



The Town of Hilton Head Island

Regular Town Council Meeting

May 2, 2017

4:00 P.M. EXECUTIVE SESSION

5:00 P.M. REGULAR MEETING

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) 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.

3) Executive Session

a. Land Acquisition

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

- (1) Related to two properties in the Stoney area
- (2) Related to property in the Cordillo Road area

b. Legal Matters

The receipt of legal advice related to pending, threatened or potential claim related to:

- (1) Karen Watson vs. the Town of Hilton Head Island
- (2) Arbournature vs. the Town of Hilton Head Island

c. Contractual Matters

Discussion of negotiations incident to potential contractual arrangements:

- (1) Related with St. James Church

4) Pledge to the Flag – 5:00 P.M.

5) Invocation

6) Proclamations and Commendations

a. Beaufort County School District Character Education Student of the Month

- Cooper Prosser – Daufuskie Island Elementary School - Kindergarten

b. Bike Month

c. Building Safety Month

7) Approval of Minutes

a. Town Council Meeting, April 18, 2017

8) Report of the Town Manager

- a. USCB Quarterly Update
- b. Town Manager's Items of Interest
 - (1) Town News
 - (2) Noteworthy Events

9) Reports from Members of Council

- a. General Reports from Council
 - (1) Community Foundation of the Lowcountry
2017 Winner of HUD Secretary's Award (Project SAFE)
- b. Report of the Intergovernmental and Public Safety Committee – Bill Harkins, Chairman
- c. Report of the Community Services Committee – Kim Likins, Chairman
- d. Report of the Public Planning Committee – David Ames, Chairman
 - (1) Visioning project update by David Beurle with Future iQ Partners, Inc.
- e. Report of the Public Facilities Committee – Marc Grant, Chairman
- f. Report of the Finance and Administrative Committee - John McCann, Chairman

10) Appearance by Citizens

11) Unfinished Business

None.

12) New Business

a. Consideration of a Recommendation –Accommodations Tax Advisory Committee

Consideration of a Recommendation from the Accommodations Tax Advisory Committee for the Chamber of Commerce Visitor and Convention Bureau's proposed 2017-18 "30 Percent" Budget.

b. First Reading of Proposed Ordinance 2017-10

First Reading of Proposed Ordinance 2017-10 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2018; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.

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

14) Adjournment

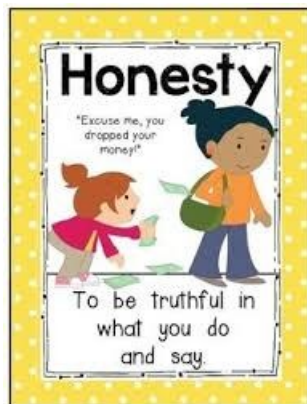
TOWN OF HILTON HEAD ISLAND

Student Recognition Award

presented to
Cooper Prosser
Daufuskie Island Elementary

Beaufort County School District
Character Education Student of the Month
February, 2017 - Honesty/Integrity

Presented this 2nd day of May, 2017



David G. Bennett, Mayor
Town of Hilton Head Island

Proclamation

BY

THE TOWN OF HILTON HEAD ISLAND

***WHEREAS**, for more than a century, the bicycle has been an important part of the lives of most Americans; and*

***WHEREAS**, today millions of Americans engage in bicycling because it is a viable and environmentally-sound form of transportation, an excellent form of fitness, and provides quality family recreation; and*

***WHEREAS**, the education of cyclists and motorists as to the proper and safe operation of bicycles is important to ensure safety and comfort of all users; and*

***WHEREAS**, the League of American Cyclists, the Palmetto Cycling Coalition, cycling advocates, and riders throughout our area are promoting greater public awareness of bicycle operation and safety; and*

***WHEREAS**, May 15-19, 2017 is National Bike to Work Week; and May 19, 2017 is National Bike to Work Day:*

NOW, THEREFORE, I, David Bennett, Mayor of the Town of Hilton Head Island, hereby proclaim May 2017 as

BIKE MONTH

IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this **Second day of May, in the Year of our Lord, Two thousand and Seventeen.

David Bennett, Mayor

Attest:

Victoria L. Pfannenschmidt, Town Clerk

Proclamation

BY
THE TOWN OF HILTON HEAD ISLAND

***WHEREAS,** our Town's continuing efforts to address the critical issues of safety, energy efficiency and resilience in the built environment that affect our citizens, both in everyday life and in times of natural disaster, give us confidence that our structures are safe and sound; and*

***WHEREAS,** our confidence is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, laborers and others in the construction industry—who work year-round to ensure the safe construction of buildings; and*

***WHEREAS,** the dedicated members of the International Code Council create and implement the highest quality codes to protect Americans in the buildings where we live, learn, work, worship, and play, including safeguards to protect the public from natural disasters; and*

***WHEREAS,** "Resilient Communities Start with Building Codes" the theme for Building Safety Month 2017, encourages all Americans to raise awareness of the importance of building safe and resilient construction; fire prevention; disaster mitigation, water safety and conservation; energy efficiency and new technologies in the construction industry. Building Safety Month 2017 encourages appropriate steps everyone can take to ensure that the places where we live, learn, work, worship and play are safe and sustainable, and recognizes that countless lives have been saved due to the implementation of safety codes by local and state agencies, and,*

***WHEREAS,** in observance of Building Safety Month, Americans are asked to consider projects to improve building safety and sustainability at home and in the community, and to acknowledge the essential service provided by local and state building departments and federal agencies in protecting lives and property.*

NOW, THEREFORE, I, David Bennett, Mayor of the Town of Hilton Head Island, do hereby proclaim the month of May 2017 as

BUILDING SAFETY MONTH

And I encourage our citizens to join with their communities in participation in Building Safety Month activities.

