



Town of Hilton Head Island  
**Intergovernmental Committee Meeting**

Monday, March 2, 2020 at 10:00 am  
Benjamin M. Racusin Council Chambers

## Meeting Minutes

- Present From the Committee:** William Harkins, Chairman; David Ames, Tom Lennox
- Present from Town Council:** Marc Grant
- Present from Town Staff:** Stephen Ryan, Town Attorney; John Troyer, Director of Finance; Faidra Smith, Administration Manager; Shawn Collins, Director of Community Development
- Present from Media:** Eleanor Lightsey, Lowcountry Inside Track; Katherine Kokal, Island Packet
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### 1. Call to Order

### 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. A motion to approve the minutes of the October 7, 2019 Intergovernmental Committee meeting was made by David Ames and seconded by Tom Lennox. The motion was approved by a vote of 3-0.

### 4. Unfinished Business

### 5. New Business

- a. Update on Legislative Items of Interest for the 2020 General Assembly Session was presented by Faidra Smith, Administration Manager. Ms. Smith provided an update on various bills that are moving forward this session. It was noted that the General Assembly has been spending most of their time on the Education Reform Bill.

House Bill 4431- Business License Tax Reform. This bill has passed the House with a vote of 104-0. It now resides in the Senate Finance Committee. The House adopted the amendments presented by the House Labor, Commerce & Industry Committee. The key provisions that passed standardize the business license forms, renewal dates and the appeals procedure. The bill bases the business license tax on the gross income of the business which makes the bill revenue neutral. It was noted that the original bill would have based the tax of the business on the net income. Class schedules will be recommended by the Municipal Association of South Carolina (MASC) and then adopted by the Director of Revenue & Physical Affairs office. An online business license renewal payment portal will

be hosted and managed by the Revenue & Physical Affairs office. If this bill passes, the effective date for this to go into effect is estimated to be January 1, 2021.

John Troyer, Finance Director, continued to explain the details of the bill to the committee. The Town is currently analyzing the local impact of the bill. The Town's intent is to follow the model ordinance. There was a conversation between the committee members and Mr. Troyer regarding specifics of the classifications. The Town would need to ensure the calculations on those classifications remain revenue neutral. The Committee members questioned when and what sort of communication would be appropriate for our business community in anticipation of this. Mr. Troyer said that in anticipation of the January 1 renewals, the Town would want to get the finalized version from the state, calculate the impact and communicate the effects with our local businesses. The Finance Department's anticipated timing would be to provide Town Council with those calculations at the same time they present a proposed Town budget. It would then be communicated to the community.

Mr. Lennox commended the grass roots campaign from our local Mayors. The original bill calculations based the taxable income on net income. The result had the Town at risk to lose \$10.3 million of annual revenue (estimated at 24% of our general fund budget.) Mayor McCann, Mayor Sulka and Mayor Williams started a grass roots campaign throughout the entire state of South Carolina. They rallied over 271 Low Country Mayors and governing municipalities statewide requesting to amend the bill and have calculations based on gross income. MASC was involved with the parties who worked on this bill and lobbied them with the standardized process being revenue neutral.

Ms. Smith went on to talk about other items of interest. Regarding the Local Government Fund, the House Ways & Means Committee gave its final approval to the budget. They have given \$11.6 million to the Local Government Fund for a new base amount of \$245.4 million. Prior to this bill, the Local Government Fund was significantly underfunded, and the committee redefined the formula to equate to the lower funding level. Another state budget proviso included an additional \$ 10 million in non-re-occurring funds as a match for FEMA funds for Hurricane Dorian as well as adding \$50 million in non-recurring funds to Disaster Relief & Resilience Reserve Fund. This fund will help state and local governments with non-federally funded disaster expenses.

Many of the other bills from last year have not received much action since last spring and continue to reside in their respective committee. One of those bills is S-394, Plastic Bag Ban Bill. The bill stated that any regulation on plastic bags would be done at the state level. The Town sent several letters of opposition regarding this bill last year. Beaufort County does not want to lose control over our Plastic Bag Ban Ordinance. The Bill resides on the Senate calendar and it hasn't received any action since April of 2019.

The Chairman opened up the discussion to public comments. Eleanor Lightsey of Low Country Inside Tract asked about the Senators who are opposing the S-394 Bill. It was noted that this information could be found online.

**b. Conversation with 2LT Chris Hulbert, South Carolina State Guard**

Mr. Harkins welcomed Second Lieutenant Hulbert to the committee. Lieutenant Hulbert started by explaining the history of the South Carolina State Guard. The Lieutenant works for the Business Development Command of the SC State Guard. The mission of Business

Development Command is public awareness and explaining what they do and how they can serve the State of South Carolina and the communities in the area.

