

**TOWN OF HILTON HEAD ISLAND
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING**

Date: April 21, 2015 **Time:** 1:30 p.m.

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

Members Absent: None

Staff Present: Susan Simmons, *Director of Finance*; Tom Fultz, *Director of Administrative Services*; Brian Hulbert, *Staff Attorney*; Jill Foster, *Deputy Director of Community Development*; Erica Madhere, *Finance Administrator*

Others Present: Don Kirkman, *Hilton Head Island Economic Development Corporation*; Frank Soule, *Island Recreation Association*; Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce / VCB*; Eleanor O'Key, *Lowcountry Inside Track*; and Members of the public

Media: Zach Murdock, *Island Packet*

1. Call to Order:

The meeting was called to order at 1:38 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 of April 7, 2015 at 11:45am. Mr. Lennox seconded the motion, and the Committee voted unanimously in favor to approve the minutes.
- b. Mr. Harkins moved to approve the Minutes of the Finance and Administrative Committee Meeting of April 7, 2015 at 1:30pm and Mr. Lennox seconded. The motion passed with a vote of 3-0.

4. Unfinished Business:

None

5. New Business:

a. Continue discussion of Beaufort County Sheriff's Office FY16 Budget Request

The Committee asked about the typical process for evaluating the different sections of the Beaufort County Sheriff's Office budget request. Susan Simmons, Finance Director for the Town, explained the Personnel request includes all costs associated with the existing staff, over which the Sheriff's Office does not have much control. The Operating budget request has remained the same over the past couple of years. The request for new items will need to be evaluated to determine necessity. The budget request for new items will not be

included in the Town's first pass of the budget. The Committee requested a copy of the Organizational Chart from the Sheriff's Office as there are still questions about the FTE's and total head count. It was suggested that the Organizational Chart should be included in the Budget Book.

b. Review of Affiliated Agencies: Solicitor's Office and Hilton Head Island Economic Development Corporation

A representative from the Solicitor's Office was not able to attend the meeting, and Ms. Simmons briefly explained there is not a formal agreement or contract with the organization. The Solicitor's Office typically requests funds to be split between the Career Criminal program and the Drug Court, of which they provide the results each year during the Budget Workshops. The Committee thought further discussion, if needed, about this organization and its budget request could be incorporated into the Council's regular Budget Workshop on May 12.

Don Kirkman, Executive Director of the Hilton Head Island Economic Development Corporation (EDC), explained the organization was formed in June of 2013 at the recommendation of Town Council, and gave a brief overview of the past and current budgets, noting that the full budget in the current fiscal year will not be spent, and therefore a substantial amount will be returned to the Town's General Fund. Mr. Kirkman also explained the FY2016 budget request is slightly less than the FY2015 budget, and was built around the EDC's approved Action Plan. The Committee asked how the EDC will measure its efficacy over time, and Mr. Kirkman explained the EDC was created to help diversify, broaden and deepen the Hilton Head Island economy. A good measure will be the number of new businesses established on the Island, as well as the growth and expansion of existing Island employers, as a direct result of the EDC's business marketing and recruiting efforts. Adding more sectors to the local economy will reduce the risk of relying on only a few industries. The EDC is developing a dashboard for measuring activities and outcomes that show metrics for conventional factors such as job creation, wages, and tax base, but also creative activities for the Island, such as public education and awareness, and working with important partners to identify opportunities and address more unique business needs on Hilton Head. Mr. Kirkman also let the Committee know that the main obstacle to economic development on the Island is the lack of affordable or available commercial real estate, and it is imperative to find a solution to this obstacle in order to be able to succeed. The Committee also questioned if the EDC's functions overlap with those of the Chamber of Commerce, and Mr. Kirkman explained the two organizations have a good working relationship, and refer business back and forth, as they specialize in different industries. Finally, the Committee suggested some desired adjustments to the presentation of the EDC's budget request, such as adding year to date actuals and forecasting end of the year expenses. The Committee would also like the agreements between the EDC and the Town, and the EDC's By-laws to be added to the compilation of information on the Affiliated Agencies.

c. Wrap-up of Affiliated Agency review

The Committee, Ms. Simmons, and Frank Soule, Executive Director of the Island Recreation Association, discussed determining the true cost of recreation on the Island. After the current budget season, Town Staff will work to extrapolate all costs associated with recreation, whether the costs are within the Island Recreation Association's budget or the Town's budget.

Mr. Harkins moved to amend the meeting Agenda to include an item for the discussion of general budget questions. Mr. Lennox seconded and the motion was approved with a vote of 3-0. After the current budget season, the Committee would like to know what percentage of the total overall budget is spent on maintenance. Separate line items can be listed in order to be able to evaluate what should or should not be included in the maintenance category.

The Committee reviewed the meeting schedule for August, 2015 and Mr. Harkins moved to cancel the meeting scheduled for August 4, 2015. Mr. Lennox seconded and the motion passed with a vote of 3-0.

6. Adjournment:

Mr. Lennox made a motion to adjourn and Mr. Harkins seconded. All members voted in favor and the meeting was adjourned at 2:20 p.m.

Approved:

Respectfully submitted:

John McCann, Chairman

Erica Madhere, Secretary