IN TESTIMONY WHEREOF,** I have hereunto set my hand and caused this seal of the **Town of Hilton Head Island** to be affixed this **second day of May, in the Year of our Lord, Two Thousand and Seventeen.

David Bennett, Mayor

Attest:

Victoria L. Pfannenschmidt, Town Clerk

THE TOWN OF HILTON HEAD ISLAND

REGULAR TOWN COUNCIL MEETING

Date: Tuesday, April 18, 2017

Time: 4:00 P.M

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

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Brad Tadlock, *Fire Chief*; Scott Liggett, *Director of Public Projects and Facilities*; John Troyer, *Director of Finance*; Shawn Colin, *Deputy Director of Community Development*; Brian Hulbert, *Staff Attorney*; Jennifer Ray, *Planning and Special Projects Manager*; Chris Darnell, *Urban Designer*; Jeff Buckalew, *Town Engineer*; Darrin Shoemaker, *Traffic & Transportation Engineer*; Teri Lewis, *LMO Official*; Melissa Cope, *Systems Analyst*; Cuiwei Zhang, *Systems Analyst*; Erica Madhere, *Finance Administrator*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*

Present from Media: Theresa Moss, *Island Packet*

1) Call to Order

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

2) 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.

3) Executive Session

Mr. Riley stated he needed an Executive Session for a (i) Land Acquisition Matter: The discussion of negotiations incident to the proposed sale, lease or purchase of property related to property located in the Mitchelville Area; (ii) Contractual Matter: Pertaining to the lease and MOU with the Mitchelville Preservation Project; and (iii) Legal Matters: The receipt of legal advice related to pending, threatened or potential claim related to 1) Karen Watson vs. the Town of Hilton Head Island; 2) ArborNature vs. the Town of Hilton Head Island and 3) Carolina Building Corp. vs. Enmark and the Town of Hilton Head Island.

At 4:02 p.m. Mrs. Likins moved to go into Executive Session for matters mentioned by the Town Manager. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0. Mayor Bennett asked Mr. Riley to move the County broadcast of the Town Meeting to 5:00 p.m. at the beginning of the Regular Meeting.

Council returned to the dais at 5:00 p.m.

4) Pledge to the Flag – 5:00 P.M.

5) Invocation

6) Proclamations and Commendations

a. Mayor's Honored Islanders

- Shirley Peterson
- Charles Sampson
- Paul Walter

Mayor Bennett made remarks concerning each of the Honored Islanders and their contributions to Hilton Head Island and the surrounding communities. All recipients were present to accept their awards.

7) Approval of Minutes

a. Town Council Meeting, April 4, 2017

Mrs. Likins moved to approve. Mr. Harkins seconded. Town Council Meeting Minutes for April 4, 2017 were unanimously approved by a vote of 7-0.

8) Report of the Town Manager

a. Town Manager's Items of Interest

Mr. Riley reported on some items of interest.

9) Reports from Members of Council

a. General Reports from Council Report

Mr. Grant reported Saturday, April 22, 2017 from 8:00-9:30 a.m. he is having the Ward One meeting at the Palmetto Electric Building to address the communities concerns as they relate to Public Safety.

Mr. Lennox reported that he had been invited to an Open House by the Xanadu Property Owners Association Board of Directors. In attendance were property owners, real estate agents, community members and leaders. Mr. Lennox commended Xanadu on the work they have done over the past two years, "making Xanadu a shining spot on the South Island."

Mr. Ames FYI – Thursday, April 20, 2017 there is a showing at the Coligny Theatre of the Resilience Initiative for Coastal Education Forum from 5:00-8:00 p.m. Mr. Ames also reported on a previous discussion about the neighborhood signs for Native Island Neighborhoods. He suggested posting "Hurricane" signs at some of the boardwalks, explaining what people are looking at is the destruction caused by Hurricane Matthew.

Mayor Bennett reported on a meeting with the Beaufort County Finance Committee concerning a presentation by the Beaufort County Economic Development Committee and the submission of the fiscal year 2018 budget. That budget was approved 4-3 by the Beaufort County Finance Committee.

b. Report of the Intergovernmental and Public Safety Committee – Bill Harkins, Chairman

Mr. Harkins reported the Committee has a public meeting scheduled Thursday, April 20 at 10 a.m., leadership attendees from all surrounding municipalities will be present to discuss Regional Initiatives.

