



The Town of Hilton Head Island

Regular Town Council Meeting

December 1, 2015

4:00 P.M.

BENJAMIN M. RACUSIN COUNCIL CHAMBERS

AGENDA

**As a Courtesy to Others Please Turn Off/Silence All Mobile Devices During
the Town Council Meeting**

- 1) Call to Order**
- 2) Pledge to the Flag**
- 3) Invocation**
- 4) FOIA Compliance** – Public notification of this meeting has been published, posted and distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 5) Proclamations and Commendations**
None.
- 6) Approval of Minutes**
 - a. Town Council Meeting, November 17, 2015
- 7) Report of the Town Manager**
 - a. Town Manager's Items of Interest
 - (1) Town News
 - (2) Noteworthy Events
- 8) Reports from Members of Council**
 - a. General Reports from Council
 - b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman
 - c. Report of the Community Services Committee – Kim Likins, Chairman
 - d. Report of the Public Planning Committee – Tom Lennox, Chairman
 - e. Report of the Public Facilities Committee – Lee Edwards, Chairman
 - f. Report of the Public Safety Committee - Marc Grant, Chairman
 - g. Report of the Finance and Administrative Committee - John McCann, Chairman
 - h. Report of the Circle to Circle Committee - Tom Lennox, Town Council Liaison
- 9) Appearance by Citizens**

10) Unfinished Business

a. Second Reading of Proposed Ordinance 2015-22

Second Reading of Proposed Ordinance 2015-22 to amend the Municipal Code of the Town of Hilton Head Island by creating Chapter 1 of Title 14, establishing regulations and requirements relating to Storm Water Management in the Town of Hilton Head Island; and providing for severability and an effective date.

11) New Business

a. First Reading of Proposed Ordinance 2015- 25

First Reading of Proposed Ordinance 2015-25 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2015; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

b. First Reading of Proposed Ordinance 2015- 26

First Reading of Proposed Ordinance 2015-26 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2016; to provide for the budgeted appropriations of prior year encumbrances and for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

c. First Reading of Proposed Ordinance 2015-27

First Reading of Proposed Ordinance 2015-27 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2016; to provide for the budgeted appropriations of prior year budget roll-forwards and the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

d. First Reading of Proposed Ordinance 2015-28

First Reading of Proposed Ordinance 2015-28 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2016; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

12) Executive Session

a. Land Acquisition

Discussion of negotiations incident to the proposed sale, lease or purchase of property:

- (1) related to potential acquisition of property in the Jonesville Road Area.
- (2) related to potential acquisition of property in the Sea Pines Circle Area.

b. Consideration of Appointments to Boards and Commissions

13) Possible actions by Town Council concerning matters discussed in executive session

14) Adjournment

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, November 17, 2015

Time: 4:00 P.M.

Present from Town Council: David Bennett, *Mayor* Bill Harkins, *Mayor Pro Tem*; Marc Grant, Tom Lennox, Kim Likins, John McCann, Lee Edwards, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Brad Tadlock, *Fire Chief*; Ed Boring, *Deputy Fire Chief – Support Services*; Tom Dunn, *Emergency Management Coordinator*; Brian Hulbert, *Staff Attorney*; John Valvo, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*

Present from Media: Zack Murdock, *Island Packet*

1) CALL TO ORDER

Mayor Bennett called the meeting to order at 4:00 p.m.

2) PLEDGE TO THE FLAG

3) INVOCATION

4) FOIA Compliance – Public notification of this meeting has been published, posted and distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

5) Proclamations and Commendations

a. Arbor Day

Sally Krebs, Sustainable Practices Coordinator, was present to accept the proclamation.

6) Approval of Minutes

a. Town Council Meeting, November 3, 2015

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the November 3, 2015 regular Town Council meeting were unanimously approved by a vote of 7-0.

7) Report of the Town Manager

a. Presentation of Storm Ready Community Designation – Ron Morales, Warning Coordination Meteorologist

Mr. Morales defined the designation process noting the efforts of Mr. Dunn and staff in accomplishing the task. He presented the certificate of designation to Mayor Bennett and Tom Dunn.

b. Town Manager's Items of Interest

Mr. Riley reported on some items of interest under the subjects below.

(1) Town News

(2) Noteworthy Events

8) Reports from Members of Council

a. General Reports from Council

Mr. Harkins read a statement applauding the efforts and dedication of Betsy Jukofsky in maintaining the Xeriscape Garden and coordinating efforts towards such. He requested Council consider renaming the Garden in her honor. Mayor Bennett moved to rename the Xeriscape Garden to the Betsy Jukofsky Xeriscape Garden. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0. Mrs. Jukofsky's son, Mike, addressed Council expressing appreciation on Mrs. Jukofsky's behalf.

Mr. Lennox reported that he and Greg DeLoach attended a tour of Sun City Hilton Head. He noted the acreage, amenities of the community as well as the contribution the residents make to Hilton Head Island's economy.

Mr. Edwards reported he attended a luncheon and tour of the Port Royal Sound Foundation Maritime Center. He encouraged all to visit the facility noting the contribution it makes to the Lowcountry.

Mr. McCann complimented Mayor Bennett and Mr. Riley on the well-run Town Council Workshop held November 5 through November 7.

b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman

Mr. Harkins stated he and Mr. Stu Rodman, Chairperson of the Beaufort County Governmental Committee will meet at a future date to discuss direction and coordination of efforts.

c. Report of the Community Services Committee – Kim Likins, Chairman

Mrs. Likins stated the Arts & Cultural Strategic Planning Committee continue to meet weekly and are formalizing their report of recommendations for Council. She added that the Personnel component of the Committee recently cancelled a meeting and it was rescheduled for November 23.

d. Report of the Public Planning Committee – Tom Lennox, Chairman

No report.

e. Report of the Public Facilities Committee – Lee Edwards, Chairman

No report.

f. Report of the Public Safety Committee - Marc Grant, Chairman

No report.

g. Report of the Finance and Administrative Committee - John McCann, Chairman

Mr. McCann advised Council the Committee continues to meet on maintenance costs for the Town and they are making great progress. He noted this is a large percent of the operating budget.

h. Report of the Circle to Circle Committee - Tom Lennox, Town Council Liaison

Mr. Lennox reported the Committee met on November 4 to review the 2020 traffic projections and mitigation alternatives. He detailed recommendations put forth from Todd Salvagin of SRS Engineering. He stated the next meeting is scheduled for December 9 at which time they will continue discussion concerning the recommendations and review submitted RFQ's.

9) Appearance by Citizens

Kemm Smith, Executive Director of the Miniature Golf Association of America; Walt Laun, Director Emeritus of the Miniature Golf Association of America; Mary Barrett, Ed Berry and Lori Berry address Council regarding Legendary Golf.

Nancy Mitchell addressed Council regarding Habitat loss. Mira Scott addressed Council regarding pesticides used in clear-cutting. She invited Council to an Art Alive Festival being held on Saturday, November 21 at her Art Gallery at Cypress Square from 12 noon to 5:00 p.m.

10) Unfinished Business

a. Second Reading of Proposed Ordinance 2015-24

Second Reading of Proposed Ordinance 2015-24 of the Town of Hilton Head, South Carolina, authorizing the execution of a deed for the conveyance of 1.288 acres of real property known as the "Proposed Fifth Street Extension" to Marriott Ownership Resorts, Inc., pursuant to the authority of S.C. Code Ann. § 5-7-40 (supp. 2011), and § 2-7-20, *Code of The Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

11) New Business

a. First Reading of Proposed Ordinance 2015-22

First Reading of Proposed Ordinance 2015-22 to amend the Municipal Code of the Town of Hilton Head Island by creating Chapter 1 of Title 14, establishing regulations and requirements relating to Storm Water Management in the Town of Hilton Head Island; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

b. Consideration of granting an exception to allow a helicopter to land at a location other than the Hilton Head Island Airport, pursuant to Sec. 7-5-20(4) of the Municipal Code

Mr. Harkins moved to approve. Mr. McCann seconded. Heather Rath explained the process and all details for the helicopter landing with Santa Claus near Coligny Plaza. Mrs. Likins noted it is a great way to honor John Curry who actually started the tradition 30 years ago. Mr. Lennox asked for confirmation that this was a Coligny Plaza sponsored event and all expenses would be incurred by Coligny Plaza. Ms. Rath confirmed such.

