



**The Town of Hilton Head Island**

**Regular Town Council Meeting**

**October 4, 2016**

**4:00 P.M.**

**BENJAMIN M. RACUSIN COUNCIL CHAMBERS**

**AGENDA**

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**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**
  - a. Fire Prevention Week
- 6) Approval of Minutes**
  - a. Town Council Meeting, September 20, 2016
- 7) Report of the Town Manager**
  - a. Hilton Head Island History Day – Heather Rath
  - b. 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 – David Ames, Chairman
  - f. Report of the Public Safety Committee - Marc Grant, Chairman
  - g. Report of the Finance and Administrative Committee - John McCann, Chairman

## **9) Unfinished Business**

### **a. Second Reading of Proposed Ordinance 2016-21**

Second Reading of Proposed Ordinance 2016-21 of the Town of Hilton Head, South Carolina, authorizing the execution of a deed and related documents for the conveyance of property to the University of South Carolina Board Of Trustees on behalf of the University of South Carolina Beaufort, in accordance with that certain Memorandum of Understanding dated March 10, 2015, 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.

### **b. Second Reading of Proposed Ordinance 2016-26**

Second Reading of Proposed Ordinance 2016-26 of the Town Council for the Town of Hilton Head Island, South Carolina, authorizing the sale of real property owned by the Town of Hilton Head Island, South Carolina, to HHI Partners, LLC, in exchange for land to be conveyed to the Town of Hilton Head Island, South Carolina and owned by HHI partners, LLC, 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.

### **c. Second Reading of Proposed Ordinance 2016- 27**

Second Reading of Proposed Ordinance 2016-27 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 expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

### **d. Second Reading of Proposed Ordinance 2016- 28**

Second Reading of Proposed Ordinance 2016-28 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2017; 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.

### **e. Second Reading of Proposed Ordinance 2016-29**

Second Reading of Proposed Ordinance 2016-29 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2017; 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.

### **f. Second Reading of Proposed Ordinance 2016-30**

Second Reading of Proposed Ordinance 2016-30 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2017; 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.

**10) New Business**

**a. First Reading of Proposed Ordinance 2016-31**

First Reading of Proposed Ordinance 2016-31 to amend Chapter 3 (Municipal Council) of Title 2 (General Government And Administration) of the Municipal Code Of The Town of Hilton Head Island, South Carolina by amending Section 2-3-60, Compensation and Expenses; and provide for severability and an effective date.

**b. Consideration of a Recommendation – Venue Consultant**

Consideration of a Recommendation from the Community Services Committee that Town Council authorize the Town Manager to enter into contract negotiations with Webb Management Services to fulfill phase one: needs assessment outlined in the consultant's proposed work plan with a budget not to exceed \$75,000.

**11) Appearance by Citizens**

**12) Executive Session**

**a. Land Acquisition**

Discussion of negotiations incident to the proposed sale, lease or purchase of property:  
(1) related to parcels in the Wild Horse Road area.

**b. Contractual Matters**

Discussion of:  
(1) the Town Attorney's FY16 performance evaluation.

**13) Possible actions by Town Council concerning matters discussed in Executive Session**

**14) Adjournment**

# Proclamation

BY  
THE TOWN OF HILTON HEAD ISLAND

***WHEREAS**, the Town of Hilton Head Island is committed to ensuring the safety and security of all those living in and visiting our town; and*

***WHEREAS**, working smoke alarms cut the risk of dying in reported home fires in half; and*

***WHEREAS**, many Americans don't know how old the smoke alarms in their homes are, or how often they need to be replaced; and*

***WHEREAS**, all smoke alarms should be replaced at least once every ten years; and*

***WHEREAS**, the age of the smoke alarm can be determined by the date of its manufacture, which is marked on the back of the smoke alarm;*

***WHEREAS**, the 2016 Fire Prevention Week theme "Don't Wait – Check the Date! Replace Smoke Alarms Every 10 Years" effectively serves to educate the public about the vital importance of replacing the smoke alarms in their homes at least every ten years, and to determine the age of their smoke alarms by checking the date on the back of the alarms.*

***NOW THEREFORE**, I David Bennett, Mayor of Hilton Head Island do hereby proclaim October 9-15, 2016, as*

## ***Fire Prevention Week***

*throughout this Town, and I urge all the people of Hilton Head Island to find out how old the smoke alarms in the homes are, to replace them if they are more than 10 years old, and to support the any public safety activities and efforts of Hilton Head Island Fire Rescue during Fire Prevention Week 2016.*

***IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused this seal of the **Town of Hilton Head Island** to be affixed this **Fourth day of October, Two Thousand and Sixteen**.*

*David Bennett, Mayor*

*Attest:*

*Victoria L. Pfannenschmidt, Town Clerk*

**THE TOWN OF HILTON HEAD ISLAND**  
**REGULAR TOWN COUNCIL MEETING**

**Date:** Tuesday, September 20, 2016

**Time:** 4:00 P.M.

**Present from Town Council:** David Bennett, *Mayor*; Bill Harkins, *Mayor Pro Tem*; David Ames, Marc Grant, Tom Lennox, Kim Likins, John McCann, *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 and Facilities*; Brad Tadlock, *Fire Chief*; Ed Boring, *Deputy Fire Chief – Support Services*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; John Troyer, *Deputy Director of Finance*; Tom Fultz, *Director of Administrative Services*; Shawn Colin, *Deputy Director of Community Development*; Jennifer Ray, *Urban Designer*; Teri Lewis, *LMO Official*; Julian Walls, *Facilities Manager*; Derrick Coaxum, *Assistant Facilities Manager*; Marcy Benson, *Senior Grants Coordinator*; Erica Madhere, *Finance Administrator*; Cindaia Ervin, *Finance Assistant*; Melissa Cope, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant*

**Present from Media:** Teresa Moss, *Island Packet*

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**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**

**6) Approval of Minutes**

- a. Town Council Meeting, August 16, 2016

**7) Report of the Town Manager**

- a. Parks & Recreation Commission Semi-Annual Update – Heather Rath, Chairman

Ms. Rath provided an update of the activities of the Commission for the previous six month period. On behalf of the Commission and with the support of the Island Recreation Association, she requested that parks and recreation be elevated to a priority project and modeled task force style similar to the Venue Committee and the Circle to Circle Committee to address the current and future needs within parks and recreation. After Council discussion, Mayor Bennett stated he would speak with Council and get back with Ms. Rath regarding her request.

- b. USCB Update/Presentation – Dr. Al Panu, Chancellor

Dr. Panu expressed his appreciation to Council for their support. He invited Wes Jones, a USC Trustee to make remarks. Mr. Jones echoed Dr. Panu's sentiments. Dr. Panu, along with Dr. Charles Calvert, Campus Dean, USCB Hilton Head Campus; Ms. Andrea Sisino, Director, Osher Lifelong Learning Institute and Mr. Andy Clark, Project Architect, Liollo Architecture conducted a detailed presentation regarding the future campus and answered questions from Council.

**c. Town Manager's Items of Interest**

Mr. Riley reported on the items of interest listed below.

- (1) Town News
- (2) Noteworthy Events

**8) Reports from Members of Council**

**a. General Reports from Council**

Mr. McCann inquired as to the status of construction at Pineland Station. He suggested that on any major construction the Town require a performance bond. Mayor Bennett stated he had shared the same thoughts with Mr. Cousins and asked Mr. Cousins to update Council on the issue. Mr. Cousins stated he had spoken with the developers and they are working on restructuring their financing and hope to resume construction in October. He said he will following up with them and continue to do so weekly. He stated performance bonds were looked into in the past and could be brought back for further review. Mr. Lennox spoke in support of requiring performance and completion bonds noting it would create an added cost to the project and determination would need to be made as to who pays the cost but it would prevent this type of issue in the future. Mayor Bennett assigned the item to the Finance and Administrative Committee for review.

Mr. McCann suggested the Town explore and make public what State, County and Town rules and regulations govern drones. Mr. Riley stated staff would compile a report about what rules and regulations exist. He noted there are no Town rules and regulations at this time and that the other existing ones are constantly evolving.

Mr. Harkins reported that he reached out to various parties regarding best practices concerning the Zika virus. He suggested a meeting of all concerned to share best practices for a resource document with action steps. Mayor Bennett added that Beaufort County and DHEC will be conducting presentations to Council at the October 20 meeting regarding the issue.

