

THE TOWN OF HILTON HEAD ISLAND

REGULAR TOWN COUNCIL MEETING

Date: Tuesday, August 2, 2011

Time: 4:00 P.M.

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

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Brian Hulbert, *Staff Attorney*; Lavarn Lucas, *Fire Chief*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Director of Finance*; Charles Cousins, *Director of Community Development*; Jeff Buckalew, *Town Engineer*; Jennifer Lyle, *Assistant Town Engineer*; Shawn Colin, *Comprehensive Planning Manager*; Darrin Shoemaker, *Traffic & Transportation Engineer*; Tom Fultz, *Director of Administrative Services*; Marcy Benson, *Senior Grants Administrator*; Rene Phillips, *Website/Court Systems Administrator*; Rich Hamilton, *GIS Administrator*; Cinda Seamon, *Public Education Officer*; Julian Walls, *Facilities Manager*; Paul Rasch, *Emergency Management Coordinator*; Lynn Buchman, *Administrative Assistant*

Also Present: Captain Toby McSwain, *BCSO*; Frannie Heizer, Esquire, *McNair Law Firm, P.A.*

Present from Media: Tom Barton, *Island Packet*

1) CALL TO ORDER

Mayor Laughlin called the meeting to order at 4:00 p.m.

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

Mayor Laughlin recognized the passing of Judge Matthew Perry, who he described as a fine gentleman who will be missed.

Mayor Laughlin presented Commendations to Rashawn Young and Wallace Gamble for their medals awarded and representation of South Carolina and Team USA at the Special Olympics World Summer Games Athens 2011.

6) Approval of Minutes

a. Town Council Meeting – July 5, 2011

Mr. Heitzke moved to approve. Mr. Williams seconded. The minutes from the July 5, 2011 Town Council meeting were approved by a vote of 7-0.

7) Report of the Town Manager

a. Presentation by League of American Bicyclists

Mr. Andy Clark, President, and Elizabeth Kiker, Vice-President, of the League of American Bicyclists presented a sign and certificate denoting the Silver designation awarded to the Town of Hilton Head Island as a Bicycle Friendly Community. Mayor Laughlin accepted the award and acknowledged the team effort among the Town Staff, Chamber, and citizens.

b. Semi-Annual Report of the Design Review Board by Tom Parker, Past Chairman

Mr. Parker provided Town Council with an update on the Design Review Board activities for the first half of 2011, which reflected a slight increase in work being done on the Island. He reported that the Board was very appreciative of all the assistance provided by the Town Staff.

c. Semi-Annual Report of the Board of Zoning Appeals by Mr. Roger DeCaigny, Chairman

Mr. DeCaigny provided Town Council with an update on the Board of Zoning Appeals activities for the first half of 2011.

d. Town Managers Items of Interest

Mr. Riley reported no particular Items of Interest. He pointed out upcoming meetings of Boards and Committees, and events in the Town of Hilton Head as outlined on the Items of Interest and Hilton Head Island Events included in the Agenda Packet.

e. July, 2011 Monthly Update

Mr. Riley referred to the Policy Agenda update for July included in the Agenda packet.

8) Reports from Members of Council

a. General Reports from Council

None.

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

Mr. Williams reported there was a meeting on July 11, 2011, with Bobby Bowers from the State on redistricting, and Item 11.c. in tonight's Agenda package is a result of that meeting.

c. Report of the Personnel Committee – Lee Edwards, Chairman

Mr. Edwards reported that all new members of the Committee have been sworn in, and there was nothing to report until next spring.

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

No report.

e. Report of the Public Facilities Committee – Kim Likins, Chairman

Ms. Likins reported there was a meeting earlier in the day with a presentation from Community Vision of Hilton Head. A motion was made that Town Council and Town Administration explore the possibility of providing support and funding to help their planning in the future.

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

Mr. Harkins reported there was a meeting August 1, and Captain Toby McSwain provided an update on crime statistics for the last quarter, indicating a noticeable decline in all key areas. He further reported that the Committee supported the development of a towing policy for the Town, and a background statement and recommendation to Town Council will be forthcoming. The Committee also discussed with Captain McSwain the possibility of providing area businesses with safety education programs for young part-time workers.

g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member

Ms. Likins reported that the Committee continues to meet weekly, with the hopes of reducing the meetings soon. The Committee is continuing to refine the issues, but they are encouraging individuals who may be affected to come forward and express their particular issues and concerns. Ms. Likins reported that two developers had already met with the Committee, and others were planned in the near future.

9) Appearance by Citizens

Mr. Clint Van Aswegan presented an update on Spring Break Tennis and congratulated Council on its decision to expand the number of tennis courts at Chaplin. He noted the tough competition for the public tennis courts, and wanted Council to be aware that Spring Break Tennis brings 170 teams and 300 matches to the Island each spring, which are in jeopardy because of exclusive contracts being negotiated. Mr. Van Aswegan reported that he has been in contact with Staff Attorney, Brian Hulbert, concerning the Memorandum of Understanding which will enable his group to rent courts for the month of March. He further reported the expansion into Spring Break Golf, which will bring 10 to 25 teams to Hilton Head Island using Palmetto Hall and Palmetto Dunes golf courses.

