

TOWN OF HILTON HEAD ISLAND
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING

Date: October 13, 2015 **Time:** 2:00 p.m.

Members Present: John McCann, *Chairman*; Bill Harkins, Tom Lennox, *Council Members*

Members Absent: None

Staff Present: Greg DeLoach, *Assistant Town Manager*; Susan Simmons, *Director of Finance*;
Don Kirkman, *Executive Director-Economic Development Corporation*;
Cindaia Ervin, *Finance Assistant*

Others Present: Kim Likins, *Council Member*; Gregg Alford, *Town Attorney*; Bill Miles,
President & CEO-Hilton Head Island-Bluffton Chamber of Commerce; Charles
Brown, *Hilton Head Island-Bluffton Chamber of Commerce/VCB*; Tom Gardo,
Denarius Group, Inc.; Eleanor O’Key, *Lowcountry Inside Track*; Skip
Hoagland, Peter Buonaiuto, Larry Meyers and other members of the community.

Media: Zack Murdock, Island Packet

1. Call to Order:

The meeting was called to order at 2:05 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. Approval of Minutes:

- a. Mr. Harkins moved to approve the amended minutes from the Finance and Administrative Committee Meeting on September 29, 2015 at 3:30 p.m. Mr. Lennox seconded, and the motion passed with a vote of 3-0.
- b. Mr. Lennox moved to approve the minutes from the Finance and Administrative Committee Meeting on October 6, 2015 at 3:00 p.m. Mr. Harkins seconded, and the motion passed with a vote of 3-0.

4. Unfinished Business:

a. Discussion of the Town Council’s November 2015 annual workshop agenda

Greg DeLoach, Assistant Town Manager, described the purposes of the annual workshop: to establish the goals, policies and objectives going forward next year. Mr. Lennox stated that his main priority for this workshop is to ensure Council has a chance to address fully and completely its top priorities. He and Mr. DeLoach discussed whether given the proposed agenda there would be enough time to fully and completely formulate strategies at a high level for the top priorities. Bill Harkins stated he would rather cover a few topics well rather than discussing many without reaching a strategic plan. Mr. DeLoach offered that the agenda was still a draft that Council could adjust to meet the needs of Council.

The Committee discussed Council’s key topics including the Arts and Culture Committee efforts, the Circle-to-Circle Committee’s efforts, the Town’s Vision, Sewer Access

including the five-year plan, and Economic Development. Committee members expressed that these are important topics that could potentially take up more time than currently allowed in the draft agenda. They came to a consensus to recommend to Council that the Workshop should start at 2 p.m. on Thursday with the Circle-to-Circle Committee's presentation and Council discussion followed by the Arts and Cultural Committee. This proposed agenda gives each group ample time to present and allows for questions from Council; Council could further discuss at dinner if needed. On Friday, they proposed Council open with Sewer Access jointly presented by Town and PSC staff, followed by Town Vision, and Economic Development. The Committee suggests that the Update on the Existing Strategic Plan could be included as a written report that Council could read and ask questions if needed. On Saturday, they propose to discuss all other topics that need more attention and determine the 2016 goals and priorities.

Mr. DeLoach stated that he would send the Finance and Administrative Committee's revised draft to Council members for review and if more changes are desired by the full Council, they could add it as an item for discussion at the next Council meeting on October 20th.

5. **New Business:**

a. **Economic Development Tax Credits/ Incentives (Don Kirkman)**

Don Kirkman, Executive Director-Economic Development Corporation, provided the Committee with a presentation regarding Economic Development Tax Credits/Incentives. He stated that there is the notion that incentives are often just grants or tax credits offered to individual businesses; however there are other things that can be done to boost economic activity on Hilton Head. He explained that legal incentives are governed by State statute; the General Assembly directs what can be offered at the state, county, and municipal levels. Generally, incentives are directed towards the State to reduce corporate income taxes or at the county and municipal levels for property tax credits/reductions.

Mr. Kirkman suggests identifying and removing disincentives. He recently conducted a survey of existing businesses accumulating businesses' comments and suggestions of things the Town could do to make it easier for new businesses to move here. Some of the comments pertain to regulatory and permit issues which are a factor in businesses moving to Hilton Head. Mr. Kirman used the phrase "Show me the Love" incentives to indicate how the Town has invested in the community. He used as an example, steps the Town took to provide after-hours building inspections at the Harbour Town Club House. This helped facilitate the construction process and showed the willingness of the Town to help.

Mr. Kirkman also spoke about the possibly of mirroring neighboring areas that adopted a sliding scale for business license fees. To attract new businesses, Bluffton and Beaufort both have implemented the sliding scale of 30-60-100. Mr. Harkins thanked Mr. Kirkman for the comprehensive presentation. He asked him to continue to help shed light on information the Corporation feels is important; to provide lessons learned on what to do and not do on future projects; to suggest specifics on incentives the Town could offer particularly on the municipal level; to identify Town parcels the Corporation would like Council to offer for private sector development; and lastly to identify areas of the LMO that could be improved to boost economic development. Mr. Lennox stated that the Town is willing to work with developers using the recent example of the Town granting increased density in the Shelter Cove project. Mr. McCann told the Committee and Mr. Kirkman to bring these suggestions and examples to the workshop for further discussion.

Mr. McCann asked if there was any public comment. Skip Hoagland, Hilton Head, spoke

regarding the Hilton Head-Bluffton Chamber of Commerce. He stated that he has educated the public and Council members on his findings regarding the Chamber and believes that an independent audit should be done. He provided the Committee with information packets following his comments.

Peter Buonaiuto, Hilton Head, also discussed the Chamber information that he and Mr. Hoagland have shared with the public and Council members. He feels that an independent audit needs to be done because it is a fiduciary responsibility and that there has never been a true audit. He would feel better knowing there was one done to clear the Chamber of Commerce's name.

Larry Meyers, Hilton Head, stated that we as a Town need to do things better in terms of governance for the 21st century. He expressed concerns about a lack of communication, no sense of urgency and priority to get things done, and South Carolina's lack of preparedness relative to the recent floods. He thinks that we should be spending money on new infrastructure rather than building a new USCB campus on the Island.

Mr. McCann thanked everyone for their comments and time.

6. Executive Session

- a. At 3:45 p.m. Mr. Lennox moved to enter into Executive Session to discuss the negotiations incident to proposed contractual arrangements with the HHI-Bluffton Chamber of Commerce and Visitor Convention Bureau. Mr. Harkins seconded and the motion was approved by a vote of 3-0.

Mr. McCann called the meeting back to order at 4:50 p.m. and announced there was no action to be taken as a result of the Executive Session.

7. Adjournment:

Mr. Lennox made a motion to adjourn and Mr. Harkins seconded. The motion passed with a vote of 3-0 and the meeting was adjourned at 4:50 p.m.

Approved: October 20, 2015

Respectfully submitted:

John McCann, Chairman

Cindaia Ervin, Secretary