



Town of Hilton Head Island
TOWN COUNCIL MEETING
Tuesday, May 2, 2023, 3:00 PM
Minutes

Present from Town Council: Alan Perry, *Mayor*; David Ames, *Mayor Pro-Tempore*; Alex Brown, Patsy Brison, Tamara Becker, Steve Alfred, Glenn Stanford, *Town Council Members*

Present from Town Staff: Marc Orlando, *Town Manager*; Josh Gruber, *Deputy Town Manager*, Angie Stone, *Assistant Town Manager*, Shawn Colin, *Assistant Town Manager – Community Development*; Chris Blankenship, *Fire Chief*; Ben Brown, *Sr. Advisor to the Town Manager*; Kimberly Gammon, *Town Clerk*; John Troyer, *Finance Director*; Erica Madhere, *Budget Analyst*; Bryan McIlwee, *Assistant Community Development Director*; Missy Luick, *Assistant Community Development Director*; Zenos Morris; *Assistant Community Development Director*; Carolyn Grant, *Communications Director*; Kelly Spinella, *Social Media and Marketing Manager*; Bob Bromage, *Public Safety Director* Jeff Buckalew, *Town Engineer*; Jeff Shumaker, *Community Code Enforcement Officer*; Cindaia Ervin, *Assistant Town Clerk*

1. Call to Order

Mayor Perry called the meeting to order at 3:00 p.m.

2. FOIA Compliance

Ms. Ervin affirmed compliance with FOIA.

3. Roll Call

Attendance was confirmed by way of roll call.

4. Pledge to the Flag

5. Invocation – Pastor Brett Myers – First Baptist Church Hilton Head Island

Pastor Brett Myers delivered the invocation.

6. Civility Pledge

7. Approval of the Minutes

a. Regular Meeting – April 18, 2023

Mr. Ames moved to approve. Mr. Alfred seconded. Ms. Brison moved to amend the minutes with the following: Agenda Item 7.a. - Page 2, *correct number of Senate Bill to 0284 and delete House Bill 4213*. Agenda Item 11.c. – Page 4, add the following

sentence before public comments: *Ms. Brison stated she could not support the motion as amended since her constituents request the additional pathway be installed on the northern boundary.* Ms. Becker seconded. Motion carried 7-0. The minutes as amended were approved. Motion carried 7-0.

8. Report of the Town Manager

a. Items of Interest

Marc Orlando reported that Town Council Budget Workshops are scheduled for May 9 and May 10, 2023. He noted there would be an update regarding the Cat Sanctuary located on Beach City Road at the May 16, 2023 regular meeting. He added that the Strategic Action Plan will be presented at the June 6, 2023 regular meeting of Town Council along with second reading of the proposed budget for FY2024.

9. Appearance by Citizens

Bob Soltys addressed Council regarding the need for a world-class pickleball facilities on Hilton Head Island and the need to designate funds for improvements at the Adrianna pickleball courts; expansion of the Adrianna facility to 12 courts; and the need to commit 2024 funds to finalize the design of a 24-court pickleball complex.

Freida Hansburg spoke in favor of and the need for the expansion of pickleball facilities on the Island. She emphasized the importance of the sport and the socialization it provides.

Judy Bastian addressed Council regarding support of and the need for improved pickleball facilities.

Lori Miller addressed Council regarding the need for improved pickleball facilities which would in turn make Hilton Head Island a world-class pickleball vacation destination.

Jeff Conradi, District Ambassador for USA Pickleball, South Carolina addressed Council providing statistics regarding pickleball and the need for public courts.

Rick Hobson addressed Council provided statistics regarding pickleball and the need for improved and additional pickleball courts. He added the sport provides much needed socialization.

Liz Dunn addressed Council regarding the ongoing problem with cats at the Spa on Port Royal Sound neighborhood and asked for assistance from Town Council to remedy the problem.

Susan Halpert addressed Council in support of the Cat Sanctuary.

Sheree Capello addressed Council in support of All About Cats and the Cat

Sanctuary stating the cats at the Spa are not cats from the Cat Sanctuary.

Theresa Coco addressed Council suggesting the Cat Sanctuary be relocated.

Sam Einfelt addressed Council regarding the cat problem at the Spa on Port Royal Sound and conversations with the owner of All About Cats regarding the problem.

Elise Upperman addressed Council regarding cats at the Spa on Port Royal Sound stating she did not think the cats were coming to the Spa from the Cat Sanctuary and spoke in support of All About Cats and the services they provide.

Lauren Albrecht addressed Council in support of All About Cats and the services they provide.

Dee Lamprecht addressed Council and defined the services provided by All About Cats and noted the cats at the Spa are not cats from All About Cats.