Mr. Ames stated he met with Mr. Lennox, Charles Cousins, Brian Hulbert and representatives of Oceanwalk. He said they made progress in understanding the challenges and the safety of the residents and guests and Oceanwalk is working to implement security initiatives to solve some of the problem.

Mr. Lennox reported the Circle to Circle Ad Hoc Committee has completed its work and will be making a report to Council on October 4 on short term recommendations as they pertain to marketing the mid-island North end beaches, beach parking, shuttles and certain Sea Pines Circle improvements.

Mr. Lennox made comments regarding priorities of Town Council and said that progress has been made and accomplishment is nearing. He expressed concern about the present risk to the Arts Center of Coastal Carolina regarding the stage lighting system and in order to advance the discussion, Mr. Lennox moved that Council place the following item of new business on the agenda for the October 4, 2016 regular meeting of Town Council:

Consideration of approval of Town funding to assist the Arts Center of Coastal Carolina with the replacement of the Main Theatre Stage Lighting System.

Approval, if granted, shall be conditioned on the following: the Town funding shall not exceed 90% of the total cost or \$525,000, whichever is less; and shall constitute a down payment or credit toward the purchase of the ACCC land and buildings, if and after additional analysis by the Venue Committee and Council, such a purchase ever occurs.

By this motion Council directs the Town Manager to prepare the necessary memos, develop recommended sources of funds, and draft or outline, whatever other agreements or documents are necessary to enable Council to take action on this matter, under the conditions to be outlined, at the October 4th regular meeting of Town Council.

Mr. Grant seconded. Mr. Grant stated the Town managers needs to look at ways to accomplish this without going into debt. Mrs. Likins stated she has always been reluctant to move forward on this subject as the citizens committee is actively working on it and the plan of action needs followed for the community at-large and citizens to understand what is being done, why it is being done and how it was vetted so she cannot support the motion at this time. The motion was approved by a vote of 5-2. (Mrs. Likins and Mayor Bennett were opposed.)

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

No report.

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

Mrs. Likins reported that the Venue Committee has conducted two of three scheduled interviews for selection of a consultant, the second Arts & Coffee talk took place at Palmetto Electric, the Facebook page is active with new and different arts events posted, the logo has been unveiled and FAQ's have been compiled and will be updated regularly. She stated the next scheduled meeting is on September 22 at 4:00 p.m.

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

Mr. Lennox thanked Mrs. Likins for covering for him in the recent meetings and reported the results of the meetings held last month are reflective in item 10.e. of the agenda.

**e. Report of the Public Facilities Committee – David Ames, Chairman**

Mr. Ames said the Committee met on August 22 and reviewed the proposed land swap at Heritage Plaza; assisted the Beaufort County Library in its strategic planning process by answering questions posed to the Committee members; reviewed the sewer expansion work and the upcoming timeline; and received an encouraging report delivered by the Public Service District #1.

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

Mr. Grant stated the Committee met on September 12 and received a staff update concerning staff and community progress related to lock-out units at Oceanwalk; the Fire Rescue Semi-Annual Report including the Strategic Plan Update; Mid-Year Open Burning Statistics Update; Mid-Year Response Statistics; and a report on the Fire in the Streets Program.

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

Mr. McCann moved that the Town Manager be directed to prepare an ordinance that would amend Town Code, Section 2-3-60 (d) to increase for all Town Council members payment for attendance for up to 150 Council meetings a year. Mr. Lennox seconded. The motion was unanimously approved by a vote of 7-0.

Mr. McCann reported the telecommunications committee has completed their report and he requested the Mayor consider a workshop for presentation of their findings. Mayor Bennett stated he would take it under advisement.

At 5:16 p.m. Mr. McCann moved to go into Executive Session for the purpose of contract negotiations and receipt of legal advice related to the agreement between Town Council and the Town Manager. Mr. Harkins seconded. Mayor Bennett explained that Mr. McCann was simply trying to move one of the Executive Session agenda items listed below forward to accommodate the presence of Council's attorney. The motion was unanimously approved by a vote of 7-0.

At 5:40 p.m. Mayor Bennett reconvened the regular meeting stating there was no action taken during Executive Session.

## **9) Unfinished Business**

### **a. Second Reading of Proposed Ordinance 2016-22**

Second Reading of Proposed Ordinance 2016-22 of the Town of Hilton Head Island to adopt the "Beaufort County Hazard Mitigation Plan 2015 Update" as an appendix of the "Hilton Head Island Comprehensive Plan"; and to provide for severability and an effective date.

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

### **b. Second Reading of Proposed Ordinance 2016-23**

Second Reading of Proposed Ordinance 2016-23 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a utility easement agreement with Hilton Head Public Service District to encumber property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 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.

### **c. Second Reading of Proposed Ordinance 2016-24**

Second Reading of Proposed Ordinance 2016-24 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a Memorandum of Understanding with, and the lease of town-owned real property to, The Sandbox: A Hilton Head Area Children's Museum, Inc., related to the development and lease of real property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 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.



## 10) New Business

### a. Consideration of a Resolution – Bay Point

Consideration of a Resolution of the Town Council for the Town of Hilton Head Island, South Carolina, to accept a petition for annexation filed by Bay Point Island, LLC for real property generally known as Bay Point Island, and authorizing the Town Manager and the Town Attorney to take the necessary steps to process the petition under acceptable terms and conditions.

Mr. Harkins moved to approve. Mr. McCann seconded. Mayor Bennett invited a representative from the petitioner to speak. Terry Finger approached the dais and introduced the property owner, Phillippe Cahen. Mr. Cahen thanked Council for and gave remarks regarding the petition and plans for the island. He invited Amber Beard, Vice-President of Sustainability for Six Senses Resort to review the proposed plans for Bay Point Island. Ms. Beard gave an extensive presentation and answered questions from Council. After Council discussion, numerous citizens spoke regarding the proposal. It was noted that this is only a resolution to accept the petition and there would be many meetings and steps before annexation would or could be addressed. The motion was unanimously approved by a vote of 7-0.

### b. Consideration of a Recommendation – First Tee Grant Funding

Consideration of a Recommendation of the Finance and Administrative Committee that Town Council reaffirm its Town-wide grant funding for the First Tee in the amount of \$50,000 and direct the Town Manager to reimburse First Tee immediately upon receipt of appropriate expense reimbursement documents.

Mrs. Likins recused herself and left the dais at this time. The required potential conflict of interest form has been completed and will be attached to the original, signed minutes of the meeting.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

Mrs. Likins returned to the dais at this time.

### c. First Reading of Proposed Ordinance 2016-25

First Reading of Proposed Ordinance 2016-25 to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, The Land Management Ordinance (LMO), Chapter 3 to revise various sections. These amendments, commonly referred to as the *Density Conversion Amendments* as noticed in the Island Packet on June 19, 2016, include changes that provide for flexibility for redevelopment, and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. After lengthy discussion by Council concerning the amendments, Mr. Harkins withdrew his original motion and moved to remand the item back to staff for additional work. Mr. McCann withdrew his original second and seconded the amended motion. Mr. Barry Johnson, attorney for the Seacrest asked Council to reconsider and approve first reading. The amended motion was approved by a vote of 4-3. (Mr. McCann, Mr. Grant and Mr. Lennox were opposed.)

**d. Consideration of a Resolution – HUD/CDBG Entitlement Program 2015 CAPER**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina to approve the Community Development Block Grant (CDBG) 2015 Consolidated Annual Performance Evaluation Report (CAPER).

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

**e. Consideration of a Recommendation – Community Vision Process Consultant**

Consideration of a Recommendation from the Public Planning Committee that Town Council approve the selection of Future iQ Partners as the Community Visioning Process Consultant with which the Town enters a contract.

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

**f. First Reading of Proposed Ordinance 2016- 27**

First Reading of Proposed Ordinance 2016-27 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 expenditures of certain funds; to allocate the sources of revenue for the said funds; 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.

**g. First Reading of Proposed Ordinance 2016- 28**

First Reading of Proposed Ordinance 2016-28 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2017; 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.

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

**h. First Reading of Proposed Ordinance 2016-29**

First Reading of Proposed Ordinance 2016-29 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2017; 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.

Susan Simmons stated there was a change in the process this year when the budget was adopted so Council would know that funding for the initiatives would roll-forward so they actually budgeted that roll-forward. It was included in this ordinance by error so on page 3 the amount of \$667,675 would need to be removed and it would need to be deducted from the appropriate areas. Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

## **i. First Reading of Proposed Ordinance 2016-30**

First Reading of Proposed Ordinance 2016-30 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2017; 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.