The motion was unanimously approved by a vote of 7-0.

c. Consideration of Public Facilities Committee Recommendation regarding Public Dedication of Main Street

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

d. Consideration of a Request from the Island Beautification Association to rename the Xeriscape Garden to the Betsy Jukofsky Xeriscape Garden

Please reference Item 8 above for the motion and approval.

e. Consideration of Adoption of a Contract for Professional Services with the Hilton Head Island-Bluffton Chamber of Commerce

Mr. Harkins moved to approve. Mr. McCann seconded. Mayor Bennett invited representatives of the Chamber to conduct a presentation. Mr. David Tigges approached the dais and spoke on behalf of the Chamber. He explained and submitted the following documents requesting they be part of the record: Scott and Company Independent Auditor's Report; J. W. Hunt and Company, LLP Independent Auditor's Report; Haddox Reid Eubank and Betts System Review Report of J. W. Hunt & Company, LLP; Haddox Reid Eubank and Betts, LLC System Review Report of Scott and Company LLC; CFE Code of Professional Standards (Adopted by the Board of Regents, September 10, 2014); CFE Code of Professional Standards Interpretation and Guidance; DMAP - Destination Marketing Accreditation Program; and a court Case from the State of South Carolina, County of Horry – Case No. 88-CP-26-1851 – Sun City Publishing Co., Inc. versus The board of Directors of the Myrtle Beach Area Chamber of Commerce. Bill Miles spoke on behalf of the Chamber and encouraged Council to approve the contract.

Mr. Harkins spoke in support of the contract detailing specifics and noting the Finance and Administrative Committee reviewed and recommended approval.

Skip Hoagland, Peter Buonaiuto, Gerard Mahieu, Jack Alderman, Bill Dugle, David Borghesi, John Shkor (submitted his letter and requested it be part of the record), unidentified resident, David Ames, Larry Meyers, Cynthia Bensch, Marty Gleason, John Joseph, Carlton Dallas, Tom Gardo, Rick Caporale all spoke regarding the contract and some provided suggested changes to the contract and some asked Council to delay approval until further review/changes were made.

Steve Birdwell, Jean Beck, Carolyn Vanagel, Andy Twisdale, Matt Green, Justin Rice, Rob Welch, Chris McCorkendale, Jay Wiendl, Jane Upshaw, Tim Friesen, Walt Nester, Greg Kelly, Ray Warco, Cary Corbitt, Warren Woodard and Mark O'Neill spoke in favor of the contract and encouraged Council to vote for approval.

All documents submitted by individuals as part of the permanent record will be attached to the approved, signed minutes.

Mrs. Likins thanked members of the Finance & Administrative Committee and read a prepared statement in support of the contract.

Mr. Edwards stated he wanted to make sure the contract was the right one and suggested going back to executive session to fine tune the contract. He stated he felt it was a good contract that could be better.

Mr. Grant spoke in favor of the Chamber and stated he just had a question for the Town attorney before he could support the contract.

Mr. Lennox reviewed the process of the Finance and Administrative Committee and stated they originally had no intent of documenting the business arrangement with the Chamber. He noted the process was to clearly define expectations of those receiving

ATAX funds. He spoke in support of the contract and recommended approval.

Mr. McCann complimented the hard work of the Committee members spoke in favor of moving forward with the contract.

Mayor Bennett noted his respect for the employees of the Chamber and the members of the Chamber Board. He stated he believed the contract is a good step forward but could be improved. Mayor Bennett said he could not support a contract that doesn't spell out the fee being paid for a service or an RFP or RFQ process inviting others to bid. He supported Mr. Edwards' suggestion to take more time to get it right.

Mr. Harkins was asked if he would like to amend his original motion. He said he wanted to keep the motion as stated. The motion was approved by a vote of 4-3. (Bennett, Edwards and Grant were opposed).

12) Executive Session

Mayor Bennett stated the need for an Executive Session for discussion of negotiations incident to the proposed sale, lease or purchase of property related to parcels on Palmetto Bay Road.

At 7:27 p.m. Mr. Edwards moved to go into Executive Session for the reasons stated by the Mayor. McCann seconded. The motion was unanimously approved by a vote of 7-0.

Mayor Bennett called the meeting back to order at 7:48 p.m. and stated there was no action taken during executive session and stated there was no business to take up as a result of Executive Session.

14) Adjournment

Mayor Bennett adjourned the meeting at 7:49 p.m.

Vicki L. Pfannenschmidt
Executive Assistant/Town Clerk

Approved:

David Bennett, Mayor



ITEMS OF INTEREST

DECEMBER 1, 2015

Town News

Building Official Bob Klein participated on a team of code officials to draft and produce two new International Code Council documents addressing solar construction materials and requirements: the Solar Thermal System Standard and the Solar Thermal Collector Standard. These standards must meet strict ANSI Essential Requirements. These new building code documents provide appropriate protection for health, safety and welfare while avoiding unnecessary restrictions on the use of new materials, technologies or designs.

**(Contact: Jill Foster, Deputy Director of Community Development,
jillf@hiltonheadislandsc.gov or 843-341-4694)**

Noteworthy Events

Some of the upcoming meetings at Town Hall:

- Planning Commission – December 2, 2015, 9:00 a.m.
- Public Planning Committee – December 3, 2015, 3:00 p.m.
- Public Safety Committee – December 7, 2015, 10:00 a.m.
- Design Review Board – December 8, 2015, 1:15 p.m.
- Community Services Committee – December 14, 2015, 9:00 a.m.
- Board of Zoning Appeals, December 14, 2015, 2:30 p.m.
- Town Council – December 15, 2015, 4:00 p.m.

(Additional meetings may be scheduled and all meetings are subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at www.hiltonheadislandsc.gov for Committee meeting dates and agendas.

2015 Hilton Head Island Events

December 4, 2015 4:00 p.m. – 8:00 p.m.	Winter Wonder Festival	Shelter Cove Community Park
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TOWN OF HILTON HEAD ISLAND

Public Projects and Facilities Management Department

TO: Stephen G. Riley, ICMA-CM, Town Manager
VIA: Scott Liggett, PE, Dir. of Public Projects & Facilities / Chief Engineer
Jeff Buckalew, PE, Town Engineer
FROM: Bryan McIlwee, PE, Asst. Town Engineer / Stormwater Manager
CC: Brian Hulbert, Staff Attorney
DATE: November 20, 2015
SUBJECT: Proposed Stormwater Ordinance 2015-22

This is the second reading of the ordinance. Town Council made no changes to proposed Ordinance No. 2015-22 as a result of the first reading on November 17, 2015.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

PROPOSED ORDINANCE NO. 2015-22

ORDINANCE NO.:

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND BY CREATING CHAPTER 1 OF TITLE 14, ESTABLISHING REGULATIONS AND REQUIREMENTS RELATING TO STORM WATER MANAGEMENT IN THE TOWN OF HILTON HEAD ISLAND; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Town Council now finds that it is in the best interest of the people of this Town to protect the public health, safety, environment and general welfare of the Town of Hilton Head Island and therefore makes the following findings:

- (a) The Town of Hilton Head Island has been designated as a Municipal Separate Storm Sewer System by the South Carolina Department of Health and Environmental Control (SCDHEC) for storm water discharges from the Town of Hilton Head Islands stormwater system. This designation requires the Town to comply with the requirements of the National pollutant Discharge Elimination System (NPDES) permit to reduce the discharge of pollutants in stormwater to the maximum extent practicable using best management practices.
- (b) Discharges to the municipal separate storm sewer system that are not composed entirely of storm water runoff contribute to increased nonpoint source pollution and degradation of receiving waters; and
- (c) These non-storm water discharges occur due to spills, dumping, illegal pollutant discharges and improper connections to the municipal separate storm sewer system from residential, industrial, commercial or institutional establishments; and
- (d) These non-storm water discharges not only impact waterways individually, but geographically dispersed, small volume non-storm water discharges can have cumulative impacts on receiving waters; and
- (e) These non-storm water discharges have significant, adverse impacts on public health and safety, drinking water supplies, recreation, fish and other aquatic life, property values and other uses of lands and waters of the Town of Hilton Head Island by transporting pollutants into receiving waters; and
- (f) These impacts can be minimized through the regulation of spills, dumping and discharges into the municipal separate storm sewer system; and

WHEREAS, Town Council now finds that it is in the best interest of the people of this Town to protect the public health, safety, environment and general welfare of the Town of Hilton Head Island. Therefore, Town Council declares that the purpose of this ordinance is to regulate non-storm water discharges to the municipal separate storm sewer system to the maximum extent practicable as required by federal law.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS HEREBY ORDERED ORDAINED BY AND UNDER THE AUTHORITY OF THE SAID TOWN COUNCIL, AS FOLLOWS:

Section 1. That Title 14, Chapter 1 – Stormwater Management Ordinance of the Municipal Code of the Town of Hilton Head Island, South Carolina, is hereby created as follows:

Chapter 1 – Stormwater Management

Article 1 – General Provisions

“Sec. 14-1-111. Title.”

