



Town of Hilton Head Island  
**Finance & Administrative Committee**  
Tuesday, July 21, 10:00 a.m.  
**Special Meeting**  
**AGENDA**

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This meeting is being conducted virtually in accordance with Town Council Emergency Ordinance 2020-13 and can be viewed live on the Town's Public Meeting Facebook Page at <https://www.facebook.com/townofhiltonheadislandmeetings/>. Following the meeting, the video record will be made available on the Town's website at <https://www.hiltonheadislandsc.gov/>.

**1. Call to Order**

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

**3. Approval of Agenda**

**4. Approval of Minutes**

- a. Special Finance & Administrative Committee Meeting, June 16, 2020

**5. Citizen Comments**

**6. Unfinished Business - None**

**7. New Business**

- a. Finance Directors Preliminary Look at June 30, 2020 Results
- b. General Discussion Regarding Findings and Recommendation of the Town's 2020 Classification & Compensation Study

**8. Executive Session**

a. **Contractual Matters:**

Discussion incident to proposed contractual negotiations relative to Designated Marketing Organization Services Pursuant to Section 6-4-10 of the South Carolina Code of Laws.

**9. Possible actions by Finance & Administrative Committee concerning matters discussed in Executive Session**

**10. Adjournment**

Public comments concerning agenda items can be submitted electronically via the Town's Virtual Town Hall public comment portal at <https://hiltonheadislandsc.gov/opentownhall/>. The portal will close at **Noon** the day prior to the scheduled meeting. Citizens may also call (843) 341-4646 to sign up for public comment participation during the meeting by phone. The public comment period will close at **Noon** the day prior to the scheduled meeting. All comments will be provided to the Committee for review and made part of the official record.

**Please note that a quorum of Town Council may result if four (4) or more of their members attend this meeting.**



Town of Hilton Head Island  
**Finance & Administrative  
Special Committee Meeting**

Tuesday, June 16, 2020, 10:00 a.m.  
Conference Room 3

## **MEETING MINUTES**

**Present from the Committee:** Tom Lennox, *Chairman*; Bill Harkins and Tamara Becker  
*Council Members*

**Present from Town Council:** David Ames and Glenn Stanford; *Council Members*

**Present from Town Staff:** John Troyer, *Director of Finance*; Cindaia Ervin, *Finance Assistant*

**Present from the Media:** None

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### **1. Call to Order**

The Chairman called the meeting to order at 10:00 a.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. Roll Call-** See as noted above

### **4. Approval of Agenda**

Chairman Lennox asked for a motion to approve the agenda. Mr. Harkins made a motion approve the agenda as submitted. Mrs. Becker seconded. By way of roll call, the motion was approved by a vote of 3-0.

### **5. Approval of Minutes**

a. Finance & Administrative Committee Meeting, March 3, 2020.

Mr. Harkins moved to approve the minutes from March 3, 2020. Mrs. Becker seconded. The motion was approved by a vote of 3-0.

### **6. Citizens Comments**

Public comments concerning today's agenda items were to be submitted electronically via the Town's Open Town Hall portal. The public comment period closed yesterday at Noon. At the conclusion of the Open Town Hall there were no comments nor did any citizens sign up to speak at today's meeting.

## **7. Unfinished Business-None**

## **8. New Business**

### **a. Review and Discussion Regarding the Town's Revenue Collections and May 2020 Financial Statements**

Tom Lennox, Chairman, introduced John Troyer, Director of Finance, who provided the Committee with information regarding the Town's Revenue Collections and May 2020 Financial Statements. The Town's budgeted revenue consists of four main parts; Stormwater, Capital Improvements, Debt Service Fund and General Fund. Current revenue collections for the Town are slightly less than .09% than last year to date. Mr. Troyer stated that revenues are down slightly from this time last year, however, the Town has collected approximately 86% of its revenues. Revenues are considered with the Town seasonal and only having 86% in collections in May is normal.

Property tax and Business License Collections are also a key part of the Towns' Collections. Through May, the Town is 98.5% of budget for property tax collection. Mr. Troyer stated that property taxes are important to the Town's \$41.4M General Fund's budget, however, having diversification of revenue has been a major priority. Of the Town's General Fund, 36% or approximately \$15M is property tax revenue. Due to the global pandemic of Covid-19 Business License fees were postponed by Town Council until June 30, 2020 in order to allow businesses to have some financial relief from the virus. Mr. Troyer stated that business license collections currently are approximately 86% of the 2020 budget collected, which is comparable to 2019 even though the due date was adjusted.

General Fund expenses were relatively less in February, March and April compared to last year. Mr. Troyer stated that this can be attributed to the effects of COVID-19, however, June is expected to be a significant month due to 2020 fiscal year end spending. With the Town's various revenue streams, Mr. Troyer shared data that the current year collections are mixed compared to the prior year. Throughout the year, Town Council's Reserve Policy helps to carry the Town through months where incoming revenue is otherwise slower and those reserves are replenished when revenues are steady again. This process helps keep the Town's operation running smoothly while awaiting funds. The Committee had many favorable comments regarding Mr. Troyer's presentation of the Town's Revenue Collections and May Financial Statements and they look forward to Mr. Troyer updating them at their next meeting regarding year-end financials. Mr. Lennox thanked Mr. Troyer and all present for the discussion.

## **9. Executive Session**

### **a. Contractual Matters:**

Discussion incident to proposed contractual negotiations relative to Designated Marketing Organization Services Pursuant to Section 6-4-10 of South Carolina Code of Laws.

Mr. Lennox stated that he had a need to enter into Executive Session to discuss the proposed contractual negotiations relative to Designated Marketing Organization Services Pursuant to Section 6-4-10 of South Carolina Laws.

