Wheatley, representing Solid Waste District 7, to serve as a member of the Solid Waste and Recycling Board.

PUBLIC COMMENT

The Chairman recognized Mr. Steven Morello, who represents District 1 on the Board of Education, stated a few weeks back he wrote stern, professional email to Council expressing a legitimate concern over minority representation and the complete upheaval of the School Board. In this email he merely pointed out facts. He did not introduce race into the issue. That issue was already there. We had ever African-American School Board member would be forced into a new election. He would have been negligent had he not brought up that obvious fact. The response he received from Mr. Rodman was that since he did not participate earlier he was owed no explanation and that he, "stop winning." He was told that if he did not have a better plan that is what he should do. He did not have another plan in mind. Drawing lines were never a part of his job description, but that does not preclude him, as a public official, posing questions when he sees a problem. For a member of County Council to immediately call for his resignation, merely because he posed a legitimate concern, his Board and his constituency, in his mind, is completely ridiculous. Some explanation have been given and posed for some of the issues he brought. But, that does not make him wrong for asking the questions. Citizens or officials posing such questions are what prevent racial issues, not cause them. Please consider this.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Stewart, seconded by Mr. Dawson, that Council go immediately into executive session for the purpose of receiving legal advice relating to pending and potential claims covered by the attorney-client privilege. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

EXECUTIVE SESSION

ADJOURNMENT

Council adjourned at 8:19 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST

_____
Suzanne M. Rainey, Clerk to Council
Ratified: September 26, 2011

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September 26, 2011

Official Proceedings
County Council of Beaufort County
September 26, 2011

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

CAUCUS

A caucus of the County Council of Beaufort County was held at 4:00 p.m. on Monday, September 26, 2011 in the executive conference room of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman, Gerald Stewart and Laura Von Harten.

DISCUSSION ITEMS

Topics discussed during the caucus included: renumbering the 11 separate Council District and Board of Education Districts, Bluffton Parkway 5B, FEMA reimbursement possibilities for private communities, 2% state and 3% local accommodations tax funds, supplement appropriation for the purpose of funding census-based Magistrate salary increases, a referendum to retain the County / Administrator Form of Government or change to the County / Manager Form of Government, and Mr. Rodman publicly calling for Mr. Morello's resignation from the Board of Education at the September 12, 2011 Council meeting.

REGULAR MEETING

The regularly scheduled meeting of the County Council of Beaufort County was held at 5:00 p.m. on Monday, September 26, 2011 in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman, Gerald Stewart and Laura Von Harten.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance to the Flag.

INVOCATION

Councilman Gerald Dawson gave the invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD AUGUST 22, 2011

It was moved by Mr. McBride, seconded by Mr. Caporale, that Council approve the minutes of the regular meeting held September 12, 2011. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

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PUBLIC COMMENT

The Chairman recognized Mr. Doug Henderson, County Treasurer, who spoke to the issue of changing our current form of government. At the risk of my remarks being felt as self-serving, you and I know that it wouldn't affect me in any case because I would get to serve out my term in the event of whatever happens but let me preface my remarks by saying that I understand what generated the concern about changing our form of government. The previous administration incurred situations which gave rise to concern and that's understandable. I was concerned as well. Those issues were brought to light and the public spoke. They decided a new administration was needed in the Treasurer's office and proceeded to do just that. This is, I believe, as it should be and should continue to be. Decisions made by the people. I have no doubt that administratively Mr. Kubic and his staff could manage effectively the operation of these two offices but statutorily may be another story. The reason I feel that way is elected positions is because sometimes state statutes come into conflict with local opinions and therein might lay a problem. The current form of government that we have is necessary in order that we continue the separation of powers. That's the way it was set up in the Constitution, that's the way it should remain. Although sometimes not apparent, I believe the public by and large is informed and astute enough to elect us as offices we serve. As a matter of fact they elect a sheriff, the members of County Council. I think that we can give them enough credibility to elect the County treasurer and the County auditor. I will say that I have in my short time of being Treasurer of Beaufort County, I have spoken to numerous groups throughout the County and I have not had one person, not one, come forward and say that they would favor this change. Where is the ground swell of support that would provide us whatever to go through this process, the expense of this process to bring it before the people? Each Council member here represents a small portion of the electorate of this County. These two offices, they support the entire County. They represent the entire County and I think that's the way it should be. I would think that you would think long and hard about discounting the significance or importance of continuing this form of government. Thank you for the opportunity to speak to you tonight and we look forward to going forward. We appreciate the cooperation we've received so far in the Treasurer's office; it's been wonderful. The administration has been very supportive, as has Council, and we hope that that would continue in the future.

Mrs. Sharon Burris, County Auditor, spoke to the issue of having the County form of government changed. There are 46 counties with differing, in some cases, forms of government. Only two of counties that exist in South Carolina have a Council/Manager form of government where the auditor and treasurer are appointed. There is something to be said for that. There was a third county that, in fact, had a push to have the form of government changed to the Council/Manager manager form of government; and when that happened and the public understood what that meant, giving up their right to vote for the position and make a choice, they went to the polls and voted against it. Mrs. Burris would ask that we do the right thing –everyone that she has spoken to have been against taking away our right and privilege to vote for an elected person.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

Mr. Gary Kubic, County Administrator, announced The County Channel crew was out in full force to cover the Beaufort Tercentennial Parade. The parade, which celebrated Beaufort's 300th birthday, featured Actor Gary Sinese, and commentary by Municipal Court Judge Ned Tupper and county spokeswoman Suzanne Larson. The parade will re-air on The County Channel. The County Channel is also gearing up for a new season of Parks and Leisure Services football. Coverage kicks off on Tuesday, September 27 at 6:00 p.m. The County Channel will be taping the 8 and 9 year old game, the Bulldogs Versus the Raiders, from Burton Wells Regional Park.

Two-Week Progress Report

Mr. Kubic presented his Two-Week Progress Report, which summarized his activities from September 12,

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2011 through September 23, 2011.

Presentation / Organizational Assessment of Beaufort County Economic Development Task Force Report

Mr. Kubic introduced Mr. Gary Horn, Chairman of the Economic Development Task Force, who is here today to go over the process, the objectives sought, and some of the recommendations contained within the Organizational Assessment of Beaufort County Economic Development Task Force Report (Report).

Mr. Horn introduced the members the other members of the task force who conducted this study: Mr. David Tigges, CEO of McNair Law Firm; Mr. Joe Frasier, CEO of Frasier Construction Company; Mr. Richard Gray, Founder, Grayco; and the late Mr. Don Ryan, who passed away last week.

In late February / early March 2011, Mr. Newton asked the five-member task force to interview and select a consulting firm whose area of expertise is economic development strategies. We were given two companies to interview and, we selected AngelouEconomics (hereinafter Angelou). Angelou was asked to assess the following issues and to make high level recommendations to Council. Our task force mandate was to focus on the following issues: (i) Identify the best and most commonly employed economic development business model, (ii) Provide empirical data on successful development models deployed within and outside the State of South Carolina, (iii) Provide recommendations on economic development, staffing, professional experience and salary ranges, and (iv) Evaluate the benefits and risks associated with approaching economic development on a County only or regional basis.

