



# **The Town of Hilton Head Island Regular Finance & Administrative Committee Meeting**

**Tuesday, May 5, 2015  
2:00 p.m. – Conference Room 3**

## **AGENDA**

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**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. Finance and Administrative Committee Meeting, 11:45am April 21, 2015
  - b. Finance and Administrative Committee Meeting, 1:30pm April 21, 2015
  - c. Finance and Administrative Committee Meeting, 3:15pm April 22, 2015
- 4. Unfinished Business**  
None
- 5. New Business**
  - a. Review of vendor contracts and discussion of contract approval/renewal process
- 6. 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  
FINANCE AND ADMINISTRATIVE COMMITTEE  
SPECIAL MEETING**

**Date:** April 21, 2015 **Time:** 11:45 a.m.  
**Location:** Town Hall Conference Room 1  
**Members Present:** John McCann, *Chairman*; Tom Lennox and Bill Harkins, *Council Members*  
**Members Absent:** None  
**Staff Present:** Steve Riley, *Town Manager*; Susan Simmons, *Director of Finance*; Brian Hulbert, *Staff Attorney*; Erica Madhere, *Finance Administrator*  
**Others Present:** None  
**Media:** None

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**1. Call to Order:**

The meeting was called to order at 11:50 a.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. Approval of Minutes:**

None

**4. Unfinished Business:**

None

**5. New Business:**

**a. Framework for Town Manager's review process**

**6. Executive Session:**

At 11:50 am, Mr. Harkins moved to enter into Executive Session to discuss matters related to developing performance objectives and annual evaluation criteria for the Town Manager. Mr. Lennox seconded. The motion was approved by a vote of 3-0.

Mr. McCann called the meeting back to order at 12:35 pm and stated there was no action taken as a result of the Executive Session.

**7. Other Matters:**

Mr. Lennox moved to amend the Agenda to add an item for the discussion of the budget process. Mr. Harkins seconded and the motion passed with a vote of 3-0. The Committee and Susan Simmons, Director of Finance for the Town, spoke about providing a clear and concise picture of what Town Council and Town Staff would like to have included in the budget. Mr. Harkins presented a handout entitled Draft Budget Process with some suggested steps to take into consideration for the future. Ms. Simmons and Steve Riley, Town Manager, informed the Committee that many of the processes were performed prior to the Town Manager's budget is

submitted to Town Council. With the first Council budget meeting in two weeks, everyone agreed that the procedures would be considered for the FY2017 budget development.

**8. Adjournment:**

Mr. Harkins made a motion to adjourn and Mr. Lennox seconded the motion. All members voted in favor and the meeting was adjourned at 1:30 p.m.

**Approved:**

**Respectfully submitted:**

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**John McCann, Chairman**

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**Susan Simmons, Director of Finance**

DRAFT

**TOWN OF HILTON HEAD ISLAND  
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING**

**Date:** April 21, 2015 **Time:** 1:30 p.m.

**Members Present:** John McCann, *Chairman*; Tom Lennox and Bill Harkins, *Council Members*

**Members Absent:** None

**Staff Present:** Susan Simmons, *Director of Finance*; Tom Fultz, *Director of Administrative Services*; Brian Hulbert, *Staff Attorney*; Jill Foster, *Deputy Director of Community Development*; Erica Madhere, *Finance Administrator*

**Others Present:** Don Kirkman, *Hilton Head Island Economic Development Corporation*; Frank Soule, *Island Recreation Association*; Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce / VCB*; Eleanor O'Key, *Lowcountry Inside Track*; and Members of the public

**Media:** Zach Murdock, *Island Packet*

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**1. Call to Order:**

The meeting was called to order at 1:38 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. Approval of Minutes:**

- a. Mr. Harkins moved to approve the Minutes from the Finance and Administrative Committee Meeting of April 7, 2015 at 11:45am. Mr. Lennox seconded the motion, and the Committee voted unanimously in favor to approve the minutes.
- b. Mr. Harkins moved to approve the Minutes of the Finance and Administrative Committee Meeting of April 7, 2015 at 1:30pm and Mr. Lennox seconded. The motion passed with a vote of 3-0.

**4. Unfinished Business:**

None

**5. New Business:**

**a. Continue discussion of Beaufort County Sheriff's Office FY16 Budget Request**

The Committee asked about the typical process for evaluating the different sections of the Beaufort County Sheriff's Office budget request. Susan Simmons, Finance Director for the Town, explained the Personnel request includes all costs associated with the existing staff, over which the Sheriff's Office does not have much control. The Operating budget request has remained the same over the past couple of years. The request for new items will need

to be evaluated to determine necessity. The budget request for new items will not be included in the Town's first pass of the budget. The Committee requested a copy of the Organizational Chart from the Sheriff's Office as there are still questions about the FTE's and total head count. It was suggested that the Organizational Chart should be included in the Budget Book.

**b. Review of Affiliated Agencies: Solicitor's Office and Hilton Head Island Economic Development Corporation**

A representative from the Solicitor's Office was not able to attend the meeting, and Ms. Simmons briefly explained there is not a formal agreement or contract with the organization. The Solicitor's Office typically requests funds to be split between the Career Criminal program and the Drug Court, of which they provide the results each year during the Budget Workshops. The Committee thought further discussion, if needed, about this organization and its budget request could be incorporated into the Council's regular Budget Workshop on May 12.

