

THE TOWN OF HILTON HEAD ISLAND
TOWN COUNCIL BUDGET WORKSHOP

Date: Tuesday, June 5, 2012

Time: 5:14 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*.

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Tom Fultz, *Director of Administrative Services*; Susan Simmons, *Director of Finance*; Nancy Gasen, *Director of Human Resources*; Brian Hulbert, *Staff Attorney*; Jill Foster, *Deputy Director of Community Development*; Jeff Buckalew, *Town Engineer*; Julian Walls, *Facilities Manager*; Shawn Colin, *Comprehensive Planning Manager*; Victoria Shanahan, *Accounting Supervisor*; Natalie Majorkiewicz, *Systems and Reporting Administrator*; John Valvo, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant*

Present from Media: None.

1) Call to Order

Mayor Laughlin called the workshop to order at 5:14 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) Capital Improvements Program (CIP) Review

Scott Liggett presented a power point and reviewed the Proposed Capital Improvements Program Budget for FY 2013. As a result of discussion, Town Council directed staff to add an additional \$80,000 for the Honey Horn (and adjacent area) Pathway. It was also determined that staff pursue and update the Honey Horn property Master Plan and for Fiscal Year 2014 create a budget line item capturing Honey Horn future maintenance needs.

Council also directed staff to add \$100,000 for the Mathews Drive/Chaplin Area Connectivity for the PECI request.

4) Review of Debt Service Budget

Susan Simmons explained the debt service represents the existing bonds as they occur. She pointed out that the Stormwater Utility Fund is an enterprise fund and it is no longer accounted for in the debt service fund. She explained it is now located in the Stormwater Utility Fund. Ms. Simmons said that when decisions are made as to what major projects will be taking place she will explain what options Town Council has as far as financing. Mr. Williams asked when some of the bonds are coming off debt service. Ms. Simmons said that they have been dropping off and by the year 2014 Town Council will have to decide whether to reduce or reallocate the millage rate or issue additional bonds.

5) Review of Stormwater Utility Fund

Susan Simmons provided Council with a revised Stormwater Utility Fund budget. She explained there was a line added for bond proceeds in the revenue section and explained the reasoning for the change.

Scott Liggett reviewed the proposed budget adding that there is no increase in the fee. He said there is a 46% increase in the PUD service area. He reviewed the areas that have been added. Mr. Liggett reviewed operating expenses, projects and maintenance costs and debt service.

6) General Discussion

Mr. Riley distributed a memo to Town Council concerning remaining budget issues. He reviewed the list of items that were non-CIP issues that have been previously raised in the budget workshops and items that he felt needed brought to Council's attention.

Mr. Riley noted that staff has not recommended a millage increase as part of this year's budget. He said that under the three-year look back established by the Legislature last year, he wanted to make council aware that there is an amount of millage that they will be giving this year and for all time which amounted to 0.04 mils and based on current value it represents about \$36,000 in annual revenues.

Mr. Riley referred to the series of questions that Mr. Williams asked and submitted concerning the permitting software. He stated staff has answered the questions and will keep the suggestions made in mind as they move forward with the selection process.

Mr. Riley reviewed the Town vehicle fleet noting there are now a total of 85 vehicles which is down from 90 in FY09.

Mr. Riley noted there is been no funding included in the budget concerning the ATAX Committee data collection proposal which was presented at the May 8, 2012 Town Council Budget Workshop. After discussion, Council was in agreement that they were not prepared at this time to commit to the specific proposal.

7) Appearance by Citizens

None.

8) Adjournment

Mr. Edwards moved to adjourn. Mr. Williams seconded. The motion was approved by a vote of 7-0. The meeting was adjourned at 7:23 p.m.

Vicki Pfannenschmidt
Executive Assistant

Approved:

Drew A. Laughlin, Mayor