



The Town of Hilton Head Island Intergovernmental Relations Committee Regular Meeting

**Tuesday, December 21, 2010
2:00 p.m. – Conference Room 3**

AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting

- 1. Call to Order**
- 2. Freedom of Information Act 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. Regular Intergovernmental Relations Committee Meeting of September 22, 2010
- 4. Chairman's Report**
- 5. Unfinished Business**
- 6. New Business**
 - a. Review of the 2011 MASC Legislative Agenda
 - b. Proposed 2011 Intergovernmental Committee Meeting Dates
- 7. Adjournment**

Please note that a quorum of Town Council may result if four (4) or more of Town Council members attend this meeting.

TOWN OF HILTON HEAD ISLAND
INTERGOVERNMENTAL RELATIONS COMMITTEE

Minutes of the Wednesday, September 22, 2010
Special Meeting

Members Present: George Williams *Chairman*; Ken Heitzke, Bill Harkins

Members Absent: None

Others Present: Tom Peebles, *Mayor*; Bill Ferguson, *Councilman*; Willis O. Shay, *ATAC Chairman*; Joe Croley, *Hilton Head Area Association of Realtors*

Staff Present: Greg DeLoach, *Assistant Town Manager*; Faidra Smith, *Administrative Manager/Public Information*; Susan Simmons, *Director of Finance*; Vicki Pfannenschmidt, *Administrative Assistant*

Media Present: Tom Barton, *Island Packet*

1. CALL TO ORDER

The meeting was called to order at 3:00 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 requirement.

3. APPROVAL OF MINUTES

a. June 16, 2010 Regular Meeting

Mr. Harkins moved to approve. Mr. Williams seconded. The motion was approved by a vote of 2-0-1. Mr. Heitzke abstained because he was not present at the June 16, 2010 meeting.

4. CHAIRMAN'S REPORT

Mr. Williams explained why he requested the meeting. He said he felt there is a need to see what steps the Committee would want to take now and in the future due to a proposal concerning changes before the Tax Realignment Advisory Commission to the State Accommodations Tax. He asked Susan Simmons to address the Committee on the impact the proposal would have on the Town of Hilton Head Island.

5. UNFINISHED BUSINESS

None

6. NEW BUSINESS

- a.** Review of the South Carolina Tax Re-alignment Commission consideration of a change to ATAC funding formula.

Susan Simmons explained the proposal is in the preliminary stages but does have a significant impact on the Town. She reviewed the current State Accommodations Tax Law and the proposal noting if the proposal became law there would be a 10% loss of total funds distributed to Hilton Head Island. She also noted that the distribution method would increase the distribution to the Designated Marketing Organization (DMO) which is the local Chamber of Commerce by 51% and a 36%

decrease in monies available for distribution for tourism grants which include the Town of Hilton Head Island and the Chamber of Commerce along with arts and cultural organizations. She then reviewed options available to the Town of Hilton Head Island if the proposal becomes law.

Mr. Williams asked Mayor Peeples for his views. Mayor Peeples stated the Town needs to take a proactive stance and weigh in on the subject and let our delegation know of our concerns before it becomes legislation. He said he supports additional funds for the DMO but this is not the way to get it done. Mayor Peeples said the proposal actually puts the Town in the position of pitting local services (fire, EMS, etc.) against the arts and cultural agencies which is wrong.

Mr. Harkins asked where our local Chamber of Commerce stands on this proposal. Willis (Bud) Shay stated he spoke with the Chair of the Chamber of Commerce and they had a board meeting on Tuesday, September 21, 2010 and the board formally voted to oppose the proposal. Susan Simmons stated she researched the joint task force that was appointed and Susan Thomas is a voting member. Mr. Harkins stated he hoped that Chamber staff would vote as their board is voting. Mr. Williams asked Mr. Shay if he could work on getting the art and cultural community together to speak out against the proposal. Mayor Peeples also suggested that Mr. Shay encourage those agencies to see how their counterparts in other towns and cities feel about the proposal. Mr. Shay stated he would do so.

