

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

Date: January 19, 2016 **Time:** 2:00 p.m.
Members Present: John McCann, *Chairman*; Bill Harkins and Tom Lennox, *Council Members*
Members Absent: None
Staff Present: Greg DeLoach, *Assistant Town Manager*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; Scott Liggett, *Director of Public Projects*; John Troyer, *Deputy Director of Finance*; and Cindaia Ervin, *Finance Assistant*
Others Present: Shirley Freeman, *Director of Finance-Town of Bluffton*; Kim Likins, *Council Member*; Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce*; and other members of the community.
Media: The Island Packet

1. Call to Order:

The meeting was called to order at 2:00 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. Lennox moved to approve the minutes from the Finance and Administrative Committee Meeting on December 1, 2015 at 2:00 p.m. Mr. Harkins seconded, and the motion passed with a vote of 3-0.
- b. Mr. Harkins moved to approve the minutes from the Finance and Administrative Committee Meeting on January 5, 2016 at 2:00 p.m. Mr. Lennox seconded, and the motion passed with a vote of 3-0.

4. Unfinished Business:

Mr. McCann, Chairman, intends to establish the dates of metrics and finalize business with the Chamber for next meeting.

5. New Business:

a. General Discussion with the Town of Bluffton Regarding Zero Based Budgeting Processes

Mr. Bill Harkins, Council Member, advances the subject to see if the Town can learn from others like the Town of Bluffton and share thoughts. Mr. Harkins suggested that the intent of this discussion is not to reduce staff, but rather optimize Town dollars.

Shirley Freeman, Director of Finance-Town of Bluffton, explained her Town's approach of a modified Zero Based Budget (ZBB) to cut out waste and provide more direction to all personnel. Regarding money designated for next year, consider benefits that will aid Council in achieving its goals. Mrs. Freeman reviews detailed budget reports monthly for each department to determine budget vs. actual status and look for trends which require

budget action. One previous observation was the significant increase in legal fees. Bluffton saved \$25,000 annually by shifting cases in Court to 1-2 times per month rather than 1 day per week.

Ms. Freeman expressed that it takes time to do Zero Based Budgeting and to allow project managers to shift employees that best fit the issue. Mr. Harkins asked how long they have been doing Zero Based Budgeting. Mrs. Freeman responded that it started with Mr. Anthony Barrett's tenure as Town Manager. Mr. John McCann, Chairman, thanked Mrs. Freeman for her time to speak with the Committee.

b. General Discussion of Timetable/Work to be accomplished regarding Town/Chamber Contract

The Committee desires to define the timetable and work tasks associated with the new Designated Marketing Organization (DMO) contract between the Town and the Hilton Head Island-Bluffton Chamber of Commerce/Visitors and Convention Bureau, Mr. Harkins explained that the marketing plan is most important to share with Town Council, reach a consensus, and be accepted by the Hilton Head Island-Bluffton Chamber of Commerce.

Tom Lennox, Council Member, suggested that a representative from this Committee be a part of examining accounting records for the Chamber twice a year. The Committee discussed whether there should be more than one Town representative and whether the representatives should be Council/Committee members or Town staff. Mr. Lennox stated that he believes the Town should examine the records in addition to receiving annual auditor and attorney reports. He explained the two goals of drafting the Contract, which are program compliance and effectiveness of the expenditures. Brian Hulbert, Staff Attorney, stated the contract allows for **one** from Council **or** staff. The Committee decided to talk to the Chamber to request it allow a Council **and** a staff representative. Mr. Lennox volunteered to be the Council/Committee representative to examine the financial records for the first year; Mr. McCann appointed Mr. Lennox to that role.

6. Executive Session

a. Related to potential land acquisition in the Shelter Cove area.

At 2:30 p.m. Mr. Harkins moved to enter into Executive Session to discuss potential land acquisition in the Shelter Cove area. Mr. Lennox seconded and the motion was approved by a vote of 3-0.

Mr. McCann called the meeting back to order at 3:25 p.m., and announced there was no action taken as a result of the Executive Session.

7. Adjournment:

Mr. Harkins made a motion to adjourn and Mr. Lennox seconded. The motion passed with a vote of 3-0 and the meeting was adjourned at 3:25 p.m.

Approved: February 16, 2016

Respectfully submitted:

John McCann, Chairman

Cindaia Ervin, Secretary