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

Mrs. Likins reported the Venue Committee met on March 23 to discuss the recommendations from Web Management. Each workgroup met individually and then presented and they will finish the presentations April 20 with possible recommendations going to the Community Service Committee on May 8, then onto Town Council thereafter. The staff and individuals from the Arts and Strategic Planning Committee have been interviewing candidates this week for the open Culture and Arts Network position. Mrs. Likins stated the Personnel Committee met earlier this week to review approximately 12-15 applicants for the boards and commissions.

d. Report of the Public Planning Committee – David Ames, Chairman

Mr. Ames reported the Committee met April 6 and met with Mary Lou Franzoni with Palmetto Breeze. No action was taken. The Committee meeting has changed from the first Thursday of every month to the fourth Thursday of every month at 3:00 p.m. Vision Project Management is meeting Friday, April 21, 2017 at 2:00 p.m.

e. Report of the Public Facilities Committee – Marc Grant, Chairman

Mr. Grant said there was nothing to report.

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

Mr. McCann reported at last week's meeting, the Town did an excellent job reporting and presenting on Storm Water Development to the Committee. This week's meeting the Committee did the subsidiaries and affiliates with Island Rec, Coastal Discovery and Beach Services. More "detailed" data was requested from the Island Rec to be presented back to the Committee.

10) Appearance by Citizens

Skip Hoagland: Addressed Council regarding his matters with the Town of Hilton Head Island.

Brady Boyd: Addressed Council announcing his position as the new Executive Director with First Tee as well as announcing the grand opening on Sunday, April 23, 2017.

Alessandra Ruben: Presented a power point to Council concerning the Neighborhood Outreach Connection, Cordillo Program. She expressed her concern if the NOC, Cordillo Program was to be cancelled and the impact it would have on those involved.

Mayor Bennett provided an update concerning the Program. Mayor Bennett and Mr. Riley met with the members of both boards, encouraging them to seek a resolution which allows NOC to continue.

11) Unfinished Business

a. Second Reading of Proposed Ordinance 2017-05

Second Reading of Proposed Ordinance 2017-05 to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, the Land Management Ordinance (LMO), Chapters 3, 4, 5, 6 and 10 to revise various sections. These amendments, commonly referred to as *2016 LMO Amendments – Second Set* as noticed in the Island Packet on November 6, 2016, include changes that provide for general amendments to a variety of sections in the LMO, and providing for severability and an effective date.

Ms. Elaine Holliday-Carnwath and Mr. Rick Kincaid addressed Council about their concerns regarding the section of the Proposed Ordinance concerning lockouts. After discussion, Mrs. Likins moved to approve Proposed Ordinance 2017-05. Mr. Harkins seconded. The motion was approved by a vote of 5-2. Those opposed were, Mayor Bennett and Mr. Ames.

b. Second Reading of Proposed Ordinance 2017-06

Second Reading of Proposed Ordinance 2017-06 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 LMO Section 16-3-105.1. These amendments, commonly referred to as the *Use 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.

Mrs. Likins moved to approve the second reading of Proposed Ordinance 2017-06. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

c. Second Reading of Proposed Ordinance 2017-07

Second Reading of Proposed Ordinance 2017-07 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.

Mrs. Likins moved to approve the second reading of Proposed Ordinance 2017-07. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

d. Second Reading of Proposed Ordinance 2017-03

Second Reading of Proposed Ordinance 2017-03 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a memorandum of understanding and lease

with the Mitchelville Preservation Project, Inc., related to the 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.

Mrs. Likins moved to approve the second reading of Proposed Ordinance 2017-03. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

12) 5:30 p.m. – PUBLIC HEARING – Town of Hilton Head Island Comprehensive Plan, with all appendices, including the Beach Management Plan.

Mayor Bennett called to the Order the Public Hearing – Town of Hilton Head Island Comprehensive Plan with all appendices, including the Beach Management Plan at 5:30 p.m. calling to the community citizens to speak on the Plan and any of its sections.

Ms. Jane Joseph requested an update to Section 2, the Arts and Culture Section to include the new Venue Committee and Advisory Council. Mrs. Likins also echoed Ms. Joseph's statements about the updates to the Arts and Culture Section of the Plan.

Mayor Bennett closed the Public Hearing at 5:35 p.m.

13) New Business

a. First Reading of Proposed Ordinance 2017-02

First Reading of Proposed Ordinance 2017-02 to provide for the adoption of updates to "The Town of Hilton Head Island Comprehensive Plan" and its appendices, including the Beach Management Plan; and to provide for severability and an effective date.

After discussion about the Arts and Culture sections of the Plan, Mrs. Likins moved to table the discussion and send back to the Planning Commission, for the reasons stated during the Public hearing. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

b. Consideration of a Recommendation – Relocation of Dumpsters for Beach Waste

Consideration of a Recommendation from the Public Facilities Committee that Town Council approve the proposed plan to relocate to 139 Arrow Road, dumpsters for beach refuse, and authorize Staff to implement the attached plan.