After receiving the Report in full, the task force is making the following recommendations: (i) Participate in a public/private economic development entity that is regional in scope and can generate a strong foundation for financial stability, infrastructure access, market diversity and a pro-business recruitment approach. The regional economic development entity should, at a minimum, include Beaufort and Jasper Counties using the existing Lowcountry Economic Alliance as a launching pad but with a broader base of stakeholder representation on the Board of Directors. A coordinated effort should be made to expand the region to include, at a minimum, Hampton and Colleton Counties. (ii) Commit to a funding model that guarantees the financial resources to recruit and retain a skilled and experienced professional staff adequate to market the region on a national basis. (iii) Develop and maintain a focused, strategic approach to business prospects and actively engage the broader community in the economic development process. (iv) Funding mechanism should include state and federal grants, an annual county population base capitation payments, private sector annual dues for Board participation, state mandated utility contribution for infrastructure improvements. (v) Develop a broad structure that would engage a wide spectrum of stakeholders in the economic development process to include a minimum of the following: local and county entities, the private sector, local chambers of commerce, entrepreneurial supporting organizations. (vi) The Board committee structure should include the following: an executive committee that is responsible for staff oversight, executing Board strategy, financial management, reporting to stakeholders and supporting staff. (vii) Under recruitment, an issue resolution for prospective businesses. (viii) A marketing committee to develop a broad-based regional marketing strategy including media and trade missions. (ix) An investor relations committee charged with finding and supplementing funds for network operations. (x) A strategic planning committee geared to assist in identifying target industries for recruitment and economic development. (xi) Require the Economic Development Board to develop and submit a set of benchmarks that can be used to measure the performance of both key staff members and the economic development entity. Future funding should be based on the measurable success of the organization.

In closing Mr. Horn introduced Mr. Steve Vierck, President of AngelouEconomics, who assisted the task force in developing the Report.

Mr. Newton thanked the task force members for their willingness to serve as well as their hard work and participation in the formulation of these recommendations.

Mr. Stewart asked that a follow-up presentation occur at the October 3, 2011 Governmental Committee meeting in order to delve into the Report, to move forward in making some recommendations with the

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task force, and to report back to Council.

Mr. Baer thanked Mr. Horn and the task force for putting a lot of facts down on paper for Council to analyze. He spent the weekend reviewing the Angelou slides and, will submit in writing comments and questions. Mr. Baer noticed that the conclusions presented today were a little bit different from what were in the executive summary. Not divergent but a selection of them with a slightly different emphasis. It would be useful if you could send us the notes that you just read from, at least the conclusions or the action items as well. They were a little more succinct than the items in the Angelou view graphs.

Mr. Newton is hopeful this is not a kind of study that gets put in a three-ring binder and put on a shelf for somebody else at some later date and time to run across remember when we looked at that back one time ago. We know, both the County and the private sector and the rest of the governmental units in Beaufort County, we can do a better job than we have done in the past. He is hopeful the task force work and recommendations is the springboard for us to be able to move forward.

Sharon Saunders Trust Property

Mr. Kubic remarked members of the Finance Committee on September 19, 2011 had the opportunity to hear about a request for a 4% assessment ratio appeal. The appeal involves the Sharon Saunders Trust. Both sides, the representatives of the trust property and the County were there making a presentation to committee. He asked County Attorney Gruber to step forward and give a briefing as to what was discussed at that committee meeting and then we will be able to hear from representatives of the trust property.

Mr. Josh Gruber's, County Attorney, briefing to Council follows:

Mr. Gruber: The item on the agenda for this evening is in regard to an application for an extension of a filing period for a 4% special assessment ratio as provided for under South Carolina law. As Mr. Kubic stated, this matter was taken up before the Finance Committee; therefore, he will not rehash all the details with you but just wanted to provide you a brief summary of kind of what the County believes the pertinent facts are regarding this situation.

On May 27, 2009, the property in question was deeded from the Sharon Saunders Trust to Atlantic Pointe, LLC. Atlantic Pointe, LLC, as a separate legal entity, does not qualify to receive the 4% special assessment ratio. As such, notice was sent from the Assessor's office that the 4% ratio had been removed from the property. On December 17, the property was then transferred back from Atlantic Pointe, LLC back to the Sharon Saunders Trust. South Carolina Code of Law in 12-43-220(c)(vi) states specifically that if a change in ownership or use of property occurs; another application is required by the new owner to qualify the residence for the 4% assessment ratio for future years. Additionally, that Section (c)(ii) states that the 4% special assessment ratio does not apply unless the owner of the property or the owner's agent applies for the 4% assessment ratio before the first penalty date for the payment of taxes. In this case, it would have been January 15, 2011. The property owner in this matter or their agents did not file the 4% special assessment ration application until June 16, 2011, approximately six months after the filing deadline date. They are before you this evening to request that under South Carolina Code of Laws 12-43-220 (c)(viii), which states that a failure to file the application within the prescribed time constitutes abandonment of the owner's right to the classification for the current tax year but the local taxing authority, which is us, County Council, may extend the time for filing upon a showing satisfactory to it that the person had reasonable cause for not filing before the first penalty date. That, we believe, are the pertinent facts that are before you this evening in making a decision about whether to not to extend this filing deadline application.

Mr. Rodman stated this issue did go through the Finance Committee and the appeal was denied by a vote of 4:3. It had to come to Council regardless and that brings us back to this point. This issue seems to have some legal points which are probably a little bit confusing to Mr. Rodman, but it makes sense to hear from the folks, who are requesting the assessment and have a discussion and see where it leads us, because we do have to vote, as a Council, as he understands it.

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Ms. Elizabeth Mayo's and Mr. Charles Scarminach's, representatives of the trust property, briefing to Council follows:

Mr. Scarminach: Mr. Chairman, I am Chuck Scarminach. We represent the Saunders Trust. Ms. Mayo is my law partner and she had specific client contact with the client. We think we have, we meet the conditions of the statute and we'd like to express our interpretation of the facts which are somewhat different than what has been presented to County Council.

Ms. Mayo: I do realize that there are several of you who were not on the Finance Committee. You did receive, I believe on Friday, a letter from Mr. Scarminach with a timeline and some discussion of our request. What I would like to add to Mr. Gruber's brief timeline is that from the time we received the letter from the Assessor's office on January 4, dated January 4, our request was late, we continued to negotiate with the Assessor's office in telephone conversations, emails, and at least one meeting with Mr. Hughes which eventually resulted in our filing in late, in June sometime, all of the client's information regarding the 4% application.

As I said, as we said in the letter, I believe that the Finance Committee may have misinterpreted what the statute said. I remember some specific questions at the Finance Committee that we had clearly missed the deadline. That's not what the statute says. The statute says, as Mr. Gruber indicated, that the County Taxing Authority, which is you to begin with, has the right to decide whether or not missing the deadline, there was reasonable cause for missing the deadline. And as Mr. Scarminach indicated, we clearly believe that we do have some reasonable cause for missing the deadline.

First, as we have indicated to the Finance Committee, both Mr. Scarminach and I were out of the office at the end of the year. I was out on scheduled vacation; Mr. Scarminach takes over my files when I'm gone. His mother passed away and he was called to Syracuse, NY to deal with that at the end of the year. In addition, on December 22, I provided a list of taxpayers who were to receive, for whom tax protest letters were to be sent by the end of the year to my assistant. They were all dated on December 22. For some reason, the only one that did not go to the Assessor's office and was not postmarked until January 3 was the Sharon Saunders Trust property protest. The other four protests were received, to my knowledge, appropriately, timely by the Assessor's office. I, unfortunately, I don't want to lay blame on the post office but, it might have been the fallibility of the post office at that time.

