



The Town of Hilton Head Island Accommodations Tax Advisory Committee Regular Meeting

**Wednesday, March 25, 2015
9:00 a.m. – Benjamin M. Racusin Council Chambers**

AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting

- 1. Call to Order**
- 2. Freedom of Information Act Compliance**
Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 3. Approval of Minutes**
 - a. Accommodations Tax Advisory Committee Meeting of November 13, 2014
- 4. Chairman's Report**
- 5. Unfinished Business**
None
- 6. New Business**
 - a. Hearing regarding the Chamber of Commerce and Visitor & Convention Bureau's proposed 2015-2016 budget of expenditures for the 30% allocation of State Accommodations Tax Funds for advertising of tourism.
- 7. Adjournment**

Please note that a quorum of Town Council may result if four (4) or more of Town Council members attend this meeting.

**TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Date: November 13, 2014 **Time:** 9:00 a.m.
Members Present: Mike Alsko, *Chairman*; Rob Bender, *Vice-Chairman*; Trish Heichel, Stewart Brown, Bob Spear, Brad Marra
Members Absent: Charles Miner
Council Present: Kim Likins
Staff Present: Susan Simmons, *Director of Finance*; Erica Madhere, *Finance Assistant*
Others Present: Various representatives from organizations that applied for ATAX Grants, members of the public
Media: None

1. Call to Order:

The meeting was called to order at 9:00 a.m.

2. FOIA Compliance:

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Approval of Minutes:

Mrs. Heichel moved to approve the Minutes of November 6, 2014. Mr. Brown seconded the motion. The Motion passed unanimously. (6-0)

4. Chairman's Report:

Mr. Alsko explained the process of the Review and Recommendation meeting and invited Susan Simmons, Director of Finance for the Town, to the Dias to give a report on the funds available for the 2015 Grants and the remaining unfunded 2014-2015 Non-Recurring Grants. Ms. Simmons stated that the sources of revenue include actual ATAX revenue received during the first three quarters of calendar year 2014, plus an estimated amount of revenue for the fourth quarter. Other amounts to be granted include interest, lapsed grants from the previous year, the amount available in calendar year 2013 but not awarded, and the amount of fourth quarter 2013 revenue that exceeded the estimate. After the required distributions to the Town's General Fund and the Town's Designated Marketing Organization, the total amount available to award is \$3,456,540. Ms. Simmons explained the amount of new grants requested along with the balance of the Non-Recurring requests is \$4,541,067, which is 76% of the amount of available funds. The net increase in funds available to award over calendar year 2013 is \$175,804 or 5.36%.

Mr. Alsko wrapped up by saying the Committee will make grant recommendations for both Non-Recurring and traditional grants out of the pot of total funds available, \$3,456,540.

5. Unfinished Business:

None

6. New Business:

a. Review Applications and Determine Final Recommendations to Town Council

A spreadsheet was displayed listing all applicants along with the amount each applicant requested. Committee members discussed each individual application and ultimately, the Accommodations Tax Advisory Committee decided upon the following Recommendations:

