



Town of Hilton Head Island
FINANCE & ADMINISTRATIVE COMMITTEE
Thursday, September 21, 2021, 2:00 p.m.
AGENDA

The Finance and Administrative Committee meeting will be conducted virtually and can be viewed on the [Town of Hilton Head Island Public Meetings Facebook Page](#).

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 the Agenda

4. Approval of Minutes

a. Regular Meeting – August 17, 2021

5. Appearance by Citizens

Citizens who wish to address the Committee may do so by contacting the Meeting Secretary at 843.341.4646, no later than 1:00 p.m., the day of the meeting.

Citizens may also submit written comments via the [Town's Open Town Hall Portal](#). The portal will also close at 1:00 p.m., the day of the meeting. Comments submitted through the portal will be shared with the Committee and made part of the official record.

6. New Business

- a. Consideration of the Proposed Calendar Year 2022 Meeting Dates
- b. Town of Hilton Head Island Financial Update

7. Adjournment

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



own of Hilton Head Island
**Finance & Administrative
Regular Committee Meeting**

Tuesday, August 17, 2021, 2:00 p.m.

MEETING MINUTES

Present from the Committee: Tom Lennox, *Chairman*; Bill Harkin, Glenn Stanford and Alexander Brown, Jr.

Present from Town Council: John McCann, *Mayor*; David Ames and Tamara Becker;
Council Members

Present from Town Staff: Marc Orlando, *Town Manager*; Josh Gruber, *Deputy Town Manager*; Angie Stone, *Assistant Town Manager*; Shawn Colin, *Sr. Advisor to the Town Manager*; John Troyer, *Director of Finance*; Cindaia Ervin, *Finance Assistant*

Present from the Media: None

1. Call to Order

The Chairman called the meeting 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. Regular Meeting- July 20, 2021

Chairman Lennox asked for a motion to approve the minutes of the July 20, 2021 meeting. Mr. Harkins moved to approve. Mr. Stanford seconded. By way of roll call, the motion passed with a vote of 4-0-0.

4. Appearance by Citizens

Chairman Lennox, ask if there were any citizens of the public that had any comments for today's meeting. Prior to the meeting, Mr. Skip Hoagland signed up to address the Finance & Administrative Committee. Those comments stated will be made a part of the official minutes.

Skip Hoagland, *Windmill Harbour*: Addressed members of the Committee regarding FOIA compliance and his thoughts of corruption within the Town of Hilton Head Island.

5. Unfinished Business- None

6. New Business

a. Town of Hilton Head Island Financial Update

John Troyer, Director of Finance, provided the Committee with pre-closing information for fiscal year 2021. Mr. Troyer stated that the previous months numbers are slowly coming in to finalize of where the Town stands. Even with the delay of property taxes, the Town was able to catch up on its financials and now inline and slightly above budget for 2021. He also stated that the real estate market has shown significant growth over last year. William Harkins, Committee member asked if the local relator association could be a part of Mr. Troyer's update next year to see how Covid-19 affected or did not affect our real estate market. Inventory has been low but also when homes are placed on the market they are sold at a rapid pace and are showing positive trends.

The general fund typically has several expenses to come in after the closing of a fiscal year and can affect the closing process if they are too slow to come in. Year-to-date general fund is at 4.6% of budget from the previous year. As a reminder Mr. Troyer stated that Capital Improvement Projects were pushed from 2021 to 2022 for savings needs and the redirection of funding to where it was needed most. For most of the year the Town relies on its reserves and fiscal year 2021 was no different, however having a stable fund balance allows the Town to have money on reserve when it is still due to come in. The fund balance in 2019 was higher than that of in fiscal year 2020. One category that Mr. Troyer also stated that beach fee collections in June were also strong and that the beach renourishment will be started in a few years again and having the funds to do so is important. Hospitality taxes in April and May helped the Town regain losses from 2020 and increased in 2021. Alexander Brown, Committee Member, stated that he would appreciate to see Mr. Troyer closely monitor contributing factors of the local economy and report on them monthly with his updates to include how the pandemic affected those living and working on Hilton Head Island. Chairman Lennox thanked those in attendance for their comments and questions, and Mr. Troyer for his good financial presentation to the Committee.

b. Consideration of the Affiliated Agency Town Funding Standardization Process

John Troyer, Director of Finance, provided the Committee with background of how this process came about and what they can expect as a committee. Annually the Town receives requests from various commercial and nonprofit entities for funding that supports a wide range of matters and with varying degrees of public purpose justification. These requests became the subject of significant Town Council discussion during the COVID-19 pandemic and ultimately resulted in Council approval of a one-time emergency General Fund distribution for the Arts Center of Coastal Carolina and the Concourse d'Elegance & Motoring festival. Following those discussions, it was requested that staff examine the legal aspects of funding outside agencies both during a declared State of Emergency and as part of its annual budget adoption process. Additionally, it was requested that staff propose a standardized process that would ensure that the awarding of Town General Funds is done in a fair and transparent manner.

Mr. Troyer stated that staff recommends that Town Council adopt a formal policy wherein all requests for Town funding from affiliated and/or outside agencies will be submitted to the Finance and Administration Committee for review and recommendation as part of the annual

fiscal budget adoption. Any requests for funding made outside of the annual fiscal budget adoption process should be discouraged and the granting of funding outside of this process should be limited to only extraordinary circumstances. Should it become necessary to take up such an extraordinary request, the review and consideration process adopted by Town Council should be utilized in a manner similar to that of the formal annual budget adoption process.

Tom Lennox, *Chairman*, asked for public comment on the item and there was one participant.

