

**THE TOWN OF HILTON HEAD ISLAND**  
**TOWN COUNCIL BUDGET WORKSHOP**

**Date:** Tuesday, May 10, 2011

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

**Present from Town Council:** Drew A. Laughlin, *Mayor*; Ken Heitzke, *Mayor Pro-Tem*; George Williams, Bill Harkins, Kim Likins, Lee Edwards, *Council Members*.

**Absent from Town Council:** Bill Ferguson, *Council Member*

**Present from Town Staff:** Stephen G. Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities*; Lavarn Lucas, *Fire Chief*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Director of Finance*; Steven Markiw, *Deputy Director of Finance*; Brian Hulbert, *Staff Attorney*; Julian Walls, *Facilities Manager*; Nicole Dixon, *Senior Planner*; Paul Rasch, *Emergency Management Coordinator*; Rene Phillips, *Website/Court Systems Administrator*; Vicki Pfannenschmidt, *Executive Assistant*

**Present from Media:** Tom Barton, *Island Packet*

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**1) CALL TO ORDER**

Mayor Laughlin called the meeting to order at 4:00 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) Dr. Valerie Truesdale, Beaufort County Schools Superintendent**

Mayor Laughlin introduced Dr. Truesdale. Dr. Truesdale thanked fCouncil for the opportunity to provide a progress report for Beaufort County Schools. She reviewed the state report card rating for the 2009-2010 school year. Dr. Truesdale said Hilton Head Middle School, Hilton Head Island School for the Creative Arts and Hilton Head Island Elementary International Baccalaureate schools received the Palmetto Silver Award for excellent general performance. She noted the Beaufort County students continue to make positive gains on the College Board's Scholastic Aptitude Test (SAT) and ACT college entrance exam according to data released by the South Carolina Department of Education. She reviewed comparisons of the percentage of schools with an Absolute Rating of Average, Good, or Excellent from previous years to the present and pointed out areas of improvement.

Mayor Laughlin thanked Dr. Truesdale for her informative report.

#### 4) **Review of Budgets of Affiliated Agencies**

##### a. **Drug Court**

Steve Riley informed Council the request was in two parts. He said the amounts were \$48,500 for Drug Court and \$35,000 for the prosecution team for the Solicitor's office. He explained the Solicitor's office has taken over the Drug Court operations and addressed previous concerns in operation. Mr. Harkins commented in favor of continuing funding the programs.

##### b. **Lowcountry Regional Transportation Authority (LRTA)**

Rochelle Ferguson, Executive Director was present and gave a brief presentation. She reviewed services and current projects of the LRTA. Mr. Williams asked if there had been an increase in ridership. Ms. Ferguson responded in the affirmative. Mr. Harkins asked if the current level of funding would suffice for the increased cost of fuel. Ms. Ferguson stated she is always looking for ways to increase revenue and decrease spending.

##### c. **Beaufort County Sheriff's Office (BCSO)**

Suzanne Cook, Financial Officer for the Sheriff's office approached the dais. She announced that the lease agreement for the Sheriff's Office was renegotiated which will realize a reduction of approximately \$23,000 resulting in a savings of approximately \$12,000. She explained it would reduce the bottom line increase from \$17,299 to approximately \$5,550. Ms. Cook stated the lease agreement runs from September 1, 2011 thru August, 2012. She explained the other increases were in the areas of health insurance and fringe benefits, with other areas remaining at the same level as last year.

##### d. **Island Recreation Association**

Frank Soule stated the funding request had remained the same as the previous year with no changes. Kim Likins noted there was an increase in special events revenue. Mr. Soule stated with the new events and management improvements revenues have increased. He added that there has been an increase in attendance for programs. Mr. Williams said he had two items of concern in the Capital Improvement Projects. He said they were the Solar Hot Water System for the Rec Center and Pool Filter (Salt System). Mr. Soule explained both items are needed due to propane costs for heating and getting away from using chlorine in the pool. Mr. Williams asked if these items would realize a long term savings and if there was a report with projections of future savings. Mr. Soule said he did not have the information at this time but would get it.

##### e. **Shore Beach Services, Inc.**

Ralph Wagner reviewed his proposed budget stating it is \$430 less than last year. He said responsibilities and services performed will remain the same in the new fiscal year. Mr. Wagner informed Council there have been staffing changes which resulted in lower costs. Mr. Edwards asked if the staffing changes would result in a decrease in patrols. Mr. Wagner responded there was no decrease in

staff. He said a couple supervisors had left the company and the replacements were brought in at a lower pay rate which resulted in savings.

**f. Coastal Discovery Museum**

Michael Marks explained that the request for the Coastal Discovery Museum had stayed the same and expressed gratitude for the Town's support. He stated they continue to be successful and attendance has increased. Mr. Harkins asked about the wear and tear on the buildings. Mr. Marks stated they monitor it carefully and they have created good partnerships with suppliers and volunteers. He said they will have major repairs in the future such as repainting and roadway repairs and have created a Capital Improvement Fund to help address those needs.

**5) Review of Debt Service Budget**

Steven Markiw stated the debt service budget for 2012 is programmed at \$15,500,000 which reflects a surplus of \$546,000 over the revenues anticipated. He said it is primarily due to the fact that the older debit has been reduced. He said the Finance Department will be bringing forward some proposals on how to restructure the debt.

Mr. Riley said due to the early hour there was time for Scott Liggett to complete his presentation he began at the May 5 Budget Workshop. He said the presentation would deal with how the CIP is developed and the process and there would be no discussion of proposed projects. All Council members were in agreement.

Mr. Liggett completed his presentation and answered questions.

**6) Appearance by Citizens**

None.

**7) Adjournment**

Mr. Williams moved to adjourn. Mr. Heitzke seconded. The meeting was adjourned at 5:23 p.m.

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Vicki Pfannenschmidt, Secretary

Approved: May 17, 2011

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Drew A. Laughlin, Mayor