

# TOWN OF HILTON HEAD ISLAND PUBLIC FACILITIES COMMITTEE

Date: July 9, 2018

Time: 11:00 A.M.

Members Present: Marc Grant, David Ames, Tom Lennox

Members Absent: None

Staff Present: Steve Riley, Scott Liggett, John Troyer, Teri Lewis, Jeff Buckalew, Darrin Shoemaker

Others Present: Kim Likins, Bill Harkins, John McCann, *Council Members*, Pete Nardi, Phil Waters, *Hilton Head Island PSD*

Media Present: None

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**1. Call to Order:**

The meeting was called to order at 11:00 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. Committee Business:**

**Approval of Minutes:** None

**4. Unfinished Business**

**5. New Business**

• **Hilton Head Public Service District Sewer System Expansion Project**

Scott Liggett said with respect to the topic at hand, what staff would recommend is consideration for two discrete items here today. One which deals with the previously established policy for implementation – essentially the five year program that we have been tracking. As I think you are all aware as the District previously indicated to us, they had an interest in consolidating and accelerating the remaining projects – realizing that we have been at the 1 and 2 years projects for some time now. The expectation that they have is to consolidate the remaining projects, bring forward those in a batch and essentially execute them with funding that conceivably would be made available in the current fiscal year. As I had mentioned heretofore, we had been operating under a policy of a five year implementation. Staff recommends that we acknowledge and revise that five year implementation policy as I have described – the consolidation and acceleration of the projects.

In anticipation of a favorable response in that regard, your package also includes a proposed reimbursement agreement. It is virtually identical to the agreement that we previously executed for those years 1 and 2 projects. What I would recommend the Committee consider is essentially reviewing the plan to consolidate and accelerate as a decision item and then we review and take action on the agreement. Both of those

documents are included in your package. We do have representatives from the Hilton Head Island Public Service District here should there be any programmatic or project related questions.

After a brief discussion, Councilman Lennox moved that the Public Facilities Committee recommend to Town Council to endorse the consolidation of the projects in these out years and bring them forward as a single year execution here in Fiscal Year 2019. Councilman Ames seconded. The motion unanimously passed.

Scott Liggett stated as it relates to the Reimbursement Agreement, essentially consolidating those projects speaks to as is indicated here on this proposed Agreement from the District a financial obligation of roughly \$2,900,000. The budget that Town Council just approved effective July 1 includes funding of up to \$3,200,000. There is ample funding in the budget to commit this contract at that dollar amount. As is indicated in the cover memo, there are two modifications to this Agreement that we are proposing to be made. The first deals with the administration or mechanics by which the reimbursement would occur. As I had mentioned earlier, this Agreement is essentially identical to the Agreement that we have had in place for the years 1 and 2 projects. One of the things that proved problematic to our Finance staff was the turnaround time that this Agreement speaks to. Essentially, the 15 days after having received those invoices, generally speaking, the nature of the invoices, the dollar amount – just about every one of them exceeded \$100,000 has required some additional financial controls often times that required the involvement of the Town Manager or Mayor to execute those checks. As I understand, the Finance staff try as though they might, had some administrative problems in adhering to the requirements of the Agreement. They have suggested that we insert a thirty day turnaround time which has been the standard if I can say so regarding all of our contracts unrelated to this and it has become a standard turnaround time. In that regard, staff is recommending that we propose a thirty day performance time in that regard for this item as well.

Additionally, it is my understanding that the District and their contractors desire to continue to use the Town's old Children's Center site as a strategic location for material storage and staging. That issue had come up last year after I believe the Agreement was executed. What staff and I am recommending is that we include a provision essentially to create if you will a self-policing requirement of the District staff as they review the works and use of that property. Philosophically, it would be my opinion that the Town review of that site should be the third backstop if you will. I would suggest that contractor first and foremost should be responsible for his actions there, secondary review by the District staff and the third review by Town staff. In that regard, the language that is proposed in your memo is what I would suggest be inserted to codify that relationship in the Agreement. Generally speaking, for requests like that there is a staff level review process recognizing the temporary use because this sort of use generally is non-compliant with the zoning districts. We all understand the advantage that it potentially provides and so that is what staff is recommending.

Other than these two changes we are satisfied with the Agreement and are prepared to recommend its execution.

Councilman Lennox moved to approve as presented the two changes to the Agreement. Councilman Ames seconded. The motion was unanimously approved.

## **6. Adjournment**

Councilman Lennox moved to adjourn the meeting. Councilman Ames seconded. The meeting was adjourned at 11:22 am.

Respectfully submitted,

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Karen D. Knox  
Senior Administrative Assistant