

**THE TOWN OF HILTON HEAD ISLAND  
REGULAR TOWN COUNCIL MEETING**

**Date:** Tuesday, May 17, 2016

**Time:** 4:00 P.M.

**Present from Town Council:** David Bennett, *Mayor* Bill Harkins, *Mayor Pro Tem*; David Ames, Marc Grant, Kim Likins, John McCann, *Council Members*

**Absent from Town Council:** Tom Lennox, *Council Member*

**Present from Town Staff:** Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Mike Mayers, *Deputy Fire Chief-Operations*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; Tom Fultz, *Director of Administrative Services*; John Troyer, *Deputy Finance Director*; Shawn Colin, *Deputy Director of Community Development*; Teri Lewis, *LMO Official*; Rene Phillips, *Website Administrator*; Melissa Cope, *Systems Analyst*; Cindaia Ervin, *Finance Assistant*; Vicki Pfannenschmidt *Executive Assistant*; Numerous staff members of Hilton Head Island Fire Rescue

**Present from Media:** Rebecca Lurye, *Island Packet*

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**1) CALL TO ORDER**

Mayor Bennett called the meeting to order at 4:00 p.m.

**2) PLEDGE TO THE FLAG**

**3) INVOCATION**

**4) FOIA Compliance** – Public notification of this meeting has been published, posted and distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

**5) Swearing in of Ward 3 Council Member – David Ames**

**- The Honorable Maureen Coffey**

Judge Coffey administered the Oath of Office. Mr. Ames took his seat at the dais.

**6) Proclamations and Commendations**

**a. EMS Week**

A crew of Town of Hilton Head Island Firefighters were present to accept the proclamation.

**b. National Gun Violence Awareness Day**

Rudy Milton was present to accept the proclamation.

**7) Approval of Minutes**

**a. Town Council Meeting, May 3, 2016**

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the May 3, 2016 regular Town Council meeting were approved by a vote of 5-0-1. (Mr. Ames abstained as he was not present at the meeting.)

## **8) Report of the Town Manager**

Mr. Riley reported on the items listed below.

### **a. Town Manager's Items of Interest**

- (1) Town News
- (2) Noteworthy Events

## **8) Reports from Members of Council**

### **a. General Reports from Council**

Mr. McCann requested a quarterly update from Town the Attorney. Mayor Bennett asked Mr. Riley to contact Mr. Alford to produce the report for Council's review.

Mr. Harkins referenced the meeting with bond counsel and said the subject of fund balance was discussed. He noted the importance of fund balance for the Town and suggested that the bond counsel be requested to work with the Town Manager to come up with a range for guidance relative to reserves. Mr. McCann suggested the item be assigned to the Finance and Administrative Committee. Mayor Bennett agreed and assigned it to the Committee.

Mayor Bennett referenced his son's presentation suggesting a student government day. He stated that Faidra Smith has been working diligently with himself, Mrs. Bennett and a couple other individuals regarding the program. He announced there will be a middle school and high school segment with the proposed dates being November 1 and November 15. He said Faidra would be contacting Council with an outline of the program.

Mayor Bennett stated that in conjunction with the RBC Heritage Tournament Council participated in a community challenge and put together a video that was posted on Facebook and other social media. He had the video played for Council's viewing.

Mayor Bennett announced that in follow-up to the matter involving lock-out units the attorney that has been hired is able to come to Hilton Head Island for several meetings on May 31 at 2:00 p.m. and he has arranged for it to be a public meeting at Town Hall.

Mayor Bennett stated that last year he, Alex Brown and a couple churches in the community organized the One Island – One Community Inaugural Fourth of July Community-Wide Picnic and there were over 1500 citizens that participated in the festivities. Mayor Bennett announced it would take place this year on July 4<sup>th</sup> and extended an invitation to all.

