



The Town of Hilton Head Island Finance & Administrative Committee Meeting

**Tuesday, July 19, 2016
2:00 PM – 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. Finance and Administrative Committee Meeting, June 7, 2016.
- 4. Unfinished Business**
None
- 5. New Business**
 - a. General Discussion of Fund Balance Policy.
 - b. Review and Recommendation of the Beaufort County Sheriff's Office Performance Audit Firms.
 - c. General Discussion Regarding Current Town Employee Vacancies.
- 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 MEETING

Date: June 7, 2016 **Time:** 2:00 p.m.

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

Members Absent: None

Staff Present: Greg DeLoach, *Assistant Town Manager*; Susan Simmons, *Director of Finance*; John Troyer, *Deputy Director of Finance*; Brian Hulbert, *Staff Attorney*; Nancy Gasen, *Director of Human Resources*; and Cindaia Ervin, *Finance Assistant*

Others Present: David Bennett, *Mayor*; Larry Meyers, Tom Gardo, *Denarius Group*; Charles Brown, *Marriott*; Eleanor O'Key, *Lowcountry Inside Track*; Ariana Pernice, and other members of the community.

Media: None

1. Call to Order:

The meeting was called to order at 2:00 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 requirements.

3. Approval of Minutes:

Mr. Lennox moved to approve the minutes from the Finance and Administrative Committee Meeting on May 10, 2016 at 3:15 p.m. Mr. McCann seconded, and the motion passed with a vote of 2-0 (Mr. Harkins did not vote as he was not present at that meeting).

4. Unfinished Business:

None

5. New Business:

a. Discussion Regarding Post-Contract (Town of Hilton Head Island/Hilton Head Island-Bluffton Chamber) Bid Process for Future Designated Marketing Organization Services.

John McCann, Chairman, stated he thought that at the end of the existing Hilton Head Island-Bluffton Chamber of Commerce (HHIBCC) designated marketing organization contract, the services should be made available for bid. The Committee felt it was important to have both parties involved in the discussion now to determine the way the process will be carried out. His suggestion is that prior to the first maturity of the contract the Town put the HHIBCC on notice that it wishes to put the services out for bid. Ariana Pernice, HHIBCC-VP Visitor & Convention Bureau, asked the Committee to possibly consider a longer notice period be given and suggested fifteen months. Mr. Lennox agreed. Greg DeLoach, Assistant Town Manager, stated that a typical RFP/RFQ process is a three month process from beginning to end and adding that time to the existing year notice per the agreement would be the suggestion from staff. Brian Hulbert, Staff Attorney, suggested to the Committee that they speak regarding the intent/desires of the current Town Council and not make any binding

decisions for a future Town Council. He suggested they leave future decisions up to the Town Council at that time. Mr. McCann suggest that at the one year mark the Town notify the HHIBCC that it is its intent to send out the designated marketing organization contract out for the open bidding process and at that time anyone can submit an application for consideration.

Mr. McCann made a motion that the Finance & Administrative Committee recommend that Town Council commit to opening up for bid, prior to the expiration of the existing Town/HHI-Bluffton Chamber contract, the designated marketing services for the Town. Mr. Harkins moved to approve the motion and Mr. Lennox seconded, and the motion passed with a vote of 3-0.

b. Review of Town's Financial Statements-Quarter Ending March, 31, 2016.

John Troyer, Deputy Director of Finance, spoke with the Committee regarding the Town's financial statements ending April 30 (used April as it is more current than quarter ending March 31). He reported that overall the departments are currently within budget and anticipates they will be at fiscal yearend. Tom Lennox, Committee Member, asked how Town-wide personnel expenses are calculated. Susan Simmons, Finance Director, explained that there are temporary positions and summer interns budgeted but no full time employees are included in Town-wide personnel. It does include certain aspects of insurance, retirement, workers comp and unemployment charges for the temps and other costs not readily broken down by department. Nancy Gasen, Director of Human Resources, stated that for the proposed fiscal year 2017 budget, there is \$100K for improvements in the Town's 401K plan and rate increases in PORS for Fire Rescue staff. Due to plans and rates not being finalized until close to the end of the budget process, Finance and Human Resources placed these costs in Town-wide; the budget and expenditures will be allocated to the departments during the year.

Regarding fiscal year 2016, Mr. Troyer stated that property taxes will be short on budget but total revenues should approximate total budget. The case volume for municipal court was down this past year; in fiscal year 2017, the Town will reduce court hours and staffing which will decrease budget and lower expenditures. Mr. Troyer informed the Committee that many of the expenditure variances are related to open personnel positions or timing of the operational spending.

Mr. McCann asked about current open positions and the expectation for vacancies at year end. Mrs. Gasen stated about 10-15 currently exist. Some will be filled prior to the end of this fiscal year; however, some will likely extend into fiscal year 2017. She stated that turnover rate is relatively low, and positions are generally filled a quickly as possible. The Committee and staff discussed open positions, issues with filling positions generally and specifically, and whether open positions are evaluated to determine where they are most needed. The Committee asked Human Resources to provide vacancy information for discussion at a future meeting.

Overall Mr. Troyer and the Committee stated that the Town appears to be in a good place to start the new fiscal year from a budgeting and fiscal perspective. Mr. McCann thanked everyone for their time and participation in this discussion.

6. Executive Session:

- a. At 2:52 p.m. Mr. Harkins moved to enter into Executive Session for discussion regarding the Town Manager's Annual Performance Review. Mr. Lennox seconded and the motion was approved by a vote of 3-0.

Mr. McCann called the meeting back to order at 3:31 p.m., and announced there was no action taken as a result of the Executive Session.

7. Adjournment:

Mr. Lennox made a motion to adjourn and Mr. McCann seconded. The motion passed with a vote of 3-0. The meeting was adjourned at 3:31 p.m.

Approved:

Respectfully submitted:

John McCann, Chairman

Cindaia Ervin, Secretary

DRAFT