

TOWN OF HILTON HEAD ISLAND  
**INTERGOVERNMENTAL RELATIONS COMMITTEE**

Minutes of the Monday, April 20, 2015  
Regular Meeting

*Members Present:* Bill Harkins, *Chairman*, John McCann and Thomas W. Lennox, *Council Members*

*Members Absent:* None

*Others Present:* Kim Likins, *Council Member*; Joe Croley, *Lowcountry Inside Track*; Stu Rodman, *Beaufort County Council Member*; Hannah Horne, *Hilton Head Island – Bluffton Chamber of Commerce*; Debbie Szpanka, *Town of Bluffton Public Information Officer*

*Staff Present:* Greg DeLoach, *Assistant Town Manager*; Faidra Smith, *Administration Manager/Public Information Coordinator*; and Lynn Buchman, *Senior Administrative Assistant*

*Media Present:* Zach Murdock, *The Island Packet*

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**1. Call to Order**

The meeting was called to order at 10:02 a.m. by Chairman Harkins.

**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 motion to approve the minutes of the March 16, 2015 meeting of the Intergovernmental Relations Committee was made by Mr. Lennox and seconded by Mr. McCann. The motion was adopted by a vote of 2-0, with Chairman Harkins not voting since he was not in attendance at that meeting.

**4. Chairman's Report**

None.

**5. Unfinished Business**

None.

**6. New Business**

**a. General Discussion with Invited Legislative Delegation Member, Senator Tom Davis**

Chairman Harkins introduced and welcomed Senator Tom Davis and briefly outlined the topics the Committee and Senator Davis would be discussing.

Senator Davis noted that budget considerations were the most consuming items at this point in the legislative session for the General Assembly, and in particular for the Senate, occupying the next 2 to 3 weeks of the Senate's time.

Senator Davis outlined his priorities in the budget process is to focus on maintaining and increasing the funding streams for K-12, USC-B, and Technical College of the Lowcountry by closely watching for any provisos to the budget that might alter funding. He indicated the Senators from Charleston and Horry Counties would be doing the same, as these coastal counties have similar demographics and assessed property tax base.

He noted the next bill of significance would be the gas tax bill to repair roads and bridges. He reviewed various components of the bill requiring public awareness, including the aggregate amount of new revenue, reform needed to move away from a politically driven system directing where the money goes towards a more objective system that ranks capital projects by rational need, and the possibility of diverting increasing existing recurring general fund revenues to roads and bridges. For a gas tax bill or roads bill to be passed not only in the Senate, but to have any chance of surviving a gubernatorial veto, Senator Davis indicated expenditure reform and using existing revenue sources to supplement new revenue would be needed. A discussion among the Committee members and Senator Davis followed concerning whether substantive reforms to expenditures was possible, where the increased general fund revenues are being spent, and strategies to be developed to implement real reform.

Chairman Harkins and Senator Davis discussed the sources of State and local government revenues, the glaring weaknesses in the tax code, and the exemptions that in most cases bear no rational relationship to a compelling State purpose.

Senator Davis estimated that upgrading of existing road and bridge infrastructure and putting in new infrastructure would cost between \$400 Million indicated by the Governor and \$1.4 Billion indicated by SCDOT in additional revenues.

Senator Davis reviewed the inherent inequities and the history of Act 388, the ways equity among classes of property could possibly be achieved, but he noted the political will is not there, nor are major groups or the general public insisting on reform of Act 388. Senator Davis and Beaufort County Councilman, Stu Rodman, briefly discussed the bill proposed by Representative Herbkersman which would allow a local county council with voter referendum approval to impose a 1% sales tax to provide property tax relief. Mr. Rodman indicated Beaufort County Council had passed a resolution of support for the legislation.

The business license bill filed by Representative Quinn in the House, as well as other iterations of the bill, were discussed. Senator Davis predicted no movement of this legislation during the current session. However, he noted that if and when it does move, everyone should be mindful of the compelling equitable arguments made by those paying the business license fees, and also be mindful of the local economic impact it would have, so it should be coupled with revenue coming back to the localities.

Senator Davis reported that permits for the Port in Jasper County would be filed this fall, beginning its 5-year process of obtaining the various regulatory approvals it needs. He pointed out the Port is now a reality that is going to happen within 8 to 9 years, and how transformative it will be to this region. A brief discussion followed concerning the size of the port, the advantages of its location, its impact on the SC coastal region, and the road structure needed to support it.

Senator Davis noted that one item talked about by the General Assembly, although no specific proposal has reached the Senate, is taking some of the less traveled, non-primary, or non-arterial roads in the system and devolving their ownership and maintenance responsibilities down to the County level. He indicated that money for maintenance and decision making authority for road maintenance that is currently held by the Delegation should also be devolved down to the County level.

Council Member, Kim Likins, and Senator Davis discussed continued funding for alternative education for special needs, which was begun last year by a budget proviso started by Senator Davis and Kevin Bryant. He noted how successful this has been, and predicted an expansion of the program is likely this year.

Greg DeLoach, Assistant Town Manager, and Senator Davis discussed federal and state funding options that might be available for the long-term regional projects Town Council has identified in its annual workshops, e.g., adding a lane on I-26, I-95, and bridge replacement to Hilton Head Island.

Senator Davis responded to questions from the public, confirming for Joe Croley that he would run for re-election next year, citing the progress that had been made and more to be accomplished as he gains seniority. Hannah Horne thanked Senator Davis for his concern for USC-B and K-12 funding and asked for his assistance in protecting the destination specific funding, and he briefly discussed the impact such funds have on not only the local area, but the State as a whole. Debbie Szpanka and Senator Davis discussed the general concept of Uber in the State of South Carolina, the actions being taken by the Public Service Commission, and the status of legislation being introduced. Senator Davis outlined for Zach Murdoch the legislative steps being taken to authorize and regulate the growth and medical uses of cannabis in South Carolina, as prescribed by physicians.

Chairman Harkins thanked Senator Davis for his excellent report.

## 6. Adjournment

At 11:05 a.m. Mr. Lennox moved to adjourn and Mr. McCann seconded. The motion was approved by a vote of 3-0.

Respectfully submitted:

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Lynn W. Buchman  
Senior Administrative Assistant

Approved on June 15, 2015:

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Bill Harkins, Chairman