



The Town of Hilton Head Island Regular Finance & Administrative Committee Meeting

**Tuesday, January 19, 2016
2:00 pm. – Conference Room 3**

AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting

- 1. Call to Order**
- 2. Freedom of Information Act Compliance**
Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 3. Approval of Minutes**
 - a. Finance and Administrative Committee Meeting, December 1, 2015
 - b. Finance and Administrative Committee Meeting, January 5, 2016
- 4. Unfinished Business**
None
- 5. New Business**
 - a. General Discussion with the Town of Bluffton Regarding Zero Based Budget Processes
 - b. General Discussion of Timetable/Work to be accomplished regarding Town/Chamber Contract
- 6. Executive Session**
 - a. Related to potential land acquisition in the Shelter Cove area.
- 7. Adjournment**

Please note that a quorum of Town Council may result if four (4) or more of Town Council members attend this meeting.

TOWN OF HILTON HEAD ISLAND
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING

Date: December 1, 2015 **Time:** 2:00 p.m.

Members Present: John McCann, *Chairman*; Bill Harkins, Tom Lennox, *Council Members*

Members Absent: None

Staff Present: Steve Riley; *Town Manager*, Greg DeLoach; Assistant Town Manager, Brian Hulbert, *Staff Attorney*; Susan Simmons; *Director of Finance*, John Troyer; *Deputy Director of Finance*, Nancy Gasen; *Director of Human Resources*, Tom Fultz, *Director of Administrative Services*; Jeff Buckalew; *Town Engineer*, Bryan McIlwee; *Assistant Town Engineer*, Darrin Shoemaker; *Traffic & Transportation Engineer*, Cindaia Ervin, *Finance Assistant*

Others Present: Kim Likins; Council Member, Charles Brown, *Marriott*; Eleanor O'Key, *Lowcountry Inside Track* and other members of the community.

Media: None

1. Call to Order:

The meeting was called to order at 2:03 p.m.

2. FOIA Compliance:

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Approval of Minutes:

- a. Mr. Lennox moved to approve the minutes from the Finance and Administrative Committee Meeting on November 17, 2015 at 3:00pm. Mr. McCann seconded, and the motion passed with a vote of 2-0 as Mr. Harkins was not present at the time of voting.

4. Unfinished Business:

a. Discussion of Maintenance and Fixed Costs relative to the Town's total budget

Susan Simmons, Director of Finance, addressed the committee's interest in the Stormwater Fund by introducing Jeff Buckalew, Town Engineer, to talk about his department's needs and uses of the allocated funds. Mr. Buckalew discussed the activities covered by the operating expenses of the fund which include conducting assessments, billing, and educating the public on quality of water. Mr. Buckalew shared with the committee the capital infrastructure projects for Planned Unit Developments (PUDs) and the accounting involved in making sure the fund is equitably expended over the geographic areas of the stormwater utility. Projects are chosen based on priority, not on size. He also discussed pump stations, including a plan in the budget to replace one pump a year based on its age. Mr. McCann inquired on how much it costs to replace a pump and Mr. Buckalew stated roughly \$150,000.

Mr. Buckalew and Ms. Simmons answer questions regarding the formal agreements with

the PUDs to offer maintenance and or capital infrastructure on system failures. The Committee shared their concern with the budgeted amount of the fund and Ms. Simmons addresses that concern by stating the Town has the ability to enter the bond market if it is needed.

Mr. Buckalew introduced the other half of the budget which is the Engineering Operating Budget consisting of Road Maintenance and Traffic Signal Operations. He discussed a new agreement with the County to backup the traffic signal operations. Part of the \$469,000 road maintenance budget is being used to focus on a Town road, Lemoyne Avenue, to help improve pedestrian safety. Mr. Buckalew shared that Darrin Shoemaker, Traffic and Transportation Engineer, has been working to improve road markings and replace old road signs in the area. Ms. Simmons shared that the Town is not fully capable of financing current road maintenance solely on Hospitality Tax and Traffic Impact Fees; the Committee and staff discussed the possibility of a road maintenance fee as an alternative funding source.

b. General discussion of Post 2016 / Pre 2017 Budget.

Bill Harkins, Councilman, stated that he spoke with Steve Riley, Town Manager, about a Zero Based Budget (ZBB) approach. Mr. Harkins states that ZBB is a healthy way to run an organization. Mr. McCann stated that he would like to postpone this topic until the next meeting on January 5th.

c. Beach issues related to fishing and educating the public of Town rules

Brian Hulbert, Staff Attorney, recommended not amending the ordinances regarding alcohol and noise, and to simply work on the enforcement with more patrolling and educating the public by handing out pamphlets. He had more concerns with fishing on the beach. He gave suggestions to the Committee regarding handling concern from the public. Kim Likins, Council Member, wanted to know if it would be hard to contain fishing to only certain areas on Hilton Head. Mr. Hulbert stated there are certain areas that are more congested than others; however, there are less congested areas that would not pose as much as an impact. The Committee took public comment and the consensus was that people are afraid of sharks and those fishing will generally be considerate and relocate if requested by a concerned citizen. After considerable conversation, the Committee thought enough fears and concerns had been expressed to propose changes.