This Chapter shall be known as the “Storm Water Management Ordinance of the Town of Hilton Head Island” and may be cited as Title 14, Chapter 1 of the Municipal Code of the Town of Hilton Head Island (1983), as amended.

“Sec. 14-1-112. Authority.”

This chapter is enacted pursuant to the authority of Title 5, Code of the State of South Carolina (1976), including, without limitation, section 5-7-10 of the Code of Laws of South Carolina (Supp. 1992), and section 5-7-30 of the Code of Laws of South Carolina (Supp. 1992), which provide, in relevant part, that municipalities may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the municipality and for the preservation of the general health, peace and order in the municipality.

Further, this Ordinance is adopted to ensure compliance with the requirements of the National Pollutant Discharge Elimination System (NPDES) Permit No. **SCR030000** issued in accordance with the Federal Clean Water Act, the South Carolina Pollution Control Act, and regulations promulgated there under.

“Sec. 14-1-113. Declaration of Purpose and Intent.”

(a) This Ordinance is enacted to protect, maintain, and enhance the environment of the Town of Hilton Head Island, South Carolina and to preserve the general health, safety, and welfare of the general public within the Town of Hilton Head Island, South Carolina through the regulation of the non-storm water discharges to the municipal

separate storm sewer system to the maximum extent practicable as required by Federal law.

(b) It is further the purpose of this Ordinance to comply with the Federal and corresponding state stormwater discharge (NPDES) regulations (40 CFR § 122.26 and SC Regulation 61-9.122.26) developed pursuant to the Clean Water Act and to assure the Town of Hilton Head Island has the authority to take any action required by it to obtain and comply with its NPDES permit for stormwater discharges. Among other things, these regulations require the Town of Hilton Head Island to establish legal authority which authorizes or enables the Town, at a minimum, to:

1. Prohibit illicit discharges and illegal connections to the municipal separate storm sewer system and receiving waters.
2. Control the introduction of pollutants to the municipal separate storm sewer system and receiving waters.
3. Address specific categories of non-storm water discharges and similar other incidental non-storm water discharges.
4. Control non-storm water discharges, generated as a result of spills, inappropriate dumping or disposal to the municipal separate storm sewer system and receiving waters.
5. Carry out all inspection, surveillance and monitoring, and enforcement procedures necessary to determine compliance and noncompliance with storm water permit (permit) conditions, including the prohibition of illicit discharges to the municipal separate storm sewer system and receiving waters.
6. Require temporary erosion and sediment controls to protect water quality to the maximum extent practicable during land disturbing activities, in accordance with current state regulations.
7. Ensure the proper installation, operation, and maintenance of construction site Best Management Practices (BMPs).
8. Ensure effective long-term operations and maintenance of best management practices (BMPs).

(c) This Ordinance is to be construed to further its purpose of controlling and reducing pollutant discharges to the municipal separate storm sewer system and to the Waters of the State to assure the obligations under its NPDES permit issued by the SCDHEC as required by 33 USC § 1342 (1251) and 40 CFR § 122.26.

“Sec. 14-1-114. Jurisdiction.”

This Chapter and the provisions contained herein shall apply to all lands within the incorporated areas of the Town of Hilton Head Island, South Carolina, as now or may be hereafter established, together with such adjacent unincorporated areas of Beaufort County which the Town Council and the Beaufort County Council may jointly agree to become governed by this Title.

“Sec. 14-1-115. Definitions.”

- (a) “Accidental Discharge” means a discharge prohibited by this ordinance which occurs by chance and without planning or thought prior to occurrence.
- (b) “Best Management Practices” or “BMPs” means schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to prevent or reduce the pollution of waters of the State. BMPs also include treatment requirements, operating procedures and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage.
- (c) “Clean Water Act (CWA)” means Pub. L. 92-500, as amended by Pub. L. 95-217, Pub. L. 95-576, Pub. L. 96-483, and Pub. L. 97-117, 33 U.S.C. § 1251 et seq.. Specific references to sections within the CWA will be according to Pub. L. 92-500 notation. Formerly referred to as the Federal Water Pollution Control Act or Federal Water Pollution Control Act Amendments of 1972.
- (d) “Construction Activity” as defined at § 122.26(b)(14)(x) of South Carolina Regulation 61-9 and incorporated here by reference. Construction activity including clearing, grading, and excavation, except operations that result in the disturbance of less than five acres of total land area. Construction activity also includes the disturbance of less than five acres of total land area that is a part of a larger common plan of development or sale if the larger common plan will ultimately disturb five acres or more.

Construction activities including clearing, grading, and excavating that result in land disturbance of equal to or greater than one acre and less than five acres and, in coastal counties within one-half (1/2) mile of a receiving water body (but not for single-family homes which are not part of a subdivision development), that result in any land disturbance less than five acres. Small construction activity also includes the disturbance of less than one acre of total land area that is part of a larger common plan of development or sale if the larger common plan will ultimately disturb equal to or greater than one and less than five acres. Small construction activity does not include routine maintenance that is performed to maintain the original line and grade, hydraulic capacity, or original purpose of the facility.
- (e) "Discharge" means any discharge or discharge of any sewage, industrial wastes or other wastes into any of the waters of the State, whether treated or not.
- (f) “Illicit Discharge” means any discharge to a municipal separate storm sewer that is not composed entirely of storm water except discharges pursuant to an NPDES permit (other than the NPDES permit for discharges from the municipal separate storm sewer) and discharges resulting from firefighting activities.

- (g) “Illicit Connection” or “Illegal Connection” means either of the following:
- a) Any pipe, open channel, drain or conveyance, whether on the surface or subsurface, which allows an illicit discharge to enter the storm drain system including but not limited to any conveyances which allow any non-storm water discharge including sewage, process wastewater, and wash water to enter the storm drain system, regardless of whether such pipe, open channel, drain or conveyance has been previously allowed, permitted, or approved by an authorized enforcement agency; or
 - b) Any pipe, open channel, drain or conveyance connected to the municipal separate storm sewer system which has not been documented in plans, maps, or equivalent records and approved by an authorized enforcement agency.
- (h) “Industrial Activity” means activities subject to NPDES Industrial Permits as defined in 40 CFR, § 122.26 (b)(14).
- (i) "Land disturbing activity" means any activity on property that results in a change in the existing soil cover (both vegetative and non-vegetative) and/or the existing soil topography that may cause erosion and contribute to sediment and alter the quality and quantity of storm water runoff. Land disturbing activities include, but are not limited to, development, re-development, demolition, construction, re-construction, clearing, grading, filling and excavation.
- (j) “Municipal Separate Storm Sewer System (MS4)” means a conveyance or system of conveyances owned or operated by the municipality for the collection and transportation of storm water, including roads with drainage systems, municipal streets, catch basins, inlets, curbs, gutters, ditches, channels, creeks and storm drains.
- (k) "National Pollutant Discharge Elimination System (NPDES)" means the national program for issuing, modifying, revoking and reissuing, terminating, monitoring and enforcing permits, and imposing and enforcing pretreatment requirements, under sections 307, 402, 318, and 405 of Clean Water Act.
- (l) “Non-Storm water Discharge” means any discharge to the storm drain system that is not composed entirely of storm water.
- (m) “Person” means any individual, public or private corporation, political subdivision, association, partnership, corporation, municipality, State or Federal agency, industry, co-partnership, firm, trust, estate, any other legal entity whatsoever, or an agent or employee thereof.
- (n) “Pollutant” means anything which causes or contributes to pollution. Pollutants may include, but are not limited to: paints, varnishes, and solvents; petroleum hydrocarbons; automotive fluids; cooking grease; detergents (biodegradable or otherwise); degreasers; cleaning chemicals; non-hazardous

liquid and solid wastes and yard wastes; sediment; refuse, rubbish, garbage, litter, or other discarded or abandoned objects and accumulations, so that same may cause or contribute to pollution; floatables; pesticides, herbicides, and fertilizers; liquid and solid wastes; sewage, fecal coliform and pathogens; dissolved and particulate metals; animal wastes; wastes and residues that result from constructing a building or structure; concrete and cement; and noxious or offensive matter of any kind.

