

**THE TOWN OF HILTON HEAD ISLAND**  
**REGULAR TOWN COUNCIL MEETING**

**Date:** Tuesday, September 20, 2016

**Time:** 4:00 P.M.

**Present from Town Council:** David Bennett, *Mayor*; Bill Harkins, *Mayor Pro Tem*; David Ames, Marc Grant, Tom Lennox, Kim Likins, John McCann, *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*; Brad Tadlock, *Fire Chief*; Ed Boring, *Deputy Fire Chief – Support Services*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; John Troyer, *Deputy Director of Finance*; Tom Fultz, *Director of Administrative Services*; Shawn Colin, *Deputy Director of Community Development*; Jennifer Ray, *Urban Designer*; Teri Lewis, *LMO Official*; Julian Walls, *Facilities Manager*; Derrick Coaxum, *Assistant Facilities Manager*; Marcy Benson, *Senior Grants Coordinator*; Erica Madhere, *Finance Administrator*; Cindaia Ervin, *Finance Assistant*; Melissa Cope, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant*

**Present from Media:** Teresa Moss, *Island Packet*

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**1) CALL TO ORDER**

Mayor Bennett called the meeting to order at 4:00 p.m.

**2) PLEDGE TO THE FLAG**

**3) INVOCATION**

**4) FOIA Compliance** – Public notification of this meeting has been published, posted and distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

**5) Proclamations and Commendations**

**6) Approval of Minutes**

a. Town Council Meeting, August 16, 2016

**7) Report of the Town Manager**

a. Parks & Recreation Commission Semi-Annual Update – Heather Rath, Chairman

Ms. Rath provided an update of the activities of the Commission for the previous six month period. On behalf of the Commission and with the support of the Island Recreation Association, she requested that parks and recreation be elevated to a priority project and modeled task force style similar to the Venue Committee and the Circle to Circle Committee to address the current and future needs within parks and recreation. After Council discussion, Mayor Bennett stated he would speak with Council and get back with Ms. Rath regarding her request.

b. USCB Update/Presentation – Dr. Al Panu, Chancellor

Dr. Panu expressed his appreciation to Council for their support. He invited Wes Jones, a USC Trustee to make remarks. Mr. Jones echoed Dr. Panu's sentiments. Dr. Panu, along with Dr. Charles Calvert, Campus Dean, USCB Hilton Head Campus; Ms. Andrea Sisino, Director, Osher Lifelong Learning Institute and Mr. Andy Clark, Project Architect, Liollo Architecture conducted a detailed presentation regarding the future campus and answered questions from Council.

c. Town Manager's Items of Interest

Mr. Riley reported on the items of interest listed below.

- (1) Town News
- (2) Noteworthy Events

**8) Reports from Members of Council**

a. General Reports from Council

Mr. McCann inquired as to the status of construction at Pineland Station. He suggested that on any major construction the Town require a performance bond. Mayor Bennett stated he had shared the same thoughts with Mr. Cousins and asked Mr. Cousins to update Council on the issue. Mr. Cousins stated he had spoken with the developers and they are working on restructuring their financing and hope to resume construction in October. He said he will following up with them and continue to do so weekly. He stated performance bonds were looked into in the past and could be brought back for further review. Mr. Lennox spoke in support of requiring performance and completion bonds noting it would create an added cost to the project and determination would need to be made as to who pays the cost but it would prevent this type of issue in the future. Mayor Bennett assigned the item to the Finance and Administrative Committee for review.

Mr. McCann suggested the Town explore and make public what State, County and Town rules and regulations govern drones. Mr. Riley stated staff would compile a report about what rules and regulations exist. He noted there are no Town rules and regulations at this time and that the other existing ones are constantly evolving.

Mr. Harkins reported that he reached out to various parties regarding best practices concerning the Zika virus. He suggested a meeting of all concerned to share best practices for a resource document with action steps. Mayor Bennett added that Beaufort County and DHEC will be conducting presentations to Council at the October 20 meeting regarding the issue.

Mr. Ames stated he met with Mr. Lennox, Charles Cousins, Brian Hulbert and representatives of Oceanwalk. He said they made progress in understanding the challenges and the safety of the residents and guests and Oceanwalk is working to implement security initiatives to solve some of the problem.

Mr. Lennox reported the Circle to Circle Ad Hoc Committee has completed its work and will be making a report to Council on October 4 on short term recommendations as they pertain to marketing the mid-island North end beaches, beach parking, shuttles and certain Sea Pines Circle improvements.