Mr. Harkins moved to amend the motion to remove the portion that relates to the Island Recreation Center and it be postponed and deliberated as an agenda item at the offsite. Mrs. Likins seconded for discussion purposes. Mrs. Simmons noted that if it remained included the bids on the project would still be good but if it is removed and no action is taken, the project would need to be rebid. Mr. Harkins said he is totally supportive of the recreation center but questioned if this project fell short of what is wanted in the future. Mrs. Likins stated it was a good time to step back and look at the expansion and make sure there are no major deficits. Alan Perry, President of the Board of Directors of Island Recreation Center addressed Council urging them to move forward with the much needed project as did resident Mary Amonitti. Mr. Grant stated the work needs done today and they should move forward. After further discussion, Mr. Harkins withdrew his amended motion and moved to approve as written and requested that the record reflect he views this as one important step in a journey to create a vision for recreation activity on the Island and that this is an important step but it doesn't get us there. Mrs. Likins withdrew her second. Mayor Bennett stated that whatever is done, they need to strive for excellence. He said the Town's debt levels are extremely low and it is good in one respect but on the other hand the benefit of having triple A ratings and low debt levels is enhancing the ability to reinvest in yourself and as a Council that needs taken to heart. He said it bothers him to invest in something that he thinks is less than what could have been done. Mayor Bennett stated he would support the ordinance as proposed but that for the record he will be back and be a strong proponent of doing something more substantial at a more central location in our community. Mr. McCann seconded Mr. Harkins second motion. The motion was unanimously approved by a vote of 7-0.

## **11) Appearance by Citizens**

Skip Hoagland addressed Council regarding an audit of the Hilton Head Island-Bluffton Chamber of Commerce.

Tai Scott addressed Council regarding Native Islander issues.

## **12) Executive Session**

Mr. Riley stated he needed an Executive Session for Land Acquisition: Discussion of negotiations incident to the proposed sale, lease or purchase of property specifically: 1) related to a parcel in the Northridge area; 2) related to a parcel in the Office Park Road area; 3) related to a parcel in the Coligny area; 4) related to a parcel on South Forest Beach Drive. Next for Legal Matters: Receipt of Legal Advice: 1) related to pending litigation concerning a BZA appeal; 2) related to pending litigation concerning a Town Council member. Contractual Matters: Discussions of negotiations incident to: 1) the Town Attorney's FY16 performance; 2) the temporary Fire Station 2; 3) a potential contract related to a parcel near the Hilton Head Island Airport. Personnel Matters: Appointments to Boards and Commissions.

Mr. McCann suggested and requested that item 3) a potential contract related to a parcel near the Hilton Head Island Airport be moved to the top of the list in Executive Session. The Mayor agreed.

At 8:37 p.m. Mr. Harkins moved to go into Executive Session for the reasons set forth by the Town Manager. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

At 9:42 p.m. Mayor Bennett reconvened the regular meeting stating there was no action taken during Executive Session and asked if there was anything to address as a result of Executive Session.

Mrs. Likins moved to appoint Heather Rath for the unexpired term on the Accommodations Tax Advisory Committee to begin immediately and end June 30, 2017 as the Cultural Organization representative. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

**13) Possible actions by Town Council concerning matters discussed in Executive Session**

**a. First Reading of Proposed Ordinance 2016-21**

First Reading of Proposed Ordinance 2016-21 of the Town of Hilton Head, South Carolina, authorizing the execution of a deed and related documents for the conveyance of property to the University of South Carolina Board Of Trustees on behalf of the University of South Carolina Beaufort, in accordance with that certain Memorandum of Understanding dated March 10, 2015, 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. Andy Twisdale spoke in favor of the item. He noted the importance of the program to potential homeowners and economic development. George Paletta spoke in opposition to the item noting the traffic and congestion. Kelli Brunson spoke in support of the program. The motion was unanimously approved by a vote of 7-0.

**b. First Reading of Proposed Ordinance 2016-26**

First Reading of Proposed Ordinance 2016-26 of the Town Council for the Town of Hilton Head Island, South Carolina, authorizing the sale of real property owned by the Town of Hilton Head Island, South Carolina, to HHI Partners, LLC, in exchange for land to be conveyed to the Town of Hilton Head Island, South Carolina and owned by HHI partners, LLC, 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.

**c. Consideration of a Resolution – License Agreement Fire Station 2**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing the execution of a license agreement with Marriott Ownership Resorts, Inc. for the purpose of utilizing certain real property owned by Marriott Ownership Resorts, Inc. for use as a temporary fire station.

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

**14) Adjournment**

Mayor Bennett adjourned the meeting at 9:55 p.m.

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Vicki L. Pfannenschmidt  
Executive Assistant/Town Clerk

Approved:

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David Bennett, Mayor



## ITEMS OF INTEREST

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### OCTOBER 4, 2016

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#### Town News

#### Noteworthy Events

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Some of the upcoming meetings at Town Hall:

- Planning Commission – October 5, 2016, 9:00 a.m.
- Accommodations Tax Advisory Committee – October 6, 2016, 9:00 a.m.
- Community Services Committee – October 10, 2016, 9:00 a.m.
- Design Review Board – October 11, 2016, 1:15 p.m.
- Public Planning Committee – October 13, 2016, 3:00 p.m.
- Finance and Administrative Committee – October 18, 2016 – 2:00 p.m.
- Town Council – October 18, 2016 – 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](http://www.hiltonheadislandsc.gov) for Committee meeting dates and agendas.

### 2016 Hilton Head Island Events

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4 <sup>th</sup> Thursdays thru October 27, 2016 5:00pm-9:00pm	Carolina Dreamers Car Club Show	Shelter Cove Community Park
Saturday, October 8, 2016 11:00am – 3:00pm	Kiwanis Chili Cookoff	Honey Horn
Saturday, October 15, 2016 11:00am-5:00pm	History Day 2016 Heritage Library	Honey Horn
Saturday, October 15, 2016 4:00pm-8:00pm	Take a Stand in the Sand Zonta Club	Coligny Beach
Sunday, October 16, 2016 11:00am-10:00pm	La Isla Magazine Latin Music Festival	Shelter Cove Community Park



# **TOWN OF HILTON HEAD ISLAND**

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## *Community Development Department*

**TO:** Stephen G. Riley, CM, *Town Manager*  
**VIA:** Charles Cousins, AICP, *Director of Community Development*  
**FROM:** Jennifer B. Ray, ASLA, *Planning and Special Projects Manager*  
**DATE:** September 21, 2016  
**SUBJECT:** USCB Property Transfer

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There were no changes made to Proposed Ordinance 2016-21 during the first reading on September 20, 2016.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A DEED AND RELATED DOCUMENTS FOR THE CONVEYANCE OF PROPERTY TO THE UNIVERSITY OF SOUTH CAROLINA BOARD OF TRUSTEES ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA BEAUFORT, IN ACCORDANCE WITH THAT CERTAIN MEMORANDUM OF UNDERSTANDING DATED MARCH 10, 2015, 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.**

**LEGISLATIVE FINDINGS**

WHEREAS, the Town of Hilton Head Island (hereinafter “Town”) and the University of South Carolina Board of Trustees on behalf of the University of South Carolina Beaufort (hereinafter “USCB”) entered into that certain Memorandum of Understanding (hereinafter “MOU”), dated March 10, 2015; and

WHEREAS, among other provisions, the MOU provides that the Town will acquire certain real property located on Hilton Head Island and perform clearing functions related to that real property; and thereafter the Town will convey portions of Town-owned real property to USCB for the construction and implementation of an educational facility; and

WHEREAS, the Town has completed the acquisition of the parcels of real property and has substantially performed clearing functions related thereto; and

WHEREAS, the Town desires to authorize the conveyance of Town-owned real property to USCB, in accordance with the MOU and in substantial conformance with the attached Exhibit “A”; and,

WHEREAS, under the provisions 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), the conveyance or granting of an interest in real property owned by the Town of Hilton Head Island must be authorized by Ordinance.



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

***Section 1.*** Execution of Agreement.

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver a Deed and related documents to USCB for conveyance of Town-owned real property, in accordance with the provisions of the MOU and in substantial conformance with the attached Exhibit “A”; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated in the MOU as authorized hereby.