Further, we were in receipt of a letter from early September 2011 from Mr. Hughes to Carrie Griffin, a prominent local real estate attorney, asking some questions about deadlines. The interpretation of that letter would have indicated that we had until January 15 to file this appeal. There was also some concern by the Administration that to allow appeal, to allow this 4% versus the 6%, was going to throw open the doors. The comment was there would be a line outside the door by everyone who was late in filing this. We had two meetings of the Finance Committee. This was on the agenda for both of these items. We believe that we have precedent that other taxpayers would not have. There was an error by the Assessor in the tax to begin with, both of the attorneys were out of town, and we were relying on Mr. Griffin's letter and, as I indicate in the letter, there clearly was not a line out the door. This statute is available to every taxpayer and no one, to my knowledge, has brought it up other than us because we have specific circumstances that would warrant you to find reasonable cause to allow us to have the 4%.

And finally, I would like to point out the case that starts at the bottom of the letter from Mr. Scarminach, LJ Investment v. Richland County Assessor. It was a South Carolina administrative law case from 2000 which indicates that the Assessor's notice should be the source of information regarding the appeals process. While the appeals process is contained in the statute, if you will look at the assessment notice that was received by the taxpayer, the front and back, it doesn't say anything about the requirements of reapplying for the 4% tax. The administrative, or the 4% rate, I'm sorry. The administrative law court in that situation said that if the form was not sufficient to include the instructions regarding the appeal requirements contained in South Carolina Code of Laws 12-43-220 (c)(2)(ii), then the statute, then we should find reasonable cause and the assessor should grant or be authorized to grant the 4% rate.

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Finally, on a fairness issue, as I indicated, the taxpayer or the tax assessor mis-taxed this property for 2009 and 2010. The property was land until 2008. In 2008, the building was built, the residence was built. For some reason, perhaps it was the conversion to the Manatron system, the construction / the improvements were not picked up. I'm sorry, the improvements were picked up and the real estate was not picked up. So, therefore, in 2009 and 2010, Mrs. Saunders was only taxed on the improvements and not the land.

The Assessor has gratuitously indicated that he will not back-tax those two years but will tax for 2011 both the real estate and the improvements. Unfortunately, that is a very onerous result to our client if we do not get the 4% rate. The tax, in 2009 and 2010, would have been $9,000. If we added the real property to that at 4%, the tax would be $13,000, a difference of $4,000 a year. Not receiving the 4% tax ratio for reasonable cause as the statute permits, our client would pay approximately $27,000 for tax in 2010.

It appears to us that the Assessor is attempting to correct his error for those two years, the loss of the $4,000, by assessing our taxpayer $27,000 for 2010. I would be happy to answer any questions that you might have. I know we've rehashed this for some of you several times.

Mr. Rodman: If you could recap again, there was the application and there was the appeal and one of them was a 90-day and it came in on the 92nd or 93rd day. Could you just distinguish for us between those two documents and what the timing was when they came in, and so on?

Ms. Mayo: It was on September 28, I believe, or it might have been the 27th of 2010. The Saunders received a notice of assessment that might not, well, it's right here, the assessment notice, the reason for the change was the removal of the 4% assessment ratio. That had a deadline of 90 days which would have been December 28, 2010. I, we sent the letter on December 22. I have no idea why it did not go out or was not postmarked until January 3. Had it been received, we would have been appropriately within the deadline. That letter of December 22 that was postmarked on the 3rd was both our protest to this assessment notice and the removal of the 4%, as well as a protest for the underlying value of the property.

Mr. Scarminach: The simple result is that for two days, it's going to cost our client an additional $18,000. I can't imagine that's the intent of the statute.

Mr. Newton: Let me ask this question. Is the protest for the underlying value? Is that something that is still an issue?

Ms. Mayo: No, sir.

Mr. Newton: So the only thing we're talking about is the 4% application at this juncture.

Mr. Scarminach: 4%, yes, sir.

Ms. Mayo: For 2010, yes. He has received another notice of assessment for 2011 and we filed that yesterday, by certified mail, return-receipt requested.

Mr. Sommerville: I think I asked most of the questions at the Finance Committee. Thank you for your forbearance. There are four things that you could arguably appeal: you could appeal the market value, the assessment ratio, and the property tax assessment, and I guess the special use value if there is one. What did your letter of December 28, say that was ultimately postmarked January 3 appeal?

Ms. Mayo: It said that we were filing a protest. And as Mr. Scarminach's letter indicates that has been our standard letter for over three years to send to the Assessor when anybody has asked us to protest whether it was the 4% or the underlying value of the property. And to my knowledge, no other taxpayer has been refused the 4% because that letter was deemed to be insufficient.

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Mr. Sommerville: So your position is that the generic word "appeal" applies to all four possibilities?

Ms. Mayo: Yes, sir.

Mr. Sommerville: I'd be interested to hear the County's position on that.

Mr. Newton: Wait a minute. Does anybody else have questions at this juncture for the appellant? This is the first one of these I've done in ten years. Don't go far, somebody may have a question. Mr. Gruber, Mr. Sommerville had a question for you.

Mr. Gruber: Yes. Thank you, Mr. Sommerville. If there is anything I can do this evening, hopefully, I can make clear to Council that there is a distinction here - you have two legally and factually distinct actions going on. One is an appeal of either an assessed value or a removal of the special assessment ratio on behalf of the Trust, not the Trust, I'm sorry, the LLC. The other is the issue of whether an application as clearly stated in the statute and actually clearly defined in the statute as well, the statute states that there is specific verbatim language that must be included on the application in order for it to be considered factually significant and relevant for purposes of granting the 4%. And I quote, "under penalty of perjury I certify that the residence which is the subject of this application, is my legal residence and where I am domiciled and that neither I, nor any other member of my household, is residing and occupying any other residence in South Carolina." If that information is not contained in the document submitted to the County, it is not an application for purposes of granting the 4% assessment ratio and as the statute clearly states there must be an application filed in order for the application to be granted. Now, what is before you this evening is whether there is reasonable cause to grant the extension of a six-month period for the filing of the 4% assessment ratio. It is undisputed that it was not filed until June 16 so the fact that it was only two days late, that only applies to the appeal that is a factually and legally distinct issue from whether the application should be extended.

Mr. Newton: Mr. Gruber, let me ask you a couple of questions if I can about this.

Mr. Gruber: Yes, sir.

Mr. Newton: The property was, this assessment notice, removal of 4% ratio went out to Atlantic Pointe, LLC.

Mr. Gruber: That is correct.

Mr. Newton: Then Atlantic Pointe transferred the property on December 17 back to the Trust.

Mr. Gruber: That is correct. It is that transfer that you speak of where the application would have been necessary.

Mr. Newton: On behalf of the Saunders Trust, correct?

Mr. Gruber: It was transferred from one entity to another entity.

Mr. Newton: I understand but the appeal timeframe in the removal of the 4% ratio was an appeal timeframe relative to the tax classification or status of Atlantic Pointe, LLC.

Mr. Gruber: I would have to refer back to the letter that was submitted to appeal.

Mr. Newton: No, I'm talking about the assessment notice that was transferred to me.

Mr. Gruber: Yes, the assessment notice is in the name of Atlantic Pointe.

Mr. Newton: What was my deadline after that?

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Mr. Gruber: For filing an appeal?