Kim Likins, *The Boys & Girls Club*: Thanked the Town and it's staff for taking the time to possibly implement this process. She stated that many nonprofits have endowments that can only be used for specific purposes and that should be taken into consideration.

The Committee was pleased with the information provided and welcomed a transparent and fair process. Mr. Troyer stated that all funding requests will be first reviewed by the Finance & Administrative Committee and then forwarded to Town Council for their final review and approval. He also stated that as more information such as the application and deadlines become available, they would be shared and discussed at the Committee level.

Mr. Harkins moved to recommend the process and potential application to Town Council for approval. Mr. Stanford seconded. By way of roll call, the motion passed with a vote of 4-0-0.

Chairman Lennox thanked those in attendance for their comments and questions, and Mr. Troyer for his presentation to the Committee.

c. Consideration of the American Rescue Plan Funding Appropriations

Marc Orlando, *Town Manager*, Congressional House Resolution 1319, better known as the American Rescue Plan, was signed into law on March 11, 2021. This legislation provides funding to local governments in order to assist in responding to the COVID-19 public health emergency. Mr. Orlando stated that based on guidance that has been provided from the United States Department of the Treasury, the Town is anticipated to receive a cumulative total of \$5,227,178.00 in Coronavirus State and Local Fiscal Recovery Funds. The Town has recently received the first round of funding under this appropriation of approximately \$2.6 million and expects to receive the remaining 50% of its allocation in 2022. He also informed the Committee that the United States Department of Treasury has also issued some preliminary guidance on how these funds may be potentially utilized.

Mr. Orlando outlined a recommendation of how the funding could be used when received for consideration by Town Council:

I. Address negative economic impacts caused by the public health emergency

- \$1,000,000 – Community Foundation of the Lowcountry Pandemic Impact Grants
 - \$500,000 in FY22 and \$500,000 in FY23

II. Replace lost public sector revenue and target funds to the following:

- \$400,000 – Home Repair-Structural Safety/Removal of Unsafe and Uninhabited Structures Program
 - \$200,000 in FY22 and \$200,000 in FY23
- \$1,000,000 – Town Hall Security and Technology Improvements

- \$1,000,000 in FY22 and \$0.00 in FY23
- \$1,000,000 – Patterson Tract Development/Infrastructure
 - \$500,000 in FY22 and \$500,000 in FY23

III. Invest in water, sewer, and broadband infrastructure

- \$200,000 – Lateral Sanitary Sewer Connection Grants
 - \$100,000 in FY22 and \$100,000 in FY23
- \$1,627,178 – Public Infrastructure
 - \$300,000 in FY22 and \$1,327,178 in FY23

Total = \$5,227,178

Mr. Orlando went into detail of each category of how the funding within each of the above areas it would be allocated to. The Committee had many positive thoughts of the details Mr. Orlando spoke of. They wanted to make sure that a follow up report be given when available if any changes would be made.

Tom Lennox, *Chairman*, asked for public comment on the item and there were two participants.

Kim Likins, *The Boys & Girls Club*: *Congrats to Marc Orlando* for thinking big and board of how to best use funds and excellent job. Previous funds gave to the Community Foundation of the Lowcountry were lifelines for many organizations and helped many. The Boys & Girls was able to open a full day learning pod for 100 kids. It is important to realize how impactful funds are to those in the nonprofit world.

Heather Rath, *Heather Rath Consulting*: She is on the consulting team for our county match program for water/sewer and broadband and additional sources of income are always needed.

Chairman Lennox thanked those in attendance for their comments and questions, and Mr. Orlando for his presentation to the Committee.

7. Adjournment

At 3:28 p.m. Mr. Stanford moved to adjourn. Mr. Harkins seconded. The motion to adjourn was approved by vote of 4-0-0.

Submitted by: Cindaia Ervin, Secretary

Approved: _____



Town of Hilton Head Island
Finance & Administrative Committee
Calendar Year 2022
Meeting Dates

Regular meetings of the Finance & Administrative Committee shall be held on the third Tuesday of each month at 2:00 p.m. in the Benjamin M. Racusin Council Chambers.

January 18	July 19
February 15	August 16
March 15	September 20
April 19	October 18
May 17	November 15
June 21	December 20



TOWN OF HILTON HEAD ISLAND

Finance Department

TO: Finance and Administrative Committee
VIA: Marc Orlando, *Town Manager*
VIA: Josh Gruber, *Deputy Town Manager*
FROM: John M. Troyer, *Director of Finance*
DATE: September 9, 2021
SUBJECT: Town of Hilton Head Island Financial Update

Recommendation:

Staff recommends that Finance Department continue to monitor Town Revenues and Expenditures and to provide monthly updates to the Finance & Administrative Committee for their review and discussion.

Summary:

As part of the pandemic response, Town Management identified the importance of monitoring revenue and expenditure items in a pandemic environment. Close monitoring can provide the ability to respond timely to changing economic realities.

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 September 21, 2021 meeting of the committee. I plan to give a preview of year-to-date results for the two months ending August 31, 2021. This is still early in the fiscal year, but it gives a glimpse into the financial position and activity so far. This will be a part of giving the Finance and Administrative Committee a continuing look at Town financial position, and provide a forum for discussions. We will continue those discussions monthly to ensure the Town is appropriately positioned in this economic environment.

Background:

As Town Council considered the proposed budget for FY 2021, one issue at the forefront of the discussion was the economic uncertainties due to the impact of the COVID-19 pandemic. Now we are in to FY 2022, and the pandemic is still not behind us. The financial update needs to continue at least until the COVID threat is contained, and probably much beyond. Town Council recognized that even after the budget was adopted for FY2022, continuing the close monitoring of the revenue collections and spending would continue to be important again this year.