



Town of Hilton Head Island
**Finance & Administrative
Committee Meeting**

Tuesday, February 18, 2020 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*; Glenn Stanford and David Ames;
Council Members

Present from Town Staff: Josh Gruber, *Assistant Town Manager*; John Troyer, *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, January 7, 2020.

Mr. Harkins moved to approve the minutes from January 7, 2020. Mrs. Becker seconded. The motion was approved by a vote of 3-0.

4. Unfinished Business-None

5. New Business

- a. Review of Budget Ordinance 2019-15 Approving a Budget and Tax Levy for Fiscal Year 2019-2020 and Fiscal Year 2020-2021; and Discussion and Input for the Next Budget Recommendation by the Town Manager-Scheduled for May 2020.

Tom Lennox, Chairman, introduced John Troyer, Director of Finance who gave a brief history of the budget process. Mr. Troyer explained that with the approval of the last years 2 year budget, Town Council established spending authorization and a mileage rate for Fiscal Year 2020 and provided for a small surplus of \$336K to enhance reserves. The proposed Fiscal Year 2021 budget will be slightly less than 2020's. It will also include expected changes to the budget for the Lowcountry Celebration Park operating costs and possible increases from the

implementation of the Town's recent pay and classification study. John McCann, Mayor, asked how this would affect this year's budget and Mr. Troyer stated that depending on the proposed recommendation, funding would need to be adjusted to the Town's Salaries and Benefits. 62% of the Town's General Fund is comprised of Salary & Benefits. Glenn Stanford asked if the Town was within an average range for Salaries & Benefits and Josh Gruber, Assistant Town Manager, stated that the Town is actually on the lower side due to the Town contracting out a number of its services; however, it is important for the Town to remain competitive and aware of the trends in the area.

For Fiscal Year 2021 the Town Manager will review all areas of the Town's budget. Using a streamlined approach, he will adjust the recommendations where appropriate, use the same tax rate as last year and present and updated plan to Town Council for consideration on May 5th. Mayor McCann stated that he feels that Town Staff does a great job educating Town Council on the budget; however, he would like to ensure that the public is equally educated. Mr. Gruber stated he would work with Staff to schedule public meetings at Town Hall during this year's budget process. Mr. Troyer stated that he expects that the budget review by Town Council will look similar to previous years, excluding any unexpected funding changes that may occur along the way. Mayor McCann asked how the Town's Affiliated Agencies will be reviewed this year, as in prior budget cycles each organization presented its proposed budget to the Finance & Administrative Committee. Mr. Troyer stated that with the approval of the biennial budget (Fiscal Year 2020-2021), a line item was held for each Affiliated Agencies second year budget and the Town would be sending correspondence explaining that. The Committee decided that in preparation of the budget they would like to request that all Town Affiliated Agencies provide its most current Annual Report and form 990 to help establish a starting point for evaluating the services provided on behalf of the Town.

Mr. Troyer asked for guidance and direction from the Committee on their thoughts and feelings of the adoption of a biennial budget. The overall discussion of the Committee was that they have no concerns with a biennial budget, as long as they will still be able to meet at the Committee level to discuss any changes expected and have the flexibility to adjust the second year's budget if needed. Mr. Troyer agreed that having Staff level meetings would be beneficial in educating Town Council and the Public of the upcoming budget. Mr. Lennox, asked for public comment on the topic. Many of the citizens had positive comments regarding the budget and process. Mr. Troyer suggested the citizens in attendance view the Town's monthly and annual financial reports on the Town's website for more information. After the close of public comment, Mr. Harkins made a motion to recommend to Town Council to again adopt a biennial budget format for the Fiscal Year 2021 and 2022 budget. Mrs. Becker seconded. The motion was approved by vote of 3-0. Mr. Lennox thanked Mr. Troyer and all present for the discussion.

6. Adjournment

At 2:47 pm Mrs. Becker moved to adjourn. Mr. Harkins seconded. The motion to adjourn was approved by vote of 3-0.

Submitted by: Cindaia Ervin, Secretary

Approved: March 3, 2020

Tom Lennox, Chairman