***Section 2.*** Severability.

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

***Section 3.*** Effective Date.

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

(SIGNATURE PAGE FOLLOWS)

**PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN  
OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS \_\_\_\_ DAY OF  
\_\_\_\_\_, 2016.**

\_\_\_\_\_  
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:\_\_\_\_\_



# **TOWN OF HILTON HEAD ISLAND**

---

## *Community Development Department*

**TO:** Stephen G. Riley, CM, *Town Manager*  
**VIA:** Charles Cousins, AICP, *Director of Community Development*  
**FROM:** Jennifer B. Ray, ASLA, *Planning and Special Projects Manager*  
**DATE:** September 21, 2016  
**SUBJECT:** Heritage Plaza Land Swap

---

There were no changes made to Proposed Ordinance 2016-26 during the first reading on September 20, 2016.

**AN ORDINANCE OF THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE SALE OF REAL PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO HHI PARTNERS, LLC, IN EXCHANGE FOR LAND TO BE CONVEYED TO THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA AND OWNED BY HHI PARTNERS, LLC, 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.**

**LEGISLATIVE FINDINGS**

WHEREAS, the Town of Hilton Head Island, South Carolina (the “Town”) is the owner of certain real property located on Hilton Head Island and known as a portion of Beaufort County PIN R552-018-000-0193-0000, more particularly described as follows:

ALL that certain piece, parcel or tract of land situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, consisting of 17,992 square feet / 0.41 acres, more or less, and shown and described as "1 – REMAINDER OF PARCEL 193 TO BE CONVEYED" on the attached Exhibit "A".

(the “Town Parcel”); and,

WHEREAS, HHI Partners, LLC (“Developer”) is the owner of certain real property located on Hilton Head Island and known as a portion of Beaufort County PIN R552-018-000-0010-0000, more particularly described as follows:

ALL that certain piece, parcel or tract of land situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, consisting of 6,878 square feet / 0.16 acres, more or less, and shown and described as "3 – PORTION OF PARCEL 10 TO BE CONVEYED" on the attached Exhibit "A".

(the “Developer Parcel”); and,

WHEREAS, the Town desires to sell the Town Parcel to the Developer in exchange for the Developer conveying the Developer Parcel to the Town as well as the Developer constructing/installing a multi-purpose pathway and landscaping elements in and around the Developer Parcel; and

WHEREAS, pursuant to that certain Purchase and Sale Agreement attached hereto as Exhibit “B” (the “Agreement”), the Town and Developer will exchange ownership of the Town Parcel and the Developer Parcel through the execution, delivery, and recording of deeds, and will take other and further actions as described in the Agreement; and,

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, has determined that it is in the best interests of the Town to approve the exchange of property as described herein, and to authorize the Mayor and/or Town Manager to take such further and other actions as may be necessary to effectuate the above exchange of property; and,

WHEREAS, under the provisions 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), the conveyance or granting of an interest in real property owned by the Town of Hilton Head Island must be authorized by Ordinance.

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

***Section 1. Execution of Agreement***

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver the Agreement in a substantially similar form to that attached hereto as Exhibit “B” for the conveyance of Town-owned real property to HHI Partners, LLC in exchange for the conveyance of real property to the Town by HHI Partners, LLC and other consideration, all as contained in the Agreement; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated herein and as authorized hereby.

***Section 2. Execution and Acceptance of Deeds.***

- (a) The Mayor and/or Town Manager are hereby authorized to (i) execute and deliver a deed, and (ii) accept a deed, evidencing the aforementioned exchange of property in accordance with the Agreement; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated herein and as authorized hereby.

***Section 3. Severability.***

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

***Section 4. Effective Date.***

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

(SIGNATURE PAGE FOLLOWS)

**PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN  
OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS \_\_\_\_ DAY OF  
\_\_\_\_\_, 2016.**

\_\_\_\_\_  
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:\_\_\_\_\_



## **MEMORANDUM**

**TO:** Town Council

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

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

**DATE:** September 22, 2016

**RE:** **First Reading of Proposed Ordinance No. 2016-27**

---

**Recommendation:**

Staff recommends that Town Council approve second reading of Proposed Ordinance No. 2016-27 amending and finalizing fiscal year 2016 General and Capital Projects Funds' budgets.

**There have been no changes.**



**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2016-27**

**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 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 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 2016 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. 2016-27**

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND ON THIS \_\_\_\_DAY OF\_\_\_\_\_, 2016.**

\_\_\_\_\_  
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. 2016-27****ATTACHMENT A****General Fund-FY16**

<b><u>Account Description</u></b>	<b><u>Source of Funds</u></b>	<b><u>Amount</u></b>
<b>Revenues:</b>		
Federal Grant		(365,000)
Funds from Prior Years		(55,014)
<b>Total Revenues</b>		<b><u>(420,014)</u></b>
<b>Expenditures:</b>		
<b>Townwide Personnel</b>		
Personnel Budget Adjustment		(65,000)
Vantagecare Retirement		(43,000)
		<u>(108,000)</u>
<b>Townwide Grants</b>		
Island Rec Center-Capital		(55,014)
<b>Fire Rescue Operations Personnel</b>		
Personnel Adjustment		139,000
<b>Fire Rescue Communications Operating</b>		
Operating Budget Adjustment		(31,000)
<b>Fire Rescue Support Services</b>		
Specialized Equipment	Federal Grant	(365,000)
<b>Total Expenditures</b>		<b><u>(420,014)</u></b>

## ATTACHMENT A, CONTINUED

## Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
Beach Bond		1,303,412
CDBG		(22,410)
GO Bond 2010		8,807
GO Bond 2016		14,707
Hospitality Taxes		27,269
Prior Year Funds Property Taxes		9,644
Sunday Liquor Permit Fees		(125,000)
TIF Property Taxes		39,053
Sale of Land		75,994
<b>Total Revenues</b>		<b>1,331,476</b>
<b>Expenditures:</b>		
<b>Beach Maintenance</b>		
FY16 Renourishment	Beach Bond	1,303,412
<b>Park Development</b>		
Park Upgrades	Sunday Liquor Permit Fees	(72,618)
Rowing & Sailing Center	Prior Year Funds Property Taxes	30,000
Shelter Cove Park	Prior Year Funds Property Taxes	25,014
Crossings Park Drainage Improvement	Sunday Liquor Permit Fees	72,618
		<b>55,014</b>
<b>New Facilities / Infrastructure</b>		
58 Shelter Cove-Town Upfit	Prior Year Funds Property Taxes	(55,370)
<b>Pathways</b>		
Mathews Dr / Marshland South	TIF Property Taxes	(10,481)
278 Fresh Market to Shelter Cove	Hospitality Taxes	27,269
		<b>16,788</b>
<b>Road Improvements</b>		
F&R Emerg: Palmetto Dunes @ Swing About	Prior Year Funds Property Taxes	30,000
Traffic Signal Mast Arm: Shelter Cove Ln/278	Hospitality Taxes	(100,000)
Traffic Signal Mast Arm: Pembroke Dr/278	Hospitality Taxes	100,000
"	Prior Year Funds Property Taxes	40,000
Intersctn Impr:Squire Pope w/ 3rd Lane	Prior Year Funds Property Taxes	(60,000)
Intersctn Impr:Shelter Cove Towne Center	Sunday Liquor Permit Fees	(125,000)
Lagoon Rd Extension	TIF Property Taxes	32,029
South Forest Beach Dr. Improvements	TIF Property Taxes	5,367
Lagoon Rd/Pope Ave Intersection	TIF Property Taxes	12,138
Blazing Star Paving	CDBG	18,059
CDBG Administrative Expenses	CDBG	(40,469)
		<b>(87,876)</b>

## ATTACHMENT A, CONTINUED

## Capital Projects Fund, Continued

<b>Land Acquisition</b>		
Various Land Acquisition Projects	GO Bond 2010	8,807
"	GO Bond 2016	14,707
"	Sale of Land	75,994
		<u><b>99,508</b></u>
<b>Total Expenditures</b>		<u><u><b>1,331,476</b></u></u>
<b>Transfers:</b>		
Transfer from Sale of Land to EDC Incentive Fund	Sale of Land	991,462
Transfer to Sale of Land from EDC Incentive Fund	Sale of Land	(991,462)
<b>Total Transfers</b>		<u><u><b>-</b></u></u>

The effect of this amendment will be to decrease the General Fund to \$40,109,684, and increase the Capital Projects Fund to \$39,698,644. The Enterprise Fund at \$4,117,732 and the Debt Service Fund at \$11,215,701 remain unchanged.