Mr. Newton: For filing the 4%? Because there is, it use to be until Act 388 came along that there was, the taxpayers could seek a refund for up to three years from the County.

Mr. Gruber: Correct.

Mr. Newton: And it was routinely done. There was no form, the Assessor's office and the Treasurer's office advised taxpayers just to take the regular application, write 4% on the top of it, this is a refund request, and send it in and if it was deemed to be appropriate, then they'd go back and give a refund for up to three years.

Mr. Gruber: Absolutely.

Mr. Newton: But that wasn't on any kind of specific form relative to a refund.

Mr. Gruber: That's correct, not a refund.

Mr. Newton: So, under my scenario of what I'm trying to understand; I mean I understand how this happened and I understand what happened but the appeal deadline is really an appeal deadline that deals with Atlantic Pointe.

Mr. Gruber: That is correct. And the appeal deadline is different than the deadline for filing the 4% application. Like I said two distinct issues. The appeal deadline is 90 days from the time that you receive the assessment notice that you're appealing from. The application deadline is set by statute as the first penalty date for the date that a payment of taxes for the year in which you're applying. So, in this case, it was January 15 because that is the first penalty date for the payment of taxes following the 2010 tax year which is the tax year in question that they're looking to apply for.

Mr. Newton: Or January 14.

Mr. Gruber: Correct.

Mr. Newton: Before the imposition of the deadline.

Mr. Gruber: That's correct.

Mr. Newton: Three years ago we put on the computers pay by the 15th and I actually sent a bill over on the 15th and I was told, despite what the internet says, you had to pay it yesterday or have a penalty.

Mr. Gruber: Well, you can directly relate to it then.

Mr. Newton: Yes, I can. Although it wasn't a 4% application, it was just paying a penalty. Alright, so, the applicable timeframe was January 14 and was there, the letter that was submitted that is a protest, was it a letter that was submitted referencing the property, Atlantic Pointe, the Saunders Trust or both?

Mr. Gruber: I'm not sure; I'd have to refer Saunders Trust. But again, it was either an appeal of the assessment value on the property, the value on the property, or an appeal of the removal of the 4%. There was no application filed.

Mr. Newton: Okay. But there wouldn't have been an appeal of the removal of the 4% for the trust because at that point of time, the Trust had received no notice of any 4% removal.

Mr. Gruber: The Trust had not because they had not applied. The removal of the 4% would have gone to Atlantic Pointe, LLC, which it did.

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Mr. Newton: Based on the transfer of the property.

Mr. Gruber: That's correct.

Mr. Newton: Is actually what's before us is an appeal of the denial or removal of the 4% or just a determination of whether this 4% application should be acknowledged as being timely submitted.

Mr. Gruber: That's correct. It is a request to extend the time period from January 15 until June 16 based on whatever reasons can be brought forward by the property owners. And please note that THE County is not advocating whether reasonable cause is or is not found here. It is solely in the purview of Council whether they find that issue as met. It is my job to advise what that statute says and that statute says that you must find reasonable cause in order to grant the extension of the deadline.

Mr. Newton: Last thing, what is the, do you have a copy of the, does anybody have a copy of the letter here that was sent in on behalf of Saunders Trust?

Mr. Gruber: I do not have copies but I could have copies made if you'd like it.

Mr. Newton: That's alright; I'll just pass it around.

Mr. Sommerville: While there is this pregnant pause here, let me just ask a question. With respect to Atlantic Pointe and this notice of the removal of the 4% assessment ratio sent out on September 29, 2010, as far as we knew, Atlantic Pointe was the owner of the property. If they had, if we gave them under the first statute, I assume, 90 days.

Mr. Gruber: That is correct. The assessment notice was mailed out on September 29, 2010, so they would have had 90 days from that date. It was then, on December 17, that the property was transferred back.

Mr. Sommerville: That's talking about Atlantic Pointe. But on December 17, although I haven't seen any evidence I'm taking the attorney's word for this, I don't question it, that the property was transferred from the LLC back to the Saunders Trust. So, obviously it wasn't going to be, it wouldn't be appealed by Atlantic Pointe because Atlantic Pointe had no basis for the appeal. They didn't qualify for the 4%. Okay. So, on December 17, now we have a new entity owning it and the County doesn't know that though, does it?

Mr. Gruber: Once that deed is filed in the Register of Deeds office, the County is put on notice that the property has transferred. However, we do not know whether the property qualifies for the 4% special assessment ratio unless this application is submitted under penalty of perjury is submitted. It is that document that affirmatively tells the County that it does meet the statutory criteria to qualify.

Mr. Sommerville: So, you're aware of a transfer of ownership but beyond that you can make no judgment. Mr. Hughes' department makes no judgment because you don't know.

Mr. Gruber: That's correct.

Mr. Sommerville: Okay, so the next step on behalf of the new owner would be to file an application, which I have done personally, an application for a 4% assessment ratio and that would have been due on January 15.

Mr. Gruber: That would have been due the first. That's correct.

Mr. Sommerville: Suppose the property would have transferred on January 14.

Mr. Gruber: You're getting a little bit off topic but I'd be glad to answer that for you. You have to own the property in question during the tax year that you're applying for it. So you must be the owner of record by

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Mr. Sommerville: Presumably they met that.

Mr. Gruber: Yes. I don't think there is any question, they transferred on December 17.

Mr. Sommerville: Fair enough.

Mr. Gruber: So they did meet it, it's just a question of was it filed and if not, should an extension of time be granted for the filing.

Mr. Sommerville: So the only thing at this point that is necessary post December 17 is an application for a 4% assessment ratio by January 15. That did not happen.

Mr. Gruber: That's the County's position.

Mr. Sommerville: Okay.

Mr. Newton: Mr. Gruber, another question. Prior to April, excuse me, prior to May 27, 2010 was the property at a 4% classification?

Mr. Gruber: Yes, yes, it was. It lost the 4% when it transferred to the LLC because the LLC does not qualify for the 4% special assessment ratio under the statute.

Mr. Newton: So any transfer during the calendar year, if that new owner entity is not entitled to 4%, it's lost at that point of time?

Mr. Gruber: The problem is the County cannot determine, based upon what is filed with the Register of Deeds office, whether a property does or does not qualify.

Mr. Newton: No, I understand that.

Mr. Gruber: And so, yes, it was transferred to the same entity that did previously qualify for it in the beginning of the year but we have no knowledge as to what constitutes that entity. It may be the same entity in name only or it may be the same entity in every aspect. We don't know that.

Mr. Newton: No, I understand that. I'm just trying to follow the change and some of these changes came in with Act 388 regarding no refund, at least I think that's where they came from.

Mr. Gruber: Some of the issues may have.

Mr. Newton: And maybe you can help me understand those circumstances when the property receives 4% treatment and it transfers hands that 4% treatment stays with that property through that calendar year but changes in the next year.

Mr. Gruber: It would not. Anytime that it transfers, it is going to lose that status until the new property owner comes in and makes an application for it. That's what is required by the statute.

Mr. Newton: And it loses it during that calendar year?

Mr. Gruber: That is correct.

Mr. Newton: Mr. Caporale.

Mr. Caporale: Why was this property transferred over to the other entity?

Ms. Mayo: I was not involved in that particular transfer. It was my understanding that it was transferred for asset protection purposes for Saunders who was involved in some businesses and they were attempting to protect the value of the house from creditors.