Mayor Bennett stated that David Ames brings different strengths to the Council than that of Mr. Edwards and one of those is in the area of community planning. He asked Mr. Ames to replace Mr. Edwards on sub-committee assignments with one proposed augmentation which is to add Mr. Ames as a fourth member to the Public Planning Committee. He noted Mr. Ames has strengths in the vision process and with the upcoming Cordillo Court project he felt Mr. Ames strengths would be very beneficial to Council's efforts. Mayor Bennett stated he needed to adjust the Town Code to permit the change and directed Mr. Riley and Mr. DeLoach to bring forward the necessary ordinance(s) and/or resolution(s) to do so. He stated he had spoken with Mr. Lennox and he welcomed Mr. Ames to the Committee and asked Council if they had any objections. There were none.

**b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman**

Mr. Harkins reported that Senator Davis was present at the meeting held on Monday and discussed state roads highlighting revenue, structure and the infrastructure bank along with USC-B education funding. He detailed the Senator's remarks to the Committee.

**c. Report of the Community Services Committee – Kim Likins, Chairman**

Mrs. Likins stated that after Executive Session the appointments and reappointments to boards and commissions would be addressed. She announced the Venue Committee would be meeting on Thursday, May 19 at 9:00 a.m.

**d. Report of the Public Planning Committee – Tom Lennox, Chairman**

No report.

**e. Report of the Public Facilities Committee**

No report.

**f. Report of the Public Safety Committee - Marc Grant, Chairman**

No report.

**g. Report of the Finance and Administrative Committee - John McCann, Chairman**

No report.

**h. Report of the Circle to Circle Committee - Tom Lennox, Town Council Liaison**

No report.

**9) Unfinished Business**

**a. Second Reading of Proposed Ordinance 2016-10**

Second Reading of Proposed Ordinance 2016-10 to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, the Land Management Ordinance (LMO) , Chapters 2, 3, 4, 5, 6 and 10 and Appendices A and D to revise various sections. These amendments, commonly referred to as *2016 LMO Amendments – First Set* as noticed in the Island Packet on February 14, 2016, include changes that provide for general amendments to a variety of sections in the LMO, and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

**11) New Business**

**a. Consideration of a Recommendation – Procurement Code**

Consideration of a Recommendation to select and utilize a South Carolina licensed attorney or firm to opine as to whether: i. the Town of Hilton Head Island was required to follow its procurement code in its selection of a designated marketing organization and recently entered into contract by the Town and the Hilton Head Island-Bluffton Chamber of Commerce and ii. a procurement occurred at the time the Chamber was selected and codified in the Town of Hilton Head Island Municipal Code as the Designated Marketing Organization, and if so, were there procurement provisions in effect at that time and did any of them apply. Furthermore, consideration of a recommendation by Town Council to release for public disclosure, in some form or fashion, the opinion of the Town Attorney regarding town procurement as it relates to the Town's recently executed contract with the Hilton Head Island-Bluffton Chamber of Commerce.

Mr. Harkins referenced the item listed on Executive Session and said he considered it a guidance document and suggested the above items be joined with the Executive Session item for discussion. Mr. McCann seconded. Mr. Ames asked if there was an advantage to discuss the issue in public. Mayor Bennett stated he felt the advantage would be to be transparent in discussions concerning the topic. Mayor Bennett said that if the concern was violating attorney-client privilege, he would be glad to set the legal opinion aside and discuss the Town Attorney's recent letter to a law firm that contains similar points that are outlined in the legal opinion. Mr. Ames stated his opinion is that this issue has been dogging the community and he does not understand the ordinance that gives the Chamber the monopoly. He expressed concern that there is not a competitive bid process.

Mr. Peter Buonaiuto, Eric Sommerville, Tom Gardo, Randy Tardy, Jack Alderman, Tony Schopp, Tom Shkor, Jay Wiendl, George Paletta, and John Joseph opined on the contract with the Hilton Head Island-Bluffton Chamber of Commerce, the ordinance and the town procurement.

Mr. Grant said he would like staff to be able address questions posed to Council so conflict is not created. He said it is difficult for the public to understand when multiple opinions are requested. He asked for specific suggestions needed to address issues with the Chamber referencing the workshop held with Council and the Chamber noting there was not one complaint during the workshop. He said that he feels the issue should be identified, fixed and Council should move on. Mr. Ames stated his problem is that the Island depends on people coming to the Island multiple times and purchasing real estate and the issue of marketing is much broader than getting heads in beds. He said part of the discussion is not about the Chamber but how we market ourselves and get the pipeline filled with people that want to live here in the future. Mr. Harkins pointed out that very well-meaning and well-intentioned people may not have all the facts and noted there has been failure in communicating as well as they should so people can make informed decisions. He suggested a public workshop on the item.

