

TOWN OF HILTON HEAD ISLAND
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING

Date: May 3, 2016 **Time:** 1:00 p.m.

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

Members Absent: None

Staff Present: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Susan Simmons, *Director of Finance*; John Troyer, *Deputy Director of Finance*; Don Kirkman, *Executive Director- EDC*; Tom Fultz, *Director of Administrative Services*; Rene Phillips, *Website Administrator*; and Cindaia Ervin, *Finance Assistant*

Others Present: David Bennett, *Mayor*; Kim Likins, *Council Member*; Frank Soule, *Executive Director- Island Recreation Association*; Rex Garniewicz, *President and CEO- Coastal Discovery Museum*; Shirley Peterson, *Mitchelville Preservation Project*; Eleanor O'Key, *Lowcountry Inside Track*; Maryann Bastnagel, *Chair Member- EDC*; John Joseph, *Treasurer- EDC*; Mary Lou Franzoni, *Palmetto Breeze*; Jean Heyduck, *Community Foundation of the Lowcountry*; Bond Counsel Frannie Heizer and Michael Seezen, Esqs., *McNair Law Firm* and Financial Advisor Brent Robertson, Esq., *Stifel, Nicalous & Company, Inc.*; Charles Brown, *Marriott*; Scott Grooms, *The County Channel*; David Ames and other members of the community.

Media: None

1. Call to Order:

The meeting was called to order at 1:00 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:

Mr. Harkins moved to approve the minutes from the Finance and Administrative Committee Meeting on April 19, 2016 at 1:00 p.m. Mr. Lennox seconded, and the motion passed with a vote of 3-0.

4. Executive Session:

a. Receipt of Legal Advice from Bond Counsel Related to Financing Pending Debt.

At 1:00 p.m. Mr. Harkins moved to enter into Executive Session to discuss the receipt of legal advice from bond counsel related to financing pending debt. Mr. Lennox seconded and the motion was approved by a vote of 3-0.

Mr. McCann called the meeting back to order at 1:54 p.m., and announced there was no action taken as a result of the Executive Session.

5. Unfinished Business:

a. Review of Proposed Fiscal Year 2016-2017 Affiliated Agency Budget:

Hilton Head Economic Development Corporation

Don Kirman, Executive Director- Hilton Head Economic Development Corporation (HHIEDC) explained the goal of the HHIEDC is to support existing businesses, catalyze entrepreneurship, and attract new business and investments to Hilton Head Island (HHI). This is done by proactively working with businesses, appropriately targeting outreach; by completing a second home owner study, and attracting business to Hilton Head Island to promote and grow its businesses. Mr. Kirman stated the HHIEDC has had conversations with the Don Ryan Center for Innovation (DRCI) to possibly form a partnership for the next fiscal year. He stated that there is likely no need for two-like focused centers in the Lowcountry, but if HHIEDC forms an alliance with DRCI together they can build on what is already being done. Mr. Kirman also stated that EDC's first year consisted of collecting statistical data to understand the workforce community on Hilton Head Island and the second has been more project-focused with projects such as the "Bring your business to life" competition. He stated that, the HHIEDC is still in contact with the applicants to help assist them in forming businesses.

Tom Lennox, Committee Member, asked if they have seen any results from the second home owner study. Mr. Kirman stated that approximately 66 residents have asked for follow up, which is in progress that of that 66, there are prospects, that could potentially move their business to HHI; most being 1-2 person enterprises. Mr. Kirman stated that through the study they have been able to identify the concerns that some have with moving their business such as signage, lighting and telecommunications being the most important. He informed the Committee that they are working with existing business to educate them on the telecommunications and also working with Hargray to help with the process as well. Mr. Lennox thanked Mr. Kirkman and asked if the HHIEDC would provide a latest copy of its tax returns.