Mr. Barry Johnson addressed Council about the Recommendation and the lack of parking in and around the Dunnagan Commercial Walking District. Mr. Johnson, requested additional parking as well as a joint effort between the Town and those businesses within the Walking District to pay for the additional parking. After discussion between Town Council and Town Staff the Recommendation was withdrawn.

c. Consideration of a Recommendation – Ad Hoc Committee for the Preservation of Native Island properties

Consideration of a recommendation that Town Council authorize creation of an Ad Hoc Committee to study the preservation of Native Island Properties based on a request from the Planning Commission and that Town Council provide the scope of work for the Committee, authorize the Planning Commission to propose the Committee membership, and that the Committee report to the Planning Commission.

After discussion to modify the language of the Recommendation concerning the Ad Hoc Committee proposing the scope of work as well as nominating Mr. Grant as a liaison for the Committee, Mrs. Likins moved to approve. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

d. Consideration of a Recommendation – Circle to Circle Ad Hoc Committee Recommendations

Consideration of a Recommendation from the Public Planning Committee that Town Council approve funding for signage for Sea Pines Circle and a marketing plan for mid-island beaches as recommended by the Circle to Circle Ad Hoc Committee.

After a discussion between Council and Town Staff to modify the Recommendation to include at this time only the signage, marketing, the pilot shuttle program, and Mr. Riley investigating the legal possibilities of a pilot food truck program, Mrs. Likins moved to approve. Mr. Harkins seconded. The motion passed 4-3. Those opposed Mr. McCann, Mr. Grant, and Mr. Lennox.

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

Mrs. Likins announced the Town was in receipt of a legal opinion related to the expenditures from the Hilton Head Island-Bluffton Chamber of Commerce Promotional Fund that is required by paragraph 2.8 of its contract with the Chamber of Commerce. Mrs. Likins moved that Council waive the attorney client-privilege in this matter so that Council may make the legal opinion public. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

15) Adjournment

Mrs. Likins moved adjourn. Mr. Harkins seconded. The motion was approved by a vote of 7-0. The meeting was adjourned at 6:50 p.m.

Krista M. Wiedmeyer,
Executive Assistant/Town Clerk

Approved: 05/05/2017

David Bennett, Mayor



To: Steve Riley
Hilton Head Island Town Manager

From: Dr. Charles Calvert, Campus Dean- Hilton Head Island
Department of Hospitality Management
University of South Carolina Beaufort

Date: April 24, 2017

Subject: Quarterly Project Update
USCB Hilton Head Island Campus

Project Approvals and Milestones.

Site prep/construction on the new Hospitality Campus began in April. Earthquake drains are completed.

On April 13th, USCB Faculty, Staff and Administrators reviewed and approved the final interior plans for Hospitality Building.

Heritage Volunteerism:

The USCB Hospitality Management program volunteers yearly for the Heritage Tournament. In 2017, nine student volunteers worked with Dr. Barth in Catering and Sponsorship Support. Professor Olivetti coordinated an additional 9 volunteers.

Enrollment Management. In 2016 USCB entered into an articulation agreement with the National Restaurant Association's ProStart Restaurant. This agreement will benefit high school students studying Hospitality Management through the Prostart Program with transfer credits. In South Carolina, this program is administered by the South Carolina Restaurant and Lodging Association

UPDATE: On March 5-7, 2017 in Myrtle Beach South Carolina. Dean Calvert participated as a judge in the Culinary Management category.

Dean Calvert will also be representing USCB with a booth at the ProStart Culinary National Competition in Charleston SC April 28, 29, and 30.

USCB Student Recruitment.

USCB spoke to prospective students at USC –Salkahatchie- Walterboro Campus regarding transfer opportunities to the USCB HHI campus.

CC/LP



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Charles Cousins, AICP, *Community Development Director*
FROM: Jennifer Ray, ASLA, *Planning and Special Projects Manager*
DATE: April 24, 2017
SUBJECT: USCB-Office Park Road quarterly project update

- Staff and Town Attorneys are working to finalize property transfer.
- Development Plan Review and final Design Review Board submittals have been approved.
- Staff and USCB Representatives are working with Sea Pines CSA regarding property access and improvements at Office Park Road intersection with Greenwood Drive.



ITEMS OF INTEREST

MAY 2, 2017

Noteworthy Events

Some of the upcoming meetings:

- Community Services – May 8, 2017, 9:00 a.m.
- Design Review Board – May 9, 2017, 1:15 p.m.
- Town Council Budget Workshop – May 9, 2017, 5:00 p.m.
- Parks & Recreation Commission – May 11, 2017, 3:30 p.m.
- Finance & Administrative Committee – May 16, 2017, 2:00 p.m.
- Town Council Executive Session– May 16, 2017, 4:00 p.m.
- Town Council Regular Meeting – May 16, 2017, 5:00 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.)