Mr. Caporale: This is probably beside the point but didn't anyone know that they were sacrificing the 4% assessment by doing it?

Ms. Mayo: I'm sure they were told that.

Mr. Scarminach: At the time they felt the issue was more pressing and the reason for the, without broadcasting it to the whole world, the reason was related to an economic situation they were in at the time and it made more sense by their tax advisor to have it in the LLC rather than the Trust. When they realized that they had an issue, that the issue went away, we transferred it back and it was the same Trust that owned it and it wasn't a new trust, the Sharon Saunders Trust owned it before and the Sharon Saunders Trust took it back.

Mr. Caporale: Forgive me if you've already addressed this but tell me again why the special assessment application wasn't filed sooner that June 16?

Ms. Mayo: I would like to say again that we're looking at reasonable cause for not filing it timely. When we got the letter on January 4 from the Assessor's office saying, sorry, bets are off, you're late, we began a series of negotiations with the Assessor and there were at least eight contacts between that date and the June date and we began to, I don't know exactly when we began to request the information from the client, it took us a while to gather the information from the client. Because we were attempting to negotiate particularly to understand how this differed from the letter from Mr. Hughes to Attorney Griffin. As I say, we continued to negotiate the issue and when we realized that we weren't going to get any place that way, we filed the information, the drivers license and copies of extensions of his federal income tax returns because he hasn't yet filed his returns and the other information that was required.

Mr. Caporale: Thank you.

Mr. Newton: Mr. Flewelling.

Mr. Flewelling: Just for clarification, you said that the deed from Atlantic Pointe back to the Saunders Trust was recorded in December 2010. I want to make sure everybody understands it wasn't recorded until January 6, 2011. It wasn't recorded until the following year.

Mr. Sommerville: One other question, on your letter of December 22, you indicate the property owner as Don Saunders.

Ms. Mayo: It's Sharon Saunders Trust; Don Saunders and Sharon Saunders are the two current lifetime income beneficiaries. And, therefore, as a lifetime income beneficiary of the trust they qualify under the statute for the 4%.

Mr. Newton: Ms. Von Harten.

Ms. Von Harten: At this point, what are we being asked to decide? Are we supposed to take a vote to say yes to give them an extension?

Mr. Newton: No, whether there is reasonable cause to accept the 4% application late.

Ms. Von Harten: Does that take a motion?

Mr. Newton: Is that right Mr. Gruber?

Mr. Gruber: Yes, sir.

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Mr. Newton: There is a recommendation that comes from the Finance Committee for denial. And so the Committee recommendation is to deny. There could be a motion made once that motion is, there is no second required so it's actually lying on the table at this juncture. The motion is to deny the request for 4% special assessment ratio for the Sharon Saunders Trust Property. So, they'll be a vote on that motion and that motion will either pass or fail or you can move to amend the Committee recommendation or change the Committee recommendation but the motion that is in front of us is to deny.

Main motion: It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council deny the request for 4% special assessment ratio for the Sharon Saunders Trust Property.

Mr. Glaze: During the presentation I think you made a statement that there was a mistake I think in 2008 or 2009 by the Assessor and what was the mistake that was made?

Ms. Mayo: In 2009 and 2010, I indicated the property, I don't remember exactly when the Saunders purchased the property as land but they built their house in 2008. Going forward in 2009 and 2010, the only thing the Assessor taxed were the improvements. They failed to pick up the real estate. As Mr. Hughes indicated at the last Finance Committee that was probably an error from the cross-over between whatever the system was before and Manatron and that in reviewing this application, he noticed the error but he was not going to back-tax to include the real property. He was only going to do that going forward, 2011 and forward. So they were taxed on only the improvements in 2009 and 2010 and not the improvement and the underlying real estate. And that resulted in a tax of approximately $9,000 to them at 4% versus $13,000 to them at 4% if they added the land. So a $4,000 a year difference versus this one going from $9,000 to $27,000. Again, as Mr. Scarminach indicated, we do believe we have shown that there is a reasonable cause for being late.

Mr. Newton: Let me ask a question that is not directly related to the determination of reasonable cause; it's somewhat related. Assuming that the improvements were left off and not taxed, is there an ability to, not withstanding what has previously been indicated, is there an ability to tax the improvements?

Mr. Gruber: I believe so. As you stated earlier, there is a three-year window in which taxes can either be refunded or collected. That would be the County's position on most issues whether that's done or not would be decided on an individual case-by-case basis and best made by the Assessor's office.

Mr. Newton: Okay. If we were to determine that there was good cause in the process there was a determination made, would it be within the province of this Council, however, to then direct that the 2008 and 2009 land be taxed as it should have been?

Mr. Gruber: That is something that we could certainly look into for you.

Mr. Newton: I'm just trying to figure out whether it's appropriate for us to direct that if we were going to get to that point in time in a motion or whether it's not.

Mr. Gruber: If that's the wishes of Council, that's something we could certainly look at. I don't think I could say yes or no without going back and looking at it just a little bit more to make sure that any kind of deadlines would be made as far as the County is concerned in providing notice of the change in the tax bill but as long as that could be done, yes.

Mr. Sommerville: To Mr. Flewelling's observation that the deed was not recorded until 2011, assuming that's accurate, that means at the end of tax year 2010, the owner was, of record, was Atlantic Pointe, LLC.

Mr. Gruber: That's correct.

Mr. Sommerville: So, does that further muddy the water, I mean, because the owner at of the end of the tax year was not eligible for 4%.

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Mr. Gruber: Right. I don't like to make my things complicated for myself more than what they have to so I look at this issue: was an application for 4% filed on behalf of the property owner prior to January 15. And if not, is there reasonable cause to extend.

Ms. Mayo: The ownership is as of the date of the deed. For tax purposes, it may be the date of record when it was filed but the ownership was as of date of deed. In fact, my client told us that he had a conversation with Mr. Hughes on December 10 who indicated that if he had a deed signed by December 31 he would backdate it to the 4%. Now I don't have any, all I have is my client's comment, maybe Mr. Hughes remembers that conversation but I do have it in my notes. But it is, once it was transferred, it was back in the Trust on the 17th.

Mr. Sommerville: So what constitutes ownership – the signing of the deed not the recording of the deed? Is that your position?

Ms. Mayo: Ownership is signing the deed. For tax purposes it would be recording it.

Mr. Gruber: When it's physically turned over that's when title passes. When you receive physical possession of the deed document. Now the County is put on notice when it's recorded. I digressed.

Mr. Newton: So the recording of the deed is not a pre-requisite?

Mr. Gruber: No, only the filing of the application.

Mr. Newton: Okay. I'm all out of questions.

Mr. Flewelling: I'm still confused because if that's the case then the, if the application had been filed, oh, by the 15th. Never mind.

Mr. Gruber: That's correct, January 15.

Mr. Flewelling: I take my question back, I understand.

Mr. Newton: In my opinion, there is probably, there is enough confusing information here that given the fact that it was 4% earlier in the year and then it wasn't because of the new change in the law and then there was an effort made to try to get it back, there is probably reasonable cause. I will tell you what there certainly is, and with all due respect because I've been there too, is sloppy lawyering to have done this and I've been on the phone with Mr. Hughes, as he can tell you, a dozen times trying to understand the change in laws to make sure that it's been done. However, the death in the family, in my judgment, while it's not an excuse to the lawyering issues that came before, that is sufficient in my mind at least given the fact that this property was 4%, then went back to 6%, then the ball sort of got fumbled and dropped for whatever the reason may be that 4% was but for the filing of the application warranted at least as I understand you Josh to have said. And if the improvements can be appropriately taxed as they should have been, that's probably where I'm going to come out. Somebody wants to call the question or move forward with the Committee recommendation. Somebody wants to do something else.

