



Town of Hilton Head Island
**Finance & Administrative
Special Committee Meeting**
Tuesday, August 18, 2020, 10:00 a.m.
Conference Room 3

MEETING MINUTES

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

Present from Town Council: David Ames and Glenn Stanford; *Council Members*

Present from Town Staff: 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 10:15 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. Roll Call- See as noted above

4. Approval of Agenda

Chairman Lennox asked for a motion to approve the agenda. Mr. Harkins made a motion to approve the agenda as submitted. Mrs. Becker seconded. By way of roll call, the motion was approved by a vote of 3-0.

5. Approval of Minutes- None

6. Citizens Comments

Public comments concerning today's agenda items were to be submitted electronically via the Town's Open Town Hall portal. The public comment period closed yesterday at Noon. At the conclusion of the Open Town Hall there was no public comment nor did any citizen sign up to speak at today's meeting.

7. Unfinished Business- None

8. New Business

a. Review and Discussion of Fiscal Year 2020 Preliminary Results

John Troyer, Director of Finance, provided the Finance & Administrative Committee an overview of the Town's fiscal year 2020 preliminary results. In his discussion he stated that collections were at approximately 98% of last year's revenues with the property tax budget being met, business license collections were 103.9% of budget, stormwater 102.7% of budget, special revenues are 5.6% less than last year and interest earnings were 98.1% of the prior year even with the end-of-year rates this year. As a whole, current year collections were 94.4% of last year's collections from collections from this group of revenues. Mr. Troyer stated that current year spending is 2.3% more than last year at this time and that change is due to the construction of Low Country Celebration Park.

General Fund expenses held a similar pattern to last year. Expenses from February to May were less in 2020 than 2019 due to the COVID-19 pandemic. Mr. Troyer stated that by the end of fiscal year 2020 revenues would exceed spending and allow for a surplus. The Town has maintained during the COVID-19 pandemic due to the Town implemented reserve policy. Mr. Troyer stated that this policy assists in running Town operations while awaiting revenue receipts. The year-to-date results for the year ending June 30th are the "pre-close" and unaudited year-end amounts. June is an important collection month for the Town and though closing is not complete, Mr. Troyer doesn't expect significant changes. The Committee had many favorable comments regarding Mr. Troyer's presentation of the Town's preliminary June 30th results and they look forward to Mr. Troyer updating them at their next meeting regarding 2020 preliminary results. Mr. Lennox thanked Mr. Troyer and all present for the discussion.

b. Review and Discussion of Proposed Bond Refunding for Savings.

John Troyer, Director of Finance, reviewed with the Committee information of potential bond refunding for savings. Mr. Troyer stated that the Town's current 2011A and 2013A bonds will potentially be considered for an opportunity of bond refunding. Mr. Troyer stated that he has had meetings with the Town's Bond Counsel to look at the outstanding debt. Interest rates made a significant change in May/June and they felt that it would be beneficial to take advantage of the lower interest for savings. Selling either bond will be dependent on the market at the time for the most potential savings. The sale for the 2011A bond would generate a \$300K savings while 2013A could potentially create a loss due to its maturity date. The potential sale would take place in November, however, if there is not a potential savings for the Town on either bond Mr. Troyer stated there would be no sale. The Committee had many favorable comments regarding Mr. Troyer's presentation regarding the proposed bond refunding for savings. They felt that if the rates and savings potential were positive at the time of sale, they felt that selling would be beneficial for the Town. Mr. Harkins made a motion to recommend to Town Council the two proposed Town bond refunding for savings. Mrs. Becker seconded. By way of roll call, the motion was approved by a vote of 3-0. Mr. Lennox thanked Mr. Troyer and all present for the discussion.

9. Adjournment

At 11:13 a.m. The Committee returned from Executive Session. 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: September 15, 2020