



Town of Hilton Head Island  
**Finance & Administrative Committee**  
Tuesday, August 18, 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 - None**
5. **Citizen Comments**
6. **Unfinished Business - None**
7. **New Business**
  - a. Review and Discussion of Fiscal Year 2020 Preliminary Results.
  - b. Review and Discussion of Proposed Bond Refunding for Savings.
8. **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.**

# Memo



**TO:** Finance and Administrative Committee

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

**RE:** **Fiscal Year 2020 Preliminary Results**

**DATE:** August 13, 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 of delays already implemented are: approximately \$4 million in capital spending and delay implementation of merit raises for Town employees – 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 provide 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 August 18<sup>th</sup> Finance and Administrative Committee meeting. I plan to walk through the year-to-date results for the year ending June 30<sup>th</sup> . These amounts are the “pre-close” and unaudited year-end amounts. Closing is not complete, but we don’t expect significant changes. This will give the Finance and Administrative Committee a framework and a starting point for discussions. We will continue those discussions monthly to ensure the Town is appropriately positioned in this economic environment.

# Memo



**TO:** Finance and Administrative Committee

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

**RE:** **Proposed Bond Refunding for Savings**

**DATE:** August 13, 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 to delay which have already been implemented are: approximately \$4 million in capital spending and implementation of merit raises for Town employees. These have 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.

One area of examination for reductions was to look for savings on the Town's debt. One bond issue was identified as a savings opportunity (the 2011A GO bonds) and one bond issue was identified as a possible savings – (the 2013A GO bonds). The market is favorable currently to refund the 2011A bonds for savings. The market is not currently favorable to refund the 2013A GO bonds at this moment, but may be favorable by the time we price the bonds in the market – which is expected in November with a December closing. The Town plans to price both issues competitively, and only execute a transaction or transactions as savings are achieved. The expected gross savings by refunding \$6,665,000 of the 2011A bonds would be \$300,150 or a net present value (NPV) savings of \$274,463 at current market conditions. I plan to walk through the proposed transactions for the Finance and Administrative Committee.