

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, October 19, 2010

Time: 4:00 P.M.

Present from Town Council: Thomas D. Peeples, *Mayor*; Ken Heitzke, *Mayor Pro-Tem*, George Williams, Bill Harkins, Drew Laughlin, Bill Ferguson, *Councilmen*.

Absent from Town Council: John Safay, *Councilman*

Present from Town Staff: Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities*; Susan Simmons, *Finance Director*; Nancy Gasen, *Director of Human Resources*; Jill Foster, *Deputy Director of Community Development*; Teri Lewis, *LMO Official*; Tom Fultz, *Director of Administrative Services*; Julian Walls, *Facilities Manager*; Brian Hulbert, *Staff Attorney*; Jennifer Lyle, *Assistant Town Engineer*; Anne Cyran, *Senior Planner*; Vicki Pfannenschmidt, *Administrative Assistant*

Present from Media: Tom Barton, *Island Packet*

- 1) **CALL TO ORDER**
- 2) **PLEDGE TO THE FLAG**
- 3) **INVOCATION**
- 4) **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.
- 5) **PROCLAMATIONS AND COMMENDATIONS**
- 6) **APPROVAL OF MINUTES**
 - a. **Regular Town Council Meeting of October 5, 2010**

Mr. Harkins moved to approve. Mr. Heitzke seconded. The motion was approved by a vote of 5-0-1. Mr. Williams abstained because he was not present at the October 5, 2010 meeting.
- 7) **REPORT OF THE TOWN MANAGER**
 - a. **Town Manager's Items of Interest**

The Assistant Town Manager reported on some items of interest.
 - b. **Proposed 2011 Town Council meeting dates**

The Mayor asked if they should vote on these meeting dates now and Mr. DeLoach suggested that this was for their review tonight. It would be on the agenda for the Nov. 3rd meeting. The Mayor agreed.
 - c. **October 2010 Quarterly Report**

Mr. DeLoach noted that the quarterly report was included with the agenda package for Town Council's review.
- 8) **REPORTS FROM MEMBERS OF COUNCIL**
 - a. **General Reports from Council**

None.

b. Report of the Intergovernmental Relations Committee – George Williams, Chairman

Chairman Williams observed that the November 16 Town Council had been rescheduled to November 17 in anticipation of a mayoral election run-off and suggested that they also change the date for the Intergovernmental Committee meeting to November 17. The Mayor agreed.

c. Report of the Personnel Committee – Drew Laughlin, Chairman

Mr. Laughlin advised that the person newly appointed to the Design Review Board had to resign for health reasons. The Personnel Committee would be scheduling interviews to fill this vacancy.

d. Report of the Planning and Development Standards Committee – Bill Ferguson, Chairman

They had a meeting yesterday and heard presentations from the City of Greenville and City of Columbia on their economic development programs. There was no action taken. Mr. Ferguson stated he was very impressed with both cities' development programs. He thought Town should review these programs to determine what elements we could use and learn from their strategies.

e. Report of the Public Facilities Committee – John Safay, Chairman

In Mr. Safay's absence, Mr. Williams noted that there were items on this evening's agenda from the Public Facilities Committee.

f. Report of the Public Safety Committee – Bill Harkins, Chairman

The next meeting of the Public Safety Committee will be on November 1st.

9) APPEARANCE BY CITIZENS

None.

10) UNFINISHED BUSINESS

- a. Second Reading of Proposed Ordinance No. 2010-20 authorizing the Town Council for the Town of Hilton Head Island for the issuance and sale of not to exceed \$13,000,000.00 General Obligation Refunding Bonds, Series 2010B, or such other appropriate series designation, of the Town of Hilton Head Island, South Carolina; fixing the form and certain details of the bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto; and providing for severability and an effective date.**

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

- b. Second Reading of Proposed Ordinance No. 2010-21 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2010; to provide for the expenditure of certain funds; and to allocate the sources of revenue for the said funds; and providing for severability and an effective date.**

Mr. Heitzke moved to approve. Mr. Williams seconded. The motion was approved by a

vote of 6-0.

- c. **Second Reading of Proposed Ordinance No. 2010-22 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2011; to provide for the budget appropriations of prior year encumbrances; to provide for the expenditure of certain funds; and to allocate the sources of revenue for the said funds; and providing for severability and an effective date.**

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

- d. **Second Reading of Proposed Ordinance No. 2010-23 to amend the budget for the Town of Hilton Head Island, South Carolina for the fiscal year ending June 30, 2011; to provide for the budgeted appropriations of prior year budget roll-forwards; to provide for the expenditure of certain funds; and to allocate the sources of revenue for the said funds; and providing for severability and an effective date.**

Mr. Heitzke moved to approve. Mr. Harkins seconded. Mr. Williams took issue with some beach renourishment funding that had been rolled forward for several years. He was concerned that Town was simply rolling these unspent funds into a new budget year until the need arose to expend them. He said this was another example of budgeting policies that needed to be addressed at the next Council workshop retreat.

Susan Simmons, Finance Director, responded to Mr. Williams' concerns. She noted that what happened in the Capital Projects funds, particularly in the beach maintenance area, there were a lot of environmental impact issues that could significantly delay a project from its original inception date. Specifically to these items, there will be extra monitoring costs that will be incurred and she believed that this would be the final year that these amounts would be rolled forward. Mr. Williams replied that his point was that if there was an unspent line item not contractually obligated then the line item needed to go away and projected expenditures should be budgeted as a new item. Ms. Simmons agreed with Mr. Williams that there was always room for improvement.

