

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, October 5, 2010

Time: 4:00 P.M.

Present from Town Council: Thomas D. Peeples, *Mayor*; Ken Heitzke, *Mayor Pro-Tem*, John Safay, Bill Harkins, Drew Laughlin, Bill Ferguson, *Councilmen*.

Absent from Town Council: George Williams, *Councilman*

Present from Town Staff: Stephen G. Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Lavarn Lucas, *Fire Chief*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities*; Susan Simmons, *Finance Director*; Nancy Gasen, *Director of Human Resources*; Jill Foster, *Deputy Director of Community Development*; Teri Lewis, *LMO Official*; Shawn Colin, *Comprehensive Planning Manager*; Heather Colin, *Development Review Administrator*; Brad Tadlock, *Deputy Fire Chief*; David Cooler, *Administrative Battalion Chief*; Tom Fultz, *Director of Administrative Services*; Julian Walls, *Facilities Manager*; Paul Rasch, *Emergency Management Coordinator*; Mike Roan, *Urban Design Administrator*; Shea Farrar, *Senior Planner*; Connie Pratt, *Code Enforcement*; Brian Hulbert, *Staff Attorney*; Joheida Fister, *Fire Marshall*; Sam Burnett, David Burns, *Senior Fire Inspectors*; Albert Hanzalik, *Fire Inspector*; Randy Marrero, *Systems Analyst, Public Safety*; Cinda Seamon, *Public Education Officer*; Paul Rasch, *Emergency Management Coordinator*; Dave Britton, *Fire Lieutenant*; Reggie Malphrus, *Senior Firefighter*; Bruce Gatlin, *Firefighter*; Jeff Hartberger, *Battalion Chief*; Kevin Ashdown, *Senior Firefighter*; Vicki Pfannenschmidt, *Administrative Assistant*

Present from Media: Tom Barton, *Island Packet*

1) CALL TO ORDER

2) PLEDGE TO THE FLAG

3) INVOCATION

4) 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.

5) PROCLAMATIONS AND COMMENDATIONS

a. Fire Prevention Week

Members of the Hilton Head Island Fire & Rescue Department accepted the Proclamation.

6) APPROVAL OF MINUTES

a. Regular Town Council Meeting of September 21, 2010

Mr. Heitzke moved to approve. Mr. Harkins seconded. The motion was approved by a vote of 6-0.

b. Joint Town Council/Planning Commission meeting of September 15, 2010

Mr. Heitzke moved to approve. Mr. Harkins seconded. The motion was approved by a vote of 6-0.

7) **REPORT OF THE TOWN MANAGER**

a. Town Manager's Items of Interest

The Town Manager reported on some items of interest.

b. Proposed change in November 16 Town Council meeting date

Mr. Heitzke moved to change the November 16, 2010, 4:00 p.m. Town Council meeting date to Wednesday, November 17, 2010 at 4:00 p.m. Mr. Ferguson seconded. The motion was approved by a vote of 6-0.

c. Preliminary Year-End Financial Statements for June 30, 2010

Mr. Riley said before he got into the year end financial statements he wanted to answer the inquiry from the last Town Council meeting concerning the time line that would be necessary for LMO amendment concerning the length of the runway of the airport. He said if Council wished to go forward with changes after the October 27, 2010 meeting with County Council, an ad would be due by November 1, 2010 for the Planning Commission Public Hearing. The hearing would be held on December 15, 2010. It would get to the Planning and Development Standards Committee on January 26, 2011, reported to Council on February 1, 2011 and first reading would take place February 15, 2011 and second reading March 1, 2011. If it was determined that additional LMO changes were necessary it may take a few more weeks to review and the schedule would change. He explained this was a rough time line for the process.