Greg DeLoach explained they just received the entire proposal and he will provide the information on the proposal to full Council. He stated there are other items included in the proposal, along with the changes discussed today.

After further discussion Mr. Harkins moved staff prepare an analysis to present to the full Council for deliberation and based on the outcome, send a message to our legislative delegation as to the position of Town Council. Mr. Heitzke seconded. The motion was approved by a vote of 3-0.

7. ADJOURNMENT

Mr. Heitzke moved to adjourn the meeting and Mr. Harkins seconded the motion. The meeting adjourned at 3:45 p.m.

Respectfully submitted:

Approved:

George Williams, Chairman

Vicki Pfannenschmidt,
Administrative Assistant

Legislative Agenda

Major Priorities

In the 2011-2012 legislative session, the Municipal Association of SC sets the following priorities for changes in state law to better serve residents and businesses by increasing the flexibility of local elected leaders to meet local needs.

- **Enclave Annexation** - Update the state's annexation laws to allow more flexibility in annexing property completely surrounded by a city or town to ensure efficient and effective service delivery.
- **Municipal Capital Projects Sales Tax** - Allow municipal residents to vote to impose a capital project sales tax for funding specific projects when the county has opted not to pursue this option.
- **Millage issues** - Allow cities flexibility to raise millage in one year by up to the previous three years of increases allowed by law but not previously imposed by council. This will discourage the "use it or lose it" increase current law encourages.
- **Enhanced codes enforcement tools** - Increase tools and opportunities for cities and towns to eliminate blight and encourage economic development.

Priorities to monitor

In addition to the priorities above, the Municipal Association will monitor the issues below supporting legislation that enables cities and towns to meet local needs and better serve residents and businesses and opposing limits on the ability of city officials to provide services to city residents who elected them to serve.

- **Fiscal Issues**
 - Ensure any changes to commercial property tax assessment ratios are revenue neutral for cities and towns
 - Oppose changes to Act 388 that would cause inequities in the tax burden between neighborhoods of slowly and rapidly appreciating property values
 - Continue local collection, oversight and allocation decisions regarding local accommodations and hospitality tax revenues based on current law; support applying the accommodations tax to time-shares and increasing flexibility of uses
 - Support the continued authority of local councils to set business license fees that are administered in a fair and consistent manner
 - Encourage local fiscal flexibility and accountability of local elected officials
 - Promote fully funding the local government fund according to state statute
- **Economic Development/Infrastructure Issues**
 - Develop options to give cities and towns increased flexibility to offer incentives for recruiting and retaining businesses
 - Support funding for road, bridge and port infrastructure improvements and expansion
 - Encourage use of alternative energy and other environmentally friendly practices ensuring local leaders have the flexibility to determine local priorities for a sustainable future
 - Support removing requirements of municipalities to regulate restrictive covenants between private parties
- **Public Safety Issues**
 - Oppose efforts to force local enforcement of immigration laws without adequate funding to cover costs of local facilities, personnel and training of public safety officers
 - Support municipalities' ability to make local decisions for the protection of residents, businesses and visitors
 - Encourage adoption of the 2009 International Building Code to preserve ISO ratings to ensure the safety of residents and businesses

Municipal Association of South Carolina

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Town of Hilton Head Island, South Carolina

**Year 2011
Intergovernmental Relations Committee
Meeting Dates**

**Third Tuesday of the Month
2:00 P.M.**

Conference Room #3

JANUARY 18, 2011

**No July Meeting
Scheduled**

FEBRUARY 16, 2011

**No August Meeting
Scheduled**

MARCH 15, 2011

**No September Meeting
Scheduled**

APRIL 19, 2011

**No October Meeting
Scheduled**

MAY 17, 2011

NOVEMBER 15, 2011

JUNE 21, 2011

DECEMBER 20, 2011