Colleen Bailey addressed Council in support of All About Cats and the Cat Sanctuary.

Brenda Manning addressed Council in support of the Cat Sanctuary noting the assistance given to rescue cats from the Spa.

Dena Drennen registered to address Council but was not present when called upon.

Dr. Kimberly Dudas, a representative from the University of South Carolina – Beaufort, addressed Council regarding opposition to Proposed Ordinance 2023-11. She stated that the University has been fiscally responsible with the funding and cannot support the proposed ordinance with no sustainable budget model provided. Dr. Dudas informed Council the University will step aside if the Proposed Ordinance is approved.

Skip Hoagland addressed Council and showed a Power of Attorney to speak on behalf of Lynne Greeley. He stated he would waive his three minutes that he registered for to speak on her behalf. Mayor Perry advised Mr. Hoagland that Council does not accept Power of Attorney for citizens to speak on behalf of another person. Mr. Hoagland continued to address Council regarding the Hilton Head Island – Bluffton Chamber of Commerce and requesting compliance with Mr. Hoagland's FOIA request regarding such.

Daniel Anthony addressed Council regarding LMO amendments and overdevelopment.

Peter Kristian addressed Council regarding proposed legislature pertaining to short-term rental regulations and encouraged the Town to track the bill. In addition,

he addressed Council regarding the USBC campus on Hilton Head Island and his support of development of a Community Management program.

10. Public Hearing

- a. First Reading of Proposed Ordinance 2023-10 Adopting the Municipal Budget for the Town of Hilton Head Island for Fiscal Year 2024 Ending June 30, 2024.

Mr. Orlando delivered a presentation to Town Council providing an overview of the proposed Fiscal Year 2024 budget of \$129.95 million. He reviewed projected revenue along with details of expenditures and fundings sources for such. Mr. Orlando stated the budget addresses community priorities such as growth management; workforce housing; traffic solutions; infrastructure enhancement; economic development; resiliency; recreation; and public safety with no increase in taxes. He noted the May 9 workshop will address all funds apart from the Capital Improvement Fund which will be addressed at the May 11 Workshop.

Mr. Ames moved to approve. Ms. Brison seconded. Council Members asked questions and provided input regarding: the increase in grant funding and appreciation to staff for applying for the available funding; the need for fiscal responsibility; concern with the number of new hires and expansion of government; the need to look for places to take tax dollars and return them to taxpayers; appreciation for the thorough presentation and preparation for the upcoming workshops; the alignment of the budget with Town Council priorities; appreciation regarding the same millage rate but an improvement of services; the clarity provided by having separate funds for the Gullah Geechee Historic Neighborhood Community Development Corporation and Housing Funds; and notice of the strategic commitment to raising the quality of life for residents; notice of the establishment of revenue sources that do not lean on property taxes of residents; and the need to reinvest in the community to achieve sustainability. Mayor Perry asked for public comment. Skip Hoagland made comments against the budget calling for an independent audit. Xiaodan Lee posed questions regarding ATAX, CPI and workforce housing funds and overdevelopment. Alex Krug addressed Council and commended the Town Manager on the thoroughness of the proposed budget. Peter Kristian addressed Council regarding the need for concern on how new residents and tourists get here and the need for Council to consider increasing the merit percentage for staff. Ms. Becker stated she was in opposition because of her concern with the number of new hires and expansion of government; expectations of the readjustment in millage from the reassessment; the need to look for places to take dollars and return them to the taxpayers. Motion carried 6-1 (Becker opposed).

11. Unfinished Business

- a. Second Reading of Proposed Ordinance 2023-09 Amending Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance, to Remove Divisible Dwelling Units as an Accessory use and to Modify Multifamily and Single-Family Definitions.

Missy Luick provided an overview regarding the item and defined the changes. Mr. Ames moved to approve. Ms. Becker seconded. Skip Hoagland addressed Council in favor of the amendments. Motion carried 7-0.

12. New Business

- a. Consideration of Resolution Approving the 2023-2024 Hilton Head Island Destination Marketing Organization (DMO) Marketing Plan & Budget.**

Josh Gruber provided a brief overview of the requirements of the DMO noting a budget is required to be submitted and introduced Arianna Pernice, Vice President of the Visitor and Convention Bureau of the Hilton Head Island-Bluffton Chamber of Commerce to address Council. Ms. Pernice provided a detailed presentation regarding the budget and the additional request of \$400,000.