Mr. Lennox made comments regarding priorities of Town Council and said that progress has been made and accomplishment is nearing. He expressed concern about the present risk to the Arts Center of Coastal Carolina regarding the stage lighting system and in order to advance the discussion, Mr. Lennox moved that Council place the following item of new business on the agenda for the October 4, 2016 regular meeting of Town Council:

Consideration of approval of Town funding to assist the Arts Center of Coastal Carolina with the replacement of the Main Theatre Stage Lighting System.

Approval, if granted, shall be conditioned on the following: the Town funding shall not exceed 90% of the total cost or \$525,000, whichever is less; and shall constitute a down payment or credit toward the purchase of the ACCC land and buildings, if and after additional analysis by the Venue Committee and Council, such a purchase ever occurs.

By this motion Council directs the Town Manager to prepare the necessary memos, develop recommended sources of funds, and draft or outline, whatever other agreements or documents are necessary to enable Council to take action on this matter, under the conditions to be outlined, at the October 4th regular meeting of Town Council.

Mr. Grant seconded. Mr. Grant stated the Town managers needs to look at ways to accomplish this without going into debt. Mrs. Likins stated she has always been reluctant to move forward on this subject as the citizens committee is actively working on it and the plan of action needs followed for the community at-large and citizens to understand what is being done, why it is being done and how it was vetted so she cannot support the motion at this time. The motion was approved by a vote of 5-2. (Mrs. Likins and Mayor Bennett were opposed.)

**b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman**

No report.

**c. Report of the Community Services Committee – Kim Likins, Chairman**

Mrs. Likins reported that the Venue Committee has conducted two of three scheduled interviews for selection of a consultant, the second Arts & Coffee talk took place at Palmetto Electric, the Facebook page is active with new and different arts events posted, the logo has been unveiled and FAQ's have been compiled and will be updated regularly. She stated the next scheduled meeting is on September 22 at 4:00 p.m.

**d. Report of the Public Planning Committee – Tom Lennox, Chairman**

Mr. Lennox thanked Mrs. Likins for covering for him in the recent meetings and reported the results of the meetings held last month are reflective in item 10.e. of the agenda.

**e. Report of the Public Facilities Committee – David Ames, Chairman**

Mr. Ames said the Committee met on August 22 and reviewed the proposed land swap at Heritage Plaza; assisted the Beaufort County Library in its strategic planning process by answering questions posed to the Committee members; reviewed the sewer expansion work and the upcoming timeline; and received an encouraging report delivered by the Public Service District #1.

**f. Report of the Public Safety Committee - Marc Grant, Chairman**

Mr. Grant stated the Committee met on September 12 and received a staff update concerning staff and community progress related to lock-out units at Oceanwalk; the Fire Rescue Semi-Annual Report including the Strategic Plan Update; Mid-Year Open Burning Statistics Update; Mid-Year Response Statistics; and a report on the Fire in the Streets Program.

**g. Report of the Finance and Administrative Committee - John McCann, Chairman**

Mr. McCann moved that the Town Manager be directed to prepare an ordinance that would amend Town Code, Section 2-3-60 (d) to increase for all Town Council members payment for attendance for up to 150 Council meetings a year. Mr. Lennox seconded. The motion was unanimously approved by a vote of 7-0.

Mr. McCann reported the telecommunications committee has completed their report and he requested the Mayor consider a workshop for presentation of their findings. Mayor Bennett stated he would take it under advisement.

At 5:16 p.m. Mr. McCann moved to go into Executive Session for the purpose of contract negotiations and receipt of legal advice related to the agreement between Town Council and the Town Manager. Mr. Harkins seconded. Mayor Bennett explained that Mr. McCann was simply trying to move one of the Executive Session agenda items listed below forward to accommodate the presence of Council's attorney. The motion was unanimously approved by a vote of 7-0.

At 5:40 p.m. Mayor Bennett reconvened the regular meeting stating there was no action taken during Executive Session.

## **9) Unfinished Business**

### **a. Second Reading of Proposed Ordinance 2016-22**

Second Reading of Proposed Ordinance 2016-22 of the Town of Hilton Head Island to adopt the "Beaufort County Hazard Mitigation Plan 2015 Update" as an appendix of the "Hilton Head Island Comprehensive Plan"; and to provide for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 7-0.

