



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

Tuesday, March 1, 2016

2:30 p.m. – Conference Room 3

*Please note
time change.

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, February 16, 2016
4. **Unfinished Business**
None
5. **New Business**
 - a. Town Council Budget Calendar for Fiscal Year 2016-2017.
 - b. Beaufort County Sheriff's Office Performance Audit.
 - c. General Discussion of Town Council Attendance Fees.
 - d. Consideration of Accommodations Tax Committee Proposal for Out-Of-Cycle Grant Process.
 - e. Review Mayors Speech Writing Preparation Allowances.
6. **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: February 16, 2016 **Time:** 1:30 p.m.

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

Members Absent: None

Staff Present: Greg DeLoach, *Assistant Town Manager*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; Scott Liggett, *Director of Public Projects*; John Troyer, *Deputy Director of Finance*; Charles Cousins, *Director of Community Development*; and Cindaia Ervin, *Finance Assistant*

Others Present: Kim Likins and Lee Edwards, *Council Members*; Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce*; Frank Soule; *Executive Director- Island Recreation Center, Eleanor O'Key, Lowcountry Inside Track*; Charles Brown, *Marriott*; Peter Kristian, *Hilton Head Plantation General Manager*; Skip Hoagland; John Salazar, Serkan Catma and Anton Abraham ; *USCB and other members of the community.*

Media: None

1. Call to Order:

The meeting was called to order at 1:30 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. Harkins moved to approve the minutes from the Finance and Administrative Committee Meeting on January 12, 2016 at 2:00 p.m. Mr. Lennox seconded, and the motion passed with a vote of 3-0.
- b. Mr. Harkins moved to approve the revised minutes from the Finance and Administrative Committee Meeting on February 19, 2016 at 2:00 p.m. Mr. Lennox seconded, and the motion passed with a vote of 3-0.

4. Unfinished Business:

5. New Business:

Mr. McCann made a motion to speak about new business topic "C" first. Mr. Harkins moved to approve and Mr. Lennox seconded, and the motion passed with a vote of 3-0.

a. Discussion Regarding DMO Metric Reporting Calendar.

Ray Deal, Controller-Hilton Head Island-Bluffton Chamber of Commerce/VCB (HHI-BCC), discussed with the Committee the requests made from a previous meeting regarding allowing an additional person review the Chambers financial records with Mr. Lennox and he stated they have accepted the request. Mr. Deal stated to the Committee that he can schedule a time and date when it is most convenient. The second request regarding the

metric reporting in section 3.3 of the contract. He stated that some metrics are done monthly, however, some are annual such as the economic impact report and take more time at the end of the year to run formulas and models to present the most accurate information. Therefore Mr. Deal proposed that at the end of the quarter following the year they submit an annual report of those metrics. Mr. Deal stated that monthly information will remain the same. Mr. McCann stated that he would like to have the HHIBCC metrics presented at the April 5th Finance and Administrative meeting.

Mr. McCann asked for public comment and Mr. Skip Hoagland, stated that he feels that the Finance & Administrative committee should focus on procurement. He feels that the citizens need fair dealings regarding procurement services for the Town such as legal and the DMO. He feels that the HHIBCC needs to have a thorough forensic audit done by a third party and that the political system needs to change.

b. General Discussion with the Island Recreation Association regarding programming.

Frank Soule, Executive Director- Island Recreation Association, spoke with the Committee regarding the current programming. He prepared a packet with an overview of the services/programs, participant visits, and overall feedback from the community. Mr. Soule stated that the Island Recreation Center provides 186 programs on an annual basis. Mr. Lennox asked how the survey that he provided was conducted and Mr. Soule stated that it was all based on email. Mr. Lennox asked what he felt that their upside was. Mr. Soule responded with they feel confident in the programs they are providing scoring good-very good; however, he sees improvement areas such as communications and found that citizens would like to receive more through email. He feels that with the new building they will be able to service more citizens and offer more programs because it will provide adequate space.