Hilton Head Island Events

May 4, 2017 6:00 p.m. – 9:00 p.m.	Spring Music & Taste on the Harbour w/ Deas Guyz	Shelter Cove Harbour ~ Neptune Statue
May 6, 2017 11:00 a.m. – 5:00 p.m.	Beer, Bacon and Music Island Recreation	Shelter Cove Community Park
May 11, 2017 6:00 p.m. – 9:00 p.m.	Spring Music & Taste on the Harbour w/ Target	Shelter Cove Harbour ~ Neptune Statue
May 13, 2017 8:00 a.m. – 9:30 a.m.	Hilton Head Swim Run 5K	Coligny Beach
May 14, 2017 10:30 a.m. – 2:00 p.m.	Hilton Head Swim Run SC	Coligny Beach / South Island Pathways



MEMORANDUM

TO: Town Council

FROM: John Troyer, CPA, Director of Finance 

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

DATE: April 18, 2017

RE: **Chamber of Commerce/Visitor & Convention Bureau 2017-2018 Budget**

Recommendation: Staff recommends that Council consider approval of the fiscal year 2017-2018 budget for the Chamber of Commerce Visitor and Convention Bureau (VCB) which is required by State law and Town Code for the VCB to continue as the Town's designated marketing organization (DMO) for State Accommodations Tax purposes.

The Accommodations Tax Advisory Committee (ATAC) voted unanimously to recommend to Town Council that the proposed 2016-2017 budget be approved. The ATAC recommendation letter is attached.

Summary: On April 6, 2017, the VCB presented in detail to ATAC its proposed budget and marketing plan for 2017-2018. The plan is presented in a format as recommended by ATAC and Council. The budget breaks down revenues and expenses in rows by functional categories and in columns by the major funding sources with the Town of Hilton Head Island in the second column (after the total column) with a budget of \$ 2,220,000.

Background:

According to State law, 30% of the two percent bed tax funds collected by the State of South Carolina is allocated to the pre-determined Destination Marketing Organization with an ongoing tourist program, which for the Town is the VCB. Town Code requires ATAC to review the VCB's proposed budget and marketing plan each year and make a recommendation to Town Council. Attached is the recommendation memo from the ATAC Chairman Stewart Brown which includes a synopsis of the VCB's proposed budget and marketing plan. Each Council member has previously been provided a bound book from the VCB entitled 2017-2018 Hilton Head Island Destination Marketing Plan. The budget can be found on pages 54-58.



THE TOWN OF HILTON HEAD ISLAND ACCOMMODATION TAX ADVISORY COMMITTEE

To: Mayor David Bennett, Town of Hilton Head Island
Town Council Members, Town of Hilton Head Island
Steve Riley, Town Manager, Town of Hilton Head Island

From: Stewart Brown, Chairman, Accommodation Tax Advisory Committee

Date: April 27, 2017

Subject: Recommended approval of the DMO's 2017-2018 marketing plan and budget

On April 6, 2017, the Accommodations Tax Advisory Committee met to hear and review the marketing and budget presentation of the Town's Designated Marketing Organization (DMO), the Hilton Head Island Visitor and Convention Bureau (HHIVCB). As the Town's DMO, the HHIVCB is allocated 30% of available annual ATAX funding, through state statute, for the purpose of promoting and enhancing tourism to the Island and the ATAC is asked to make a recommendation to Town Council whether or not to approve the DMO's marketing plan and budget for its upcoming fiscal year.

Summary of Presentation

Ariana Pernice, VP of the HHIVCB, started the presentation by showcasing the new look of the HHIVCB's marketing plan book and reviewing its layout. Ms. Pernice explained to the Committee that the purpose of a DMO is to represent the destination and help in the long-term development of a community through the creation and implementation of a travel and tourism strategy. Additionally, she stated that the mission is to lead the local travel and tourism industry by marketing and guiding the Hilton Head Island destination brand experience to generate sustainable economic vitality.

Conclusions:

- Best presentation in the last 5-6 years based upon content, results, and business management processes
- We can have pride in how well they are doing their job
- Council can be confident they are spending the public's money well
- Stronger results vs 2015-2016
- Stronger DMO metric performance vs Myrtle Beach and Charleston

Results:	Hilton Head		Industry	Myrtle Beach	Charleston
Occupancy	64.1%	+6.1%	+0.1%	+3.3%	+1.6%
Av Daily Rate	\$169.27	+3.1%	+3.1%	+2.4%	+3.4%
RevPar	\$108.58	+9.4%	+3.2%	+5.8%	+5.1%
	• Hilton Head metrics are favorable year over year and vs. its competitors				

Key discussion points include:

- Branding initiatives through national and quality publications have grown the 2016 visitor count to 2.67M with a 70% repeat visitor rate
- Utilization of modern electronic tracking and measurement techniques is a significant positive change

- A significant improvement to accurately measure each activity / program effectiveness in delivering tourists and guests onto the Island
- Clearly defined goals and strategies that recognizes 6 population groups specifically defined by age, interests, travel objectives, and decision-making process
- All DMO actions are well aligned with visitor market segments, DMO goals and objectives, and measured for effectiveness, and conversion efficiency
- Able to track each groups' internet search patterns all the way to booking resulting in much improved and reliable measurement against goals
- Each new tool is trial tested to meet the business need before investment in the program
- Each communication action recognizes that today's traveler seeks two or more experience activities – not just the beach. Message content and channel of communication is focused on these specialty market experiences
- The 2017-18 budget is slightly lower than last year, but shows stronger investment in measurement of goal results and in programs that deliver tourists and guests

The HHIVCB also outlined a number of goals they have laid out for the near and longer term.