Mr. Stewart: I was just going to comment and I don't want to belabor the point but I think I'm at a distinct advantage here perhaps, I'm not an attorney. So I'm looking at it from the point of fairness. And it seems to me that the property was 4%, the same parties are involved, they transferred it, they transferred it back with the intent to get back to 4%, the County was engaged with letters and I think it would have been obvious, from my perspective anyway, that the intent was to go back to 4%, that's why they were doing it. So just from a fairness perspective, not looking at it from the legality point of view, probably if you look at it strictly by the letter of law and the written intent, maybe it should not change but I think there is a reasonable doubt, a reasonableness to say there was on-going discussion, the County was engaged, it should have been obvious that that's where all this process was headed and I would give them the benefit of the doubt and extend the date frankly.

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Motion to amend by substitution: It was moved by Mr. Caporale, seconded by Mr. Stewart, that Council approve the request for 4% special assessment ratio for the Sharon Saunders Trust Property.

Mr. Rodman: I would agree and I do think I tend to look at it from a fairness issue, it does seem to me that if there is a way to do it, if we grant it, they ought to be willing to give back the $8,000.00 of the two errors so it would essentially take us back to exactly what should have happened if everything had followed the rules. I tend to agree, I think there is a reasonable cause here, four or five different things that have been mentioned.

Ms. Von Harten: I think it's an excellent motion and I intend to vote in favor of it.

Mr. Newton: Any other comments? Mr. Dawson.

Mr. Dawson: I'm going to vote in opposition to the motion. I think this is a classic situation where the property owners were trying to save some money at one point by transferring it to the LLC and then due to lack of awareness and timeliness they tried to transfer it back to the Saunders to reap the benefit of the 4% and in the process, I think, the timeline got lost and the efforts of trying to save money at one point is going to cost them on the other hand. So I think they just got caught in a situation, a flip-flop.

Mr. Sommerville: I'm going to vote against the motion because a couple things: (1) Mr. Hughes has already ruled that we are not going to go back and collect the retroactive taxes. Whether that can be overruled, I don't know. Mr. Hughes has already indicated that the County is not going to go back and collect those taxes from those two tax years. (ii) The second thing is I think I understand the motivation behind the Saunders to put it in the LLC to protect it from creditors, that's fine but when they did that, it was a risky deal, they lost the 4% and, of course, they wanted to come back and get the 4%, I understand them wanting to do that but they missed the deadline by not just a few days but by six months and the death in the family, in my mind, doesn't excuse the six-month delay, maybe a few days, I don't see a six-month delay based on the death in the family. In all due respect to the applicants, I am going to vote against the current motion which is to grant the reasonable cause.

Mr. Newton: Mr. Baer.

Mr. Baer: I'm also going to vote against the motion. I think there was ample opportunity, there were legal firms involved and the ball was dropped for one reason or the other and I also have another comment. I recall two people in my constituency who transferred things also because they wanted to put things in the wife's name or put it in a trust of some sort, that anytime you do these transfers, it goes from 4% to 6% automatically. And those people, they couldn't afford lawyers. They had a hell of a struggle, pardon my French, to get back to where they should be. So, I think whatever happens, however this vote comes out, we ought to think of the people also who can't afford lawyers to get this done and think of perhaps better procedures, on our part, to alert people when these ratios change from 4% to 6%.

Mr. Caporale: Good point about the procedures. If a person can read, they should be able to figure these things out on his own without the benefit of legal advice. That's partly what's on my mind.

Vote on the motion to amend by substitution: Council approve the request for 4% special assessment ratio for the Sharon Saunders Trust Property. YEAS – Mr. Caporale, Mr. Newton, Mr. Rodman, Mr. Stewart and Ms. Von Harten. The vote was: NAYS – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride and Mr. Sommerville. The motion failed.

Mr. Flewelling: I have a question about the form. Is the form sufficient to the requirement of a finding of no reasonable cause for the delay?

Mr. Gruber: As long as that's stated in the motion.

Mr. Flewelling: I don't believe that the Committee recommendation exactly says that. Let's see if I can

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find the, it says it was moved by Mr. McBride, seconded by Mr. Sommerville, that the Finance Committee denies and recommends that the County Council deny the request for the 4% special assessment ratio for the Saunders Trust property. I'm not sure that that is sufficient to the requirement of a finding of insufficient reason for a delay.

Mr. Gruber: What that question is answering is the specific request of the applicant which is a request to extend the filing period. So if that request is denied it could only be made so upon a finding that reasonable cause was not present.

Mr. Flewelling: So you're comfortable with that? That's all I had Mr. Chairman.

Vote on the main motion: Council deny the request for 4% special assessment ratio for the Sharon Saunders Trust Property. The vote was: YEAS – Mr. Baer, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride and Mr. Sommerville. NAYS – Mr. Caporale, Mr. Newton, Mr. Rodman, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $50,000,000 AGGREGATE PRINCIPAL AMOUNT OF HOSPITAL REFUNDING AND IMPROVEMENT REVENUE BONDS (BEAUFORT MEMORIAL HOSPITAL) SERIES 2011; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AND LOAN AGREEMENT, A REFUNDING ESCROW DEPOSIT AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND OTHER MATTERS INCIDENTAL THERETO

This item comes before Council under the Consent Agenda. It was discussed at the September 12, 2011 Finance Committee meeting.

It was moved by Flewelling, seconded by Mr. Rodman, that Council approve on second reading an ordinance authorizing the issuance of not exceeding $50,000,000 aggregate principal amount of Hospital Refunding and Improvement Revenue Bonds (Beaufort Memorial Hospital) Series 2011; authorizing the execution and delivery of a bond purchase and loan agreement, a refunding escrow deposit agreement in connection therewith; authorizing proper officers to do all things necessary or advisable; and other matters incidental thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced a public hearing on Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

BEAUFORT COUNTY ZONING MAP AMENDMENT FOR R300 015 000 0101 0000 [KNOWN AS ST. HELENA STATION PLANNED UNIT DEVELOPMENT (PUD), 13.24 ACRES OFF SEA ISLAND PARKWAY/HIGHWAY 21]; FROM PUD TO RURAL (R) ZONING DISTRICT

This item comes before Council under the Consent Agenda. It was discussed at the September 6, 2011 Natural Resources Committee meeting.

It was moved by Flewelling, seconded by Mr. Rodman, that Council approve on second reading a Beaufort County Zoning Map amendment for R300 015 000 0101 0000 [known as St. Helena Station Planned Unit Development (PUD), 13.24 acres off Sea Island Parkway/Highway 21]; from PUD to Rural (R) Zoning District. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced a public hearing on Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS

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ORDINANCE (ZDSO), ARTICLE VII, SEC. 106-1845(6) BUFFER DISTURBANCE (ADDS RIVER BUFFER DISTURBANCE STANDARDS)

This item comes before Council under the Consent Agenda. It was discussed at the September 6, 2011 Natural Resources Committee meeting.

