



Town of Hilton Head Island
**Finance & Administrative
Special Committee Meeting**
Tuesday, January 19, 2021, 2:00 p.m.
MEETING MINUTES

Present from the Committee: Tom Lennox, *Chairman*; Bill Harkins, Glenn Stanford, Alexander Brown, Jr. and Tamara Becker (Alternate) *Council Members*

Present from Town Council: David Ames; Council Member

Present from Town Staff: Josh Gruber, *Interim Town Manager*; Shawn Colin, *Interim Assistant Town Manager*; Angie Stone, *Interim Assistant Town Manager*; John Troyer, *Director of Finance*; Scott Liggett, *Director of Public Projects & Facilities*; Brad Tadlock, *Fire Chief*; Jennifer Ray, *Interim Director of Community Development*; Diane Busch, *Staff Attorney*; Teri Lewis, *Deputy Community Director*; Nicole Dixon, *Development Review Administrator*; Cindaia Ervin, *Finance Assistant*

Present from the Media: None

1. Call to Order

The Chairman called the meeting to order at 2:00 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. Roll Call- See as noted above

4. Approval of Agenda

Chairman Lennox asked for a motion to approve the agenda. Mr. Harkins made a motion to approve the agenda as submitted. Mr. Stanford seconded. By way of roll call, the motion was approved by a vote of 4-0-0.

5. Approval of Minutes

a. Special Meeting, October 6, 2020

Chairman Lennox asked for a motion to approve the minutes of the October 6, 2020 special meeting. Mr. Stanford moved to approve. Mr. Harkins seconded. By way of roll call, the motion passed with a vote of 3-0-1.

b. Special Meeting, November 17, 2020

Chairman Lennox asked for a motion to approve the minutes of the November 17, 2020 special meeting. Mr. Harkins moved to approve. Mrs. Becker seconded. By way of roll call, the motion passed with a vote of 3-0-1.

6. Citizens Comments

Public comments concerning today's agenda items were to be submitted electronically via the Town's Open Town Hall portal. The public comment period closed the day prior to the meeting at Noon. At the conclusion of the Open Town Hall there were no comments, however, there was one caller that signed up to address the Committee at today's meeting.

Skip Hoagland: Addressed members of the Committee via phone regarding FOIA compliance and his thoughts of corruption within the Town of Hilton Head Island.

7. Unfinished Business- None

8. New Business

a. Town of Hilton Head Island Financial Update

John Troyer, Director of Finance, provided the Finance & Administrative Committee a Financial update on the Town's progress. In his discussion, he stated year-to-date collections were 26% higher than last year's collections. Some collections that he highlighted were Business License collections for December at 500.7% of budget, Stormwater -71.3% of budget and Real Estate Transfer fees are at 98.7%. The Town's General Fund year-to-date spending by category is 3.3% more than last year to date; however, if spending were evenly distributed though the year it would be 50% spent through December where as last year it was 43%. Mr. Troyer stated the timing of expenses has had a very similar pattern to last year and the Town depends on the temporary use of its reserves from time to time when Town collections are slower with the Town reporting a temporary deficit is 19.5% less than last year. Mr. Troyer stated that with Town Council approval, the Town previously sold \$5,630,000 in Stormwater bonds to with an interest rate 0.83% for 5 years replacing bonds with rates of 2.78%. The NPV savings of over \$156K will be realized over the life of the bonds-through April 2026. These savings are in addition to the \$1.1M in savings on Go bonds in October. Key items that Mr. Troyer wanted the Committee to be aware of are that the Town is continuing to keep an eye on expenditures and adjusting where necessary to continue to be in a good financial position. The Committee had many favorable comments regarding Mr. Troyer's presentation of the Town's finances. They were very pleased to see the positives in revenues showing the good health of the community and Town even during a global pandemic. Mr. Lennox thanked Mr. Troyer and all present for the good financial update discussion.

b. Proposed Broad Creek PSD ASR Facility on the Town's Greenwood Tract

Nicole Dixon, Development Review Administrator, gave the Committee a brief background on the proposed Broad Creek facility on the Town's Greenwood Tract. Ms. Dixon stated that saltwater intrusion into the Upper Floridian Aquifer has been documented since the 1970's. Intrusion continues due to excessive pumping in Savannah. Hilton Head PSD and South Island PSD have already lost wells due to saltwater intrusion. Broad Creek Public Service District (BCPSD) commissioned a water supply study to address their future water supply needs should

their wells become intruded with salt water. A result of that study was the recognition that salt water intrusion would occur in the BCPSD wells. The study provided BCPSD with several options for ensuring a reliable water supply for the next few decades. After extensive review and discussion, the BCPSD Commissioners decided to move forward with the installation of a new ASR Facility to secure the water supply.

The ASR infrastructure requires a small area within close proximity to their elevated tank and supply line. Based on this requirement, Ms. Dixon stated that the Town property adjacent to Fire Station 6 was identified by BCPSD as an ideal location. BCPSD already has an easement on the subject property for use as a spray field for excess treated effluent water. Ms. Dixon stated that Staff recommends the support of the Broad Creek Public Service District's (BCPSD) proposal to purchase or lease a portion of Town-owned property in order to develop an Aquifer Storage and Recovery (ASR) Facility with the following conditions: if Town Council decides to sell rather than lease a portion of Town land for the proposed project, request a right of first refusal on any future exchange of the property, maintain an adequate buffer along US278, prohibit access to the ASR Facility from US278, the ASR Facility must be located outside of the spray field easement area, and support BCPSD efforts to secure agreement from Greenwood Communities and Resort, Inc. to allow the proposed use on the property.

Mike Allen, Broad Creek Public Service District, provide the Committee with a brief overview of the water supply improvement proposal to the Town. In this presentation, Mr. Allen spoke about the current wells and those that have been lost to salt water intrusion, DHEC Requirements, water supply alternatives and pertinent details about the potential site. The Committee Members in attendance had favorable remarks regarding the proposal for the potential site.

Mr. Harkins made a motion to move forward with a consideration of a lease to the Broad Creek Public Service District of the Town's Greenwood Track with the proposed conditions recommended by Staff to Town Council for final approval. Mr. Stanford seconded. By way of roll call, the motion passed with a vote of 4-0-0.

Chairman Lennox, thanked all of those in attendance for their comments, questions, and presentation to the Committee.

9. Adjournment

At 3:13 p.m. Mr. Harkins moved to adjourn. Mr. Stanford seconded. The motion to adjourn was approved by vote of 4-0-0.

Submitted by: Cindaia Ervin, Secretary

Approved: February 16, 2021