Short-term goals include:

- Growing shoulder and off-season group business by increasing group room nights by 10%
- Growing off-season group business by increasing prospects by 12.5%
- Increasing conversions by 30% with the expansion of VCB Group Incentive Program
- Grow partner relationships to expand brand opportunities/awareness in key markets of origin
- Increasing destination presence within new, and current, airline markets of origin
- Increasing destination presence within key drive markets
- Leverage VCB digital assets to increase destination recall by 12%
- Increase conversion rate for member referrals by 15%

Long-term goals include:

- Driving year-round business growth by use of strategic initiatives and programming
- Research and development of branding for the destination
- Building public and private funding for the DMO through available pass-through and state sponsored opportunities

A continued focus of the HHIVCB is international marketing. The top three international markets are: Canada, UK, and Germany. The approach with the international market is to utilize the Brand USA Multi-Channel Program to create our own targeted, international campaign – a 3 to 1 value source. This is a robust digital, print and social media campaign with a traffic generator and an activation partner (Expedia) that will reach international travelers in a call to action, taking consumers from inspiration to activation, and providing measurable results. Participation in 5 tradeshow with international market focus is also planned. Value of the dollar and potential travel bands are headwinds for this market segment.

The HHIVCB has strengthened its focus on Meetings and Group Sales with strong improvement in results in 2016. HHIVCB continues to receive greater recognition from this market segment – 18th year Pinnacle Award of Excellence by the USA Visitor and Convention Bureau, Smart Meetings Platinum Choice Award Winner in 2016, and Meeting and Convention Magazine Gold Service Award Winner in 2016. Industry recognition of excellence illustrates the value that meetings and groups bring to the Island. HHIVCB is focused on the keys to success in this market segment – personal relationships, decision-maker putting eyes on the ground in HHI, tradeshow participation, and partnerships with various market research firms focused on electronic/social media/ and digital venues to build leads and enhance conversions and bookings. Measuring results from each initiative has resulted in shifts in search firms and in some cases doubling results vs 2015. For example, improved qualified prospecting resulted in a 50% drop in prospects but a 20% increase in room nights = more efficient and effective use of resources and stronger conversion efforts by the VCB.

Committee Review

The Committee was impressed with the format and content of the marketing plan and budget. It was noted that the layout is easier to follow the flow of information and was less cumbersome to navigate in its condensed format from previous versions. In addition, the Committee commented on Ms. Pernice's positive influence on how she prepared for and handled

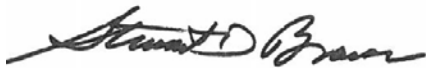
the presentation. The Committee remains encouraged with the direction of the Island's destination marketing efforts and applauds the HHIVCB's extensive tourism research and planning.

Recommendation

Overall, the Committee continues to believe that the HHIVCB is representing the Island well and has revised and improved the clarity, depth, reliability of its systems and processes to deliver results in a more effective and efficient manner.

The Committee made a motion to recommend to Town Council that they approve the budget and marketing plan as presented. The motion was seconded and was approved unanimously by a vote of 5-0.

Respectfully submitted on behalf of the Accommodations Tax Advisory Committee,

A handwritten signature in black ink, appearing to read "Stewart D Brown".

Stewart D Brown, Chairman
Accommodations Tax Advisory Committee

2016/2017 Accommodations Tax Advisory Committee Members:

Stewart Brown, Chairman
Mike Alsko, Vice Chairman
Trish Heichel
Rob Bender
Brad Marra *absent
Cliff McMackin
Heather Rath

Hilton Head Island-Bluffton Chamber of Commerce
Hilton Head Island Visitor Convention Bureau Schedule of Functional Revenues and Expenditures
FY 2017-18 Budget

	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific	SCPRT Co-ops	Town of Bluffton DMO	Beaufort Co DMO	Membership
Revenues								
Town of HHI DMO	1,815,000	1,815,000						
Town of HHI Supplemental Grant	405,000	405,000						
VCB Private Sector	350,000		350,000					
SCPRT Destination Specific	850,000			850,000				
SCPRT Coop	500,000							
Private Match Coop	1,000,000				500,000			
Town of Bluffton DMO	98,000				1,000,000			
B/C Bluffton & Daufuskie	260,000					98,000		
Total Revenues	5,278,000	2,220,000	350,000	850,000	1,500,000	98,000	260,000	
Membership Revenue								1,600,000
Total Revenues with Membership	6,878,000							
Expenses								
Research & Planning	110,000	59,125	13,475	37,400				
Destination PR								
Agency Fees	175,000	94,063	21,438	59,500				
Out-of-Pocket/ Promos	22,000	11,825	2,695	7,480				
Satellite Media Tour	10,000	5,375	1,225	3,400				
Monitoring Services (Print/Online/	8,000	4,300	980	2,720				
Sub-total	215,000	115,563	26,338	73,100				
Destination Photography & Video	35,000	18,813	4,288	11,900				
Social Media								
Agency Promotions	78,000	41,925	9,555	26,520				
Content Hub	15,000	8,063	1,838	5,100				
Crowd Riff & SM Hub	25,000	13,438	3,063	8,500				
Sub-total	118,000	63,425	14,455	40,120				
Digital Marketing								
VERB Daily Site Work	72,000	38,700	8,820	24,480				
Special Section Updates	20,000	10,750	2,450	6,800				
SEO/Ad Serve/Hosting	42,000	22,575	5,145	14,280				
SEM Leisure Marketing	420,000	225,750	51,450	142,800				
SEM Sports (Tennis/Golf)	50,000	26,875	6,125	17,000				
Signature Experiences Leisure	5,000	2,688	613	1,700				
Wayfinder/App Updates	10,000	5,375	1,225	3,400				
Digital contingency	16,000	8,600	1,960	5,440				
Sub-total	635,000	341,313	77,788	215,900				