Mr. McCann suggested that they make a motion that the Town beach ordinance be amended to prohibit fishing on the beach between the hours of 10:00 a.m. and 5:00 p.m. between the Friday before Memorial Day and Labor Day. Mr. Harkins moved to approve the suggestion, Mr. Lennox seconded, and the motion was passed with a vote of 3-0.

d. Public Communications Firm Update

Greg DeLoach, Assistant Town Manager, stated that the contract with the Public Communications Firm, Rawle Murdy, has been signed. He suggested that Town Council decide what topics that they would like to see the PR firm handle first. Mr. McCann suggested that the process for using the PR Firm be added to the Town Council agenda in January so that all Council Members will know the protocol for using the firm for necessary communications.

5. **New Business:**

None

6. **Adjournment:**

Mr. Harkins made a motion to adjourn and Mr. Lennox seconded. The motion passed with a vote of 3-0 and the meeting was adjourned at 3:27 p.m.

Approved:

Respectfully submitted:

John McCann, Chairman

Cindaia Ervin, Secretary

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TOWN OF HILTON HEAD ISLAND
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING

Date: January 5, 2016 **Time:** 2:00 p.m.
Members Present: John McCann, *Chairman*; Bill Harkins, Tom Lennox, *Council Members*
Members Absent: None
Staff Present: Greg DeLoach, Assistant Town Manager; Susan Simmons; *Director of Finance*, Soctt Liggett; *Director of Public Projects*; John Troyer; *Deputy Director of Finance*, Cindaia Ervin, *Finance Assistant*
Others Present: Ray Deal; Hilton Head Island-Bluffton Chamber of Commerce and other members of the community.
Media: None

1. Call to Order:

The meeting was called to order at 2:00 p.m.

2. FOIA Compliance:

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Approval of Minutes:

None

4. Unfinished Business:

a. General Discussion of FY 2016/ FY 2017 Budget Process

Susan Simmons, Director of Finance, opened the meeting and shared with the Committee that she and the finance staff will be drafting a budget workshop schedule for all departments to attend and help assist in the budget process which will start in February. Ms. Simmons used a brief timeline and will have trainings in March on the budget development and hopes to have the budget finalized in April for the approval of Town Council. Ms. Simmons shared an overview of the process of departments starting and finalizing their budgets with the use of forms and justifications if an increase is needed. Greg DeLoach, Assistant Town Manager, informed the Committee that he will initially review the proposed budgets and will only make changes on large variances if necessary.

Ms. Simmons also discussed that the Finance Department will be proposing a draft schedule to the Committee to meet with the affiliated agencies in the next few weeks. She stated that the affiliated agencies budgets are due by March and will schedule them around that time. John McCann, Chairman, stated that he would like to hear Beaufort County Sheriff's Office first if possible.

Bill Harkins, Council Member, stated that he is pleased with the work that has gone into preparing the budget. He also suggests that the Finance Department consult with the Town of Bluffton to seek insight on their approach to zero based budgeting.

At the request of the Committee, Ms. Simmons discussed the Town's impact from the Local

Government Fund which is approximately \$800,000. Based on Committee's questions about revenue outlook for the upcoming budget, she suggested possibly rebalancing how the Town's money is spent. Ms. Simmons states that the Comprehensive Annual Financial Report (CAFR) is in the final stage of completion and will be presented at the January 19th Town Council meeting. After that is presented the work of bond ordinances will begin for the beach renourishment and the GO bonds. She suggested that The Town's financial advisor and or bond counsel attend a Finance and Admiration meeting to better explain the bond process for the Town. The Committee members stated that they would appreciate that information.

b. Public Communication Firm/Work Initiation by Town Council.

Greg DeLoach, Assistant Town Manager, discussed with the Committee the process of recommending a Public Relations Firm to the full Town Council. He suggested the Committee consult the other committees to ensure their opinion is heard prior to making a formal recommendation. This topic will be added to the next Town Council Meeting on January 19th.

5. New Business:

None

6. Adjournment:

Mr. Harkins made a motion to adjourn and Mr. Lennox seconded. The motion passed with a vote of 3-0 and the meeting was adjourned at 3:00 p.m.

Approved:

Respectfully submitted:

John McCann, Chairman

Cindaia Ervin, Secretary