## **MEMORANDUM**

**TO:** Town Council

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

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

**DATE:** September 22, 2016

**RE:** **Second Reading of Proposed Ordinance No. 2016-28**

---

**Recommendation:**

Staff recommends that Town Council approve second reading of Proposed Ordinance No. 2016-28 which amends the fiscal year 2017 budget for the encumbrances brought forward from fiscal year 2016.

**There have been no changes.**

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2016-28**

**AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2017; 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 21, 2016, 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 2017 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. 2016-28**

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
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. 2016-28****ATTACHMENT A****General Fund-Encumbrances**

<b><u>Account Description</u></b>	<b><u>Amount</u></b>
<b>Revenues:</b>	
Funds from Prior Years	180,346
<b>Total Revenues</b>	<b>180,346</b>
<b>Expenditures:</b>	
<b>Townwide Operating</b>	
Economic Analysis	20,000
Lease Payments	1,138
	<b>21,138</b>
<b>Town Council Initiatives</b>	
Circle to Circle	18,198
Public Communications-Arts/Culture	6,670
Public Communications-Visioning	7,700
	<b>32,568</b>
<b>Town Council Operating</b>	
Professional Services	10,686
<b>Finance Operating</b>	
Professional Services	1,000
<b>IT Services Operating</b>	
Maintenance Contract/Fees	8,500
Software under \$50k	5,289
	<b>13,789</b>
<b>PP&amp;F / Engineering Operating</b>	
Roadways Maintenance	6,187
Closed Loop Traffic Signal Maint.	9,490
	<b>15,677</b>
<b>PP&amp;F / Facility Management Operating</b>	
Landscape/Tree/Ground Maint	15,911
Litter/Pest/Janitorial	573
Water Feature Maintenance	485
Inspections / Monitoring	2,830
	<b>19,799</b>
<b>DRZ Operating</b>	
Consulting Services	2,000
<b>Fleet Maintenance Operating</b>	
Generator Repair / Maintenance	4,321
<b>F&amp;R Communications Operating</b>	
Maintenance Contracts / Fees	11,734
<b>F&amp;R Training Operating</b>	
Travel	300

**ATTACHMENT A, CONTINUED****General Fund, Con't****F&R Support Services Operating**

Maintenance Contracts / Fees	11,845
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**F&R Support Services Capital**

Specialized Equipment	32,415
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**Police Patrol Operating**

Beach Services	2,965
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Uniforms & Protective Gear	108
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**3,072****Total Expenditures**

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**180,346**

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## ATTACHMENT A, CONTINUED

## Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
2016 GO Bond		598,040
Beach Bond		14,471,237
Beach Fees		872,938
Hospitality Bond		105,753
Hospitality Taxes		454
Prior Year Funds Property Taxes		24,160
Sunday Liquor Permits		96,336
TIF Property Taxes		346,764
<b>Total Revenues</b>		<b>16,515,682</b>
<b>Expenditures:</b>		
<b>Beach Maintenance</b>		
Beach Management & Monitoring	Beach Fees	133,608
Beach Renourishment FY16	Beach Fees	739,329
"	Beach Bond	14,471,237
		<b>15,344,175</b>
<b>Existing Facilities/Infrastructure</b>		
Fire Station #2 Replacement	Hospitality Bond	105,753
		<b>105,753</b>
<b>Park Development</b>		
Rec Center Expansion	2016 GO Bond	198,040
Crossings Park Drainage Improvements	Sunday Liquor Permits	96,336
Shelter Cove Community Park	2016 GO Bond	400,000
		<b>694,376</b>
<b>New Facilities/Infrastructure</b>		
Office Park / USCB	TIF Property Taxes	116,407
NW Quadrant-Coligny Park	TIF Property Taxes	117,485
NW Quadrant-Museum	TIF Property Taxes	2,580
		<b>236,472</b>
<b>Road Improvements</b>		
Nassau Street Reconstruction	TIF Property Taxes	22,042
F&R: P.Dunes @ Swing About	Hospitality Taxes	454
Office Park Rd Intersection Improvements	TIF Property Taxes	41,853
Int Improv. Squire Pope w/ 3rd Lane	Prior Year Funds Property Taxes	24,160
Lagoon Rd Extension	TIF Property Taxes	11,175
South Forest Beach Dr Improvements	TIF Property Taxes	18,561
Lagoon Rd/Pope Ave Intersection	TIF Property Taxes	16,660
		<b>134,907</b>
<b>Total Expenditures</b>		<b>16,515,682</b>

## ATTACHMENT A, CONTINUED

SWU Fund		
<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
Stormwater Utility Fees		221,527
<b>Total Revenues</b>		<b>221,527</b>
<b>Expenditures:</b>		
<b>Stormwater Operating</b>		
County Stormwater Master Plan	Stormwater Utility Fees	107,479
<b>Infrastructure Upgrades &amp; Improvements</b>		
<b>Hilton Head Plantation</b>		
Sweetwater	Stormwater Utility Fees	4,400
Country Club Ct CIPP	Stormwater Utility Fees	20,301
Sawtooth Ct CIPP	Stormwater Utility Fees	15,120
		<b>39,821</b>
<b>Palmetto Dunes Plantation</b>		
Shelter Cove Ln CIPP	Stormwater Utility Fees	4,207
Chamber of Commerce CIPP	Stormwater Utility Fees	22,433
		<b>26,640</b>
<b>Shipyard Plantation</b>		
Valencia / The Cottages	Stormwater Utility Fees	18,153
<b>Wexford Plantation</b>		
Wexford Club Dr Flooding	Stormwater Utility Fees	715
<b>Non-PUD</b>		
Gumtree Channel at Katie Miller	Stormwater Utility Fees	956
104 Gumtree Drainage	Stormwater Utility Fees	7,409
		<b>8,365</b>
<b>Drainage Maintenance and Repairs</b>		
<b>Hilton Head Plantation</b>		
Myrtle Bank Sinkhole Repair	Stormwater Utility Fees	7,080
<b>Shipyard Plantation</b>		
Shipyard Channel Maintenance	Stormwater Utility Fees	4,825
<b>Non PUD</b>		
Non-PUD Channel Maintenance	Stormwater Utility Fees	3,550
<b>Pump Stations</b>		
Wexford	Stormwater Utility Fees	4,900
<b>Total Expenditures</b>		<b>221,527</b>

**ORDINANCE NO.****PROPOSED ORDINANCE NO. 2016-28****ATTACHMENT A, CONTINUED**

The effect of this first budget amendment for fiscal year 2017 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 & Other Uses	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Current Balance	\$ 39,613,643	\$ (37,600,000)	\$ 49,440,250	\$ (48,917,250)	\$ 13,572,500	\$ (13,572,500)	\$102,626,393	\$ (100,089,750)
Amendment	180,346	(180,346)	16,515,682	(16,515,682)	-	-	16,696,028	(16,696,028)
Revised Balance	\$ 39,793,989	\$ (37,780,346)	\$ 65,955,932	\$ (65,432,932)	\$ 13,572,500	\$ (13,572,500)	\$119,322,421	\$ (116,785,778)

Enterprise Fund  
Stormwater Fund

	Expenditures & Transfers Out		Revenues & Transfers In	
Current Balance	\$ 3,825,987	\$ (3,725,300)		
Amendment	221,527	(221,527)		
Revised Balance	\$ 4,047,514	\$ (3,946,827)		



## **MEMORANDUM**

**TO:** Town Council

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

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

**DATE:** September 22, 2016

**RE:** **Second Reading of Proposed Ordinance No. 2016-29**

---

### **Recommendation:**

Staff recommends that Town Council approve second reading of Proposed Ordinance No. 2016-29 which amends the fiscal year 2017 budget for amounts brought forward from fiscal year 2016 for the General, Capital Projects, and Stormwater (Enterprise) Funds' budgets.

### **Note:**

Prior to approving the first reading of Proposed Ordinance 2016-29 on September 20, 2016, staff provide Council a revised Attachment A. The original attachment would have brought forward Town Council Initiatives funding that had already been re-budgeted for fiscal year 2017. (The Town Council Initiatives' budget totals \$1,363,643.)