Hilton Head Island-Bluffton Chamber of Commerce
Hilton Head Island Visitor Convention Bureau Schedule of Functional Revenues and Expenditures
FY 2017-18 Budget

	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific	SCPRT Co-ops	Town of Bluffton DI Beaufort Co DMO	Membership
Consumer Promos & Lead Gen							
SCPRT Coops	20,000	10,750	2,450	6,800			
Leisure Publication Promotion	112,000	60,200	13,720	38,080			
Ad Production	5,000	2,688	613	1,700			
Sub-total	137,000	73,638	16,783	46,580			
Insiders/Collateral/Fulfillment							
E-Promos/E-News	17,000	9,138	2,083	5,780			
Vacation Planner	220,000	118,250	26,950	74,800			
Airport Displays	10,000	5,375	1,225	3,400			
Fulfillment/Envelopes/Mail	150,000	80,625	18,375	51,000			
Toll-Free Phone	4,000	2,150	490	1,360			
Sub-total	401,000	215,538	49,123	136,340			
Group Sales & Marketing							
Corp. Lead Prospecting	42,000	22,575	5,145	14,280			
Select Service FAM	5,000	2,688	613	1,700			
Promotional Giveaways	10,000	5,375	1,225	3,400			
Site inspections/ Flights for Sites	6,000	3,225	735	2,040			
Sales Industry Dues	13,000	6,988	1,593	4,420			
Trade/ Affinity Sponsorships	50,000	26,875	6,125	17,000			
Trade Shows	65,550	35,233	8,030	22,287			
Trade Media Co-op	35,000	18,813	4,288	11,900			
Group Signature Experiences	3,000	1,613	368	1,020			
SEM - Group	20,000	10,750	2,450	6,800			
SEM - Weddings	5,000	2,688	613	1,700			
SC Sports Alliance	10,000	5,375	1,225	3,400			
Social Media Promotions	5,000	2,688	613	1,700			
Contingency	2,000	1,075	245	680			
Sub-total	271,550	145,958	33,265	92,327			
International							
Coastal SC USA Coop	50,000	26,875	6,125	17,000			
Brand USA Coops	121,750	65,441	14,914	41,395			
ITB Trade Show	3,000	1,613	368	1,020			
Travel South Intl Show	2,500	1,344	306	850			
WTM - London	6,750	3,628	827	2,295			
IAGTO	3,000	1,613	368	1,020			
IPW	8,000	4,300	980	2,720			
Sub-total	195,000	104,813	23,888	66,300			
VCB Contingency							
	11,555	5,267	3,755	2,533			

Hilton Head Island-Bluffton Chamber of Commerce
Hilton Head Island Visitor Convention Bureau Schedule of Functional Revenues and Expenditures
FY 2017-18 Budget

	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific	SCPRT Co-ops	Town of Bluffton D/ Beaufort Co DMO	Membership
HHI Destination Marketing Operations & Management							
VCB Sales, Mkt, V Services & Ops:							
Personnel	971,750	436,508	56,449	82,875	309,819	23,569	62,530
Benefits	224,250	100,733	13,027	19,125	71,497	5,439	14,430
Operations	299,000	134,310	17,369	25,500	95,329	7,252	19,240
Sub-total	1,495,000	671,550	86,845	127,500	476,645	36,260	96,200
HHI Supplemental Grant							
Golf	210,000	210,000					
Military Marketing	30,000	30,000					
Festival & Event Promotions	25,000	25,000					
Accolades & Marketing Initiative	50,000	50,000					
Meetings & Group	90,000	90,000					
VCB Sales, Mkt, Visitor Services & Operations	0	0					
Sub-total	405,000	405,000					
SCPRT							
Meetings/ RBC	240,000				240,000		
Group Co-ops	150,000				150,000		
Air Service Promos	100,000				100,000		
SEM Coop	273,355				273,355		
Leisure Mini Social Coops	15,000				15,000		
Leisure Coops	150,000				150,000		
Select Service	25,000				25,000		
Destination Events	70,000				70,000		
Sub-total	1,023,355				1,023,355		
Town of Bluffton DMO							
Promotions	61,740					61,740	
B/C Bluffton & Daufuskie DMO							
Promotions	163,800					163,800	1,600,000
TOTAL VCB EXPENSES	5,278,000	2,220,000	350,000	850,000	1,500,000	98,000	260,000
Total Expenses with Membership	6,878,000						1,600,000
Revenues Minus Expenses:	0						
Expenses for Hilton Head Island Specific Programs							
Expenses for other marketing programs							



MEMORANDUM

TO: Town Council

FROM: John M. Troyer, CPA, Director of Finance

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

DATE: April 24, 2017

RE: **First Reading of Proposed Ordinance No. 2017-10**

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2017-10. The ordinance establishes the fiscal year 2018 budgets for the General Fund, Capital Projects Fund, Debt Service Fund and Stormwater Fund.

