

THE TOWN OF HILTON HEAD ISLAND

REGULAR TOWN COUNCIL MEETING

Date: Tuesday, June 21, 2011

Time: 4:00 P.M.

Present from Town Council: Drew A. Laughlin, *Mayor*; Ken Heitzke, *Mayor-Pro Tem*; Bill Ferguson; George Williams, Bill Harkins, Kim Likins, Lee Edwards, *Council Members*.

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Scott Liggett, *Director of Public Projects and Facilities*; Tom Fultz, *Director of Administrative Services*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Director of Finance*; Steven Markiw, *Deputy Finance Director*; Jill Foster, *Deputy Director of Community Development*; Brian Hulbert, *Staff Attorney*; Brad Tadlock, *Deputy Fire Chief – Operations*; Ed Boring, *Deputy Fire Chief – Support Systems*; Teri Lewis, *LMO Official*; Heather Colin, *Development Review Administrator*; Nicole Dixon, *Senior Planner*; Marcy Benson, *Senior Grants Administrator*; Trudie Johnson, *Floodplain Administrator*; Anne Cyran, *Senior Planner*; Julian Walls, *Facilities Manager*; Paul Rasch, *Emergency Management Coordinator*; Rene Phillips, *Website/Court Systems Administrator*; Lori Schmidt, *Billing and Cash Receipting Manager*; Natalie Majorkiewicz, *Systems and Reporting Administrator*; Vicki Pfannenschmidt, *Executive Assistant*

Present from Media: Tom Barton, *Island Packet*

1) CALL TO ORDER

Mayor Laughlin called the meeting to order at 4:00 p.m.

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

None.

6) Approval of Minutes

a. Town Council Budget Workshop – May 24, 2011

Mr. Heitzke moved to approve. Mr. Williams seconded. The minutes from the May 24, 2011 Town Council Budget Workshop were approved by a vote of 7-0.

b. Regular Town Council Meeting – June 7, 2011

Mr. Heitzke moved to approve. Mr. Williams seconded. The minutes from the June 7, 2011 Town Council meeting were approved by a vote of 7-0.

7) Report of the Town Manager

a. Town Manager's Items of Interest

Town Manager Steve Riley reported on some items of interest.

b. June, 2011 Policy Agenda, Management Targets and CIP Updates

Steve Riley noted the June updates were included in the agenda package and said he would be happy to answer any questions.

8) Reports from Members of Council

a. General Reports from Council

None.

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

Mr. Williams said the meeting originally scheduled for today, June 21 was cancelled due to a lack of agenda items. He announced there would be a special meeting held on July 11, 2011 at 9:00 a.m. and the topic will be redistricting.

c. Report of the Personnel Committee – Lee Edwards, Chairman

None.

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

Mr. Ferguson said that Item 11.a. under New Business comes with a recommendation for approval from the Planning and Development Standards Committee.

e. Report of the Public Facilities Committee – Kim Likins, Chairman

None.

f. Report of the Public Safety Committee – Bill Harkins, Chairman

None.

g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member

Mrs. Likins said the Committee was almost finished with the education process. She stated staff efforts were appreciated. She explained the next steps will be to categorize the identified issues and identify individuals with expertise in those areas to assist in moving forward.

9) Appearance by Citizens

Mr. Peter Kristian said he wanted to thank Hilton Head Island Fire and Rescue for the response to the brush fire in Hilton Head Plantation on Tuesday, June 14. He said they did an outstanding job of containing the fire and putting it out in a timely manner. He also commented on the LMO ReWrite Committee and said he has attended meetings and has been welcomed to participate. He complimented the Committee on their work.

10) Unfinished Business

a. Second Reading of Proposed Ordinance No. 2011-09

Second Reading of Proposed Ordinance No. 2011-09 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2012; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Williams seconded. Mr. Riley said the 0.79 proposed millage increase is less than what is allowed by State Law. He explained that staff proposes \$500,000 be used to offset the transfer of Beach Fee monies out of operations to the Port Royal Beach Renourishment Project. Mr. Riley stated the remaining \$225,000 will go into the Capital Improvement Fund and a specific project will be identified in the future. He added that benchmarking in several areas will be worked on and fine tuned over time. Mr. Riley said these small changes do not affect the proposed ordinance and the changes can be adjusted when the other adjustments are done that come out of the year-end audit.

Mr. Harkins complimented Mr. Riley for his responsiveness in such a short period of time in addressing the questions and issues that were raised at the last meeting.

Mr. Edwards stated he thought the franchise fee covered costs for the recycling initiatives. Mr. Riley explained there are revenues projected in the budget from the franchise fee.

Members of the public spoke concerning the proposed budget.

Mr. Ferguson suggested some of the \$225,000 earmarked for the CIP fund should be utilized for the paving of dirt roads.

Mrs. Likins stated she would be supporting the budget. She complimented Mr. Riley and staff for meeting Council's requests in helping Council understand the budget as well continuing to cut away at some of the operational issues. She stated the millage increase shows the willingness of Town Council to invest in the future of the community. She spoke of the need to maintain infrastructure, noting the effort does not come without costs. Mrs. Likins said during the campaign many things were brought up as issues to be addressed. She said she feels Town Council is taking steps forward in doing so with one being the creation of the LMO ReWrite Committee.