Mrs. Likins stated that when Council went into contract with the Chamber she supported it and continues to do so. She pointed out that the relevance of the code should be reviewed and maybe designation of the Chamber should be removed. She noted that anyone can apply for ATAX applications and they are vetted through the Accommodations Tax Advisory Committee (ATAC). She further stated that the ATAC has never recommended anyone but the Chamber and had they done so, Council would have had to look at changing the code. She stated the Town has other contractual relationships and referenced the Island Recreation Association. Mrs. Likins said Council can't hold one organization to a certain accountability without broadly looking at the remainder of the affiliated relationships. After further discussion by Council with all expressing the need to discuss the item in Executive Session, the motion was approved by a vote of 6-0.

Upon completion of Executive Session Mayor Bennett requested that Mr. Riley bring forward a resolution/ordinance change to cause the Chamber to be removed as the DMO for the Island in terms of being its position in the Town Code.

Council also concurred to give Mr. Riley permission to release the letter from Town Attorney Gregg Alford to Mr. Smith.

## **b. Consideration of a Recommendation – Island Wide Vision**

Consideration of a Recommendation from the Public Planning Committee that the Town Council grant the following authority to the Public Planning Committee: (1) engage Rawle Murdy, the Town's on-call communication consultant, on a task order to develop a communications plan for the Island Wide Vision; (2) prepare an RFP to hire a Vision Consultant; (3) release the RFP, review and evaluate responses, and recommend a preferred consultant to Town Council for approval; (4) At Town Council's direction, hire a Vision Consultant to implement the project.

Mr. Harkins moved to approve. Mr. McCann seconded. Mr. McCann stated that Chairman Lennox expressed to him that he endorsed the recommendation and requested that Council approve it unanimously. The motion was approved by a vote of 6-0.

## **c. First Reading of Proposed Ordinance 2016-12**

First Reading of Proposed Ordinance 2016-12 authorizing the issuance and sale of not to exceed \$30,500,000 General Obligation Refunding Bonds, in one or more series including a taxable series, with appropriate series designations, of the Town of Hilton Head Island, South Carolina; fixing the form and certain details of the bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; other matters relating thereto; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. Susan Simmons reviewed the details regarding the item above along with Items 11.d., 11.e., and 11.f. Michael Seezen of McNair Law Firm answered questions regarding legal matters pertaining to the items.

The motion was approved by a vote of 6-0.

## **d. First Reading of Proposed Ordinance 2016-13**

First Reading of Proposed Ordinance 2016-13 authorizing the issuance and sale of not exceeding \$25,000,000 General Obligation Bond Anticipation Notes, Series 2016, or such other appropriate series designation, of the Town of Hilton Head Island, South Carolina; fixing the form and details of the notes; authorizing the Town Manager to determine certain matters relating to the notes; providing for the payment of the notes and the disposition of the proceeds thereof; other matters relating thereto; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

## **e. First Reading of Proposed Ordinance 2016-14**

First Reading of Proposed Ordinance 2016-14 authorizing the issuance and sale of not to exceed \$21,200,000 General Obligation Bonds, in one or more series, in one or more years, with appropriate series designations, of the Town of Hilton Head Island, South Carolina; fixing the form and certain details of the bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; to adopt written procedures related to continuing disclosure; other matters relating thereto; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

#### **f. First Reading of Proposed Ordinance 2016-15**

First Reading of Proposed Ordinance 2016-15 providing for the issuance and sale of Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Beach Preservation Fee Pledge), in one or more series, in the principal amount of not exceeding \$25,200,000; delegating the authority to the Town Manager to determine certain matters with respect to the bonds; prescribing the form and details of such bonds; other matters relating thereto; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

#### **g. Consideration of a Resolution – Coligny Road Improvements Project**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing condemnation, pursuant to S.C. Code Section 28-2-10, *et seq.*, of easement rights and right of way ownership over portions of parcels in the Coligny and South Forest Beach areas on Hilton Head Island to facilitate the Town of Hilton Head Island's Coligny Road Improvements Project.