Summary:

The Town Manager presents the budget by title only on May 2. Council will hold a budget workshop on May 9 and continue its budget discussions in June. The Town will establish a budget for the General Fund, the Debt Service Fund, the Capital Projects Fund, and the Stormwater Fund. The Ordinance will also establish a millage tax rate for the fiscal 2018 operations.

Background:

The Town formally establishes a budget for four of its funds; it also presents information on the remaining funds as they are a primary source of funding for the formally budgeted funds. Council's first action is to approve the budget ordinance by title only at its May 2, 2017 meeting. The proposed budget books will be presented to Council and the Town Manager will provide a brief PowerPoint overview.

On May 9, 2017, the Town will hold a budget workshop. Staff will present more details on the proposed budget; affiliated agencies are encouraged to have their spokesperson(s) in attendance to respond to Council's questions but will not prepare presentations. Council members are encouraged to submit questions view the Town Manager prior to the meeting allowing staff and affiliates time to prepare a response.

On June 13, 2017, Council holds its special meeting, conducts a 6 p.m. public hearing on the budget, and votes on the revised first reading. The second and final reading is scheduled for Council's regular meeting on June 20, 2017.

ORDINANCE NO. _____

PROPOSED ORDINANCE NO. 2017-10

AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2018; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH FUNDS; TO ESTABLISH A POLICY FOR ACQUISITION OF RIGHTS OF WAY AND EASEMENTS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260(3) of the Code of Laws for South Carolina 1976, as amended, and Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, require that the Town Council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, Town Council also desires to set aside funds for an Operating Reserve to provide for emergency-related expenditures and to offset fiscal year tax revenue income stream deficiency; and

WHEREAS, Town Council finds that it would be more economical and efficient to authorize the Town Manager to move forward with construction contract modifications, change orders, contract price adjustments, and execution of contracts for supplies, services, and construction where the contract amount involved does not exceed the budget line item or project budget as approved by Town Council in the Consolidated Municipal Budget.

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

NOTE: Underlined and bold-face typed portions indicate additions to the Ordinance. ~~Stricken~~ Portions indicate deletions to the Ordinance.

Section 1. Adoption of the Budget. The prepared budget of estimated revenues and expenses, a copy of which is attached hereto and incorporated herein, is hereby adopted as the budget for the Town of Hilton Head Island for the fiscal year ending June 30, 2018.

Section 2. Establishment of Property Tax Levy. A tax to cover the period from July 1, 2017 through June 30, 2018, inclusive, for the sums and in the manner hereinafter mentioned, is and shall be, levied, collected and paid into the treasury of the Town of Hilton Head Island for its uses at a rate of mills on assessed value of real estate and personal property of every description owned in the Town of Hilton Head Island, except such property as is exempt from taxation under the Constitution and laws of the State of South Carolina. Said tax levy shall be paid into the Town Treasury for the credit of the Town of Hilton Head Island for its corporate purposes, for the purpose of paying current operational expenses of the said municipality.

Section 3. Establishment of Funds. To facilitate operations, there shall be established and maintained a General Fund, a Capital Projects Fund, a Debt Service Fund, a Stormwater Fund and other appropriate funds in such amounts as are provided for in the aforesaid Budget, as hereby adopted or as hereafter modified pursuant to law.

Section 4. Acquisition of Rights of Way and Easements. The Town Manager is charged with the duty of executing all necessary documents to obtain rights of way, easements, and other property interests necessary to complete duly authorized Capital Improvement Projects. Capital Improvement Projects based on the ownership and life expectancy of the assets or improvements or based on the funding source authorized may be budgeted in the General, Capital Projects or Stormwater Funds. If expenditures are expressly authorized for an approved Capital Improvement Project in any of the budgeted funds, then the Town Manager is hereby authorized to execute all necessary documents and to expend such funds as are approved pursuant to the Capital Improvement budgets. Provided, however, in the event that the costs of an acquisition of such real property interests materially exceeds the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to shift additional funds from other authorized sources, the Town Manager shall be required to obtain the approval of Town Council for such additional expenditures. Nothing herein shall obviate the requirement that no condemnations shall be commenced without the appropriate approval of the Town Council for the Town of Hilton Head Island.

Section 5 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 6. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2017.**

David Bennett, Mayor

ATTEST:

Krista M. Wiedmeyer, Town Clerk

First Reading: _____

Public Hearing: _____

Revised First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____