Kim Likins, Council Member, stated that she would like to see trending in the programs provided, what programs are not doing well and possibly why. She also stated that teenagers feel that they do not have programs available to them, so she was interested if the Island Recreation Center has teenagers in their programs and what they focus on for them. Lee Edwards, Council Member, stated that he would also like to see more of a breakdown of the programs for 17 and under. He also wanted to know if a program was not as popular anymore whether they are still kept or phased out. Mr. McCann suggested that Mr. Soule come back to the Finance and Administrative Committee on March 15th with his findings.

c. Hilton Head Plantation Beach Erosion.

Bill Harkins, Committee Member, stated that over time there has been noticeable erosion throughout Hilton Head. He wanted to discuss what the Town of Hilton Head has done and what its future role should be to help address the beach erosion issue. Mr. Harkins stated that Hilton Head Planation (HHP) has been working on a POA level but taking a view of the entire Island. HHP through a vendor relationship with Applied Technology & Management, INC. (ATM) is seeking to answer the questions, "What should HHP do to implement policies that interfaces with the governments (Town, State, and Federal) that would be helpful to each POA throughout the Island and to the entire Island?" Mr. Harkins stated the Committee invited (ATM) to the meeting to share lessons learned from other communities and also hear their thoughts of how to move forward in the future. He also stated that ATM is preparing a proposal for the F & A Committee within the next month

which will document ATM's findings and observations as well as make recommendations for other Towns future roles in Island wide erosion.

Ed Modzelewski, Chairman-ATM, shared some of the different municipalities they are working with to solve stormwater, erosion and dredging issues. He posed the question how do you cooperatively fix the issue at hand. He used an example from a Long Boat Key, Florida community where they helped develop an improvement plan which includes who benefits and who helps finances the plant based on the cost/benefits. He stated a cost sharing system could be put in place that shares the funding across the State, Town and POA's. Mr. Harkins stated that there is a level of interest and desire for the Town to help financially, and he would like ATM to provide recommendations for a policies and processes to share responsibilities fairly.

Mr. McCann asked for public comment and Peter Kristian, Hilton Head Plantation General Manager, stated that Hilton Head Plantation and many others are looking for uniformity among the areas that have a need. Mr. Kristian shared with the Committee that overall HHP has a short-term need but ultimately hopes that there will be a long-term solution which includes the impacted governments. Mr. McCann stated that he would like to leave this topic open as unfinished business and discuss it at a future meeting.

d. USCB/Clemson proposed analysis/study on the effect of a Hilton Head Island Performing Arts Center on Property Values.

Mr. Harkins opened the discussion with his thoughts of what can Hilton Head do as a community to advance the arts and enable them to grow to a higher level. He stated that he reached out to Dr. John Salazar to provide an overview of the effect of a performing arts center on property values with an emphasis on residential property. Dr. Salazar stated that a hedonic study would be done to value the residential properties and the relationship with additional amenities such as the arts center. He also stated that they will work with Beaufort County GIS to complete the project and analyze the data needed.

Dr. Serkan Catma, USCB, stated that using the hedonic regression study allows them to evaluate non-market goods such as proximity to cultural and recreational amenities, environmental amenities, and proximity to businesses. In order to evaluate, they will use real estate prices and variables that are relative to the impact of the arts center. He gave an example of the possibility to determine the property value impact from a one mile, five mile or a ten mile radius to determine the impact of a performing arts center. He also stated that they will not just look at Hilton Head alone but will also look at the surrounding areas as well to understand where the attributes are and are not.

Mr. Harkins feels that if this study shows that the performing arts center will have a positive impact on residential property values, then the Town will be able to gain the support from the community for a new arts center. Mrs. Likins asked how measuring variables that are not in existence such as the proposed performing arts center would be recorded. Dr. Catma responded that will collect data and provide an estimation based on the data which will include similar centers to be able to accurately estimate the value.