This item was held until the completion of Executive Session.

Upon completion of Executive Session, Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

#### **11) Appearance by Citizens**

Mr. Ric Fisher, Doug MacNeille, Lee Mellinger, Rolland Hill addressed Council regarding the operations at ArborNature on Leg O Mutton Road. They presented a video of the operations along with photos.

Tai Scott and Theresa White addressed Council regarding the Gullah Geechee Catering and issues with the LMO.

#### **12) Executive Session**

Mr. Riley stated he needed an Executive Session pertaining to Land Acquisition: Discussion of negotiations incident to the proposed sale, lease or purchase of property related to a parcel near the intersection of US 278 and Spanish Wells Road and discussion of negotiations incident to the acquisition of easements from several parcels necessary for the implementation of the improvements associated with the Coligny District Redevelopment Conceptual Plan; Legal Matters: Receipt of Legal Advice: 1) related to pending litigation concerning a BZA appeal; 2) related to a pending threatened potential claim concerning Town procurement regulation; and 3) regarding a claim related to continuing disclosure in the municipal securities market; Personnel Matters: appointments to boards and commissions; and Contractual Matters related to a proposed MOU with the Sandbox Children's Museum. At 6:21 p.m. Mr. Harkins moved to enter Executive Session for the reason as set forth 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 8:24 p.m. stating that no action was taken during executive session and asked if there was any business as a result of Executive Session. The items below were addressed along with the 11.a. and 11.g. above. Please refer to those items for the results.

**13) Possible actions by Town Council concerning matters discussed in Executive Session**

**a. Consideration of Appointments to Board and Commissions**

Mrs. Likins moved to re-appoint the following persons to boards and commissions:

**For the Accommodations Tax Advisory Committee:**

Re-appoint Rob Bender to a 3-year term ending June 30, 2019, as a Hospitality member.

**For the Board of Zoning Appeals:**

Re-appoint Lisa Laudermilch to a 3-year term ending June 30, 2019, as an At-Large member.

Re-appoint David Fingerhut to a 3-year term ending June 30, 2019, and re-designate him as an Attorney member.

**For the Design Review Board**

Re-appoint Kyle Theodore to a 3-year term ending June 30, 2019, as a Landscape Architect member.

**For the Planning Commission:**

Re-appoint Alex Brown to a 3-year term ending June 30, 2019, as an At-Large member.

Re-appoint Judd Carstens to a 3-year term ending June 30, 2019, as an At-Large member.

Further, I move to appoint the following persons to boards and commissions:

**For the Board of Zoning Appeals:**

Appoint Robert S. Johnson to a 3-year term ending June 30, 2019, as an Architect member.

**For the Construction Board of Adjustments & Appeals:**

Appoint Marc Ellis to fill the unexpired term of Chauncey Burtch ending June 30, 2018, as a Building Industry At-Large member.

**For the Beaufort Housing Authority:**

Appoint Ronald Ianoale to fill an unexpired term on the Board of Commissioners ending March 12, 2018, as the Town of Hilton Head Island representative.

Mr. McCann seconded. The motion was approved by a vote of 6-0.

**b. Consideration of an Order of Settlement related to continuing disclosure in the municipal securities market**

Mr. McCann moved that the Town Council for the Town of Hilton Head Island authorize the Town Manager to execute on behalf of the Town of Hilton Head Island the attached offer of settlement with and subject to the approval of the Securities and Exchange Commission pursuant to the continuing disclosure in the municipal securities market. Mr. Harkins seconded. The motion was approved by a vote of 6-0.

**15) Adjournment**

Mayor Bennett adjourned the meeting at 8:28 p.m.

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Vicki L. Pfannenschmidt  
Executive Assistant/Town Clerk

Approved: 06/07/2016

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David Bennett, Mayor