- (o) "Point source" means any discernible, confined, and discrete conveyance, including but not limited to, any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, vessel, or other floating craft from which pollutants are or may be discharged. This term does not include return flows from irrigated agriculture.
- (p) "Premises" mean any building, lot, parcel of land, or portion of land whether improved or unimproved including adjacent sidewalks and parking strips.
- (q) "Small Municipal Separate Storm Sewer System" means all separate storm sewers that are Owned or operated by the United States, a State, city, town, borough, county, parish, district, association, or other public body (created by or pursuant to State law) having jurisdiction over disposal of sewage, industrial wastes, storm water, or other wastes, including special districts under State law such as a sewer district, flood control district, or drainage district, or similar entity, or an Indian tribe or an authorized Indian tribal organization, or a designated and approved management agency under section 208 of the CWA that discharges to waters of the United States and is not defined as "large" or "medium" municipal separate storm sewer system.
- (r) "State Waters" or "Waters of the State" means lakes, bays, sounds, ponds, impounding reservoirs, springs, wells, rivers, streams, creeks, estuaries, marshes, inlets, canals, the Atlantic Ocean within the territorial limits of the State, and all other bodies of surface or underground water, natural or artificial, public or private, inland or coastal, fresh or salt, which are wholly or partially within or bordering the State or within its jurisdiction.
- (s) "Storm water" means storm water runoff, snow melt runoff and surface runoff and drainage.
- (t) "Storm water runoff" means any surface flow, runoff, and drainage consisting entirely of water from any form of natural precipitation, and resulting from such precipitation.
- (u) "Structural Storm Water BMP" means a structural storm water management facility or device that controls storm water runoff and changes the characteristics of that runoff including, but not limited to, the quantity and quality, the period of release or the velocity of flow.

(v) "Watercourse" means a topographic, natural, or manmade feature which conveys stormwater runoff from one property to another separately owned property. This may include, but is not limited to, a pond, lagoon, creek, channel, canal, ditch, swale, pipe, or flume.

(w) "Waters of the United States" or "waters of the U.S." means:

- i. All waters which are currently used, were used in the past, or may be susceptible to use in interstate or foreign commerce, including all waters which are subject to the ebb and flow of the tide;
- ii. All interstate waters, including interstate wetlands;
- iii. The territorial seas;
- iv. All impoundments of a traditional navigable water, interstate water, the territorial seas or a tributary;
- v. All tributaries of a traditional navigable water, interstate water, the territorial seas or impoundment;
- vi. All waters, including wetlands, adjacent to a traditional navigable water, interstate water, the territorial seas, impoundment or tributary; and
- vii. On a case-specific basis, other waters, including wetlands, provided that those waters alone, or in combination with other similarly situated waters, including wetlands, located in the same region, have a significant nexus to a traditional navigable water, interstate water or the territorial seas.

"Sec. 14-1-116. Conflict with Other Laws, Ordinances or Regulations."

Nothing in this section shall be deemed to amend or repeal any other ordinance, rule, regulation, other provision of law. The requirements of this ordinance are in addition to the requirements of any other ordinance, rule, regulation, or other provision of law, and where any provision of this ordinance imposes restrictions different from those imposed by any other ordinance, rule, regulation, or other provision of law, whichever provision is more restrictive or imposes higher protective standards for human health or the environment shall control.

"Sec. 14-1-117. Other Town Requirements"

Whenever this Chapter imposes a more restrictive standard than required by any other Town ordinance or requirement, the provisions of this Chapter shall govern. Whenever any other Town ordinance or requirement imposes a more restrictive standard than required by this Chapter, the provisions of such Town ordinance or requirement shall govern.

Article 2 – Water Quality Regulations

“Sec. 14-1-211. Obstruction of Flows”

No person shall create, cause, or allow to occur the blockage of a watercourse that obstructs or materially impedes the natural flow of water without the written approval of the Town.

“Sec. 14-1-212. Waste Disposal Prohibitions.”

No person shall throw, deposit, leave, maintain, keep, or permit to be thrown, deposited, left, or maintained, in or upon any public or private property, driveway, parking area, street, alley, sidewalk, component of the municipal separate storm sewer system, or Waters of the State, any refuse, rubbish, garbage, litter, vegetative debris including natural foliage, fecal matter, or other discarded or abandoned objects, articles, and accumulations so that the same may cause or contribute to pollution within the Municipal Separate Storm Sewer System.

“Sec. 14-1-213. Watercourse Protection”

Every person owning property through which a watercourse passes, or such person's lessee, shall keep and maintain that part of the watercourse within the property free of trash, debris, and other obstacles that would pollute, contaminate, obstruct, or materially impede the flow of water through the watercourse. In addition, the owner or lessee shall maintain existing privately owned structures within or adjacent to a watercourse, so that such structures will not become a hazard to the use, function, or physical integrity of the watercourse.

“Sec. 14-1-214. Prohibition of Illicit Discharges.”

(a) It is unlawful for any person to throw, drain, run, or otherwise discharge to any component of the Town’s municipal separate storm sewer system or to the Waters of the State, including streets, highways, right-of-ways, or to cause, permit or suffer to be thrown, drain, run, or allow to seep or otherwise discharge into such system, any organic or inorganic matter that shall cause or tend to cause pollution or blockages to such waters, as provided for in this Ordinance.

(b) The Town of Hilton Head Island Engineering Division shall develop procedures for detecting, tracking, and eliminating illicit discharge and improper disposal to the storm water system.

(c) Exceptions. The following discharges are exempt from the prohibition provision above:

- (1) Water line flushing (performed by a government agency)
- (2) Landscape irrigation

- (3) Diverted stream flows
- (4) Rising ground waters
- (5) Uncontaminated ground water infiltration
- (6) Uncontaminated pumped ground water
- (7) Discharges from potable water sources
- (8) Foundation drains
- (9) Air conditioning condensate
- (10) Irrigation water (not consisting of treated, or untreated, waste water)
- (11) Springs
- (12) Water from crawl space pumps
- (13) Footing drains
- (14) Lawn watering
- (15) Individual residential car washing
- (16) Natural flows from riparian habitats and wetlands
- (17) De-chlorinated swimming pool discharges
- (18) Street wash water
- (19) Discharges or flows from firefighting activities
- (20) The prohibition provision above shall not apply to any non-storm water discharge permitted under an NPDES permit or order issued to the discharger and administered under the authority of the State and the Federal Environmental Protection Agency, provided that the discharger is in full compliance with all requirements of the permit, waiver, or order and other applicable laws and regulations, and provided that written approval has been granted for any discharge to the municipal separate storm sewer system.

(d) The Engineering Division shall take appropriate steps to detect and eliminate improper discharges. These steps may include the adoption of a program to screen illicit discharges and identify their source or sources, perform inspections, provide public education and public information, and issue notice of violations if not removed.

“Sec. 14-1-215. Prohibition of Illicit Connections.”

(a) It is unlawful for any person to connect any pipe, open channel, or any other conveyance system that discharges anything, except storm water or unpolluted water which is approved by the Town of Hilton Head Island, into the municipal separate storm sewer system or Waters of the State.

(b) It is unlawful for any person to continue the operation of any such illicit connection regardless of whether the connection was permissible when constructed. Improper connections in violation of this ordinance must be disconnected and redirected, if necessary, to the satisfaction of the Town Engineer or his designee and any other federal, state, or local agencies or department regulating discharge.

(c) The construction, connection, use, maintenance or continued existence of any illegal connection to the municipal separate storm sewer system is prohibited.

- (1) This prohibition expressly includes, without limitation, illegal connections made in the past, regardless of whether the connection was permissible under law or practices applicable or prevailing at the time of connection.
- (2) A person violates this ordinance if the person connects a line conveying sanitary sewage to the municipal separate storm sewer system, or allows such a connection to continue.
- (3) Improper connections in violation of this ordinance must be disconnected and redirected, if necessary, to an approved onsite wastewater management system or the sanitary sewer system upon approval of the appropriate public service district.
- (4) Any drain or conveyance that has not been documented in plans, maps or equivalent, and which may be connected to the storm sewer system, shall be located by the owner or occupant of that property upon receipt of written notice of violation from the Town requiring that such locating be completed. Such notice will specify a reasonable time period within which the location of the drain or conveyance is to be completed, that the drain or conveyance be identified as storm sewer, sanitary sewer or other, and that the outfall location or point of connection to the storm sewer system, sanitary sewer system or other discharge point be identified. Results of these investigations are to be documented and provided to the Town.

(d) The Engineering Division shall take appropriate steps to detect and eliminate prohibited (or unlawful) connections to the municipal storm water system, including the adoption of a program to screen illicit discharges and identify their source or sources, perform inspections, and issue notice of violations if not removed.

“Sec. 14-1-216. Prohibition of Water Pollution

(a) A person must not discharge, cause or allow to flow from a storage system or other container, any pollutant into the municipal separate storm sewer system or Waters of the State except in concentrations or quantities explicitly authorized by an approved National Pollutant Discharge Elimination System discharge permit, or by a plan for compliance, or that are consistent with the utilization of approved best management practices.

(b) A person must not connect any apparatus discharging any pollutant, in any quantity, to any part of the municipal separate storm sewer system or Waters of the State except as explicitly authorized by an approved National Pollutant Discharge Elimination

System discharge permit or by a plan for compliance, or as results from approved best management practices.