Mr. Riley said the preliminary year end financial the statements were included in the agenda packet and the year ended under budget. He stated he or Susan Simmons would gladly answer any questions at this time or at a later date. Susan Simmons answered questions concerning the statements.

d. Consideration of a recommendation that the Town Council take a position and communicate same regarding various tax proposals under consideration by the South Carolina Tax Realignment Commission

Mr. Riley informed Council that at a recent Intergovernmental Committee meeting the various tax proposals were reviewed. He explained the Committee asked staff to review and make recommendations concerning proposals to the South Carolina Tax Realignment Commission pertaining to the local accommodations and hospitality tax and the State accommodations tax and convey them to Town Council. He went on to inform Council there were timelines involved and one of them was a hearing to be held on Thursday, October 7, 2010 and MASC would be participating. He said Susan Simmons would be present and was scheduled to speak at the hearing. Mr. Laughlin moved to approve the recommendation from staff having to do with the proposed tax changes before the Tax Realignment Commission. Mr. Safay seconded.

Mayor Peeples asked about the section concerning admissions tax. He stated he thought the County was utilizing the admissions tax as part of the road improvements in the County. Susan Simmons stated after further research she found the County can appeal to the State to receive a portion of the State Admissions Tax and she felt that may be what the County was receiving. She said the money was part of a product development fund and it looked like it would stay the same. Mr. Heitzke recommended the letter with Town Council's position should also be sent to the Municipal Association of South Carolina. Ms. Simmons stated the plan, upon approval, was to send the letter to the local legislative delegation, TRAC and MASC. Mr. Harkins requested copies sent to leaders in the local arts and cultural community. Mayor Peeples said he will vote

to approve staff recommendations on the proposals with a slight reservation. He explained he would like to better understand the admissions tax issues and what admissions tax the County utilized. He said he didn't want to support losing dollars that go toward funding road improvements. Susan Simmons said she would check into it further. The motion was approved by a vote of 5-0-1. Mr. Ferguson abstained because he did not have time to review the draft.

8) REPORTS FROM MEMBERS OF COUNCIL

a. General Reports from Council

None.

b. Report of the Intergovernmental Relations Committee – George Williams, Chairman

Mr. Heitzke reported the Committee met on September 22, 2010 to discuss the tax proposal under consideration by the South Carolina Tax Realignment Commission which brought forward the recommendation discussed earlier under Item 7d. on today's agenda.

c. Report of the Personnel Committee – Drew Laughlin, Chairman

Mr. Laughlin reported all board, committee and commission vacancies have been filled.

d. Report of the Planning and Development Standards Committee – Bill Ferguson, Chairman

Mr. Ferguson reported there would be a special meeting of the committee to be held on October 18 at 2:30 p.m. He explained it would be a workshop on economic development and all Town Council members were encouraged to attend. Mr. Ferguson moved Town Council encourage the Committee to include inviting property owner's association and community association representatives to attend, participate, ask questions and receive answers from the delegates. Mr. Heitzke seconded. Discussion ensued concerning if it was necessary for Town Council to do this in the form of a formal motion. The motion was approved by a vote of 5-1. Mr. Harkins was opposed. He explained he was not in opposition to groups participating but felt this vote was not necessary because it was a public meeting and all that want to attend and participate are welcome.

e. Report of the Public Facilities Committee – John Safay, Chairman

Mr. Safay reported the Committee met on Monday, October 4, 2010 with three items on the agenda. He said there was a presentation concerning the proposed Cancer Survivor Park and the Committee was going forward to Town Council with a positive recommendation. He stated the Committee reviewed the list of locations on the Island for debris collection sites in the event of a disaster. Mr. Safay reported the Committee asked staff to look at an alternative to using Honey Horn as a site but was recommending Town Council approve the plan as shown. He reported the Committee was also recommending Town Council donate Town owned land on Marshland Road to Habitat for Humanity.

Report of the Public Safety Committee – Bill Harkins, Chairman

No report.

9) APPEARANCE BY CITIZENS

None.

10) UNFINISHED BUSINESS

- a. None.

11) NEW BUSINESS

- a. **Consideration of a recommendation that the Town Council for the Town of Hilton Head Island adopt a Resolution establishing a parking meter zone for public parking at Islanders Beach Park and reserving the remaining spaces for beach pass parking.**

Mr. Heitzke moved to approve. Mr. Safay seconded. The motion was approved by a vote of 6-0.