The revision for the General Fund removes the "Town Council Initiatives" - \$667,675 and reduces the prior year revenues by the same amount. The cumulative changes to the budget was revised to reflect the changes above.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2016-29**

**AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2017; 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 21, 2016, 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 2017 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. 2016-29**

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
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. 2016-29****ATTACHMENT A****General Fund-Rolls**

<b><u>Account Description</u></b>	<b><u>Amount</u></b>
<b><i>Revenues:</i></b>	
Funds from Prior Years	589,841
<b>Total Revenues</b>	<b>589,841</b>
<b><i>Expenditures:</i></b>	
<b>Townwide Personnel</b>	
Employee Recognition	2,000
<b>Townwide Capital</b>	
Security Cameras	11,988
<b>Townwide Grants</b>	
Island Recreation Center-Capital	40,000
Coastal Discovery Museum-Capital	15,845
USCB Event Management & Hospitality	14,365
	<b>70,210</b>
<b>IT Services Operating</b>	
Maintenance Contract/Fees	22,500
Software under \$50k	20,000
	<b>42,500</b>
<b>IT Services Capital</b>	
Computer Software = or >\$50,000	50,000
<b>Human Resources Operating</b>	
Consulting	5,000
<b>Finance Operating</b>	
Professional Fees	5,787
<b>PP&amp;F / Engineering</b>	
Roadway Maintenance	372,356
<b>F&amp;R Support Services Capital</b>	
Specialized Equipment	30,000
<b>Total Expenditures</b>	<b>589,841</b>

## ORDINANCE NO.

## PROPOSED ORDINANCE NO. 2016-29

## ATTACHMENT A, CONTINUED

## Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
2016 GO Bond		6,468,037
Beach Bond		950,000
Beach Fees		4,996
CDBG Federal Grant		150,336
Hospitality Taxes		278,184
Donated Revenue		200,000
Prior Year Funds Property Taxes		149,071
Sunday Liquor Permit Fees		303,512
TIF Property Taxes		1,568,967
Traffic Impact Fees		26,500
<b>Total Revenues</b>		<b>10,099,603</b>
<b>Expenditures:</b>		
<b>Beach Maintenance</b>		
Beach Management & Monitoring	Beach Fees	4,996
Beach Renourishment	Beach Bond	825,000
		<b>829,996</b>
<b>Existing Facilities/Infrastructure</b>		
Town Hall Space Reconfiguration	Hospitality Taxes	92,732
<b>Park Development</b>		
Public Art Program	Sunday Liquor Permit Fees	34,080
Recreation Center Expansion	2016 GO Bond	5,136,275
Shelter Cove Parking Lot	Donated Revenue	200,000
Shelter Cove Community Park	2016 GO Bond	189,254
Crossings Park Drainage Improvements	Sunday Liquor Permit Fees	200,000
Park Upgrades	Sunday Liquor Permit Fees	69,432
Rowing & Sailing Center	Prior Year Funds Property Taxes	30,000
		<b>5,859,041</b>
<b>New Facilities/Infrastructure</b>		
USCB Hospitality Management Program Building	TIF Property Taxes	457,951
NW Quadrant-Coligny Park	TIF Property Taxes	260,651
Sewer Service Projects	2016 GO Bond	892,508
		<b>1,611,110</b>
<b>Pathways</b>		
278: Fresh Market to Shelter Cove	Hospitality Taxes	18,000
Pope Ave (Off Road)	TIF Property Taxes	88,057
		<b>106,057</b>

## ATTACHMENT A, CONTINUED

## Capital Projects Fund, Continued

## Road Improvements

Marshland Rd Roundabout	TIF Property Taxes	1,490
Nassau St Reconstruction	TIF Property Taxes	6,983
Traffic Signal Mast Arms-Pembroke/278	Hospitality Taxes	100,000
"	Prior Year Funds Property Tax	40,000
F&R Emerg: Palmetto Dunes @ Swing About	Hospitality Taxes	67,452
"	Prior Year Funds Property Tax	30,000
Office Park Rd Intersection Imprvmt	TIF Property Taxes	753,835
Private Dirt Roads Acquisition	Prior Year Funds Property Tax	46,541
Wiley Road	Prior Year Funds Property Tax	2,530
Turn Ln Impr: EB WHP @ Queens Folly	Traffic Impact Fees	10,500
Turn Ln Impr: WB WHP @ Beach City	Traffic Impact Fees	16,000
Blazing Star Paving	CDBG Federal Grant	150,336
		<u>1,225,667</u>

## Cost of Issuance

Beach Bond	Beach Bond	125,000
Go Bond 2016	2016 GO Bond	250,000
		<u>375,000</u>

## Total Expenditures

\$ 10,099,603

## ATTACHMENT A, CONTINUED

## SWU Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
Stormwater Utility Fees		658,522
<b>Total Revenues</b>		<b>658,522</b>
<b>Expenditures:</b>		
<b>Stormwater Operating</b>		
Water Quality Monitoring	Stormwater Utility Fees	39,561
<b>Infrastructure Upgrades &amp; Improvements</b>		
<b>Sea Pines Plantation</b>		
Baynard Cove Outfall Gate Replacement	Stormwater Utility Fees	18,554
<b>Non-PUD</b>		
Nassau / Tanglewood (Tie to Coligny)	Stormwater Utility Fees	9,420
Lemoyne Ave Flooding	Stormwater Utility Fees	99,942
Mathews Drive Pathway Outfall	Stormwater Utility Fees	62,187
		<b>171,549</b>
<b>Inventory and Modeling</b>		
Indigo Run	Stormwater Utility Fees	27,441
Palmetto Dunes	Stormwater Utility Fees	1,145
Shelter Cove	Stormwater Utility Fees	927
Sea Pines	Stormwater Utility Fees	87,435
Unaffiliated Watersheds	Stormwater Utility Fees	52,568
		<b>169,516</b>
<b>Drainage Maintenance and Repairs</b>		
<b>Hilton Head Plantation</b>		
Hilton Head Plantation Gen Maintenance	Stormwater Utility Fees	4,080
Bear Creek Golf Course Channel Maint	Stormwater Utility Fees	6,288
Hilton Head Plantation Pipe Cleaning	Stormwater Utility Fees	438
		<b>10,806</b>
<b>Indigo Run Plantation</b>		
Indigo Run General Maintenance	Stormwater Utility Fees	2,330
<b>Long Cove Plantation</b>		
Long Cove General Maintenance	Stormwater Utility Fees	10,545
<b>Leamington Plantation</b>		
Leamington General Maintenance	Stormwater Utility Fees	7,201
<b>Palmetto Hall Plantation</b>		
Palmetto Hall General Maintenance	Stormwater Utility Fees	11,869
<b>Port Royal Plantation</b>		
Port Royal General Maintenance	Stormwater Utility Fees	25,473
Silt Clearing Coggins Pt. Rd/Links	Stormwater Utility Fees	25,029
		<b>50,502</b>

## ATTACHMENT A, CONTINUED

## SWU Fund, Con't

***Shipyard Plantation***

Shipyard General Maintenance	Stormwater Utility Fees	13,347
Galleon Fairways Flooding	Stormwater Utility Fees	12,710
		<hr/> <b>26,057</b>

***Sea Pines Plantation***

Sea Pines General Maintenance	Stormwater Utility Fees	28,685
Ruddy Turnstone	Stormwater Utility Fees	2,652
Harbort Town Hole 14 Weir	Stormwater Utility Fees	3,364
		<hr/> <b>34,701</b>

***Wexford Plantation***

Wexford General Maintenance	Stormwater Utility Fees	16,022
Wexford Club Drive Flooding	Stormwater Utility Fees	1,989
		<hr/> <b>18,011</b>

***Non-PUD***

Non PUD General Maintenance	Stormwater Utility Fees	7,034
Gadson Drainage	Stormwater Utility Fees	6,000
Mustang Lane Drainage	Stormwater Utility Fees	2,100
N.Forest Beach Dr. Drainage	Stormwater Utility Fees	4,429
		<hr/> <b>19,563</b>

***Pump Stations***

Shipyard	Stormwater Utility Fees	18,000
Sea Pines	Stormwater Utility Fees	13,757
Wexford	Stormwater Utility Fees	12,000
Jarvis	Stormwater Utility Fees	24,000
		<hr/> <b>67,757</b>

**Total Expenditures**


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**658,522**

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**ORDINANCE NO.****PROPOSED ORDINANCE NO. 2016-29****ATTACHMENT A, CONTINUED**

The effects of this budget amendment for fiscal year 2017 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 & Other Uses	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Revised Balance	\$ 39,793,989	\$ (37,780,346)	\$ 65,955,932	\$ (65,432,932)	\$ 13,572,500	\$ (13,572,500)	\$119,322,421	\$ (116,785,778)
Amendment	589,841	(589,841)	10,099,603	(10,099,603)	-	-	10,689,444	(10,689,444)
Revised Balance	\$ 40,383,830	\$ (38,370,187)	\$ 76,055,535	\$ (75,532,535)	\$ 13,572,500	\$ (13,572,500)	\$130,011,865	\$ (127,475,222)

Enterprise Fund  
Stormwater Fund

	Expenditures & Transfers Out	Revenues & Transfers In
Revised Balance	\$ 4,047,514	\$ (3,946,827)
Amendment	658,522	(658,522)
Revised Balance	\$ 4,706,036	\$ (4,605,349)



## **MEMORANDUM**

**TO:** Town Council

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

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

**DATE:** September 22, 2016

**RE:** **Second Reading of Proposed Ordinance No. 2016-30**

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### **Recommendation:**

Staff recommends that Town Council approve second reading of Proposed Ordinance No. 2016-30 which amends the fiscal year 2017 budget for new items impacting the General, Capital Projects, and Stormwater (Enterprise) Funds' budgets.