(c) A person must not improperly store, handle, or apply any pollutant in a manner that will cause its exposure to rainfall or runoff and discharge as point source pollution or nonpoint source pollution into the municipal separate storm sewer system or Waters of the State except in concentrations and quantities authorized by and approved National Pollutant Discharge Elimination System discharge permit or by a plan for compliance, or as results from approved best management practices.

“Sec. 14-1-217. Industrial or Construction Activity Discharges.”

Any person subject to an industrial or construction activity NPDES Storm Water Discharge Permit shall comply with all provisions of such permit. Proof of compliance with said permit may be required in a form acceptable to the Town Engineer or his designee prior to allowing discharges to the municipal separate storm sewer system.

“Sec. 14-1-218. Notification of Accidental Discharges and Spills.”

(a) Notwithstanding other requirements of law, as soon as any person responsible for a facility, activity or operation, or responsible for emergency response for a facility, activity or operation has information of any known or suspected release of pollutants or non-storm water discharges from that facility or operation which are resulting or may result in illicit discharges or pollutants discharging into storm water, the municipal separate storm sewer system, State Waters, or Waters of the U.S., said person shall take all necessary steps to ensure the discovery, containment, and cleanup of such release so as to minimize the effects of the discharge.

(b) Immediately upon becoming aware of a discharge or spill, said person shall notify the authorized enforcement agency in person, by telephone, or facsimile within 24 hours of the nature, quantity and time of occurrence of the discharge. If the discharge of prohibited materials emanates from a commercial or industrial establishment, the owner or operator of such establishment shall also retain an on-site written record of the discharge and the actions taken to prevent its recurrence. Such records shall be retained for a minimum of three years. Said person shall also take all necessary immediate steps to ensure there is no recurrence of the discharge or spill.

(c) In the event of such a release of hazardous materials, Town of Hilton Head Island Fire and Rescue, Beaufort County Sheriff’s Office, and South Carolina Department of Health and Environmental Control shall be immediately notified.

(d) Failure to provide notification of a release as provided above is a violation of this ordinance.

“Sec. 14-1-219. Jurisdiction, Enforcement and Penalties.”

(a) The Municipal Court of the Town of Hilton Head Island shall have jurisdiction over the prosecution of violations of the provisions of this chapter.

(b) The Town Engineer, or his designee, and designated code enforcement officers of the Town shall administer, implement, and enforce the provisions of this chapter.

(c) Upon finding a violation of this Article, the Town may issue a notice of violation, stop order, or corrective order to any person causing or permitting the violation.

(d) Any person who violates any portion of this chapter shall, upon conviction thereof, be deemed guilty of a misdemeanor and shall be subject to the penalties as set forth in section 1-5-10 of this Code. Each day's continued violation constitutes a separate offense.

(e) In the event the violation constitutes an immediate danger to public health and safety, or the environment, the Town is authorized to enter upon the subject private property without giving prior notice to abate the violation and restore the property. The Town is authorized to assess the costs of the abatement and recover them from the owner and responsible parties or both as outlined in Sections 9-1-115 through 9-1-118 of the Town Code.

(f) In addition to any other remedy allowed by law, the Town may seek injunction or other appropriate judicial relief to prevent or stop any violation of this chapter.

(g) Whenever the Town finds that a violation of this ordinance has occurred, the Town may order compliance by written notice of violation. The notice of violation shall contain:

- (1) The name and address of the alleged violator;
- (2) The address when available or a description of the building, structure or land upon which the violation is occurring, or has occurred;
- (3) A statement specifying the nature of the violation;
- (4) A description of the remedial measures necessary to restore compliance with this ordinance and a time schedule for the completion of such remedial action;
- (5) A statement of the penalty or penalties that shall or may be assessed against the person to whom the notice of violation is directed; and,

(h) Such notice of violation may require without limitation:

- (1) That violating discharges, practices, or operations shall cease and desist;
- (2) The performance of monitoring, analyses, and reporting;
- (3) The elimination of illicit discharges and illegal connections;
- (4) The abatement or remediation of storm water pollution or contamination hazards and the restoration of any affected property;
- (5) Payment of costs to cover administrative and abatement costs; and,
- (6) The implementation of pollution prevention practices.

“Sec. 14-1-220. Access and Inspection/Monitoring of Properties and Facilities.”

(a) For the purpose of enforcing the provisions of this chapter, the code enforcement officer or other authorized agent of the Town is empowered to enter upon the premises of any person subject to this chapter and to make regular inspections, periodic investigations, monitoring, observation measurement, enforcement, sampling and testing, to effectuate the provisions of this ordinance. Inspections shall be conducted at reasonable times.

(b) If the code enforcement officer or Town Engineer, or his designee, reasonably believes that discharges from the property may cause an immediate and substantial threat to public health and safety or the environment, the inspection may take place at any time and without notice to the owner of the property or representative of the site. The inspector shall present proper credentials upon reasonable request by the owner or representative.

(c) A person must not hinder, prevent, or unreasonably refuse to permit any inspection, investigation, or monitoring under this Article.

(d) The Town shall have the right to set up on any property or facility such devices as are necessary in the opinion of the Town to conduct monitoring and/or sampling of discharges.

(e) If the Town determines that the property owner or responsible party has an illicit discharge on or originating from their property, the Town may require the owner or responsible party to install monitoring equipment as approved by the Town and perform monitoring as necessary, and make the monitoring data available to the Town. This sampling and monitoring equipment shall be maintained at all times in a safe and proper operating condition by the owner or operator at his/her own expense. All devices used to measure flow and quality shall be calibrated to ensure their accuracy.

“Sec. 14-1-221. Violations Deemed a Public Nuisance”

In addition to the enforcement processes and penalties provided herein, any condition caused or permitted to exist in violation of any of the provisions of this ordinance is a threat to public health, safety, welfare, and environment and is declared and deemed a public nuisance, and may be abated as set forth in Sections 9-1-115 through 9-1-118 of the Town Code, or by injunctive or other equitable relief as provided by law.

“Sec. 14-1-222. Costs of Abatement of the Violation”

The owner of the property, or responsible party, will be notified of the cost of abatement, including administrative costs. The property owner, or responsible party, may file a written protest with the Town Manager objecting to the assessment or to the amount of the assessment within 10 days of such notice. The property owner or responsible party may appeal a decision of the Town Manager to Town Council within 10 days of receipt of the final assessment by the Town Manager. A hearing by Town Council shall be heard within 45 days of receipt of the appeal. If the amount due is not paid within ten (10) days after receipt of the notice, or if a protest or appeal is taken, within ten (10) days after a decision on said protest or appeal, the charges shall become a special assessment against the property and the Town may file a lien on the property for the amount of the assessment.

“Sec. 14-3-223. Remedies Not Exclusive”

The remedies listed in this ordinance are not exclusive of any other remedies available under any applicable Federal, State or local law and the Town may seek cumulative remedies. The Town may seek to recover attorney’s fees, court costs, and other expenses associated with enforcement of this ordinance, including sampling and monitoring expenses.

Section 2. Severability. If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstances shall be held invalid, that **invalidity shall not affect the other provisions of the Ordinance which can be given effect** without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 3. Effective Date. Ordinance shall become effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____, 2015

By:_____

David Bennett, Mayor

ATTEST:

By: _____
Vicki Pfannenschmidt, Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



MEMORANDUM

TO: Town Council

FROM: Susan M. Simmons, CPA, Director of Finance

VIA: Stephen G. Riley, ICMA-CM, Town Manager

DATE: November 21, 2015

RE: **First Reading of Proposed Ordinance No. 2015-25**

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2015-25 **amending and finalizing fiscal year 2015** General and Capital Projects Funds' budgets.

Summary:

This ordinance amends two of the Town's four budgeted funds for the changes needed to complete fiscal year 2015. The Debt Service and Stormwater Funds are not amended.

Background:

The budget amendment is proposed for the following reasons:

- **General Fund** – This fund's budget is amended to provide the USCB Event Management and Hospitality Program funds \$11,233 needed to cover its expenditures for fiscal year 2014 not received by the Town to be reimbursed until fiscal year 2015. These budgeted funds were available in the reserve account set aside for this program.
- **Capital Projects Fund** – The amendments to the budget are to transfer \$80,000 excess funds in the Fresh Market to Shelter Cove pathway to the Palmetto Dunes Bridge pathway project which needs additional funding. Private Dirt Roads needed \$2,778 in budget to cover final expenditures. Per Town policy, land projects are not budgeted until the amounts are known. This \$20,796 land budget amendment relates to expenditures for legal, surveying and similar costs on some projects wherein the Town was the buyer and others where the Town was the seller.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-25

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2015; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 17, 2014, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for the expenditures and certain other commitments from the Fund Balance and other revenue sources, as well as to correct budget appropriations for certain projects in the General and Capital Projects Funds.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2015 fiscal year budget is amended to make the changes as increases and decreases to the funds from prior years and to the projected revenue and expenditure accounts as detailed in Attachment A.