### **b. Second Reading of Proposed Ordinance 2016-23**

Second Reading of Proposed Ordinance 2016-23 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a utility easement agreement with Hilton Head Public Service District to encumber property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 2-7-20, code of the Town of Hilton Head Island, South Carolina, (1983); and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

### **c. Second Reading of Proposed Ordinance 2016-24**

Second Reading of Proposed Ordinance 2016-24 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a Memorandum of Understanding with, and the lease of town-owned real property to, The Sandbox: A Hilton Head Area Children's Museum, Inc., related to the development and lease of real property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

## 10) New Business

### a. Consideration of a Resolution – Bay Point

Consideration of a Resolution of the Town Council for the Town of Hilton Head Island, South Carolina, to accept a petition for annexation filed by Bay Point Island, LLC for real property generally known as Bay Point Island, and authorizing the Town Manager and the Town Attorney to take the necessary steps to process the petition under acceptable terms and conditions.

Mr. Harkins moved to approve. Mr. McCann seconded. Mayor Bennett invited a representative from the petitioner to speak. Terry Finger approached the dais and introduced the property owner, Phillippe Cahen. Mr. Cahen thanked Council for and gave remarks regarding the petition and plans for the island. He invited Amber Beard, Vice-President of Sustainability for Six Senses Resort to review the proposed plans for Bay Point Island. Ms. Beard gave an extensive presentation and answered questions from Council. After Council discussion, numerous citizens spoke regarding the proposal. It was noted that this is only a resolution to accept the petition and there would be many meetings and steps before annexation would or could be addressed. The motion was unanimously approved by a vote of 7-0.

### b. Consideration of a Recommendation – First Tee Grant Funding

Consideration of a Recommendation of the Finance and Administrative Committee that Town Council reaffirm its Town-wide grant funding for the First Tee in the amount of \$50,000 and direct the Town Manager to reimburse First Tee immediately upon receipt of appropriate expense reimbursement documents.

Mrs. Likins recused herself and left the dais at this time. The required potential conflict of interest form has been completed and will be attached to the original, signed minutes of the meeting.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

Mrs. Likins returned to the dais at this time.

### c. First Reading of Proposed Ordinance 2016-25

First Reading of Proposed Ordinance 2016-25 to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, The Land Management Ordinance (LMO), Chapter 3 to revise various sections. These amendments, commonly referred to as the *Density Conversion Amendments* as noticed in the Island Packet on June 19, 2016, include changes that provide for flexibility for redevelopment, and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. After lengthy discussion by Council concerning the amendments, Mr. Harkins withdrew his original motion and moved to remand the item back to staff for additional work. Mr. McCann withdrew his original second and seconded the amended motion. Mr. Barry Johnson, attorney for the Seacrest asked Council to reconsider and approve first reading. The amended motion was approved by a vote of 4-3. (Mr. McCann, Mr. Grant and Mr. Lennox were opposed.)

**d. Consideration of a Resolution – HUD/CDBG Entitlement Program 2015 CAPER**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina to approve the Community Development Block Grant (CDBG) 2015 Consolidated Annual Performance Evaluation Report (CAPER).

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

**e. Consideration of a Recommendation – Community Vision Process Consultant**

Consideration of a Recommendation from the Public Planning Committee that Town Council approve the selection of Future iQ Partners as the Community Visioning Process Consultant with which the Town enters a contract.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

**f. First Reading of Proposed Ordinance 2016- 27**

First Reading of Proposed Ordinance 2016-27 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2016; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

**g. First Reading of Proposed Ordinance 2016- 28**

First Reading of Proposed Ordinance 2016-28 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2017; to provide for the budgeted appropriations of prior year encumbrances and for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

**h. First Reading of Proposed Ordinance 2016-29**

First Reading of Proposed Ordinance 2016-29 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2017; to provide for the budgeted appropriations of prior year budget roll-forwards and the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Susan Simmons stated there was a change in the process this year when the budget was adopted so Council would know that funding for the initiatives would roll-forward so they actually budgeted that roll-forward. It was included in this ordinance by error so on page 3 the amount of \$667,675 would need to be removed and it would need to be deducted from the appropriate areas. Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

