

THE TOWN OF HILTON HEAD ISLAND
TOWN COUNCIL BUDGET WORKSHOP

Date: Tuesday, May 1, 2012

Time: 6:50 P.M.

Present from Town Council: Drew A. Laughlin, *Mayor*; Ken Heitzke, *Mayor Pro-Tem*; George Williams, Lee Edwards, Bill Ferguson, Bill Harkins, Kim Likins, *Council Members*.

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Director of Finance*; Lavarn Lucas, *Fire Chief*; Brad Tadlock, *Deputy Fire Chief – Operations*; Brian Hulbert, *Staff Attorney*; Tom Fultz, *Director of Administrative Services*; Victoria Shanahan, *Accounting Manager*; Vicki Pfannenschmidt, *Executive Assistant*

Present from Media: Tom Barton, *Island Packet*

1) Call to Order

Mayor Laughlin called the workshop to order at 6:50 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) Big Picture Issues/Overview

• **CIP funding**

○ **GO Bonding**

○ **Conversion of hospitality funds to operations of new Capital improvements**

Mr. Riley explained the capacity and flexibility in funding to pay for projects. He reviewed the ability to reprioritize debt, maintain stable millage and refunding opportunities.

• **Millage Caps – three-year look back**

Mr. Riley reminded Town Council there is a three year look back stating he is not recommending a millage increase this year. He said the State has not yet recorded what the allowable increase would be this year. He said as time goes on Council needs to be reminded annually what is allowable due to the “use it or lose it” mandate.

• **Reassessment – This fall**

Mr. Riley reviewed the expectations of decline in values noting there is a law that seems to suggest if the values decline there is a roll up formula to increase millage.

• **Mainland Transportation Funding Commitment: Need to revisit**

Mr. Riley stated there was a past commitment made by Council. He explained the commitment and reviewed suggestions as to how to keep or modify the commitment and

benefit the Town. He noted this item will need to go through Committee before consideration by the full Council.

- **Becoming a Metropolitan Planning Organization (MPO) for Transportation Planning purposes: Implications**

Mr. Riley explained there are federal dollars allocated to local governments designated for urban areas and rural areas. He said Hilton Head Island is now designated an urban area along with portions of Beaufort County and the Town of Bluffton and is required to participate in or create a MPO. He noted the boundaries of the area Hilton Head Island is in and that the funding is for improvements to existing state or federal highways. He explained some of the available options concerning participation.

- **Funding Economic Development Initiatives**

Mr. Riley reviewed the opportunities available and the need to move forward.

- **Changes to State Retirement System: Implications**

Mr. Riley noted that Town Hall staff does not participate in the State Retirement System but Fire and Rescue employees do participate. He explained there are proposed changes concerning retirement benefits which could affect 21 staff members. He said the changes could take place as soon as July 1 and they would have financial implications on the Town. Chief Lucas updated Town Council on the proposed changes and the status.

- **Funding of Arts Organizations**

Mr. Riley stated the need to discuss the issue. He said it could be an item of discussion at the Mid-Year Town Council Workshop on May 30.

CIP Related

- **New Shelter Cove Park**

Mr. Riley said the cost is not included in the CIP. He explained it will probably be a 50/50 cost share and something would be coming forward in the future, but exactly when is not known. He added discussion needs to take place for future plans.

- **Coligny: TIF Implications**

Mr. Riley expressed concern that TIF expires in 18 months and he doubts that the Town will be able to use the TIF funds for this project. He said as much as Council wanted to utilize the funds for Coligny, they may need to redirect the funds to another project.

- **Chaplin Linear Park**

Mr. Riley explained funding will need to be set in to place for this project and maybe funds committed elsewhere could be redirected.

- **Mitchelville**

Mr. Riley said it has been two years since Council agreed to participate upon receiving a business plan and a master plan. He explained that to the plans have not been submitted.

Mr. Riley said there was a lot of work to do and discussion to take place on the above big picture issues and asked if there were any they wanted to add. Mayor Laughlin stated he would like to add discussion concerning recreational facilities.

Appearance by Citizens

None.

4) Adjournment

Mr. Heitzke moved to adjourn. Mr. Williams seconded. The motion was approved by a vote of 7-0. The meeting was adjourned at 7:50 p.m.

Vicki Pfannenschmidt
Executive Assistant

Approved: 5/15/2012

Drew A. Laughlin, Mayor