

THE TOWN OF HILTON HEAD ISLAND
TOWN COUNCIL BUDGET WORKSHOP

Date: Tuesday, May 8, 2012

Time: 3:00 P.M.

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

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

Present from Town Staff: Steve Riley, *Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Director of Finance*; Lavarn Lucas, *Fire Chief*; Ed Boring, *Deputy Fire Chief – Support Services*; Brian Hulbert, *Staff Attorney*; Jill Foster, *Deputy Director of Community Development*; Tom Fultz, *Director of Administrative Services*; Julian Walls, *Facilities Manager*; Jeff Buckalew, *Town Engineer*; Teri Lewis, *LMO Official*; Angie Stone, *Senior Human Resources Administrator*; John Valvo, *Systems Analyst*; Victoria Shanahan, *Accounting Manager*; Natalie Majorkiewicz, *Systems and Reporting Administrator*; Lori Schmidt, *Billing and Cash Receipting Manager*; Bruce Seeley, *Inspections, Collections & Audit Manager*; Vicki Pfannenschmidt, *Executive Assistant*

Present from Media: Tom Barton, *Island Packet*

1) Call to Order

Mayor Laughlin called the workshop to order at 3:00 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) Review of General Operating Budget

Mr. Riley stated the general summary documents were provided in the packet distributed. He explained the budget is down and would have been down more but there is a one-time expenditure of over \$500,000 for a software package that will enhance the permitting program. Mr. Riley informed Council there were three positions eliminated, two due to attrition and the third is the Assistant Town Manager position that had been held open for some time. He explained a position was being held in Community Development Department if there is a need for economic development staffing. He stated he would be happy to answer any questions.

Mr. Williams asked what the permitting software package is going to do for the Town and expressed concern with the cost. Mr. Riley invited Jill Foster to approach the dais to give an overview of the request.

Ms. Foster informed Council that five companies were called in to perform demonstrations for staff and review what was available for updating the existing program. She explained the reason for this was that the existing program will not be supported by Microsoft in the near

future so an update is mandatory for support and the fields in use at this time are at capacity. Ms. Foster explained the pricing done by companies and how they arrived at the cost. She noted that the budgeted amount includes the replacement of two existing modules and the purchase of two additional modules. The additional modules would consist of citizen access and electronic submissions and review as well as the capability of various additional reports that are needed.

Mr. Edwards asked if staff had contacted any other municipalities utilizing any of the programs they had reviewed. Ms. Foster answered that they have been in communication with other municipalities the size of Hilton Head Island and requested cost information and input concerning the operation of their programs. Tom Fultz approached the dais and stated that the Town is not in the acquisition process at this time and due diligence will be done during the process. He explained all of the vendors will have to go through the process. Kim Likins assured Town Council that the LMO Rewrite Committee supports the purchase of the software and she, as a Town Council member, also supports the purchase.

Mr. Williams noted there was \$570,664 in the FY2012 estimated actual for revenue collections expenditures but the FY2013 shows \$712,643 budgeted. Susan Simmons explained that for FY2012 the Deputy Finance Director position has been vacant and while they are in the process of reviewing the position it has been budgeted for FY2013. Mr. Williams asked how many positions the Town has eliminated. Mr. Riley stated there have been sixteen positions eliminated since FY2009.

Mr. Harkins stated that in terms of the general fund, where the Town is heading in IT, the reduction of three positions and zeroing out from where the Town was last year speaks to good management.

Mayor Laughlin asked for public comment. There was none.

4) Capital Improvements Program (CIP) Review

Mr. Williams noted the difference in estimated actual for Impact Fees for FY2012 and the budgeted amount for FY2013. Susan Simmons explained that because the Town is doing a balanced budget the expenditures need to match the revenues. She added that the amount is not a true revenue collection projection, it is the source of the funding and the revenue will be coming out of prior year funding. Mr. Williams asked about the increase in Hospitality Tax Bond Proceeds. Ms. Simmons explained the majority of that amount is for Fire Station 6 which had originally been budgeted for FY2012 and removed from that budget and placed in the FY2013 budget.

Scott Liggett stated staff will be recommending an approximately twenty million dollar budget for CIP to Council which includes money rolled forward and new funds and that he would be addressing the new funds budgeted at this meeting.

He reviewed the staff recommendations for the Honey Horn access from Gum Tree Road. Mr. Williams stated he felt a pedestrian crosswalk on Gum Tree would cause problems. He suggested access be gained by utilizing Jarvis Creek Road to Highway 278 and cross over to Honey Horn. Mr. Liggett stated he would be happy to bring a revised estimate for the project Mr. Williams suggested. Mr. Edwards asked if he would also bring drawings. Mr. Liggett said he would. He then reviewed the remaining pathway projects.