Applicant	Applicant Request	Total Amount ATAC Recommends	Recommended Grant Restrictions / Notes
Art League of Hilton Head	85,000	85,000	
<i>Art League of Hilton Head-Non Recurring</i>	11,301	2,750	
Arts Center of Coastal Carolina	384,000	384,000	
Beaufort Co. Black Chamber of Commerce	55,000	0	
Beaufort County Government (Hilton Head Air Day)	0	0	Withdrew Application
David M. Carmines Memorial Foundation	10,000	6,500	
Gullah Museum of Hilton Head	50,000	20,000	
Harbour Town Merchants Association-(4th of July fireworks)	18,000	12,000	
Hilton Head Choral Society	30,000	30,000	
<i>Hilton Head Choral Society-Non-Recurring</i>	4,790	4,790	
Hilton Head Concours d'Elegance	160,000	160,000	
Hilton Head Dance Theater	16,000	12,000	
Hilton Head Audubon Society	50,000	45,000	Thought to be self-sustaining in future through sponsors/business partners
<i>Hilton Head Audubon Society-Non-Recurring</i>	30,000	0	
<i>Hilton Head Island Land Trust-Non-Recurring</i>	15,000	15,000	
Hilton Head Island Recreation Association	10,000	7,500	
Hilton Head St. Patrick's Day Parade	16,000	16,000	
Hilton Head Wine and Food, Inc.	147,500	147,500	
<i>Hilton Head Wine and Food, Inc.-Non-Recurring</i>	25,000	0	
Hilton Head Island-Bluffton Chamber of Commerce VCB	400,000	400,000	Desire better metrics by categories in supplemental application
Hilton Head Symphony Orchestra	215,000	215,000	
<i>Hilton Head Symphony Orchestra-Non-Recurring</i>	0	0	Withdrew Application
<i>Hilton Head Symphony Orchestra-Hilton Head Choral Society Joint-Non-Recurring</i>	30,200	0	
Hilton Head Visitors and Convention Bureau	325,000	0	

Applicant	Applicant Request	Total Amount ATAC Recommends	Recommended Grant Restrictions / Notes
<i>Hilton Head Visitors and Convention Bureau-Non-Recurring</i>	250,000	0	
<i>Lowcountry Golf Course Owners Association-Non-Recurring</i>	42,510	42,510	
Main Street Youth Theater	25,000	15,000	
Mitchelville Preservation Project	53,500	38,000	
Native Island Business & Community Affairs Association	150,000	110,000	
SC Lowcountry & Resort Islands Tourism	45,000	0	
Shelter Cove Harbour Company-4th of July & Harbourfest fireworks	42,000	42,000	\$12K for July 4, plus 8 Tues Harbourfests
<i>Shelter Cove Harbour Company-Non-Recurring</i>	73,929	0	
Skull Creek July 4 th Celebration	12,000	12,000	
The Coastal Discovery Museum	223,000	223,000	
<i>The Coastal Discovery Museum-Non-Recurring</i>	102,613	102,613	
The Coastal Discovery Museum-ARKHAIOS Film Fest	8,470	0	Suggest funding from CDM recurring grant
The Coastal Discovery Museum & The Heritage Library-History Day	16,000	8,000	Marketing
The Heritage Library	20,000	20,000	
<i>The Heritage Library-Non-Recurring</i>	8,421	7,242	
The Heritage Library & The Coastal Discovery Museum- Speaker Series	10,425	6,531	
The Sandbox	56,300	56,300	
<i>The Sandbox-Non-Recurring</i>	102,623	82,123	
Town of Hilton Head Island	1,211,485	1,000,000	
Total Request / Recommended	\$4,541,067	\$3,328,359	
Total Funds Available to Award		\$3,456,540	
Remaining Balance Available to Award		\$128,180	

After the discussions of the individual applications, the Committee decided to recommend that Town Council carry over the remaining balance available to award of \$128,180 until next year's grant cycle. The Committee felt that carrying funds over would help ensure a sustainable level of funding in the event that ATAX revenues should decrease for any reason.

Mrs. Heichel made a motion to approve the recommendations as assigned and displayed on the projected spreadsheet (and summarized in the table above) and to leave the remaining \$128,180 available to carry forward to the 2016 grant cycle. Mr. Brown seconded the motion. All Committee members voted unanimously in favor (except for individual line items where individual members had recused themselves-details listed at end of minutes), to recommend to Town Council to adopt each of the recommended amounts listed. (6-0)

During the discussion of the Art League, Mrs. Trish Heichel disclosed a potential conflict of interest and did not participate. The required disclosure form is attached. During the discussions of the Harbour Town Merchants Association 4th of July Fireworks and the Hilton Head Wine and Food Festival, Mr. Rob Bender disclosed a potential conflict of interest and did not participate. The required disclosure forms are attached. During the discussion of the Hilton Head Concours d'Elegance, Mr. Stewart Brown disclosed a potential conflict of interest and did not participate. The required disclosure form is attached. During the discussions of the Lowcountry Golf Course Owners Association and the Shelter Cove Harbour Company, Mr. Brad Marra disclosed a potential conflict of interest and did not participate. The required disclosure forms are attached.

