

THE TOWN OF HILTON HEAD ISLAND
SPECIAL MEETING/BUDGET WORKSHOP

Date: Tuesday, May 27, 2015

Time: 4:00 P.M.

Present from Town Council: David Bennett, *Mayor*; Bill Harkins, *Mayor Pro Tem*, Marc Grant (arrived as the meeting was in progress), Tom Lennox, Kim Likins, John McCann, *Council Members*

Absent from Town Council: Lee Edwards, *Council Member*

Present from Town Staff: Steve Riley, *Town Manager*; Charles Cousins, *Director of Community Development*; Brad Tadlock, *Fire Chief*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Director of Finance*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Tom Fultz, *Director of Administrative Services*; Brian Hulbert, *Staff Attorney*; Julian Walls, *Facilities Manager*; Derrick Coaxum, *Assistant Facilities Manager*; Mike Mayers, *Deputy Fire Chief*; Jeff Buckalew, *Town Engineer*; Brian McIlwee, *Assistant Town Engineer/Storm Water Manager*; Victoria Shanahan, *Accounting Manager*; John Valvo, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*

Present from Media: Jessica Knight, WTOC-TV

1. Call to Order

Mayor Bennett called the special meeting/budget workshop to order at 4:05 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. Capital Projects Fund (CPF) and Storm Water Utility Fund (SWU) Review

Scott Liggett reviewed the proposed FY16 CIP Budget including carry-over projects, new projects and recurring projects. He explained that during the first quarter of the upcoming fiscal year is when all of the roll-forward amounts will be finalized and asked that Council keep in mind that all the figures are estimates and they are trying to be reflective of the budget amendments that occurred this fiscal year.

He referenced the funding for road acquisition and sewer projects noting it is an evolving recommendation due to the results of the Sewer Summit held on May 14. He said they identified lines and funding levels in the CIP for both initiatives but noted they don't represent a five year program implementation. He added that they are now working closely with the Public Service District to refine the recommendations and expects there will be a potential budget amendment soon after the start of the fiscal year in order to reflect the final guidance of Council.

Mr. Liggett reviewed in detail the priority projects which include USCB, Coligny District Redevelopment, Beach Renourishment and the Island Recreation Center Expansion. In addition, he went over all budgeted amounts for pathways, roadways, parks, existing facilities, new facilities and beach management and answered questions from Council.

Mr. Liggett conducted a summary of the Storm Water Utility reviewing salary and benefits, operating expenses, debt service, capital and infrastructure improvement, inventory and modeling, maintenance and repairs and pump station expenses. He stated the fee was unchanged at \$108.70 per single family unit for this upcoming fiscal year and noted that the Town is working with Beaufort County and other municipalities to conduct a fee study. Mr. Liggett informed Council that Beaufort County is studying a potential surcharge on all Beaufort County fee payers which includes Hilton Head Island. It would address the costs for the County to provide services to County facilities located within each municipality. He said he does not yet know all of the details but will report information to the Town Manager as it is received. Questions from Council were addressed.

4. **Continued Review of General and Debt Service Funds**

Ms. Simmons reviewed the suggested changes from the May 12 Workshop and addressed funding sources which were, \$500,000 for the Airport Noise Reduction Wall, and additional \$25,000 for the Palmetto Breeze (LRTA); \$75,000 for the BCSO-Detention Center Reimbursement; and \$25,000 for the Economic Analysis (Dr. Salazar). She noted that to ensure sufficient funds are available to address some of the 2015 goals, the Town will use a lump sum of \$750,000 with a placeholder titled Town Council Initiatives in the Town-wide section of the General Fund. For funding sources for the proposed changes she recommended using the .83 mil available from prior years in the amount of \$703,000, the \$500,000 transfer of CPF ad valorem tax available, and \$172,000 of additional prior year funds. After detailed discussion, the consensus from Council was to include the changes and utilize the sources of funding recommended in the proposed budget for first reading.

Frank Babel addressed Council requesting they consider including funding for pathway safety.

5. **Executive Session**

Mr. Riley stated he needed an Executive Session for consideration of appointments to boards and commissions which deals with the Beaufort County Capital Projects Sales Tax Commission for which Town Council must make an appointee. At 5:36 p.m. Mr. Harkins moved to go into Executive Session for the reasons stated by the Town Manager. Mr. McCann seconded. The motion was approved by a vote of 6-0.

Mayor Bennett called the meeting back to order at 5:50 p.m. stating no action was taken during Executive Session and asked if there was any business to address. Mr. McCann moved to amend the agenda to add the item: **Appointment to the Capital Projects Sales Tax Commission**. Mr. Harkins seconded. The motion was approved by a vote of 6-0.

6. Appointment to Capital Projects Sales Tax Commission

Mrs. Likins moved to appoint Andrea Siebold as the Hilton Head Island representative for the new Capital Projects Sales Tax Commission. Mr. McCann seconded. The motion was approved by a vote of 6-0.

7. Adjournment

Mr. McCann moved to adjourn. Mr. Harkins seconded. The motion was approved by a vote of 6-0. The meeting was adjourned at 5:52 p.m.

Vicki L. Pfannenschmidt,
Executive Assistant/Town Clerk

Approved: 06/02/2015

David Bennett, Mayor