The only change is in the cumulative budget chart at the end of Attachment A, which has been updated to reflect the General Fund roll forward change made on Proposed Ordinance 2016-29. There have been no other changes.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2016-30**

**AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2017; 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 21, 2016, 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 Fund, Capital Projects Fund, and Stormwater Utility Fund.

**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 2017 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. 2016-30**

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
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

<u>Account Description</u>	<u>Amount</u>
<b>Revenues:</b>	
Funds from Prior Years	(75,000)
<b>Total Revenues</b>	<b>(75,000)</b>
<b>Expenditures:</b>	
<b>Townwide Grants</b>	
Island Recreation Center-Capital	(75,000)
<b>Total Expenditures</b>	<b>(75,000)</b>

## Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
2016 GO Bond		3,200,000
Hospitality Bond		1,000,000
<b>Total Revenues</b>		<b>4,200,000</b>
<b>Expenditures:</b>		
<b>Existing Facilities/Infrastructure</b>		
Fire Station #2 Replacement	Hospitality Bond	1,000,000
<b>Park Development</b>		
Rec Center Expansion	2016 GO Bond	3,200,000
<b>Total Expenditures</b>		<b>4,200,000</b>

## SWU Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
Stormwater Utility Fees		(100,000)
<b>Total Revenues</b>		<b>(100,000)</b>
<b>Expenditures:</b>		
<b>Infrastructure Upgrades &amp; Improvements</b>		
<b>Hilton Head Plantation</b>		
Old Fort Dr Outfall	Stormwater Utility Fees	(100,000)
<b>Total Expenditures</b>		<b>(100,000)</b>

**ORDINANCE NO.****PROPOSED ORDINANCE NO. 2016-30****ATTACHMENT A, CONTINUED**

The effect of this budget amendment for fiscal year 2017 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 & Other Uses	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Revised Balance	\$ 40,383,830	\$ (38,370,187)	\$ 76,055,535	\$ (75,532,535)	\$ 13,572,500	\$ (13,572,500)	\$130,011,865	\$ (127,475,222)
Amendment	(75,000)	75,000	4,200,000	(4,200,000)	-	-	4,125,000	(4,125,000)
Revised Balance	\$ 40,308,830	\$ (38,295,187)	\$ 80,255,535	\$ (79,732,535)	\$ 13,572,500	\$ (13,572,500)	\$134,136,865	\$ (131,600,222)

Enterprise Fund  
Stormwater Fund

	Expenditures & Transfers Out	Revenues & Transfers In
Revised Balance	\$ 4,706,036	\$ (4,605,349)
Amendment	(100,000)	100,000
Revised Balance	\$ 4,606,036	\$ (4,505,349)

# **MEMORANDUM**

**TO:** Town Council

**FROM:** Stephen G. Riley, ICMA-CM, Town Manager

**RE:** Proposed Ordinance Number 2016-31/Compensation and expenses

**DATE:** September 21, 2016

**CC:** Gregory D. DeLoach, Esq., Assistant Town Manager  
Brian Hulbert, Esq., Staff Attorney

---

**Recommendation:** The Finance and Administrative Committee recommends that Town Council approve the first reading of Proposed Ordinance Number 2016- 31, amending Section 2-3-60 (Compensation and expenses) of the Municipal Code.

**Summary:** This Ordinance amends Section 2-3-60 of the Municipal Code. These changes will increase the number of meetings to 150 per year that council may receive an attendance fee for, other than regularly scheduled town council meetings, and other council related business meetings. In addition to their base salary, Council members may receive an attendance fee for up to 150 meetings or \$7,500.00 per year. No changes will take effect until the first regular council meeting in December after the general election.

**Background:** Town Council discussed, at its September 20, 2016 meeting, the increasing number of meetings Council members need to attend as part of their Council duties and determined that they were attending far more meetings than in previous years. The Council directed that the Town Manager bring forth an ordinance to reflect the changes discussed above.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO. 2016-**

**PROPOSED ORDINANCE NO. 2016-31**

**AN ORDINANCE TO AMEND CHAPTER 3 (MUNICIPAL COUNCIL) OF TITLE 2 (GENERAL GOVERNMENT AND ADMINISTRATION) OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA BY AMENDING SECTION 2-3-60, COMPENSATION AND EXPENSES; AND PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, the Town Council of the Town of Hilton Head Island, South Carolina previously adopted Chapter 3 of Title 2 of the Municipal Code of the Town of Hilton Head Island, South Carolina and any subsequent amendments; and

**WHEREAS**, Town Council recognizes that the number of public meetings and functions they have been required to attend in recent years has increased significantly; and

**WHEREAS**, Town Council desires to ensure that the members of Council are adequately compensated for their attendance of public meetings and public functions; and

**WHEREAS**, Town Council desires to provide fair compensation to encourage citizens of the Town to run for office and to serve as members of Town Council.

**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:**

**NOTE:** Underlined and bold-face typed portions indicate additions to the Municipal Code. ~~Stricken~~ portions indicate deletions to the Municipal Code.

**Section 1.      Amendment.**

That Title 2 (GENERAL GOVERNMENT AND ADMINISTRATION), Chapter 3 (MUNICIPAL COUNCIL) is hereby amended as follows:

Section 2-3-60. Compensation and expenses.

(a) The mayor and council members shall receive salaries as determined by the council; provided, no increase in such salaries shall become effective until the commencement date of the terms of two (2) or more members of council elected at the next general election following the adoption of the ordinance setting the salaries, at which time it will become effective for all members of council whether or not they were elected in such election.

(b) The salary to be received by the mayor shall be twenty five thousand dollars (\$25,000.00) per year and by the mayor pro tem and by each council member shall be

twelve thousand eight hundred dollars (\$12,800) per year. These salaries shall be paid in monthly installments in arrears to each appropriate individual during his or her service to the town.

(c) In addition to the base annual pay received for service on council, members and the mayor may be paid an attendance fee of fifty dollars (\$50.00) per meeting for their attendance at any council committee meeting (except regularly scheduled town council meetings) and other council-related business meetings; mileage reimbursement shall be paid for all meetings except those held on Hilton Head Island.

(d) Maximum amount of payment. Payment for the council attendance fee shall be allowed up to the maximum amount authorized per fiscal year, as follows:

(1) Council members. Payment of base annual pay plus attendance fee shall not exceed ~~seventeen thousand eight hundred dollars (\$17,800.00)~~ **twenty thousand three hundred dollars (\$20,300.00)** per fiscal year;

(2) Mayor. Payment of base annual pay plus attendance fee shall not exceed ~~thirty-one thousand two hundred fifty dollars (\$31,250.00)~~ **thirty-two thousand five hundred dollars (\$32,500.00)** per fiscal year.

(3) Mayor Pro Tem. Payment of base annual pay plus attendance fee shall not exceed ~~nineteen thousand fifty dollars (\$19,050.00)~~ **twenty thousand three hundred dollars (\$20,300.00)** per fiscal year.

(e) Other meetings. The council attendance fee shall be paid for the following types of meetings:

- (1) A specially called meeting of the town council;
- (2) A specially called work session of the town council; and
- (3) Any other business at which the council member (at the discretion of the mayor or town council) is in attendance in their official capacity as a member of council, e.g., an official meeting with another governmental entity, a meeting with a town public body, a meeting of a town council subcommittee, town task force, or standing committee.

(f) Duplicate payments shall not be permitted. If a member accepts payment from another body for attendance, then that member shall not be entitled to compensation from the town.

(g) Method of payment. Payment of the attendance fee shall be made within ten (10) working days from submission.