Section 2 Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island.

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-25

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2015.**

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt
Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member:

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2015-25****ATTACHMENT A****General Fund-Transfers**

<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
Revenues:		
Funds from Prior Years		\$ 11,233
Total Revenues		<u><u>\$ 11,233</u></u>
Expenditures:		
Townwide Grants	10000950	
Event Management & Hospitality Training	56052	11,233
Total Expenditures		<u><u>\$ 11,233</u></u>

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Hospitality Bond		-
Property Taxes		2,778
Sale of Land		20,796
Total Revenues		<u><u>23,574</u></u>
Expenditures:		
Pathway		
278 Fresh Market to Shelter Cove	Hospitality Bond	(80,000)
Pathway Safety: WHP/P.Dunes Ped Bridge	Hospitality Bond	80,000
		<u>-</u>
Roadways		
Private Dirt Roads	Property Taxes	2,778
		<u>2,778</u>
Land		
Pineland Tract	Sale of Land	2,437
Tim Wright Parcel Sale	Sale of Land	6,900
Cordillo Tennis Court Sale	Sale of Land	1,517
Tad Segars	Sale of Land	1,354
Adventure Cove / Folly Field	Sale of Land	2,844
Palmetto Bay Road Parcels	Sale of Land	3,250
David Berry Sale	Sale of Land	2,494
		<u>20,796</u>
Total Expenditures		<u><u>23,574</u></u>

The effect of this amendment will be to increase the General Fund to \$38,233,437, increase the Capital Projects Fund to \$16,650,340. The Enterprise Fund at \$4,712,012 and the Debt Service Fund at \$16,716,756 remain unchanged.



MEMORANDUM

TO: Town Council

FROM: Susan M. Simmons, CPA, Director of Finance

VIA: Stephen G. Riley, ICMA-CM, Town Manager

DATE: November 21, 2015

RE: **First Reading of Proposed Ordinance No. 2015-26**

Recommendation:

Staff recommends that Town Council approve first reading of Proposed Ordinance No. 2015-26 which amends the fiscal year 2016 budget for the encumbrances brought forward from fiscal year 2015.

Summary:

This budget amends the General Fund, Capital Projects Fund and Stormwater (Enterprise) Fund by carrying forward funds from prior years to pay for specific encumbrance items that have already been obligated prior to the beginning of the new fiscal year 2016. These specific encumbrance items can be contracts and/or obligated purchase orders that for various reasons were not paid prior to the end of fiscal year 2015 but are still obligated.

In the General Fund, the primary accounts which had purchase orders or contacts encumbered are listed below.

- roadways maintenance and traffic control in the Engineering Division
- landscaping and litter/pest/janitorial in the Facilities Management Division
- maintenance, uniforms & protective gear, and equipment in the FR Department, with the majority of the equipment being the refurbishment contract for the used ladder truck purchased in fiscal year 2015

In the Capital Projects Fund, the significant contracts and purchase orders encumbered are for the following items.

- beach monitoring and early design/permitting for the beach renourishment
- design of Fire Station #2 replacement

- funds reserved for the pier at Shelter Cove park
- designs/surveying for the Coligny/Pope Initiative Area and the Northwest Quadrant at Coligny

In the Stormwater Fund, the significant contracts and purchase orders encumbered are for the following items.

- a project in Palmetto Hall on Sedge Fern Drive which was in progress
- ongoing inventory and modeling in various PUDs and the non-PUD area

Background:

All increases in the budget must be approved by Town Council and is done by ordinance. Each year, the Town has an ordinance to bring forward the amounts that were encumbered at the end of the prior year. This ordinance brings forward encumbrances at the end of fiscal year 2015 to add to the budget in fiscal year 2016.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-26

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2016; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR ENCUMBRANCES AND FOR THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 16, 2015, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for the budgeted appropriations of prior year encumbrances and certain other commitments from the Fund Balance and other revenue sources.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2016 fiscal year budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure accounts as detailed in Attachment A.

Section 2 Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island.

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-26

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2015.**

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt
Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford
Town Attorney

Introduced by Council Member:

ATTACHMENT A

General Fund-Enc

<u>Account Description</u>	<u>Amount</u>
Revenues:	
Funds from Prior Years	\$ 319,769
Total Revenues	\$ 319,769
Expenditures:	
Town Wide - Grants	
LEPC/BC	\$ 2,806
Finance/Business License - Operating	
Professional Services	\$ 248
Legal/Admin. Support - Operating	
Computer Services	\$ 693
PP&F/ Engineering - Operating	
Roadways Maintenance	\$ 47,166
Consulting Ser Traffic Control	\$ 9,915
	\$ 57,081
PP&F / Facilities Management Operating	
Landscape / Tree / Grounds Maint	\$ 5,886
Litter / Pest / Janitorial	\$ 8,900
Inspections / Monitoring Svc	\$ 1,020
	\$ 15,806
Community Development / DRZ - Operating	
Printing and Publishing	\$ 1,827
F&R Support Services - Operating	
Maintenance Contracts	\$ 6,239
Uniforms & Protective Gear	\$ 19,312
	\$ 25,551
F&R Support Services - Capital	
Specialized Equipment	\$ 204,389
Police Patrol Operating	
Shore Enterprises	\$ 8,082
Uniforms & Protective Gear	\$ 538
Safety Supplies	\$ 2,748
	\$ 11,368
Total Expenditures	\$ 319,769

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2015-26****ATTACHMENT A, CONTINUED****Capital Projects Fund**

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
2016 GO Bond		407,991
Beach Fees		297,888
Hospitality Bond		118,490
Hospitality Taxes		23,956
Property Taxes		24,160
TIF Property Taxes		140,998
Total Revenues		<u>1,013,482</u>
Expenditures:		
Beach Management & Monitoring	Beach Fees	97,174
Beach Renourishment FY16	Beach Fees	200,715
		<u>297,888</u>
Existing Facilities/Infrastructure		
Fire Station #2 Replacement	Hospitality Bond	110,944
		<u>110,944</u>
Park Development		
Rec Center Expansion	2016 GO Bond	6,111
		<u>6,111</u>
Land		
Shelter Cove Park	2016 GO Bond	401,880
		<u>401,880</u>
New Facilities/Infrastructure		
NW Quadrant-Coligny	TIF Property Taxes	133,248
Coligny/Pope Avenue Area Initiative	TIF Property Taxes	5,230
		<u>138,478</u>
Pathways		
Pathway Safety-Natures Way @ Pembroke	Hospitality Bond	1,290
Pathway Safety-Shelter Cove Ln Connector	Hospitality Bond	1,240
Pathway Safety-WHP/P.Dunes Bridge	Hospitality Bond	5,016
		<u>7,546</u>
Road Improvements		
Marshland Rd Roundabout	TIF Property Taxes	2,520
Honey Horn Dr Apron Improvement	Hospitality Taxes	18,716
F&R: P.Dunes @ Swing About	Hospitality Taxes	5,239
Int Improv: Squire Pope w/ 3rd Lane	Property Taxes	24,160
		<u>50,636</u>
Total Expenditures		<u>\$ 1,013,482</u>

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-26

ATTACHMENT A, CONTINUED

SWU Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Stormwater Utility Fees		163,041
Total Revenues		163,041
Expenditures:		
Infrastructure Upgrades & Improvements		
Palmetto Hall PUD		
Sedge Fern Drive	Stormwater Utility Fees	40,594
Clyde Lane	Stormwater Utility Fees	704
		41,298
Inventory & Modeling		
Indigo Run	Stormwater Utility Fees	67,162
Leamington	Stormwater Utility Fees	3,123
Palmetto Dunes	Stormwater Utility Fees	11,665
Port Royal Plantation	Stormwater Utility Fees	1,588
Shelter Cove	Stormwater Utility Fees	15,803
Unaffiliated Watersheds	Stormwater Utility Fees	16,551
		115,892
Drainage Maintenance and Repairs		
Non PUD		
Indigo Run Plantation Maintenance	Stormwater Utility Fees	1,010
Folly Field Beach Park Flooding	Stormwater Utility Fees	850
		1,860
Pump Stations		
Shipyards	Stormwater Utility Fees	1,258
Wexford	Stormwater Utility Fees	1,258
Non PUD	Stormwater Utility Fees	1,474
		3,991
Total Expenditures		163,041

The effect of this first budget amendment for fiscal year 2016 is presented below.