Mr. Liggett reviewed the roadway improvements. Mrs. Likins asked when the entrance to Palmetto Dunes was scheduled. Mr. Liggett stated it is projected to begin in the fall.

Discussion ensued concerning the Mathews/Marshland Road Roundabout. Mayor Laughlin stated he felt the funds could be redirected to another project. Mr. Edwards questioned the need for the project concurred with Mayor Laughlin. Mr. Liggett responded that with the move of the Children's Center the need is not as critical but with the Children's Center moved the area had been opened up so the project could be completed. Mr. Riley stated that if Council would like staff to review the necessity of the project the commitment of funds could be changed with a vote at regular Town Council meeting. Mr. Williams and Mrs. Likins also suggested the project be reviewed for need. Mr. Liggett said he would have an assessment done and return in June with a report.

Mr. Williams revisited the Honey Horn CIP commitments from previous years. He suggested funding was needed to study road improvements to enter the property and a gate access.

Mr. Liggett reviewed the park upgrades noting changes may take place with the development of Chaplin Linear Park. Mayor Laughlin expressed concern for the budgeted funds for Collier Beach Park stating it was designed years ago and he was not in favor of it. Kim Likins agreed and said the residents in the area are also against the improvements. Mr. Williams suggested combining all the park improvement funds and then decide where to allocate the funds. Mr. Riley explained if Council is interesting in pursuing the Chaplin Park concept and the Shelter Cove proposed park that the funds required are not in the budget. He added that the funds needed to consider moving the SHARE Center to the newly purchased LifeSpan Building are also not included in the budget. He stated if changes or funds need redirected Council will need to discuss it at the next budget workshop scheduled for June 5.

Mayor Laughlin expressed concern about spending the TIF funds before they expire at the end of 2014. Mr. Williams also expressed concern about the TIF funds committed to Coligny expiring before plans are completed. He added that if TIF funds are redirected to the Chaplin Linear Park then alternative funding will have to be found for Coligny. Mayor Laughlin clarified that if the funds were redirected Council was not backing off or slowing down from the Coligny Project. Mr. Edwards emphasized that as a Council they needed to push the Coligny project and not drag their feet.

Mrs. Likins asked what had been done concerning the Rowing and Sailing Center and what the \$700,000 will cover and how much money the citizen group had raised. Mr. Liggett said he was not aware of any funds the group has raised and reminded Council that during the budget workshops last year Town Council made a decision to fund the project with public funds and not count on the citizen group's funding. Mr. Liggett then reviewed the concept plan in detail which included a dock facility, storage area, parking, community gathering spot, restroom, and office/storage building. Mr. Harkins and Mr. Edwards spoke in support of the project.

Mr. Liggett reviewed the existing facilities improvements. Mr. Williams referred to the continuous carryover of \$300,000 annually. Chief Lucas stated the reason is that the Town has been refurbishing vehicles rather than replacing them. He said the rollover takes place because the refurbishing takes over one year. Chief Lucas added rollovers should be done after this year.

Mr. Liggett reviewed the new facilities improvements consisting of sewer projects at Jarvis Creek Park and Islanders Park, dispatch center equipment, Fire and Rescue medical systems replacement, public safety systems upgrade, Coligny/Pope improvements.

Mr. Liggett reviewed the beach maintenance budgeted for FY2013. He explained some of the funds budgeted are for ongoing annual beach monitoring. He pointed out the beach management line noting they will be planning for the conceptual development of the next beach renourishment project and need to do so well in advance due to the permitting process.

Mr. Liggett concluded his presentation noting the total needed for the newly funded projects would be \$12,649,000 and explained the allocation of TIF funds needs to be revisited and will be discussed at the June 5 Budget Workshop.

Mr. Lou Strayer spoke in support of the Rowing and Sailing Center. He noted the \$700,000 depicts the minimum needs and asked that the project not be seen as complete when this phase is done. He spoke of future needs for the Center.

Mr. Williams stated that he was involved in the original discussions with the Rowing and Sailing Center and the club had indicated substantial resources would be coming forward to assist in building the club. He suggested that after this portion is completed by the Town citizen usage should be assessed before going forward.

5) Appearance by Citizens

None.

6) Adjournment

Mr. Heitzke moved to adjourn. Mr. Williams seconded. The motion was approved by a vote of 6-0. The meeting was adjourned at 4:47 p.m.

Vicki Pfannenschmidt
Executive Assistant

Approved:

Drew A. Laughlin, Mayor