

TOWN OF HILTON HEAD ISLAND PUBLIC FACILITIES COMMITTEE

Date: June 27, 2016

Time: 10:00 A.M.

Members Present: David Ames, Kim Likins, Tom Lennox

Members Absent: None

Staff Present: Scott Liggett, Charles Cousins, Jeff Buckalew

Others Present: Bill Harkins, *Councilman*

Media Present: None

1. Call to Order:

The meeting was called to order at 10:00 a.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. Committee Business:

Approval of Minutes: Mrs. Likins moved to approve the Minutes of May 23, 2016. Mr. Lennox seconded. The Minutes of May 23, 2016 were unanimously approved.

4. Unfinished Business:

None

5. New Business

• **Stormwater Utility – Intergovernmental Agreement Amendment**

Scott Liggett, Director of Public Projects & Facilities stated for many years now we have operated with an Intergovernmental Agreement with Beaufort County who actually collects the Town's Stormwater Utility Fee. Previously, Council had endorsed the completion of a rate study that would examine how we may want to structure the Stormwater Utility Fee going forward. That study has been completed but has not yet been vetted by Town Council although the County has taken action on it.

We are here today mostly for what staff believes is an administrative task to revise the current Agreement with the County to reflect the completion of that study and to be mindful of the budget that you just approved that retained the \$108.00 fee going forward. There were no changes as you might remember from our budget discussion for the upcoming fiscal year. We do expect to get into the details of the rate study and any potential expansion or changes in our fee going forward. But for Fiscal 2017, the fee stays the same. The roles and responsibilities with the County stay the same and for the most part the changes that are reflected in the Agreement before you today are mindful of and reflect the new rate study that has been completed.

Mr. Lennox asked how many Agreements like this are there. Mr. Liggett responded the County has Agreements with all of the participating municipalities so we are one of four. All of them are either being modified or accepted just like ours is or soon will be. The

County is trying to have similar if not identical agreements with all of the participating municipalities.

Mrs. Likins asked when the results of the study will be available to look and talk about. Mr. Liggett said he expects we will start the discussion during the first quarter of fiscal 2017. We would like to be way out ahead of any budget discussions which for staff's perspective start in January. I am hopeful we will go through the fall and hopefully winter and try and vet the results of the study and also engage Council or the Committee in the discussion of any expansion in the extent of service or the level of service that Council may desire us to pursue as we set the fee going forward. As a reminder to all of you, the current fee of \$108.00 has remained intact and unchanged since 2010. I think the time is right to talk about other initiatives programs, expansions that Council might want to consider.

Mr. Lennox said he will want to get involved with understanding the fees and expenses. In the budget process if you take a look, the financials of the fund need some serious attention. If you look at total revenue for the last five years it is flat. Total personnel expenses more than doubled. Operating expenses quadrupled. Total project costs, however, have remained level while the fund balance has reduced by 50%. That in and of itself does not reflect the risk and liability that you have told us we have.

Mrs. Likins stated we will have to personally understand a little more about what it covers and at what point do we consider preventative maintenance vs. just fixing things as they happen. I think with everything that happened with the issue with Pine Isle the question is how far do we have to go to be intentional and forward fixing things or thinking about things. Clearly some of our citizens and their POA's who have turned stormwater over to us in their mind see us having a degree of responsibility that maybe we are not sure that we see that we have at this point.

Mr. Liggett stated he agrees 100% with both comments. Some of the things that Council has expressed interest in at least discussing – one of them being our involvement in the smaller scale subdivisions who we have taken and established responsibilities within all of the large gated communities except for Spanish Wells. The smaller neighborhood POA's that are still in orbit there was discussion late last year of the potential to create some sort of reserve within the fund. All of those things could or should be vetted when we examine the rate structure and the fee and revenue stream a to how we might want to fund the program for the next 3-5 years.

Councilman Lennox moved that the Public Facilities Committee recommend Town Council amend the Town's Stormwater Management and Utility Intergovernmental Agreement with Beaufort County. Mrs. Likins seconded. The motion passed unanimously.

6. **Adjournment**

Mrs. Likins moved to adjourn. Mr. Lennox seconded. The meeting was adjourned at 10:08 a.m.

Respectfully Submitted,

Karen D. Knox
Senior Administrative Assistant