It was moved by Flewelling, seconded by Mr. Rodman, that Council approve on second reading Council approve on first reading a text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article VII, Sec. 106-1845(6) Buffer Disturbance (adds river buffer disturbance standards). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced a public hearing on Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

2012 Accommodations Tax Board Recommendations

This item comes before Council under the Consent Agenda. It was discussed at the September 12, 2011 Finance Committee meeting.

It was moved by Flewelling, seconded by Mr. Rodman, that Council approve the 2011 accommodations tax funding as follows: Beaufort Art Association $500, Art League of Hilton Head Island $1,000, Main Street Youth Theatre $1,500, Penn Center $10,000, Coastal Discovery $8,500, Hilton Head Island Symphony $4,000, Hilton Head Island Concours d'Elegance $9,000, Community Foundation $10,000, CAPA/Exchange Club $1,150, Hilton Head Island Choral Society $1,200, Historic Beaufort Foundation $3,200, Arts Council of Beaufort County $6,150, Beaufort County Black Chamber of Commerce $25,000, Beaufort County Historical Society $4,000, Hilton Head Island-Bluffton Chamber of Commerce $30,000, Heritage Library $2,500, Main Street Beaufort $9,200, Arts Center of Coastal Carolina $8,000, Historic Bluffton Arts and Seafood $2,500, Daufuskie Island Foundation $1,500, Old Village of Port Royal $3,000, Literacy Volunteers $2,500, The Sandbox $2,000, Beaufort County Soil & Water Conservation $1,500, Mitchelville Preservation $10,000, Friends of Hunting Island $7,500, Boys and Girls Club of the Lowcountry $3,000, Beaufort Regional Chamber $50,000, Bluffton Historical Society $10,000, Lowcountry Resort and Visitors Center $15,000, Beaufort Film Society $5,000, and Lowcountry Estuarium $3,600. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A SUPPLEMENTAL APPROPRIATION FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF $72,159.83 FOR THE PURPOSE OF FUNDING CENSUS-BASED BEAUFORT COUNTY MAGISTRATE SALARY INCREASES FOR THE PERIOD OF JULY 1, 2011 TO JUNE 30, 2012

This item comes before Council under the Consent Agenda. It was discussed at the September 12, 2011 Finance Committee meeting.

It was moved by Flewelling, seconded by Mr. Rodman, that Council approve on second reading an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a supplemental appropriation from the county's general reserve fund in the amount of $72,159.83 for the purpose of funding census-Based Beaufort County Magistrate salary increases for the period of July 1, 2011 to June 30, 2012. The vote was: YEAS - Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. NAYS – Mr. Baer and Mr. Caporale. The motion passed.

The Chairman announced a public hearing on Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

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AN ORDINANCE TO AMEND THE FY2011-2012 BEAUFORT COUNTY BUDGET ORDINANCE SO AS TO PROVIDE A TRANSFER FROM THE COUNTY'S GENERAL RESERVE FUND IN THE AMOUNT OF $260,880 IN MATCHING GRANT FUNDS FOR THE BEAUFORT COUNTY RAILS TO TRAILS PROGRAM

Main motion: It was moved by Mr. McBride, seconded by Mr. Stewart, that Council approve on second reading an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a transfer from the county's general reserve fund in the amount of $260,880 in matching grant funds for the Beaufort County Rails / Trails Program.

Motion to amend by substitution: It was moved by Mr. Rodman, seconded by Mr. Baer, that Council transfer funds from the Tourism Infrastructure Section of Local 3% Accommodations Tax Ordinance (2009/15), which has a balance of $1,155,714 as of June 30, 2011 (unaudited). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Vote on the amended motion, which is now the main motion, and includes the motion to amend by substitution: Council approve on second reading an ordinance to amend the FY2011-2012 Beaufort County budget ordinance so as to provide a transfer fund from Tourism Infrastructure Section of Local 3% Accommodations Tax Ordinance (2009/15), which has a balance of $1,155,714 as of June 30, 2011 (unaudited), in the amount of $260,880 in matching grant funds for the Beaufort County Rails / Trails Program. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Mr. Newton remarked a motion of Council is not necessary to expend monies from three percent local accommodations tax.

It was moved by Mr. Newton, seconded by Ms. Von Harten, that Council table further action of this matter. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

County Attorney Josh Gruber was asked to prepare a resolution authorizing the expenditure of $260,880 from the tourism infrastructure section of the three percent accommodations tax funds for the purpose of providing matching grant funds for the Rail / Trail Program.

AN ORDINANCE TO AMEND ORDINANCE NO. 2011-25 SO AS TO ALLOW FOR THE RENUMBERING OF THE ELEVEN SEPARATE BEAUFORT COUNTY COUNCIL DISTRICTS AND BEAUFORT COUNTY BOARD OF EDUCATION DISTRICTS

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that Council approve on first reading, by title only, an ordinance to amend Ordinance No. 2011-25 so as to allow for the renumbering of the eleven separate Beaufort County Council Districts and Beaufort County Board of Education Districts. The vote was: YEAS - Mr. Baer, Mr. Caporale. Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

PUBLIC HEARINGS

AN ORDINANCE TO AMEND PART I, CHAPTER 46, ARTICLE III OF THE BEAUFORT COUNTY CODE OF ORDINANCES RELATING TO THE BEAUFORT COUNTY DISABILITIES AND SPECIAL NEEDS BOARD

The Chairman opened a public hearing at 6:26 p.m. for the purpose of receiving information from the public regarding an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board. After calling three

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times for public comment and receiving none, the Chairman declared the hearing closed at 6:27 p.m.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on third and final reading an ordinance to amend Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances relating to the Beaufort County Disabilities and Special Needs Board. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING $18,250,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO

The Chairman opened a public hearing at 6:28 p.m. for the purpose of receiving information from the public regarding an ordinance authorizing the issuance and sale of general obligation refunding bonds, Series 2011A, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding $18,250,000. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:29 p.m.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on third and final reading an ordinance authorizing the issuance and sale of general obligation refunding bonds, Series 2011A, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding $18,250,000; fixing the form and details of the bonds; authorizing the county administrator or his lawfully-authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE TO REGULATE OUTDOOR BURNING WITHIN THE UNINCORPORATED AREAS OF BEAUFORT COUNTY; TO PROVIDE FOR THE ENFORCEMENT THEREOF, AND MATTERS RELATED THERETO

The Chairman opened a public hearing at 6:30 p.m. for the purpose of receiving information from the public regarding an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto. After calling once for public comment, the Chairman recognized Mr. David Tedder, a Lady's Island resident, who said it is burden on us and we cannot handle leaf burning 24 / 7 certain times of years. However, he hopes the ordinance exempts fire pots, barbeque pits, and oyster roasts (a lowcountry tradition). After calling twice more for public comment and receiving none, the Chairman declared the hearing closed at 6:34 p.m.

Main motion: It was moved by Mr. Stewart, as Governmental Committee Chairman (no second required), that Council approve on third and final reading an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto.

Mr. Newton passed the gavel to the Vice Chairman in order to make a motion.

Motion to amend by deletion: It was moved by Mr. Newton, seconded Mr. McBride, that Council delete "within 75 feet of a property line" in Section 2, Regulation of Open Burning. The vote was: YEAS – Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman and Ms. Von Harten. NAYS – Mr. Baer, Mr. Sommerville and Mr. Stewart. ABSTAIN – Mr. Caporale. The motion passed.

