



Town of Hilton Head Island
Finance & Administrative Committee Meeting

Tuesday, September 17, 2019 at 2:00 p.m.

Conference Room 3

MEETING MINUTES

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

Present from Town Council: John McCann, *Mayor*; David Ames and Glenn Stanford; *Council Members*

Present from Town Staff: Josh Gruber, *Assistant Town Manager*; Steven Markiw, *Deputy Director of Finance*; Cindaia Ervin, *Finance Assistant*

Present from 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. Finance & Administrative Committee Meeting, August 28, 2019

Mr. Harkins moved to approve the minutes from August 28, 2019. Mr. Lennox seconded. The motion was approved by a vote of 2-0-1. Mrs. Becker abstained as she was not present at the meeting.

4. Unfinished Business-None

5. New Business

a. General Discussion Regarding Disaster Planning Reserves.

Tom Lennox, Chairman, introduced Steven Markiw, Deputy Director of Finance. Mr. Markiw presented information to the Committee regarding disaster planning reserves for the Town. He spoke about the current policy for reserves which allowed the Town to be able to have \$38.6M in capacity for an emergency response. Hurricane responses have cost the Town \$55M over the last three years. Hurricane Matthew alone has cost the Town \$48M which was paid for by \$20.1M in reserves and the sale of a \$20M Bond Anticipation Note.

Mr. Markiw illustrated how the Town's conservative disaster reserve policy has helped when disasters arise. Josh Gruber, Assistant Town Manager, stated that expenditures did not happen immediately as there were checks and balances from both parties prior to final payment. This helped the Town to carry on normal operations without the financial burden of a hurricane right away. Currently the Town is awaiting \$1.2M to complete Hurricane Matthew expenditures. Mr. Markiw informed the Committee that the Town expects FEMA to conduct an audit on funds received. This is to ensure that what was submitted was correct for payment. At this time there is no indication that any funds would need to be paid back as both sides have a vigorous internal audit process. Since Hurricane Matthew, Town Council approved increasing the Town's disaster reserve policy from 35-30% to 35-40%. With this new plan from the Town is now more than ready to respond to \$60M disaster. The Committee and Council Members present were delighted to hear the positive progress of the Town's financial status post Hurricane Matthew. Mr. Lennox, thanked Mr. Markiw and those present for the discussion regarding the disaster planning reserves.

6. Adjournment

At 2:45 pm 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: October 15, 2019

Tom Lennox, Chairman