10) Unfinished Business

a. Second Reading of Proposed Ordinance No. 2011-13

Second Reading of Proposed Ordinance No. 2011-13 to amend Chapters 10 and 13 of Title 4 (Finance and Taxation), of the *Municipal Code of the Town of Hilton Head Island, South Carolina*, by amending Section 4-10-70, Permitted Uses of Local Accommodations Tax Funds; amending Section 4-10-100, Management And Use of Local Accommodations Tax; amending Section 4-13-80, Permitted Uses of 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 7-0.

b. Second Reading of Proposed Ordinance 2011-14

Second Reading of Proposed Ordinance No. 2011-14 authorizing the transfer of real property being a portion of right of way known as the Arrow Road/Dunnagan's Alley Roundabout to South Carolina Department of Transportation, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (supp. 2010), and Sec. 2-7-20, *Code of The Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Williams seconded. The motion was approved by a vote of 7-0.

**c. Second Reading of Proposed Ordinance 2011-15
Proposed Land Swap with Henry Driessen**

Second Reading of Proposed Ordinance 2011-15 authorizing the sale of real property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S. C. Code Ann. § 5-7-40 (Supp. 2010), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983, as amended); and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Harkins seconded.

Mr. Williams suggested and Mr. Riley agreed that future terminology setting forth such a transaction might be better reflected as an exchange.

The motion was approved by a vote of 7-0.

**d. Second Reading of Proposed Ordinance 2011-16
Proposed Conveyance of Land to Habitat for Humanity, Inc.**

Second Reading of Proposed Ordinance 2011-16 authorizing the sale of real property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S. C. Code Ann. § 5-7-40 (Supp. 2010), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983, as amended); and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Ferguson seconded. Mr. Bob Johnson, a resident of Old Woodlands Plantation, which is adjacent to this property, inquired about the affect to his property, if any. Mr. Riley referred him to Charles Cousins for the requested information.

The motion was approved by a vote of 7-0.

11) New Business

a. Consideration of a Recommendation regarding a Right of Way Conveyance

Consideration of a Recommendation that the Town Council of the Town of Hilton Head Island, South Carolina, approve a right of way transfer transaction between the Town and the South Carolina Department of Transportation (SCDOT) regarding the right of way acquired to facilitate the construction and maintenance of the improvements to the intersection of US 278 (William Hilton Parkway) with Squire Pope Road.

Mr. Heitzke moved to approve. Mr. Williams seconded. The motion was approved by a vote of 7-0.

b. Consideration of a Recommendation regarding Debris Removal Agreements

Consideration of a Recommendation that the Town Council of the Town of Hilton Head Island, South Carolina, endorse the execution of memorandums of agreement with Beaufort County and the South Carolina Department of Transportation (SCDOT) for disaster related debris removal from their respective road rights of way on Hilton Head Island.

Mr. Heitzke moved to approve. Mr. Williams seconded.

Mr. Riley noted that he was informed by Jeff Buckalew, Town Engineer, today that the DOT has changed its policy and will now cover the 25% not reimbursed by FEMA on DOT roads that are not in the federal aid system – making this an even better deal than was originally submitted. A small change in the Agreement will be required, and he asked for Council’s endorsement and approval to execute the Agreements with these changes. Mr. Riley noted the specific roads covered by the Agreement.

The motion was approved by a vote of 7-0.

c. Consideration of a Resolution regarding Criteria for Redistricting

Consideration of a Resolution that the Town Council of the Town of Hilton Head Island, South Carolina adopt criteria to develop plans for *Redistricting 2010* to ensure maximum public participation.

Mr. Heitzke moved to approve. Mr. Williams seconded, and inquired when the public hearing and presentation of the plans would be made. Mr. Riley responded that no date had been set, and the issue would be discussed with the Mayor as to whether this would be done at Committee level or Council level. He expressed the hope that this would be done no later than mid-September. The motion was approved by a vote of 7-0.

d. First Reading of Proposed Ordinance 2011-17

First Reading of Proposed Ordinance 2011-17 authorizing and providing for the issuance of Special Obligation Bonds (Hospitality Fee Pledge) of the Town of Hilton Head Island, South Carolina; prescribing the form of bonds; providing for the payment of the bonds from the sources provided herein; creating certain funds and providing for payments into such funds; amending Chapter 13 of Title 4 (Finance and Taxation) of *The Municipal Code of the Town Of Hilton Head Island, South Carolina*, by amending Section 4-13-80, Permitted Uses of Funds, and Section 4-13-110, Sunset; making other covenants and agreements in connection with the foregoing; and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Williams seconded and asked for clarification, which Mr. Riley and Frannie Heizer, bond counsel, with McNair Law Firm, P.A. provided.