Vote on the amended motion, which is now the main motion and includes the motion to amend by

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deletion: Council approve on third and final reading approve on third and final reading an ordinance to regulate outdoor burning within the unincorporated areas of Beaufort County; to provide for the enforcement thereof, and matters related thereto; and that Section 2, Regulation of Open Burning, shall read as follows: "The open burning of leaves, tree branches, yard trimmings, and other vegetative matter originating on the premises of residential properties located within the unincorporated areas of Beaufort County shall be permitted, provided that any such open burning must be located no less than seventy-five (75) feet from any structure or road. Adequate provisions shall be made to prevent the fire from spreading to any area within seventy-five (75) feet of any structure or road." The vote was: YEAS – Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman and Ms. Von Harten. NAYS – Mr. Baer, Mr. Caporale, Mr. Sommerville and Mr. Stewart. The motion passed.

The Vice Chairman returned the gavel to the Chairman in order to continue the meeting.

CONSIDERATION OF A BALLOT REFERENDUM TO CHANGE THE FORM OF BEAUFORT COUNTY GOVERNMENT FROM COUNCIL / ADMINISTRATOR TO COUNCIL / MANAGER

The Chairman opened a public hearing at 6:56 p.m. for the purpose of receiving information from the public regarding a ballot referendum to change the form of Beaufort County Government from Council / Administrator to Council / Manager. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:57 p.m.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve on second reading a ballot referendum to change the form of Beaufort County Government from Council / Administrator to Council / Manager. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Ms. Von Harten. NAYS – Mr. Stewart. The motion passed.

The Chairman announced the second of two required public hearings would occur Monday, October 10, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

The Chairman passed the gavel to the Vice Chairman in order to receive committee reports.

COMMITTEE REPORTS

Finance Committee

Accommodations Tax Board

Mr. Rodman, as Finance Committee Chairman, nominated Ms. Olivia Young, hospitality-lodging, to serve as a member on the Accommodations Tax Board.

Governmental Committee

Burton Fire District Commission

John Harris

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. John Harris garnered the six votes required to serve as a member on the Burton Fire District Commission.

Natural Resources Committee

Southern Corridor Review Board

Mr. James Atkins

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. James Atkins, architect Beaufort County, garnered the six votes required to serve as a member of the Southern Corridor Review Board.

Mr. Daniel Ogden

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. Daniel Ogden, resident Beaufort County, garnered the six votes required to serve as a member of the Southern Corridor Review Board.

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Caporale, seconded by Mr. Flewelling, that Council go immediately into executive session for the purpose of receiving legal advice relating to pending and potential claims covered by the attorney-client privilege. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

EXECUTIVE SESSION

ADJOURNMENT

Council adjourned at 8:00 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST _____
Suzanne M. Rainey, Clerk to Council

Ratified: October 10, 2011

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CASE # 2016- CP-07-1825

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(d) Any member desiring to resign from the Board shall do so by submitting his or her resignation in writing to the Chairman of County Council and the Chairman of the Board of Disabilities and Special Needs. Members who fail to attend 3 consecutive meetings without prior written notice will be subject to recommendation for removal to County Council.

Adopted this 26th day of September, 2011

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

_____
Ladson F. Howell, Staff Attorney

ATTEST:

_____
Suzanne M. Rainey, Clerk to Council

First Reading: August 22, 2011
Second Reading: September 12, 2011

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CASE # 2016-CP-07-1825

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ORDINANCE NO. 2011 / 29

AN ORDINANCE TO AMEND PART I, CHAPTER 46, ARTICLE III OF THE BEAUFORT COUNTY CODE OF ORDINANCES RELATING TO THE BEAUFORT COUNTY DISABILITIES AND SPECIAL NEEDS BOARD AND PROVISIONS RELATING THERETO

Whereas, Beaufort County Ordinance 2002/33 (General Template) and South Carolina Code Ann. Section 44-20-10 et. seq., establishes the authority for development of County Disabilities and Special Needs Boards; and

Whereas, from time to time it is necessary for County Council to reexamine its codes and ordinances to ensure that they are current in their wording and executions; and

Whereas, it is apparent that certain language contained in Sections 46-91 and 46-92 should be amended to reflect the current processes, characteristics, and purposes of the Beaufort County Disabilities and Special Needs Board.

Now, THEREFORE, BE IT ORDAINED, by Beaufort County Council that Part I, Chapter 46, Article III of the Beaufort County Code of Ordinances be amended to read as follows:

Sec. 46-91. – Purpose.

The purpose of the Beaufort County Board of Disabilities and Special Needs is to advocate for the individuals with disabilities and special needs who are served by the Beaufort County Disabilities and Special Needs Department; to provide assistance and advice to the Beaufort County Disabilities and Special Needs Department staff concerning matters of policy; and to promote community awareness of Beaufort County Disabilities and Special Needs Department programs and services.

Sec. 46-92. – Membership; terms of office.

(a) The membership of the Board shall be at least seven (7) members, but not more than eleven (11), and shall be appointed by Beaufort County Council.

(b) Board members shall serve a term of office of four (4) years as identified in their appointment letter subject to the following voting requirements for appointment and reappointment:

a. 1st Term- Requires an affirmative vote of no less than six (6) Council members;
b. 2nd Term- Requires an affirmative vote of no less than eight (8) Council members; and
c. 3rd or Subsequent Term- Requires and affirmative vote of no less than ten (10) members of Council.

(c) Members of the Board shall serve without compensation from either the State of South Carolina or Beaufort County, with the exception that limited travel or other expenses may be reimbursed upon prior written approval of the County Administrator.

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FORM 1
NOTICE OF APPEAL IN A CIVIL CASE

THE STATE OF SOUTH CAROLINA
In The Court of Appeals
[In The Supreme Court]

APPEAL FROM Beaufort County
Circuit Court

Marvin Dukes, Master in Equity

Case # 2016-CP-07-01825

BEAUFORT COUNTY GOVT.;
GARY KUBIC, Individually and as Beaufort County Administrator;
JOSH GRUBER, Individually and as former Beaufort County In-House Attorney;
BRYAN HILL, Individually and as former Beaufort County Deputy Administrator;
SHANNON LOPER, Individually and as Employee of Beaufort County Parks and Leisure; STU RODMAN, as Finance Chair of the Beaufort County Council; and
DAVE THOMAS, Procurement Director for Beaufort County,
South Carolina; Beaufort County DISABILITIES AND SPECIAL NEEDS;
and BEAUFORT COUNTY DSN BOARD

Respondents

VS.

Steven Craig Molloy and Island Group Inc.

Appellant

I am formally submitting this Appeal of the Summary Judgment ruling for Defendants (respondents) in this case filed on November 27, 2018 by the Honorable Judge Marvin Dukes for the Defendants.

Enclosed is the filing fee and notice of service to (Defendants) respondents and Lower Court.

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December 1, 2018

Appellant -
Steven Craig Molloy – Pro se'
43 Big Woods Dr. Hilton Head SC 29926
p: 843-368-7300 ; e: scmolloy@gmail.com

Attorney's for Respondents;
John P. Fletcher, Dawes Cooke
Barnwell Whaley Attorney's
PO Box H, Charleston, SC 29402
And Tom Keaveny attorney for
Beaufort County for Respondents

1. Adjustment setting for operators (3rd tab)
2. 05 Machine: Maintenance
3. 0506 Execute Developer Refreshing
4. 01: kcmy: Execute
5. Box will appear letting you know when the refresher has been completed