Mr. Williams stated he will be in support of the budget. He said that at the Town Council Workshop in December, he requested and everybody supported that Town Council and staff would work diligently and have more meetings on the budget and that has been done. Mr. Williams added his thanks to Town Council and staff and said he felt is a good budget and will be beneficial to the Town as they move forward.

Mr. Edwards asked if the \$500,000 shift from operations to the CIP would be a permanent shift of funds. Mr. Riley said it would.

Mayor Laughlin stated he felt everyone takes their fiduciary responsibilities seriously and for that reason the Town is in a very secure position. He said he understands and appreciates the fact that times are difficult and the economy has not rebounded as quickly as all would have liked, but it is showing signs of moving in the right direction. He urged that, as the leadership of the Town, they make this a moment of courageous governing which will ensure the need for momentum for future progress. Mayor Laughlin stated the Community has just garnered national attention as the Royal Bank of Canada and Boeing have stepped up to sponsor the Heritage Golf Tournament for the next five years. He said the Town, the area and the State have been given a huge boost and this fact, in itself, should encourage them to look forward with confidence and determination. He asked all to keep in mind that the principal cause of the need of the 0.79 millage increase is not going to frills or fat, rather it is largely attributed to new initiatives and the loss of the \$500,000 in Beach Fees from the general fund. He said the investment should be made today for the many tomorrows before the Town. He said he would be voting in favor of the budget.

Mr. Ferguson stated he represents a section of Hilton Head Island that is economically strapped and any increase will be a burden. He said he was elected to share the views of his constituents and vote in that direction. He said he would be voting against the budget. The motion was approved by a vote of 6-1. Mr. Ferguson was opposed.

At 4:30 p.m. Mr. Heitzke asked the Mayor if he could be excused from the Town Council meeting due to a prior commitment he needed to take care of. Mayor Laughlin excused Mr. Heitzke and explained that Mr. Heitzke had postponed his commitment in order to be present for the final reading of the budget.

b. Second Reading of Proposed Ordinance No. 2011-08

Second Reading of Proposed Ordinance No. 2011-08 to revise language and defined terms to be consistent with the National Flood Insurance Program regulations 44 CFR, Parts 59 and 60; clarify the scope and purpose of the Ordinance and correct outdated reference to the International Building Code.

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

c. Second Reading of Proposed Ordinance No. 2011-10

Second Reading of Proposed Ordinance No. 2011-10 authorizing the execution of those certain Parking Easement Agreements with Rowe Highsmith, LLC over property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S. C. Code Ann. Sec. 5-7-40 Supp. 2010), and Sec. 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

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

11) New Business

a. First Reading of Proposed Ordinance No. 2011-11

First Reading of Proposed Ordinance No. 2011-11 to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, the Land Management Ordinance, Chapter 4, to revise Section 16-4-1204 and to add Section 16-4-13xx. This amendment commonly referred to as the *WMU Outdoor Recreation Amendment* as noticed in the Island Packet on March 27, 2011, includes changes that provide for an amendment to LMO Section 16-4-1204, use table and the addition of a new Section, 16-4-13xx, Outdoor Recreation; and providing for severability and an effective date.

Mr. Ferguson moved to approve. Mrs. Likins seconded. Mr. Riley said there were questions about suggested limitations concerning lighting and hours of operation that the Planning Commission had recommended. He explained the Planning and Development Standards Committee had recommended approval without those limitations and that is the recommendation before Town Council. The motion was approved by a vote of 6-0.

b. Consideration of a Resolution

Consideration of a Resolution of the Town Council of the Town Of Hilton Head Island, South Carolina to execute the Grant Agreement with the South Carolina Budget & Control Board Office of Local Government and execute the Sub-Recipient Agreement with Hilton Head Public Service District for the Water & Sewer Energy Efficiency Grant.

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

c. Appointments to Town Boards and Commissions

Mr. Edwards moved to appoint Trish Heichel to the Accommodations Tax Advisory Committee for a three year term beginning July 1, 2011 through June 30, 2014. Mr. Williams seconded. The motion was approved by a vote of 6-0

12) Executive Session

Mr. Riley stated he needed an executive session for contractual matters pertaining to land acquisition; including a request to swap town-owned land; contractual matters pertaining to the Stoney Sewer agreement with Hilton Head Public Service District; contractual matters pertaining to a lease of town-owned land; contractual matters pertaining to a re-locatable easement on town-owned land; and personnel matters pertaining to a review of the Town Manager.

At 4:40 p.m., Mr. Harkins moved to go into Executive Session for the reasons stated by the Town Manager. Mr. Williams seconded. The motion was approved by a vote of 6-0.

Mayor Laughlin called the meeting back to order at 6:34 p.m. and asked if there was any business to take up as a result of executive session.

Mr. Ferguson moved that the Mayor and Town Manager be authorized to execute an agreement between the Town and the Hilton Head Public Service District upon presentation of the signed agreement by the Hilton Head Public Service District related to the payment for the design and construction of sewer infrastructure in the Stoney Area of Hilton Head Island. Mr. Williams seconded. The motion was approved by a vote of 6-0.

13) Adjournment

Mr. Williams moved to adjourn. Mrs. Likins seconded. The meeting was adjourned at 6:35 p.m.

Vicki Pfannenschmidt, Secretary

Approved: July 5, 2011

Drew A. Laughlin, Mayor