- b. **First Reading of Proposed Ordinance No. 2010-20 authorizing the Town Council for the Town of Hilton Head Island for the issuance and sale of not to exceed \$13,000,000.00 General Obligation Refunding Bonds, Series 2010B, or such other appropriate series designation, of the Town of Hilton Head Island, South Carolina; fixing the form and certain details of the bonds; authorizing the Town Manager 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; and providing for severability and an effective date.**

Mr. Heitzke moved to approve. Mr. Safay seconded. Mr. Harkins asked if staff was doing something to achieve the best effective rate possible for the bonds. Susan Simmons responded there were times when the Town sells bonds and enters into a forward delivery agreement. The agreement locks the Town into an investment strategy to get the best interest in those reserve funds. She said other times they have not entered into a forward delivery agreement but the funds are monitored. She stated funds on hand to support the Town's debt service were receiving good rates at this time. The motion was approved by a vote of 6-0.

- c. **Consideration of a Resolution relating to the Declaration of Intent by the Town of Hilton Head Island, South Carolina, to reimburse certain expenditures prior to the issuance by the Hilton Head Island Public Facilities Corporation's tax exempt debt.**

Mr. Heitzke moved to approve. Mr. Harkins seconded. Susan Simmons explained this was concerning the Port Royal Beach Renourishment Project and this reimbursement resolution needed to be in place prior to issuing bonds. This will allow expenditures incurred prior to the issue of the bonds to qualify for reimbursement. She stated in the next couple of months she will come back to Council for an ordinance approving the issue of bonds and the bonds will most likely be issued in early 2011. The motion was approved by a vote of 6-0.

- d. **First Reading of Proposed Ordinance No. 2010-21 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2010; to provide for the expenditure of certain funds; and to allocate the sources of revenue for the said funds; and providing for severability and an effective date.**

Mr. Heitzke moved to approve. Mr. Safay seconded. The motion was approved by a vote of 6-0.

- e. **First Reading of Proposed Ordinance No. 2010-22 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2011; to provide for the budget appropriations of prior year encumbrances; to provide for the expenditure of certain funds; and to allocate the sources of revenue for the said funds;**

and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Safay seconded. The motion was approved by a vote of 6-0.

f. First Reading of Proposed Ordinance No. 2010-23 to amend the budget for the Town of Hilton Head Island, South Carolina for the fiscal year ending June 30, 2011; to provide for the budgeted appropriations of prior year budget roll-forwards; to provide for the expenditure of certain funds; and to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Safay seconded. The motion was approved by a vote of 6-0.

12) EXECUTIVE SESSION

Mr. Riley said that he needed an executive session for contractual matters pertaining to land acquisition; legal advice pertaining to pending litigation; a contractual matter pertaining to a dual representation issue involving the Town Attorney; and personnel matters pertaining to the annual review of the Town Manager.

At 4:45 p.m., Mr. Heitzke moved to go into Executive Session for the reasons stated by the Town Manager. Mr. Safay seconded. The motion was approved by a vote of 6-0.

The Mayor called the meeting back to order at 6:07 p.m. and asked if there was any business to take up as a result of Executive Session.

Mr. Ferguson moved that the Town Council for the Town of Hilton Head Island authorize the execution of a contract for purchase of 1.55 acres on Squire Pope Road from the Fuller Family Land Trust for one million (\$1,000,000.00) dollars. Mr. Heitzke seconded. The motion was approved by a vote of 6-0.

Mr. Ferguson moved that the Town Council for the Town of Hilton Head Island authorize the execution of a contract for purchase of 3.778 acres on Squire Pope Road from the heirs of Benjamin Walters for two million five hundred thousand (\$2,500,000.00) dollars. Mr. Laughlin seconded. The motion was approved by a vote of 6-0.

Mr. Heitzke moved to amend the Town Manager's contract of employment to provide for vision plan coverage for Mr. Riley and his dependents at Town expense. Mr. Laughlin seconded. The motion was approved by a vote of 6-0.

Mayor Peeples reported Town Council continues to be very pleased with the work the Town Manager, Stephen Riley, was doing for the Town of Hilton Head Island and they look forward to continued success working together.

13) ADJOURNMENT

At 6:10 p.m., Mr. Heitzke moved to adjourn. Mr. Laughlin seconded. The motion was approved by a vote of 6-0.

Vicki Pfannenschmidt, Secretary

Approved: 10/19/2010

Thomas D. Peeples, Mayor