6. New Business:

a. Review of Proposed Fiscal Year 2016-2017 Affiliated Agency Budget:

Palmetto Breeze

Mary Lou Franzoni, Executive Director-Palmetto Breeze, discussed with the Committee Members its fiscal year 2017 request of \$250K. She stated that ridership has increased, noted how important service to Hilton Head is and mentioned highlights from the previous year. Bill Harkins, Committee Member, asked since Palmetto Breeze does not operate 24/7 how are they planning to bridge the gaps between the 2nd and 3rd shifts for workers. Ms. Franzoni stated that they are working to expand into a 2nd shift route from the rural communities that need it the most. Greg Deloach, Assistant Town Manager, stated there is a 25% increase from last fiscal year's request and asked if its requests were not matched from the various counties how would Palmetto Breeze handle that? Ms. Franzoni stated that Palmetto Breeze would identify other ways to help with the match. Mr. Harkins asked if the Town decided to purchase land outside of Hilton Head and form a Park-n-Ride, how would that be facilitated by Palmetto Breeze? She stated that Palmetto Breeze is also in talks with SC Department of Transportation and Federal Transit Administration to possibly form a Park-n-Ride in Bluffton on Palmetto Electric (PE) property. They are seeking PE's approval.

Community Foundation of the Low Country-Public Art

Jean Heyduck, VP for Marketing/Communications-Community Foundation of the Lowcountry (CFL), discussed with the Committee its fiscal year 2017 budget. The total requested amount is \$50K. Ms. Heyduck stated that through its partnership with the Town, they have been able to acquire nine permanent public sculptures, six that have been installed and three that are still awaiting installation. She also stated that with CFL's 2015 exhibition which ran from October 1, 2015- December 31, 2015 at the Coastal Discovery Museum, they were able to accomplish the following: form a working relationship with the Hilton Head Island-Bluffton Chamber of Commerce and advertise in a national publication; secure 14 private and 10 in-kind sponsors; helped increase CDM visitors by 10%; and also facilitated educational opportunities with six local schools. She stated that the budget is used for purchasing art; however, it is also used for marketing, securing the equipment for installation/deinstallation and stipends to cover the shipping of the art piece to be displayed. Kim Likins, Council Member, stated that she feels it is important to involve the community in the selection process for the art pieces so they too have an appreciation for what is considered going forward. Ms. Heyduck stated that she agrees.

b. Discussion and Recommendation to Town Council Regarding Affiliated Agencies' Budget Requests.

The overall consensus of the Committee Members was that they are confident in the 2017 fiscal year affiliated agencies' budget requests. They decided that the Beaufort County Sherriff's Office should be reviewed by the full council as its request increased this year. Mr. McCann suggested that the Costal Discovery Museum, Mitchellville Preservation Project and The Heritage Library work together to possibly form a combined agency. Mr. Harkins agreed and suggest they meet with each after board approval to discuss the commonalities that they have with the possibility of forming a new entity.

Mr. McCann made a motion to recommend the affiliated agencies' 2017 budget requests without presentations to Council except that the Beaufort Country Sherriff's Office should be reviewed by the full Council. Mr. Harkins approved the motion and Mr. Lennox seconded. The motion passed with a vote of 3-0.

c. Discussion Regarding Broadcasting Additional Meetings.

Tom Fultz, Director of Administrative Services, introduced Scott Grooms, Broadcast Services Manager-The County Channel. They discussed The County Channel (TCC) broadcasting additional meetings for the Town of Hilton Head Island. Mr. Fultz stated that the additional meetings that would be broadcasted would be: the Venue Committee and Circle-to-Circle. Mr. Fultz stated that currently TCC has broadcasted 68 meetings for the Town over the last few years. The cost to add 30 meetings would be \$22.5K and TCC is willing and committed to handle the request of the 30 additional meetings requested by the Town. Due to time constraints, Mr. Fultz suggested that Mr. Grooms come back to a later meeting to discuss level of service options.

d. Review of Town's Financial Statements- Quarter Ending March 31, 2016.

Mr. McCann stated that due to time he would like to postpone this topic until the June 7th meeting.

7. Additional Meeting and Adjournment:

Mr. McCann stated a need before the Finance and Administrative (F & A) Committee, to bring the proposed recommendation to form an arts organization, the Hilton Head Island Cultural & Arts Network, in a model similar to the Hilton Head Island Economic Develop Corporation. The Committee agreed to hold this meeting on May 10, 2016 at 3:00 pm. (At the Town Council meeting which followed F &A, the meeting time was changed to 3:15 pm).

Mr. Harkins made a motion to adjourn and Mr. McCann seconded. The motion passed with a vote of 3-0. The meeting was adjourned at 3:30 p.m.

Approved: May 10, 2016

Respectfully submitted:

John McCann, Chairman

Cindaia Ervin, Secretary