## **i. First Reading of Proposed Ordinance 2016-30**

First Reading of Proposed Ordinance 2016-30 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2017; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Harkins moved to amend the motion to remove the portion that relates to the Island Recreation Center and it be postponed and deliberated as an agenda item at the offsite. Mrs. Likins seconded for discussion purposes. Mrs. Simmons noted that if it remained included the bids on the project would still be good but if it is removed and no action is taken, the project would need to be rebid. Mr. Harkins said he is totally supportive of the recreation center but questioned if this project fell short of what is wanted in the future. Mrs. Likins stated it was a good time to step back and look at the expansion and make sure there are no major deficits. Alan Perry, President of the Board of Directors of Island Recreation Center addressed Council urging them to move forward with the much needed project as did resident Mary Amonitti. Mr. Grant stated the work needs done today and they should move forward. After further discussion, Mr. Harkins withdrew his amended motion and moved to approve as written and requested that the record reflect he views this as one important step in a journey to create a vision for recreation activity on the Island and that this is an important step but it doesn't get us there. Mrs. Likins withdrew her second. Mayor Bennett stated that whatever is done, they need to strive for excellence. He said the Town's debt levels are extremely low and it is good in one respect but on the other hand the benefit of having triple A ratings and low debt levels is enhancing the ability to reinvest in yourself and as a Council that needs taken to heart. He said it bothers him to invest in something that he thinks is less than what could have been done. Mayor Bennett stated he would support the ordinance as proposed but that for the record he will be back and be a strong proponent of doing something more substantial at a more central location in our community. Mr. McCann seconded Mr. Harkins second motion. The motion was unanimously approved by a vote of 7-0.

## **11) Appearance by Citizens**

Skip Hoagland addressed Council regarding an audit of the Hilton Head Island-Bluffton Chamber of Commerce.

Tai Scott addressed Council regarding Native Islander issues.

## **12) Executive Session**

Mr. Riley stated he needed an Executive Session for Land Acquisition: Discussion of negotiations incident to the proposed sale, lease or purchase of property specifically: 1) related to a parcel in the Northridge area; 2) related to a parcel in the Office Park Road area; 3) related to a parcel in the Coligny area; 4) related to a parcel on South Forest Beach Drive. Next for Legal Matters: Receipt of Legal Advice: 1) related to pending litigation concerning a BZA appeal; 2) related to pending litigation concerning a Town Council member. Contractual Matters: Discussions of negotiations incident to: 1) the Town Attorney's FY16 performance; 2) the temporary Fire Station 2; 3) a potential contract related to a parcel near the Hilton Head Island Airport. Personnel Matters: Appointments to Boards and Commissions.

Mr. McCann suggested and requested that item 3) a potential contract related to a parcel near the Hilton Head Island Airport be moved to the top of the list in Executive Session. The Mayor agreed.

At 8:37 p.m. Mr. Harkins moved to go into Executive Session for the reasons set forth by the Town Manager. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

At 9:42 p.m. Mayor Bennett reconvened the regular meeting stating there was no action taken during Executive Session and asked if there was anything to address as a result of Executive Session.

Mrs. Likins moved to appoint Heather Rath for the unexpired term on the Accommodations Tax Advisory Committee to begin immediately and end June 30, 2017 as the Cultural Organization representative. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

**13) Possible actions by Town Council concerning matters discussed in Executive Session**

**a. First Reading of Proposed Ordinance 2016-21**

First Reading of Proposed Ordinance 2016-21 of the Town of Hilton Head, South Carolina, authorizing the execution of a deed and related documents for the conveyance of property to the University of South Carolina Board Of Trustees on behalf of the University of South Carolina Beaufort, in accordance with that certain Memorandum of Understanding dated March 10, 2015, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. Andy Twisdale spoke in favor of the item. He noted the importance of the program to potential homeowners and economic development. George Paletta spoke in opposition to the item noting the traffic and congestion. Kelli Brunson spoke in support of the program. The motion was unanimously approved by a vote of 7-0.

**b. First Reading of Proposed Ordinance 2016-26**

First Reading of Proposed Ordinance 2016-26 of the Town Council for the Town of Hilton Head Island, South Carolina, authorizing the sale of real property owned by the Town of Hilton Head Island, South Carolina, to HHI Partners, LLC, in exchange for land to be conveyed to the Town of Hilton Head Island, South Carolina and owned by HHI partners, LLC, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

**c. Consideration of a Resolution – License Agreement Fire Station 2**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing the execution of a license agreement with Marriott Ownership Resorts, Inc. for the purpose of utilizing certain real property owned by Marriott Ownership Resorts, Inc. for use as a temporary fire station.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

**14) Adjournment**

Mayor Bennett adjourned the meeting at 9:55 p.m.

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Vicki L. Pfannenschmidt  
Executive Assistant/Town Clerk

Approved: 10/04/2016

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William D. Harkins, Mayor Pro Tem