At the conclusion of the presentation, Mr. Ames moved Town Council approve the resolution approving the Town's Destination Marketing Organization 2023-24 Marketing Plan with an Approved Budget not to Exceed \$4.1 million representing the anticipated funding level of 30% of the Town's State Accommodation Taxes; And to the extent that additional funding has been requested above and beyond that figure, that Town Council defer action on this request for a period not to exceed 90 days. Mr. Stanford seconded. Council Members asked questions and provided input regarding: the need for the resident to be focused on in the reporting; discussion and concern regarding the impact of tourism on residents; clarification and the need for explanation and detail regarding funding requests over and above the 30%; review of survey metrics; a question as to whether performance should be measured based on the number of visitors but scattered throughout the year; conflicting information regarding times of marketing; clarification needed as to specific times of year when there is an increase in visitors; and appreciation for the focuses on eco-tourism and heritage and cultural tourism; and wellness tourism. Ms. Brison stated she is concerned about the impact on the community and cannot support an increase at this time. She added that she was not even sure she would support the motion because she doesn't want to come back in 90 days to look at the request again.

Mayor Perry asked for public comment. Skip Hoagland addressed Council regarding his opposition to the marketing plan and to funding the Hilton Head Island-Bluffton Chamber of Commerce as the DMO. Risa Prince addressed Council regarding opposition to an increase in funding for the DMO. Peter Kristian addressed Council in support of the DMO. Motion carried 6-1 (Brison opposed).

- b. Consideration of a Resolution Supporting the Proposed Approach to Complete a Strength, Weakness, Opportunities, and Threats (SWOT) Assessment for Solid Waste and Recycling for Hilton Head Island.**

Jeff Buckalew provided a brief overview of the item. He explained the resolution was reviewed and approved to move forward to Town Council for consideration by the

Community Services Public Safety Committee on April 17, 2023. He referenced the outline included in the packet and stated that upon approval staff will complete negotiations on a contract and move forward. He concluded that he sees the report coming back to Council at a workshop with the recommendations and strategies. Mr. Ames moved to approve. Mr. Alfred seconded. Mayor Perry asked for public comment. Skip Hoagland addressed Council in opposition to the resolution. Peter Kristian spoke in support of the resolution. Motion carried 7-0.

- c. First Reading of Proposed Ordinance 2023-11 Amending Section 4-10-100 (Management and Use of Local Accommodation Taxes) of the Town of Hilton Head Island Code of Ordinances Pertaining to the Event Management and Hospitality Training Program Fund.

Josh Gruber provided a brief overview of the proposed ordinance and explained the request was forwarded from the Finance and Administrative Committee to remove a mathematical formula for the funding and replace it with the submission of an annual budget and go through the affiliated agency process. Mr. Ames moved to approve. Mr. Alfred seconded. Mr. Brown explained the reasoning behind the change was to align all affiliated agencies with the same requirements. He emphasized the Finance and Administrative Committee supports the program. Mayor Perry asked for public comment. Skip Hoagland spoke regarding the need for a forensic audit of accommodations tax funds. Dr. Eva Smith, Chair of the Hospitality Management Program at USCB addressed Council regarding her support of the Event Management and Hospitality Training Program Fund. She voiced concerns regarding funding for a full-time director and the need for more clarity regarding providing services and funding. Mr. Brown suggested the development of a memorandum of understanding with USCB to alleviate those concerns. After discussion, the motion carried 7-0.

13. Executive Session

- a. Discussion of Negotiations Incident to Proposed Contractual Arrangements and Discussions for the Proposed Sale or Purchase of Property [pursuant to the South Carolina Freedom of Information Act Section 30-4-70(a)(2)] Related to:
 - 1. Bryant Road Area
 - 2. Pope Avenue Area
 - 3. Shelter Cove Area

At 6:49 p.m. Mr. Orlando stated the need to enter Executive Session for the reasons listed above. Mr. Ames moved to enter Executive Session for the reasons cited by the Town Manager. Mr. Stanford seconded. Motion carried 7-0.

14. Possible Action by Town Council Concerning Matters Discussed in Executive Session

Upon return to the dais at 7:20 p.m. Mayor Perry asked if there was any action to be taken concerning Executive Session.

Mr. Ames moved that Town Council authorize the Mayor and Town Manager to execute and deliver the agreement by and between the Town of Hilton Head Island, South Carolina, and HHSC, LLC for the purchase and sale of 7.19 acres, more or less, on Bryant Road, and to take such other and further actions as may be necessary to complete the transaction described in the agreement. Ms. Brison seconded. Motion carried 7-0,

15. Adjournment

The meeting was adjourned at 7:21 p.m.

Approved: May 16, 2023

Kimberly Gammon, Town Clerk

Alan R. Perry, Mayor

The recording of this Meeting can be found on the Town's website at www.hiltonheadislandsc.gov