	General Fund		Cap Proj Fund		Debt Service		Total Governmental Funds	
	Expenditures	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources	Expenditures, Transfers Out	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Current Balance	\$ 38,787,254	\$(37,613,027)	\$ 34,680,836	\$(33,597,888)	\$ 11,215,701	\$(12,247,982)	\$ 84,683,791	\$(83,458,897)
Amendment	319,769	(319,769)	1,013,482	(1,013,482)	-	-	1,333,251	(1,333,251)
Revised Balance	\$ 39,107,023	\$(37,932,796)	\$ 35,694,318	\$(34,611,370)	\$ 11,215,701	\$(12,247,982)	\$ 86,017,042	\$(84,792,148)

ATTACHMENT A, CONTINUED

	Enterprise Fund Stormwater Fund	
	<hr/>	
	Expenditures & Transfers Out	Revenues & Transfers In
Current Balance	\$ 3,652,255	\$ (3,574,134)
Amendment	<u>163,041</u>	<u>(163,041)</u>
Revised Balance	\$ 3,815,296	\$ (3,737,175)



MEMORANDUM

TO: Town Council

FROM: Susan M. Simmons, CPA, Director of Finance

VIA: Stephen G. Riley, ICMA-CM, Town Manager

DATE: November 21, 2015

RE: **First Reading of Proposed Ordinance No. 2015-27**

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2015-27 **amending fiscal year 2016 for amounts brought forward** for the General, Capital Projects, and Stormwater (Enterprise) Funds' budgets.

Summary:

This budget ordinance amends these three funds by rolling forward budgeted funds from the prior year that were not encumbered at the end of the fiscal year. A roll-forward item is a budget for a capital improvement or stormwater project or General Fund program or technology project that for various reasons was not started or not completed at June 30, 2015. Staff requested these funds be rolled to complete projects and plans during fiscal year 2016.

The Debt Service Fund is not amended for roll forwards.

Background:

The budget amendment is proposed for the following reasons.

- **General Fund** – Staff requests to bring forward a total of \$541,213 for various items, including the following items.
 - \$40,000 to establish two ongoing funds related to vehicle and non-vehicle insurance claims and recoveries
 - \$95,585 for planned capital items at the Coastal Discovery Museum and the Island Recreation Center
 - \$70,000 for planned software and IT maintenance
 - \$181,031 for planned roadway maintenance projects and traffic signal work
 - \$107,425 for Community Development to use for consulting and printing related to Council initiative projects
 - \$29,582 for fire apparatus for Fire Rescue
 - \$17,590 for the balance of EDC contracts in place related to business recruitment activities
- **Capital Projects Fund** – The amendments to the budget are described below.

- Staff proposes in the **Beach Maintenance** category to roll forward the \$607,525 balance in the beach monitoring and the major renourishment projects. These balances supplement the original fiscal year 2016 budgets of \$500,000 and \$20 million for monitoring and renourishment, respectively. A related ordinance on the agenda amends the fiscal year 2016 budget further to reach the amount needed to issue the contract to the primary vendor.
 - For the **Existing Facilities/Infrastructure** category, staff proposes to roll forward \$122,747 for Town Hall renovations which are continuing into fiscal year 2016.
 - In **Park Development**, staff proposes to roll forward \$688,559 for three projects. The majority is for continued planning/designing/permitting of the Island Recreation Center expansion. Another \$200,000 is for funds paid by the mall developer to help alleviate parking issues around the new mall, park and the planned apartments.
 - Staff proposes for the **New Facilities/Infrastructure** category to roll forward \$1,510,017 for tenant upfits at 58 Shelter Cove, ongoing plans related to the USCB campus project including demolition of the old structures, ongoing planning and design for the Coligny/Pope/Northwest Quadrant projects, and sewer service projects.
 - Staff proposes a \$604,677 roll-forward amount in **Pathways**. For safety pathway improvements in four locations, three projects started early in fiscal year 2016 and the Palmetto Dunes Bridge pathway project is out for bids. Easement issues on two completed pathway projects arose in fiscal year 2015; budgets are rolling to resolve these issues at Mathews/Marshland Road South and Pope Avenue (off road).
 - For **Road Improvements**, staff proposes to roll forward small amounts to complete several projects and amounts to construct the emergency access gate at Swing About in Palmetto Dunes and the Office Park Road intersection improvements.
 - The **Cost of Issuance** is for the planned General Obligation Bond. The Town continued to cover expenditures from interfund loans and will issue the bonds in 2016. When the final issue amount is determined, staff will propose additional budget for issuance costs if needed.
- **Stormwater Fund** – Staff requests to roll forward \$302,435 for planned expenses related to increased public education requirements, an infrastructure upgrade at Katie Miller Road, completion of the inventory and modeling projects in the stated PUDs, a Stormwater repair project around Harbour Town golf course, outfall cleaning in Wexford Plantation, Sea Pines pump stations maintenance, and planned maintenance and channel cleaning in several PUDs.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-27

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2016; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR BUDGET ROLL-FORWARDS AND THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 16, 2015, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for the budgeted appropriations of prior year budget roll-forwards and certain other commitments from the Fund Balance and other revenue sources.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2016 fiscal year budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure accounts as detailed in Attachment A.

Section 2 Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island.

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-27

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2015.**

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt
Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member:

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2015-27****ATTACHMENT A****General Fund-Rolls**

<u>Account Description</u>	<u>Amount</u>
Revenues:	
Funds from Prior Years	541,213
Total Revenues	<u>\$ 541,213</u>
Expenditures:	
Townwide Operating	
Insurance	\$ 20,000
Accident Insurance Fund	<u>\$ 20,000</u>
	\$ 40,000
Townwide Grants	
Island Recreation Center-Capital	\$ 75,613
Coastal Discovery Museum-Capital	<u>\$ 19,972</u>
	\$ 95,585
IT Services Operating	
Maintenance Contract/Fees	\$ 20,000
IT Services Capital	
Computer Software = or >\$50,000	\$ 50,000
PP&F/Engineering - Operating	
Roadway Maintenance	\$ 148,300
Closed Loop Traffic Signal Maint.	<u>\$ 32,731</u>
	\$ 181,031
DRZ Operating	
Consulting Services	\$ 100,925
Printing & Publishing	<u>\$ 6,500</u>
	\$ 107,425
F&R Support Services - Capital	
Specialized Equipment	29,582
Transfer to EDC	
Professional Services	\$ 17,590
Total Expenditures	<u>\$ 541,213</u>

ATTACHMENT A, CONTINUED

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
2016 GO Bond		1,085,926
Beach Fees		607,525
Hospitality Bond		449,783
Hospitality Taxes		199,969
Lease		11,011
Donated Revenue		200,000
Property Taxes		25,000
Sale of Land		131
Sunday Liquor Permit Fees		56,851
TIF Property Taxes		1,263,535
Total Revenues		3,899,733
Expenditures:		
Beach Maintenance		
Beach Management & Monitoring	Beach Fees	382,141
Beach Renourishment FY16	Beach Fees	225,384
		607,525
Existing Facilities/Infrastructure		
Town Hall Renovations	Hospitality Taxes	6,291
Town Hall Space Reconfiguration	Hospitality Taxes	116,456
		122,747
Park Development		
Public Art Program	Sunday Liquor Permit Fees	25,000
Recreation Center Expansion	2016 GO Bond	463,559
Shelter Cove Parking Lot	Donated Revenue	200,000
		688,559
New Facilities/Infrastructure		
58 Shelter Cove Lane - Tenant Upfit (Town Use)	Property Taxes	56,851
USCB Hospitality Management Program Building	TIF Property Taxes	844,315
"	Lease	11,011
Sewer Service: Gumtree Rd Area	2016 GO Bond	497,367
NW Quadrant-Coligny	TIF Property Taxes	93,553
Coligny/Pope Avenue Area Initiative	TIF Property Taxes	6,920
		1,510,017
Pathways		
Pembroke Drive	Hospitality Taxes	527
US 278 (Fresh Market Shoppes to Shelter Cove)	Hospitality Bond	5,361
Pathway Safety	Hospitality Bond	444,422
"	Hospitality Taxes	3,621
Mathews Dr/Marshland Rd South	TIF Property Taxes	56,092
Pope Ave (Off Road)	TIF Property Taxes	94,654
		604,677

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-27

ATTACHMENT A, CONTINUED

Capital Projects Fund, Continued

Road Improvements

Marshland Rd Roundabout	TIF Property Taxes	10,000
Leamington/Fresh Market/278	Hospitality Taxes	2,249
F&R Emerg: Palmetto Dunes @ Swing About	Hospitality Taxes	70,826
Office Park Rd Intersection Imprvmt	TIF Property Taxes	150,000
Traffic Signal Mast Arms-Spanish Wells/278	TIF Property Taxes	8,001
		<u>241,076</u>