At 10:35 a.m. Mr. Harkins moved to go into Executive Session for the item mentioned by Mr. Lennox. Mrs. Becker seconded. The motion was approved by a vote of 3-0.

At 11:49 a.m., the Committee returned.

**10. Possible Actions by the Finance & Administrative Committee concerning matters discussed in Executive Session.**

There was no action taken as a result of Executive Session.

**11. Adjournment**

At 11:50 a.m. The Committee returned from Executive Session. Mr. Harkins moved to adjourn. Mrs. Becker seconded. The motion to adjourn was approved by vote of 3-0.

**Submitted by:** Cindaia Ervin, Secretary

**Approved:** \_\_\_\_\_

DRAFT

# Memo



**TO:** Finance and Administrative Committee

**FROM:** John M. Troyer, Director of Finance

**RE:** **Update on the Town's revenues**

**DATE:** July 14, 2020

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As Town Council considered the proposed budget for FY 2021, one issue at the forefront of the discussion was revenue uncertainties due to the impact of the COVID-19 pandemic on the economy. How long will the Island be less than fully open? What kind of impact will this have on our revenue collections? Town Council recognized that once a budget was adopted for FY2021, continuing the close monitoring of the revenue collections would be especially important this year.

As part of the pandemic response, Town Management identified expenditure items to reduce, cut or delay. A couple of examples already implemented are: approximately \$4 million in capital spending, implementation of merit raises for Town employees, and implementation of recommendations from a recent salary survey -- these have all been deferred -- pending better collection information to ensure collections can support those expenditures. Further examination for possible candidates to reduce, delay or cut spending will continue.

In order to give Town Council as clear a picture of the Town's revenue collections and financial position, I plan to give Finance and Administrative Committee an update during the July 21<sup>st</sup> Finance and Administrative Committee meeting. I plan to walk through the year-to-date results, and offer my expectations for the rest of the fiscal year. This will give the Finance and Administrative Committee a framework and a starting point for future discussions. We will continue those discussions monthly to ensure the Town is appropriately positioned in this economic environment.

# Memo

**To:** Town Council  
**From:** Angie Stone, Human Resources Director  
**Via:** Stephen Riley, Town Manager  
**RE:** FY20 Classification/Compensation & IT Study Implementation  
**Date:** July 14, 2020



## **Recommendation**

Implement FY20 Classification/Compensation Study recommendations as outlined by Evergreen Solutions in two steps.

1. Implement new salary structure and bring employees to the new salary range minimums.
2. Address reclassification (when a position is realigned within the hierarchy) and position employee pay within the new structure at a level consistent with their current position (capped at mid-point).

Implementation of the first step is crucial to the organization's ability to effectively recruit for critical vacancies and to move forward with implementation of recommendations from a separate IT study while implementation of the second step is crucial to addressing compression and internal equity concerns.

## **Summary**

The Town conducts a comprehensive classification and compensation study every 5 – 7 years. The study is intended to ensure that:

1. Our pay plan supports our efforts to attract and retain high caliber, qualified employees: and
2. Our classification structure and documentation clearly define the work to be accomplished by each position and provide a sound and legal basis for compensation-related decisions.

The recommendations from this year's study include several changes to our pay plans: adjustments to achieve desired market position; the addition of salary grades to both salary structures; and reduction of distance between salary range midpoints. Besides improving our position relative to other public sector employers, these changes allow us to implement a more equitable approach to pay adjustments when employees change positions. The modification in job families to include more entry level opportunities will enable us to more effectively prepare for vacancies in our hard to fill, trade and administrative positions.

## **Background**

Prior to this study, Evergreen Solutions completed a study in 2013 that was implemented on 7/1/2014. That study concluded at the tail-end of the last economic downturn and resulted in moderate adjustments to our pay plan (raising of salary range minimums and maximums) and minor adjustments to individual salaries.

This year's study included careful analysis of market data collected from peer organizations as well as identification of classification modifications that will guard against unintended pay inequities and enhance our ability to recruit and train more local talent. The results of the market survey indicate that our pay plan for non-uniformed positions requires only minimal upward adjustment (1.8% on average at midpoint) to remain competitive. The pay plan for uniformed positions, however, requires more significant upward movement (8.4% on average at midpoint) to regain a competitive position.

The resulting pay plan includes continuation of two distinct salary structures (one for Fire Rescue Uniformed positions and one for General Staff positions), narrowing of distance between midpoints (from 8% to 6%), and the inclusion of more salary grades. This structure supports compensation policy changes needed to more equitably manage employee pay from hire through retirement.

Initially the only adjustments to be made to individual salaries will be those required to bring employees to the new salary range minimum and implement a 1.5% increase in our paramedic premium. At a later date, additional adjustments will be made to address reclassification (when a position is realigned within the hierarchy) and to position employee pay within the new structure at a level consistent with their current position (capped at midpoint). The subsequent adjustments are vital to the success of the plan because they address compression issues at the lower end of the salary ranges that will be exacerbated by only implementing the initial step.

The initial adjustments to bring employees to the new salary grade minimums, as well as increase our paramedic premium, will cost \$189,957.34 and impact 53 employees.

## **Conclusion:**

Our ability to meet the needs of our citizens and visitors is largely dependent on our ability to attract, retain and develop high caliber employees. A well-designed, appropriately maintained classification and compensation plan is vital to our ability to compete for this talent. The Classification/Compensation Study recommendations, when fully implemented, provide for the routine maintenance and fine tuning of our plan and pave the way for implementation of the IT study findings.