The motion was approved by a vote of 7-0.

e. First Reading of Proposed Ordinance 2011-18

First Reading of Proposed Ordinance 2011-18 providing for the issuance and sale of Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Hospitality Fee Pledge), in one or more series, in the principal amount of not exceeding \$26,250,000; delegating the authority to the Town Manager to determine certain matters with respect to the bonds; prescribing the form and details of such bonds; other matters relating thereto; and providing for severability and an effective date.

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

Mr. Riley and Susan Simmons, Finance Director, provided explanations for the need of the Ordinance, and Frannie Heizer, bond counsel, related the timing issues involved. A lengthy discussion ensued among Council Members, Ms. Simmons, and Ms. Heizer. It was determined that Town Council needed additional information before Second Reading, with such information to be compiled and provided to Council by bond counsel, financial advisor, and the Town Finance Department.

The motion was approved by a vote of 7-0.

f. First Reading of Proposed Ordinance 2011-19

First Reading of Proposed Ordinance 2011-19 authorizing and providing for the issuance of Special Obligation Bonds (Beach Preservation Fee Pledge) of the Town of Hilton Head Island, South Carolina; prescribing the form of bonds; providing for the payment of the bonds from the sources provided herein; creating certain funds and providing for payments into such funds; making other covenants and agreements in connection with the foregoing; and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Ferguson seconded. Clarification was requested by Mr. Edwards, and provided by Ms. Heizer, bond counsel.

The motion was approved by a vote of 7-0.

g. First Reading of Proposed Ordinance 2011-20

First Reading of Proposed Ordinance 2011-20 providing for the issuance and sale of Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Beach Preservation Fee Pledge), in one or more series, in the principal amount of not exceeding \$11,000,000; delegating the authority to the Town Manager to determine certain matters with respect to the bonds; prescribing the form and details of such bonds; other matters relating thereto; and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Ferguson seconded. Mr. Williams asked for clarification on the amount, and Mr. Riley confirmed this was same issue discussed several months ago.

Andrew Zarnecki, General Manager of Westin Hilton Head Island Resort & Spa, indicated his support of the beach renourishment project but expressed his concern about the timing and the heavy equipment that would pass across the front of the Resort. He asked for the possibility of a delay until December 30 to avoid hurricane season, as well as that time period being non-destructive to his business.

The motion was approved by a vote of 7-0.

h. Consideration of a Recommendation on the Port Royal Sound Shoreline Restoration/Stabilization Project - Acceptance of Bids, Proposals/Award Contracts.

Mr. Riley explained the need for Town Council action in order to award these contracts, as it exceeded his authority to do so. He pointed out that the low bid was based on the ability of Great Lakes to move from one job to this one, with little flexibility for a delay, but he will ask if this is possible. He also noted that the groin work was a separate contract, with the low bidder being the same contractor who has done every rock-work project done by the Town of Hilton Head Island. Combined, the two contracts are \$2 million less than projected last fall, and he requested a motion for acceptance of the bids.

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

A discussion was held among Council Members and Mr. Riley as to alternate methods to get pipes to the beach other than in front of the Westin and about the need for a business license.

Mayor Laughlin noted that all means would be explored to mitigate any adverse effects to the hotel and other property owners in the area.

Mr. Zarcecki acknowledged the fact the Island and homeowners of Port Royal will benefit long-term by widening the beach, and expressed his support, but questioned the timing and disruption it would cause and whether additional access points might be available.

Council Members discussed with Mr. Riley the possibility of requesting a delay, which he agreed to do, but he indicated there was no guarantee such request would be granted.

The motion was approved by vote of 7-0.

12) Executive Session

Mr. Riley stated he needed an executive session for contractual matters pertaining to land acquisition, including requests to place cell towers on town-owned land; contractual matters pertaining to conveyance of right-of-way to the SCDOT; legal matters pertaining to a proposed settlement of ongoing litigation with OCRM; legal matters pertaining to a proposed settlement with RH Realty; and personnel matters pertaining to appointments to Boards and Commissions.

At 5:10 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 7-0.

Mayor Laughlin called the meeting back to order at 6:07 p.m. and asked if there was any business to take up as a result of executive session.

Mr. Ferguson moved that the Town Council for the Town of Hilton Head Island adopt an Ordinance authorizing the conveyance of various portions of rights of way located along U.S. Highway 278 near the Intersection of Squire Pope Road to the South Carolina Department of Transportation. Mr. Heitzke seconded. The motion was approved by a vote of 7-0.

13) Adjournment

Mr. Heitzke moved to adjourn. Mr. Williams seconded. The motion was approved by a vote of 7-0. The meeting was adjourned at 6:08 p.m.

Lynn W. Buchman
Administrative Assistant

Approved:

Drew A. Laughlin, Mayor