7. Adjournment:

Mr. Brown thanked the applicants for the amount of time spent and for greatly improving the clarity of information provided. He also encouraged the heritage and cultural groups to come together in some way and form more of a collaborative effort in the future.

Mr. Brown made a motion to adjourn, which Mrs. Heichel seconded. All voted in favor and the meeting was adjourned at 11:54 a.m.

Approved:

Respectfully submitted:

Mike Alsko, Chairman

Erica Madhere, Secretary

Hilton Head Island-Bluffton Chamber of Commerce
Hilton Head Island Visitor Convention Bureau Schedule of Functional Revenues Expenditures
FY 2015-16 Budget

	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific	SCPRT Co-ops	Town of Bluffton Beaufort Co DMO	Membership
Revenues							
Town of HHI DMO	1,483,888	1,483,888					
Town of HHI Supplemental Grant	366,500	366,500					
VCB Private Sector	340,000		340,000				
SCPRT Destination Specific	750,000			750,000			
SCPRT Coop	750,000				750,000		
Private Match Coop	1,500,000				1,500,000		
Town of Bluffton DMO	95,000					95,000	
B/C Bluffton & Daufuskie	270,000						270,000
Total Revenues	5,555,388	1,850,388	340,000	750,000	2,250,000	95,000	270,000
Membership Revenue							1,700,000
Total Revenues with Membership	7,255,388						
Expenses							
Research & Planning	108,000	56,448	12,936	28,616			10,000
Destination PR							
Agency Fees	175,000	100,800	23,100	51,100			
Out-of-Pocket/ Promos	22,000	12,672	2,904	6,424			
Satellite Media Tour	10,000	5,760	1,320	2,920			
Cison Broadcasting	8,000	4,608	1,056	2,336			
Sub-total	215,000	123,840	28,380	62,780			
Destination Photography	20,000	11,520	2,640	5,840			
Social Media							
Agency Promotions	60,000	34,560	7,920	17,520			
Blog Content	38,000	21,888	5,016	11,096			
TBEX Conf & Promo	8,500	4,896	1,122	2,482			
Crowd Riff & SM Hub	20,000	11,520	2,640	5,840			
Sub-total	126,500	72,864	16,698	36,938			
Digital Marketing							
VERB Daily Site Work	36,000	20,736	4,752	10,512			
Special Section Updates	45,000	25,920	5,940	13,140			
SEO/Ad Serve/Hosting	12,000	6,912	1,584	3,504			
SEM Marketing	250,000	144,000	33,000	73,000			
Wayfinder Launch Media	10,000	5,760	1,320	2,920			
Digital contingency	5,000	2,880	660	1,460			

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Sub-total	358,000	206,208	47,256	104,536			
Consumer Promos & Lead Gen							
SCPRT Coops	16,000	9,216	2,112	4,672			
Air Service Promotions							
Boston/ NYC JetBlue	See coop budget						
Ohio/ Allegiant Air	See coop budget						
Brand/ Coop Promos							
Conde Nast	52,000	29,952	6,864	15,184			
Southern Living	19,000	10,944	2,508	5,548			
National Geo/ Cultural	see leisure coop budget						
Garden & Gun/ Affluent	see leisure coop budget						
Ad Production	5,000	2,880	660	1,460			
Sub-total	92,000	52,992	12,144	26,864			
Insiders/Collateral/Fulfillment							
E-Promos/E-News	12,000	6,912	1,584	3,504			
Vacation Planner	120,000	69,120	15,840	35,040			
Envelopes	6,000	3,456	792	1,752			
Airport Displays	4,000	2,304	528	1,168			
Fulfillment Mail Ops/	85,000	48,960	11,220	24,820			
Toll-Free Phone	5,000	2,880	660	1,460			
Sub-total	232,000	133,632	30,624	67,744			
Group Sales & Marketing							
Corp. Lead Prospecting	42,000	24,192	5,544	12,264			
Flights for Sites	4,800	2,765	634	1,402			
Group Closing Fund	0	0	0	0			
First Time Groups	0	0	0	0			
Select Service FAM	5,000	2,880	660	1,460			
Promotional Giveaways	6,000	3,456	792	1,752			
Site inspections	3,000	1,728	396	876			
Sales Industry Dues	5,400	3,110	713	1,577			
Trade/ Affinity Sponsorsh	30,000	17,280	3,960	8,760			
Website Updates	Included in digital	0	0	0			