Don Kirkman, Executive Director of the Hilton Head Island Economic Development Corporation (EDC), explained the organization was formed in June of 2013 at the recommendation of Town Council, and gave a brief overview of the past and current budgets, noting that the full budget in the current fiscal year will not be spent, and therefore a substantial amount will be returned to the Town's General Fund. Mr. Kirkman also explained the FY2016 budget request is slightly less than the FY2015 budget, and was built around the EDC's approved Action Plan. The Committee asked how the EDC will measure its efficacy over time, and Mr. Kirkman explained the EDC was created to help diversify, broaden and deepen the Hilton Head Island economy. A good measure will be the number of new businesses established on the Island, as well as the growth and expansion of existing Island employers, as a direct result of the EDC's business marketing and recruiting efforts. Adding more sectors to the local economy will reduce the risk of relying on only a few industries. The EDC is developing a dashboard for measuring activities and outcomes that show metrics for conventional factors such as job creation, wages, and tax base, but also creative activities for the Island, such as public education and awareness, and working with important partners to identify opportunities and address more unique business needs on Hilton Head. Mr. Kirkman also let the Committee know that the main obstacle to economic development on the Island is the lack of affordable or available commercial real estate, and it is imperative to find a solution to this obstacle in order to be able to succeed. The Committee also questioned if the EDC's functions overlap with those of the Chamber of Commerce, and Mr. Kirkman explained the two organizations have a good working relationship, and refer business back and forth, as they specialize in different industries. Finally, the Committee suggested some desired adjustments to the presentation of the EDC's budget request, such as adding year to date actuals and forecasting end of the year expenses. The Committee would also like the agreements between the EDC and the Town, and the EDC's By-laws to be added to the compilation of information on the Affiliated Agencies.

**c. Wrap-up of Affiliated Agency review**

The Committee, Ms. Simmons, and Frank Soule, Executive Director of the Island Recreation Association, discussed determining the true cost of recreation on the Island. After the current budget season, Town Staff will work to extrapolate all costs associated

with recreation, whether the costs are within the Island Recreation Association's budget or the Town's budget.

Mr. Harkins moved to amend the meeting Agenda to include an item for the discussion of general budget questions. Mr. Lennox seconded and the motion was approved with a vote of 3-0. After the current budget season, the Committee would like to know what percentage of the total overall budget is spent on maintenance. Separate line items can be listed in order to be able to evaluate what should or should not be included in the maintenance category.

The Committee reviewed the meeting schedule for August, 2015 and Mr. Harkins moved to cancel the meeting scheduled for August 4, 2015. Mr. Lennox seconded and the motion passed with a vote of 3-0.

**6. Adjournment:**

Mr. Lennox made a motion to adjourn and Mr. Harkins seconded. All members voted in favor and the meeting was adjourned at 2:20 p.m.

**Approved:**

**Respectfully submitted:**

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**John McCann, Chairman**

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**Erica Madhere, Secretary**

**TOWN OF HILTON HEAD ISLAND  
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING**

**Date:** April 22, 2015 **Time:** 3:15 p.m.  
**Members Present:** John McCann, *Chairman*; Tom Lennox and Bill Harkins, *Council Members*  
**Members Absent:** None  
**Staff Present:** Susan Simmons, *Director of Finance*; Brian Hulbert, *Staff Attorney*; Erica Madhere, *Finance Administrator*  
**Others Present:** Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce / VCB*;  
**Media:** None

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**1. Call to Order:**

The meeting was called to order at 3:15 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. Approval of Minutes:**

None

**4. Unfinished Business:**

None

**5. New Business:**

**a. Continuation of ATAX Grant Processing discussion**

The Committee and Susan Simmons, Finance Director for the Town, discussed a consideration of establishing a reserve fund of \$50,000 for specific uses, one of which being emergent situations that arise mid-year that were unknown at the time of ATAX grant applications. A second use could be for eligible applications that specifically address Town Council's Calendar Year goals which are determined shortly after the ATAX grants are awarded. The eligible applications that address Town Council's goals could also be supplemented by a portion of the balance of available grant funds not awarded at the traditional grant award meeting in December. In any case, the mid-year application process should be streamlined for the Accommodations Tax Advisory Committee (ATAC) to receive, review and recommend to Council whether an applicant should be awarded funds from the emergent reserve or from the deferred balance of available ATAX funds; and ATAC should develop the guidelines and timeframes to address the streamlined midyear award process.

Mr. Harkins made a motion that the Finance and Administrative Committee add the following consideration to the recommendations to Town Council regarding ATAX Grant Processing: 1. A reserve fund of \$50,000 be established from each year's available grant funds to address unknown and emergent events that arise during the year; 2. The reserve could be supplemented with available grant funds that Council may defer awarding until such time its annual goals are adopted; and 3. ATAC should be directed by Council to develop a streamlined process to award funds from the reserve. Mr. Lennox seconded the motion, and the motion passed with a vote of 3-0.

**6. Adjournment:**

Mr. Harkins made a motion to adjourn and Mr. Lennox seconded. All members voted in favor and the meeting was adjourned at 3:28 p.m.

**Approved:**

**Respectfully submitted:**

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**John McCann, Chairman**

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**Erica Madhere, Secretary**