(h) Required documentation. An affidavit of attendance form must be completed and signed by the council member, and submitted to the finance department by the last day of each month in order for payment of the attendance fee to be made. The affidavit provides for

the recording of the date, time spent, location and the purpose of the meeting.

(i) Expenses. Members may also be reimbursed for actual expenses incurred in the conduct of their official duties.

**Section 2**      **Severability.** If any section, phrase, sentence or portion of this Ordinance is for any reason held to be 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 the commencement date of the terms of two (2) or more members of council elected at the next general election following the adoption of the ordinance by the Town Council of the Town of Hilton Head Island, South Carolina.

**PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL OF THE  
TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA ON THIS \_\_\_\_\_ DAY OF  
\_\_\_\_\_, 2016.**

\_\_\_\_\_  
**David Bennett, Mayor**

**ATTEST:**

By: \_\_\_\_\_  
**Victoria L. Pfannenschmidt, Town Clerk**

**First Reading:** \_\_\_\_\_

**Second Reading:** \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Gregory M. Alford, Town Attorney**

**Introduced by Council Member:** \_\_\_\_\_

# TOWN OF HILTON HEAD ISLAND

## *Community Development Department*

<b>TO:</b>	Stephen G. Riley, CM, <i>Town Manager</i>
<b>VIA:</b>	Charles Cousins, AICP, <i>Director of Community Development</i>
<b>FROM:</b>	Jayme Lopko, AICP, <i>Senior Planner</i>
<b>DATE</b>	September 27, 2016
<b>SUBJECT:</b>	Contract Negotiations with Top Ranked Firm for RFQ 2016-0016 Venue Consultant

**Community Services Committee Recommendation:** At the September 27<sup>th</sup> Community Services Committee meeting, members voted unanimously to recommend that Town Council authorize the Town Manager to enter into contract negotiations with Webb Management Services to fulfill phase one: needs assessment outlined in the consultant's proposed work plan with a budget not to exceed \$75,000.

**Venue Committee Recommendation:** At the September 22, 2016 Venue Committee meeting, members voted unanimously to recommend to the Community Services Committee that Town Council authorize the Town Manager to enter into contract negotiations with Webb Management Services to fulfill the Scope of Services outlined in RFQ 2016-0016 Venue Consultant.

**Summary:** The Venue Committee drafted Request for Qualifications (RFQ) 2016-0016 to receive assistance from a qualified consulting firm in the following goals:

- Recommend if substantiated, the Structure, Cost and Funding of Venue(s) and operational sustainability, which satisfy the needs of the Community and the Arts, Cultural and History organizations, maximizing the return on investment for the Town and its citizens, and fulfilling the Capital Sales Tax requirements, if so available. This should include specific recommendations regarding the Arts Center of Coastal Carolina's venue requirements.
- Recommend the role, if any, of Town Government and other supporting entities in supporting the Venue(s) recommendation.

In July 2016, this RFQ was advertised and distributed to numerous arts/culture/history firms who were known to have experience in this field. In response to that RFQ, the Town received 5 proposals from the following:

- Webb Management Services
- Arts Consulting Group
- Johnson Consulting
- Cultural Planning Group
- CSL

The Venue Committee Selection Team individually reviewed the 5 responses and ranked them with set objective criteria. At least 3 reference checks for each firm were also completed. At the conclusion of the review, a Scoring Matrix was compiled with the Team's individual scores. The Scoring Matrix revealed that all Team members reached a consensus on the 3 most qualified firms, as follows:

- Webb Management Services



- Arts Consulting Group
- Johnson Consulting

To further differentiate the 3 firms and as part of the RFQ process, these firms participated in on-site interviews in September. Each interview lasted approximately ninety minutes and provided supplemental information and support to the written proposals. At the end of the interview process the selection team continued their discussion and evaluation of the proposals and firms against the project requirements and expectations.

At the end of the discussion the selection team reached consensus on Webb Management Services as the firm whose proposal most closely met the needs of the project and Town expectations. There were several areas where their presentation highlighted features of their process that were both unique and exceeded those of the other two firms.

- Their methodology, which is highly focused on a scientific approach, was compelling. It provides a structured, integrated, data-driven decision making system.
- Their clearly defined process provides for full transparency, open and inclusive input options and also provides flexibility in the outreach effort.
- This process facilitates a policy framework for a venue recommendation that is much easier to understand, and ultimate actions and decisions are more easily defined, supported and defensible.

**Since this is a Request for Qualifications, no fee proposal was included in their responses. That will be negotiated during the contract stage.**

**Background:** In recent years, Town Council has sought to examine the role of our local performing and cultural arts organizations and how they add value to and enrich residents' and guests' lives, support economic development, and attract guests to live on the Island. To that end, an Arts and Cultural Strategic Planning Committee was formed and an Arts and Cultural Assessment and Strategic Plan completed in 2016. This Report outlined various marketing and organizational implementation methods, and suggested that further research be conducted on venue issues and challenges to the numerous arts, cultural, historical, and entertainment organizations on the Island.

To accomplish this, a Venue Committee was recently created. This sub-committee of the Community Services Committee of Town Council has a mission to support the advancement of Hilton Head Island as a rich and diverse arts and cultural destination that enriches the lives of our residents and guests.

Town Council budgeted \$200,000 for their Arts and Culture goal, part of which will be used for the firm receiving the contract award resulting from this RFQ.

Attachments include the following:

Attachment A: Composite Scoring Matrix

Venue Committee Consultant RFQ 2016-0016 - Final Composite Scoring Matrix					
Evaluation Criterion	CPG	Webb	CSL	ACG	Johnson
	Team Score	Team Score	Team Score	Team Score	Team Score
<b>Criterion 1- Quality of Projects (40)</b>					
Nature of previous projects (20)	10	20	10	20	20
Quality of previous projects & team (20)	20	20	20	20	20
<b>Criterion 1 Total</b>	<b>30</b>	<b>40</b>	<b>30</b>	<b>40</b>	<b>40</b>
<b>Criterion 2 - Proposed Work Plan (40)</b>					
Project Understanding (30)	15	30	15	30	30
Work Plan Proposal (10)	10	10	10	10	10
<b>Criterion 2 Total</b>	<b>25</b>	<b>40</b>	<b>25</b>	<b>40</b>	<b>40</b>
<b>Criterion - On-Site Interview (20)</b>					
On-Site Interview (20)	0	20	0	0	10
<b>Criterion 3 Total</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Total Criterion Score</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>80</b>	<b>90</b>

	CPG	Webb	CSL	ACG	Johnson
Nature of previous projects (20)	Less than 3 similar referenced projects	3 similar referenced projects. Projects were very similar to ours	Less than 3 similar referenced projects	3 similar referenced projects	3 similar referenced projects
Quality of previous projects & team (20)	Good references for personnel on referenced projects	Good references for personnel on referenced projects. Well rounded staff and team, including finance/funding experts and theatre planning/programming. Many previous clients hired them again.	Good references for personnel on referenced projects	Good references for personnel on referenced projects. Well rounded staff and team, including theatre designers, fundraising, and cost consultancy.	Good references for personnel on referenced projects. Strong on real estate development.
Project Understanding (30)	Only a vague and general understanding of the project. Too similar to their previous 2014 Plan Assessment. Our project is a step beyond that.	Demonstrated a detailed and clear understanding of project. Trending experience and sees the necessity for trending on HHI.	General understanding but it did not relate their proposal to our scope of services. Seemed too generic and did not focus on our needs.	Demonstrated a detailed and clear understanding of project. Is well versed with Arts Center issue.	Demonstrated a detailed and clear understanding of project.
Work plan proposal & Timeline (10)	Work program was too generic and too much into the interviews/discussion instead of facilities orientation. Looked like a repeat of 2014 efforts.	Process and timeline met the RFQ requirements. Related the work plan to our scope of services. Wrote the "Best Practices" model.	Good work plan proposal, but geared around very large venues. Our are much smaller.	Process and timeline met the RFQ requirements. Related the work plan to our scope of services. Heavy on fundraising feasibility in work program.	Process and timeline met the RFQ requirements. Related the work plan to our scope of services. Does not describe work model as much as the others.
On-Site Interview (20)		Good presentation, with excellent examples of how the process and methodology was implemented on other projects. The approach was easy to follow, made sense and Duncan seemed to understand issues and challenges better than the other two firms' lead consultants. Only firm to research and provide data on HHI during presentation.		Good presentation, process was sound as was team composition. The team did not give much detail on process or stages.	Good presentation, process was sound as was team composition. The team did not give much detail on process or stages.