Mr. McCann described a motion to recommend to Town Council the USCB/Clemson proposed analysis/study on the effect of a Hilton Head Island Performing Arts Center on Property Values. Mr. Harkins moved to approve and Mr. Lennox seconded. The motion passed with a vote a 3-0.

e. **Budget process for development of the Stormwater Fee.**

Scott Liggett, Director of Public Projects and Facilities, stated that Town has been a participant of the Beaufort County stormwater utility fee program since 2001. The fee is based on the rates set by Town Council, revenues collected by the county and revenues distributed to the Town. Mr. Liggett stated that the current fee is \$108.70 per billing unit based on the average single family unit. He stated that currently the Town receives about \$3.5 million annually for its participation in the program. The budgeted expenses include salary and benefits of staff, operating expenses, debt service, inventory and modeling, storm water maintenance, maintenance for pump stations and capital infrastructure. Mr. Lennox asked who controls the fee. Mr. Liggett stated Town Council and the last time it was increased was in 2010. He recommends revisiting the fee to determine if the present rate structure supports the stormwater needs and workload that is currently being done. Mr. Liggett will present the rate study and recommended fiscal year 2017 rates and stormwater budget during the upcoming budget workshops.

f. **Monthly Financial Statements: Discussion of form/narrative.**

Mr. Lennox discussed council receives detailed financial statements every month from the Finance Department; however, he feels that on a quarterly basis the statements should be discussed in the Finance & Administrative Committee meeting. Mr. McCann stated that he would like to discuss the budget workshop calendar and possibly condensing the schedule. Greg Deloach, Assistant Town Manager, indicated that the Mayor is in the process of reviewing the workshop schedule and he will follow up with the Committee members. Mr. McCann indicated that he would like to add the budget workshop schedule as an agenda item for the next meeting.

g. **Process of out-of-cycle ATAX grant requests.**

Mr. McCann discussed that he is pleased with how the ATAC Committee meetings and recommendations went this past cycle. He stated that he would like to see the ATAC establish a process for out-of-cycle grants. Stewart Brown, Vice Chairman-ATAC Committee, suggested that the ATAC committee formulate a one page application specifically for out-of-cycle grants. He also stated that in the process applications would come to the finance department for the initial processing stage, then to the ATAC committee for consideration of award and then to Town Council for the final awards. Mr. Brown stated that ATAC would call a special meeting to formulate a process/application and would bring the results back to the Finance & Administration Committee on March 1st for review.

6. **Executive Session**

At 3:34 Mr. McCann called a brief recess. Mr. Harkins made a motion to approve the recess and Mr. Lennox seconded and the motion passed with a vote of 3-0.

a. **Related to potential land acquisition in the Shelter Cove area.**

At 3:35 p.m. Mr. McCann called the public meeting back to order and Mr. Harkins moved to enter into Executive Session to discuss potential land acquisition in the Shelter Cove area. Mr. Lennox seconded and the motion was approved by a vote of 3-0.

Mr. McCann called the meeting back to order at 3:55 p.m. and announced there was no action taken as a result of the Executive Session.

7. **Adjournment:**

Mr. Lennox made a motion to adjourn and Mr. McCann seconded. The motion passed with a vote of 2-0 as Mr. Harkins was not present at the time of voting. The meeting was adjourned at 3:56 p.m.

Approved:

Respectfully submitted:

John McCann, Chairman

Cindaia Ervin, Secretary

DRAFT



MEMORANDUM

TO: Town Council, ESC, Senior Staff, and Department Heads

FROM: Susan Simmons, Director of Finance

DATE: February 22, 2016

SUBJECT: Town Council's FY17 Budget Workshop Dates - 2016

Below are planned dates for Town Council Budget Workshops for the FY17 Budget:

May 3, 2016 - Tuesday	4:00 p.m.	Regular Town Council Meeting – 1st Reading of Budget
May 10, 2016 - Tuesday	4:00 p.m.	Budget Workshop Affiliated Agencies Operating Budget Debt Service CIP/SWU
June 7, 2016 - Tuesday	4:00 p.m.	Regular Town Council Meeting Hopefully Budget Wrap-up
June 14, 2016- Tuesday	6:00 p.m.	Public Hearing (Definite)/Special Meeting Budget Wrap Up or Revised 1st Reading of Budget
June 21, 2016 - Tuesday	4:00 p.m.	Regular Town Council Meeting – Revised 1st or 2nd and Final Reading
June 28, 2016 – Tuesday - Tentative	4:00 p.m.	Special Meeting <u>only if needed</u> for 2nd & Final Rdg

We may need to use June 28 as a Special Meeting Date if the budget process gets delayed.
All meetings will take place in the Benjamin M. Racusin Council Chambers at Town Hall.