The motion was approved by a vote of 5-1. Mr. Williams was opposed.

11) NEW BUSINESS

- a. **Consideration of a recommendation that the Town Council for the Town of Hilton Head Island approve conveyance of 14.08 acres of land off Marshland Road known as the Patterson Estate Parcels to the Hilton Head Habitat for Humanity in exchange for their pledge to build a road to public standards and to extend all water, sewer and telecommunications utilities to the subdivision in such a way as to benefit all land owners in the subdivision.**

Mr. Heitzke moved to approve. Mr. Ferguson seconded.

Curtis Coltrane made a brief presentation providing the history of this proposal. He noted that this was a neighborhood that had residents living in it now, off an unimproved dirt road, and the utilities did not extend back to the lots where people were currently living. What was being proposed was an exchange of the property for Habitat providing these needed public facilities and a paved road that would serve the subdivision and all the residents in it. All that was before the Council Members today was the concept and whether or not they wished to go forward with this proposal.

The Mayor added that he and Mr. Ferguson had met with the property owners on Thelma Drive regarding the affordable housing initiative before the Habitat organization was contacted to determine their interest and all but one was in favor of it.

Mayor Peeples asked for comments from the public. Numerous attendees approached the dais to express their opinions regarding this proposal; some of whom were in favor of it and others were opposed.

Mr. Williams noted that they just heard a presentation the day before involving public/private partnerships for economic development. While this proposal was different; it wasn't that much different. He noted that Council over the years has made numerous efforts to find affordable housing opportunities. This was a great chance for the Town to help Habitat accomplish something that everyone could be very proud of.

Mayor Peeples noted that an affirmative vote tonight was basically "to get the ball rolling." The next step would be to consider rezoning of the property, which at that point, they would be reviewing a site plan and how many homes were proposed to be built and everyone would know specifically what it was that the Town was doing. Mr. DeLoach added that the next step, assuming approval tonight, would be to work out the details of a contract with Habitat which would take several weeks. And then, the rezoning hearings would follow.

Mr. Harkins said he thought what they were talking about here was the potential of leveraging a public asset and the question was: would the result be beneficial for the Town and for all the parties concerned. He was very much in favor of this type of project with the understanding that a full economic analysis be done.

Mr. Heitzke added that he agreed with his fellow council members' comments. He recalled that when the property was originally purchased, there were no plans for the non-marsh-side property off Marshland Rd. The marsh-side lots were meant to be developed into a park, but the neighborhood did not want one.

Mr. Ferguson noted that being born on Hilton Head Island and having lived here before the vast majority of the people who moved here; the native islanders welcomed people from various nationalities, ethnic groups and hopefully, one day we would all live in harmony.

Mr. Laughlin commented that he had received a lot of calls and comments from his constituents, on both sides of this issue. The property they were considering has very little value to the town for other purposes; they have an organization with a lot of credibility for helping people develop these kinds of products. At the end of the day, this was an opportunity for our community to demonstrate the generosity of its spirit.

Mayor Peeples believe that this was a great thing for our Town. They have been looking for a long time to try to find a property that could accommodate the needs for a Habitat community on Hilton Head Island. This was a trade: The Habitat group was coming forward to make improvements at a value of a quarter of a million dollars to put in road, water and sewer. It was not a gift. Land values in that area today were nowhere near what they once were and the Mayor felt the value of the land was overstated by those who spoke tonight in opposition to the proposal. He noted that this program was not a hand out but rather a hand up and he was gladly voting in favor of it.

The motion was approved by a vote of 6-0.

b. Consideration of a recommendation that the Town Council for the Town of Hilton Head Island endorse the concept of leasing the old Gullah Flea Market properties to

allow the development of a Cancer Survivor Park, with conditions.

The Mayor asked the applicant to provide new information that the Council needed to be made aware of before he asked for a motion. The applicant, Sandy Stern, reported that she regretted to announce that the R.A. Bloch Foundation had notified her by letter dated Oct. 19, 2010 that they were putting a moratorium on the funding of future cancer survivor parks.

Ms. Stern asked the Council to keep a window of opportunity open to perhaps reconsider a future Cancer Survivor park in Hilton Head Island.

Mr. Heitzke moved to defer the item to a future date if and when the Foundation lifted the moratorium on funding of the park. Mr. Ferguson seconded. The motion was approved by a vote of 6-0.

c. Consideration of a recommendation that the Town Council for the Town of Hilton Head Island approve the use of designated Town owned properties, as endorsed by the Disaster Recovery Commission (DRC), for the collection, reduction, storage, and management of disaster related debris.

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

EXECUTIVE SESSION

Assistant Town Manager Greg DeLoach said that he needed an executive session for contractual matters related to land acquisition and for legal matters related to the Town vs. South Carolina DHEC.

At 5:30 p.m., Mr. Heitzke moved to go into Executive Session for the reasons stated by the Town Manager. Mr. Williams seconded. The motion was approved by a vote of 6-0.

Mayor Peeples called the meeting back to order at 5:50 p.m. and stated there was no business to take up as a result of executive session.

13) ADJOURNMENT

At 5:51 p.m., Mr. Heitzke moved to adjourn. Mr. Williams seconded. The motion was approved by a vote of 6-0.

Sue Blake, Secretary

Approved:

Thomas D. Peeples, Mayor