Land Acquisition

Tim Wright Parcel Sale	Sale of Land	131
		<u>131</u>

Cost of Issuance

Go Bond 2016	2016 GO Bond	125,000
		<u>125,000</u>

Total Expenditures

\$ 3,899,733

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2015-27****ATTACHMENT A, CONTINUED**

SWU Fund		
<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Stormwater Utility Fees		302,435
Total Revenues		302,435
Expenditures:		
Operating		
Public Education	Stormwater Utility Fees	9,779
		9,779
Infrastructure Upgrades & Improvements		
Palmetto Hall		
Sedge Fern Drive	Stormwater Utility Fees	1,267
Gum Tree Outfall Channel at Katie Miller	Stormwater Utility Fees	40,000
		41,267
Inventory & Modeling		
Indigo Run	Stormwater Utility Fees	2,431
Palmetto Dunes	Stormwater Utility Fees	816
Shelter Cove	Stormwater Utility Fees	925
Sea Pines	Stormwater Utility Fees	63,540
Unaffiliated Watersheds	Stormwater Utility Fees	2,706
		70,418
Drainage Maintenance and Repairs		
Port Royal Plantation		
Port Royal Maintenance	Stormwater Utility Fees	17,831
Shipyards Plantation		
Shipyards Maintenance	Stormwater Utility Fees	16,595
Sea Pines Plantation		
Sea Pines Maintenance	Stormwater Utility Fees	33,478
Harbour Town Hole 14	Stormwater Utility Fees	10,394
Wexford Plantation		
Wexford Maintenance	Stormwater Utility Fees	15,962
Ditch Work Power Line	Stormwater Utility Fees	24,690
Outfall Cleaning at Clubhouse	Stormwater Utility Fees	18,438
Non PUD		
Oakview Channel Maintenance	Stormwater Utility Fees	6,700
Folly Field Channel Maintenance	Stormwater Utility Fees	10,000
		154,087
Pump Stations		
Sea Pines	Stormwater Utility Fees	26,884
		26,884
Total Expenditures		302,435

The effects of this budget amendment for fiscal year 2016 are presented below.

	General Fund		Cap Proj Fund		Debt Service		Total Governmental Funds	
	Expenditures	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources	Expenditures, Transfers Out	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Current Balance	\$ 38,787,254	\$(37,613,027)	\$ 34,680,836	\$(33,597,888)	\$ 11,215,701	\$(12,247,982)	\$ 84,683,791	\$(83,458,897)
Amendment	319,769	(319,769)	1,013,482	(1,013,482)	-	-	1,333,251	(1,333,251)
Revised Balance	\$ 39,107,023	\$(37,932,796)	\$ 35,694,318	\$(34,611,370)	\$ 11,215,701	\$(12,247,982)	\$ 86,017,042	\$(84,792,148)
Amendment	541,213	(541,213)	3,899,733	(3,899,733)	-	-	4,440,946	(4,440,946)
Revised Balance	\$ 39,648,236	\$(38,474,009)	\$ 39,594,051	\$(38,511,103)	\$ 11,215,701	\$(12,247,982)	\$ 90,457,988	\$(89,233,094)

	Enterprise Fund Stormwater Fund	
	Expenditures & Transfers Out	Revenues & Transfers In
Current Balance	\$ 3,652,255	\$(3,574,134)
Amendment	163,041	(163,041)
Revised Balance	\$ 3,815,296	\$(3,737,175)
Amendment	302,435	(302,435)
New Balance	\$ 4,117,731	\$(4,039,610)



MEMORANDUM

TO: Town Council

FROM: Susan M. Simmons, CPA, Director of Finance

VIA: Stephen G. Riley, ICMA-CM, Town Manager

DATE: November 21, 2015

RE: **First Reading of Proposed Ordinance No. 2015-28**

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2015-30 **amending fiscal year 2016 for new items** impacting the General and Capital Projects Funds' budgets.

Summary:

This budget ordinance amends the budget for the following items.

- removes certain Fire Rescue equipment funded by Hospitality Tax,
- establishes an Economic Development Incentives Fund within the Hilton Head Island Economic Development Corporation,
- increases the beach renourishment project to fund the total amount of the contract to be awarded, and
- adds the needed funds for the first of the five-year plan to provide sewer access for those who want it.

Background:

General Fund Equipment - \$(475,000). As Finance staff has mentioned often, the Town no longer has the funding from the Hospitality Tax Fund for capital items for Fire Rescue, road projects and other line items it commonly funded in the past. The Town uses most Hospitality Tax revenues to fund Debt Service Fund expenditures for two bond issues and public safety expenditures in the General Fund. Fire Rescue will search for alternative funding for this equipment planned for fiscal year 2016 and report back to Council soon. Town staff is also researching funding sources and mechanisms for various types of road projects and plans to make a recommendation to Council in the next few months.

General Fund Economic Development Incentives Fund - \$991,462. In its short history, the Hilton Head Island Economic Development Corporation (EDC) has functioned with operating funds only. As it matures from a goal setting, planning, and researching

organization to one that executes economic development packages, both the Town and EDC recognize the Corporation's need for an Economic Development Incentives Fund.

Both parties have identified and approved a recent Town transaction that could be used for this purpose. Upon approval of this ordinance, the net proceeds from the Town's sale of its land near Pineland Station will be transferred to EDC as a restricted fund to be used only for economic development incentives and only with pre-approval of Town Council for specified projects and budgeted amounts.

Capital Projects Fund Beach Renourishment - \$500,000. In addition to the original budget for fiscal year 2016, the encumbrance budget amendment and the rolled funds budget amendment, the Town needs to increase the renourishment project by \$500,000 in order to issue the contract to the vendor selected by staff and approved by Council.

Capital Projects Fund Sewer Projects - \$660,000. Town staff and the Hilton Head Public Service District have identified the budget needed for the first year of the five-year plan to provide sewer access for those who want it. In addition to the \$300,000 in the original budget, this amended amount will provide funds needed for projects in the vicinity of Oakview Road and Dillon Road. These projects are currently planned to be funded with a General Obligation bond to be issued in 2016. Any interim funding for expenditures will be covered by the Town interfund borrowing. Town staff will also research the possibility of using Federal/State revolving loan funds as a source which may reduce the Town's cost of capital.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-28

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2016; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 16, 2015, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for the expenditures and certain other commitments from the Fund Balance and other revenue sources, as well as to correct budget appropriations for certain projects in the Capital Projects.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2016 fiscal year budget is amended to make the following changes as increases and decreases to the funds from prior years and to the projected revenue and expenditure accounts as detailed in Attachment A.

Section 2 Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island.

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-28

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____DAY OF_____, 2015.**

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt
Town Clerk

First Reading: _____
Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford
Town Attorney

Introduced by Council Member:

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-28

ATTACHMENT A

General Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Hospitality Tax		(475,000)
Sale of Land		991,462
Total Revenues		516,462
Expenditures:		
Fire Rescue		
Equipment	Hospitality Tax	(475,000)
Transfers		
Transfer to EDC (Pineland Station)	Sale of Land	991,462
Total Expenditures		516,462

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Beach Bond		500,000
2016 GO Bond		660,000
Total Revenues		1,160,000
Expenditures:		
Beach		
Islandwide Beach Renourishment	Beach Bond	500,000
		500,000
New Facilities & Infrastructure		
Sewer Projects	2016 GO Bond	660,000
		660,000
Total Expenditures		1,160,000

The effect of this budget amendment for fiscal year 2016 is presented below.

	General Fund		Cap Proj Fund		Debt Service		Total Governmental Funds	
	Expenditures	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources	Expenditures, Transfers Out	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Revised Balance	\$ 39,648,236	\$(38,474,009)	\$ 39,594,051	\$(38,511,103)	\$ 11,215,701	\$(12,247,982)	\$ 90,457,988	\$(89,233,094)
Amendment	516,462	(516,462)	1,160,000	(1,160,000)	-	-	1,676,462	(1,676,462)
Revised Balance	\$ 40,164,698	\$(38,990,471)	\$ 40,754,051	\$(39,671,103)	\$ 11,215,701	\$(12,247,982)	\$ 92,134,450	\$(90,909,556)

ATTACHMENT A, CONTINUED

	Enterprise Fund Stormwater Fund	
	Expenditures	
	& Transfers Out	Revenues & Transfers In
New Balance	\$ 4,117,731	\$ (4,039,610)
Amendment	-	-
Revised Balance	\$ 4,117,731	\$ (4,039,610)