The State Guard has been around since the year 1670. Over the years, it has changed its name from SC Militia to SC State Defense Corp to their current name. They work directly for the Governor of South Carolina and respond when he directs them. The State Guard has a humanitarian mission providing support to the state, local communities and the people of South Carolina in events of natural or man-made disasters. Some of their support comes in the form of disaster cleanup, monitoring and providing security as well as working alongside the Red Cross, local Fire Departments and Police Departments. The SC State Guard comprises of a mix of military and civilian volunteer force who want to give back to their state. The various departments with the Guard include: an Engineering Detachment, a Medical Detachment, a Search & Rescue Command, a Provost Martial Detachment, a JAG Corp. and a Chaplin Corp. Lieutenant Hulbert was especially proud of their Honor Guard/ Ceremonial Unit. All veterans, honorably discharged, are entitled to a military funeral; however, sometimes the military branch is unable to provide this to the grieving family. The SC State Guard has a fully trained honor guard unit that will provide this free of charge for any veteran.

Lieutenant Hulbert's second mission is Recruitment. The SC State Guard is a way to give back to the state, providing as much or as little involvement as wanted. He further explained that as part of the State Guard, when the Governor issue orders, they are like any other Military, allowing that individual to go and serve in the State Guard and not be penalized by their employer. The Lieutenant's third mission is fund raising for the Guard. An estimated 50% funds come from the State of South Carolina. There is a 501-C3 in place to raise additional money as well. This allows the Guard to rely on donations from business and individuals for additional day-to-day items.

With no further public questions or comments, Mr. Harkins thanked Lieutenant Hulbert for time and his service.

c. Update from South Carolina Floodwater Commission from Tom Lennox, Council Member.

Mr. Lennox began by stating that Mayor McCann was one of more than 50 statewide leaders appointed to the Governors South Carolina Flood Water Commission over a year ago. The Commission met four times in 2019, formed 10 task forces and issued dozens of recommendations. Mr. Lennox continued with background information from Governor McMaster's report. During the last 4 years, South Carolina has experienced very serious episodes of flooding along the coasts, rivers and low lying interior areas as a result of rains, storms, and hurricanes. This highlights the need for a statewide plan to accommodate and mitigate flooding impacts on the state. Problems with excess bacteria and toxins in fresh water systems are being exasperated by natural disasters. It is vital to mitigate flooding to lessen the negative impacts to our state's economy in order to facilitate growth, promote tourism and assist communities and businesses struggling from repeated flooding events. The SC Floodwater Commission is constituted to serve as a vehicle to research, evaluate, share and coordinate measures being considered. The Commission is charged with developing short and long-term recommendations to alleviate and to mitigate flood impacts to the state with special emphasis on cities, communities and enterprises on or near the coast and rivers across South Carolina. Ten task forces were formed to deal with specific statewide issues. There is a full report from each of these task forces with recommendations found at: [southcarolinafloodwatercommission.com](http://southcarolinafloodwatercommission.com).

There was conversation between committee members regarding what takeaways Town can implement. It was recommended to share this overview at the next Town Council meeting as well as reach out to the town manager and town staff

After no public comments, Chairman moved on to the next agenda item.

- d. Conversation with Council Member Tom Lennox regarding information from the participation in the Beaufort County Housing Analysis.

Mr. Lennox began by defining the Housing Trust Fund as a multi- jurisdictional government fund, separate from the general fund and established jointly by the governing authorities of one or more municipalities or counties with one or more dedicated sources of public revenue and authorized expenditures. The Southern Lowcountry Regional Board (SOLOCO) has been engaged in the issue of work force development and workforce affordable, attainable housing. SOLOCO has begun the implementation of a Regional Housing Trust Fund, making the following recommendations: Hire a consultant to study the feasibility of a Regional Housing Trust Fund; make it a county-wide initiative between Jasper and Beaufort counties while consider adding the municipalities North of the Broad River; and, appoint a Steering Committee to determine feasibility and the appropriate level of community involvement/ acceptance. The Steering Committee would consist of two representatives from each jurisdiction and one representative from each of the following: Home Builders Association, Realtors Association, Habitat for Humanity, Jasper Neighbors United, the Housing Authority and a representative from the financial industry. The expectation is for a Request for Proposal (RFP) for consulting services go out this month. Mr. Lennox specifically noted that it is a very cooperate effort as two counties and five municipalities have come together for the first time in tackling a serious regional threat.

Council members discussed the premise to challenge the thinking and ask questions pertaining to what is best for Hilton Head Island in relation to having its own trust fund. Additional questions were discussed regarding the advantages and disadvantages of the regional fund; what are the advantages and disadvantages of a local fund. Additional information can be found in a PowerPoint presentation by Eric Greenway on the SOLOCO website.

With no further public comments, the Chairman moved for adjournment.

## 6. Adjournment

A motion for adjournment was made by Mr. Lennox. It was seconded by Mr. Ames. The meeting adjourned at 10:55 AM.

Submitted by:

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Phyllis Deiter, Sr. Administrative Assistant

Date: June 24, 2020

Approved by:

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William D. Harkins, Chairman