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	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific	SCPRT Co-ops	Town of Bluffton Beaufort Co DMO	Membership
Social Media/ Linked In	5,000	2,880	660	1,460			
Trade Shows	37,500	21,600	4,950	10,950			
Trade Media Co-op	25,000	14,400	3,300	7,300			
Signature Experiences	68,250	39,312	9,009	19,929			
SEM - Group	25,000	14,400	3,300	7,300			
SEM - Weddings	5,000	2,880	660	1,460			
Northstar Media & Lead Gen - supplemental gr		0	0	0			
Social Media/ Linked In	2,000	1,152	264	584			
Contingency	2,000	1,152	264	584			
Trade/ PR	See PR Budget	0	0	0			
Sub-total	265,950	153,187	35,105	77,657			
International							
Coastal SC USA Coop	60,000	34,560	7,920	17,520			
Brand USA Coops	80,000	46,080	10,560	23,360			
SEM	25,000	14,400	3,300	7,300			
ITB Trade Show	6,500	3,744	858	1,898			
Travel South Intl Show	2,500	1,440	330	730			
Travel South Euro	8,750	5,040	1,155	2,555			
WTM - Latin America	4,000	2,304	528	1,168			
IAGTO	3,500	2,016	462	1,022			
IPW	8,000	4,608	1,056	2,336			
Sub-total	198,250	114,192	26,169	57,889			
VCB Contingency	15,738	10,394	2,324	3,020			
HHI Destination Marketing Operations & Management							
VCB Sales, Mkt, V Services & Ops:							
Personnel	712,500	274,306	62,862	139,058	168,750	17,575	49,950
Benefits	356,250	137,153	31,431	69,529	84,375	8,788	24,975
Operations	356,250	137,153	31,431	69,529	84,375	8,788	24,975
Sub-total	1,425,000	548,611	125,723	278,115	337,500	35,150	99,900
HHI Supplemental Grant							
Golf	170,500	170,500					
Tennis	76,000	76,000					
Minority Marketing	20,000	20,000					
Meetings & Group	100,000	100,000					
VCB Sales, Mkt, Visitor Services & Operations	0	0					

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Sub-total	366,500	366,500							
SCPRT									
Meetings/ RBC	170,000				170,000				
RBC Heritage	650,000				650,000				
Group Co-ops	128,000				128,000				
Air Service Promos	100,000				100,000				
Leisure Coops	584,500				584,500				
Destination Events	280,000				280,000				
VCB Sales, Mkt, Visitor Services & Operations	337,500				337,500				
Sub-total	2,250,000				2,250,000				
Town of Bluffton DMO									
Promotions	59,850					59,850			
VCB Sales, Mkt, Visitor Services & Operations	35,150					35,150			
Sub-total	95,000					95,000			
B/C Bluffton & Daufuskie DMO									
Promotions	160100					160100			
VCB Sales, Mkt, & Ops	99900					99900			
Sub-total	260,000					260,000		1,700,000	
TOTAL VCB EXPENSES	5,555,388	1,850,388	340,000	750,000	2,250,000	95,000	270,000	1,700,000	7,255,388
Total Expenses with Membership	7,255,388								
Revenues Minus Expenses:	0								
	Expenses for Hilton Head Island Specific Programs								
	Expenses for other marketing programs								