

**TOWN OF HILTON HEAD ISLAND
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING**

Date: May 7, 2019

Time: 2:00 p.m.

Members Present: Tom Lennox, *Chairman*, William Harkins and Tamara Becker, *Council Members*

Members Absent: None

Staff Present: Josh Gruber, *Assistant Town Manager*; Angie Stone, *Director of Human Resources*; Brian Hulbert, *Staff Attorney*; John Troyer, *Director of Finance* and Cindaia Ervin, *Finance Assistant*

Others Present: John McCann (*Mayor*); David Ames *Council Member*; John O'Toole, *Beaufort County Economic Development Corporation*; Chester Williams, *Law Office of Chester Williams LLC*; Skip Hoagland; Risa Prince; Jocelyn Steiger, *Hilton Head Island Assoc. of Realtors*; Eleanor Lightsey, *Lowcountry Inside Track* and other members of the community.

Media: Katherine Kokal, *Island Packet*

1. Call to Order

Tom Lennox, Chairman, called the meeting to order at 2:00 p.m.

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 Minutes

a. Finance & Administrative Committee Meeting, April 23, 2019

Mr. Harkins moved to approve the Finance and Administrative Committee Meeting minutes from April 23, 2019. Mrs. Becker seconded and the motion was approved by vote of 3-0.

4. Unfinished Business – None

5. New Business

a. **General Discussion of Town Manager Performance Review Process & Procedure.**

Angie Stone, Director of Human Resources, provided the Committee with the proposed evaluation form, outlined the process and shared the proposed timeline for the Town Manager annual performance review. She highlighted changes of the draft form used for fiscal year 2018 performance evaluation and those that could be used for fiscal year 2019 upon approval. Ms. Stone asked the Committee for their feedback of the proposed changes. Some of the discussion included clarification of the competencies and a general discussion of the goals the Town Manager would be reviewed on. Ms. Stone stated that the proposed timeline is aggressive, however, in order to allow enough time for the complete evaluation process and a possible compensation recommendation for fiscal year 2020, it would need to be necessary to move forward

Mr. Lennox opened the floor to public comment.

Skip Hoagland: Mr. Hoagland appeared before the Committee to discuss his thoughts regarding seeking a financial audit for the Town and the Hilton Head Island-Bluffton Chamber of Commerce. He also stated that he has concerns of over development and pollution and it makes it difficult for Town Council Members to be effective as he views those elected as a part time position.

Mr. Lennox stated that he wanted to allow for the Committee and those Council members present the opportunity to digest the information received today. He openly encouraged them to send any suggested changes or thoughts for clarification to Ms. Stone by Friday in order to meet the proposed timeline for the process. Mr. Lennox thanked Ms. Stone for her time and great discussion with the Committee.

b. General Discussion/Presentation Regarding Opportunity Zones: Beaufort County EDC – John O’Toole.

John O’Toole, Beaufort County Economic Corporation, shared with the Committee a brief summary of completed projects, incentives for companies and potential new companies that could be moving to the County and Hilton Head. He explained that the recently passed tax cuts and job act of 2017 created opportunity zones, which are specially created geographic districts that grant investors substantial tax breaks for investment capital-including tax-free income. The Tax Reform Act includes tax breaks for these investors. An investor can may defer capital gains on the sale of any asset. The new investment then pays no capital gains for the next 10 years. In addition, the original capital gains tax is reduced over time.

Mr. O’Toole shared that the goal is to create long term business retention not only in the County but here on Hilton Head. Information provide showed that there have been 83 jobs created with the average annual wage of \$55,421/year. Positive data has showed that the incentives for Hilton Head companies have reached \$1.1M with capital investments of \$8.6M. He also stated that a lot has been done in a short amount of time and he looks forward to continuing to build his relationship with the Town to accomplish those goals. Mr. Lennox thanked Mr. O’Toole for his time and the information provided to the Committee.

6. Adjournment

At 3:15 Mr. Harkins moved to adjourn. Mrs. Becker seconded. The motion to adjourn was approved by vote of 3-0.

Cindaia Ervin, Secretary

Approved: May 21, 2019

Tom Lennox, Chairman