



# The Town of Hilton Head Island Regular Finance & Administrative Committee Meeting

Tuesday, April 19, 2016  
2:00 p.m. – Conference Room 3

## AGENDA

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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. Finance and Administrative Committee Meeting, April 5, 2016.
4. **Unfinished Business**
  - a. USCB/Clemson proposed analysis/study on the effect of a Hilton Head Island Performing Arts Center on property values.
5. **New Business**
  - a. Review Proposed Fiscal Year 2016-2017 Affiliated Agencies Budget:
    - Coastal Discovery Museum 2:00 pm – 2:30 pm
    - Island Recreation Association 2:30 pm – 3:00 pm
    - Shore Beach Services 3:00 pm – 3:30 pm
  - b. Town Council Budget Initiatives for FY 17.
6. **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**  
**FINANCE AND ADMINISTRATIVE COMMITTEE MEETING**

**Date:** April 5, 2016 **Time:** 1:00 p.m.

**Members Present:** John McCann, *Chairman*; Bill Harkins and Tom Lennox, *Council Members*

**Members Absent:** None

**Staff Present:** Greg DeLoach, *Assistant Town Manager*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; John Troyer, *Deputy Director of Finance*; Charles Cousins, *Director of Community Development*; and Cindaia Ervin, *Finance Assistant*

**Others Present:** P.J. Tanner-Sherriff, Michael Hatfield- *Chief Deputy*, Suszanne Cook- *Financial Officer and others of the Beaufort County Sherriff's Office*; Sean Thornton- *Deputy Solicitor of the 14th Circuit Solicitor's Office*; Don Kirkman, *Executive Director-Economic Development Corporation*; Dr. John Salazar, *USCB*; Dr. Robert T. Carey, *Clemson University*; Bill Miles, Ariana Pernice and Ray Deal *and others of Hilton Head Island-Bluffton Chamber of Commerce*; Keri Olivetti- *Director of USCB Event Management and Hospitality Training*; Frank Soule; *Executive Director- Island Recreation Association*, Eleanor O'Key, *Lowcountry Inside Track*; Charles Brown, *Marriott*; Peter Kristian, *Hilton Head Plantation General Manager* and other members of the community.

**Media:** None

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**1. Call to Order:**

The meeting was called to order at 1:00 p.m.

**2. FOIA Compliance:**

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

**3. Approval of Minutes:**

Mr. Lennox moved to approve the minutes from the Finance and Administrative Committee Meeting on February 16, 2016 at 2:00 p.m. Mr. McCann seconded, and the motion passed with a vote of 2-0 as Mr. Harkins was not present at that time of voting.

Mr. McCann made a motion to go out of order and discuss the update on the Beaufort County Sherriff's Office Performance Audit prior to hearing from the affiliated agencies. Mr. Harkins moved to approve the motion; Mr. Lennox seconded it; and the motion passed with a vote of 3-0.

**4. Unfinished Business:**

**a. Update on Beaufort County Sheriff's Office Performance Audit.**

Greg Deloach, Assistant Town Manager, explained to the Committee that he has been working with the Beaufort County Sherriff's Office (BCSO) to update the baseline duties for the performance audit and also adjusted the due date for responses from potential firms. Mr. Deloach stated that there are about 6-10 qualified firms to perform the BCSO audit. He also mentioned this request for performance (RFP) process will include advertising the scope of

work needed, interviewing potential candidates and reviewing the point factoring RFQ evaluation system. Mr. McCann asked when the process will start. Mr. Deloach stated that if the Finance & Administrative Committee recommended it to Town Council that same day, then the topic will go to Town Council on April 19<sup>th</sup> for a formal approval and staff and start on April 20<sup>th</sup> advertising for potential firms.

#### **5. New Business:**

Prior to starting the discussion regarding the affiliated agencies, Mr. McCann stated that the Finance & Administrative Committee will not take any public comment and will only take questions and comments from those presenting and the Committee members.

##### **a. Beaufort County Sherriff's Office**

Suzanne Cook, Finance Office- Beaufort County Sherriff's Office (BCSO), provided the Committee members with an updated fiscal year 2017 budget including updated personnel costs related to health insurance. Ms. Cook noted that there is a decrease in personnel costs from fiscal year 2016 to fiscal year 2017. She also identified new requests which included a radar trailer, 5 radars, 4 patrol officers and 1 investigator. The total requested budget for fiscal year 2017 is \$3,824,838. Tom Lennox asked what the total head count is. Ms. Cook replied 40 positions currently, however, with the new requested budget they are seeking to add 5 additional employees for a total of 45. P.J. Tanner, Sherriff-BCSO, stated that the 4 additional officers would add one per shift and the investigator is to reduce the current case load. Mr. McCann thanked the members for their time.

##### **Solicitor's Office Mult-Disciplinary Court and Career Criminal Unit**

Sean Thornton, Deputy Solicitor for the 14<sup>th</sup> Circuit, highlighted the accomplishments and needs for multi-disciplinary court and career criminal unit. The total requested budget for fiscal year 2017 is \$83,000, the same as the prior year. Mr. Thornton shared with the Committee the success of the career criminal unit and one individual in particular who entered the program in 2012, completed the program, and has been drug and crime free since 2013. Greg Deloach, Assistant Town Manager, asked for fiscal year 2015 what percentage of participants the multi-disciplinary court program were from Hilton Head? Mr. Thornton stated that he did not have the statics with him but would send it to the Committee following the meeting. Bill Harkins thanked Mr. Thornton for his time and asked to send the Committee's best to Solicitor Stone.

Mr. McCann made a motion to go out of order and move to unfinished item "B". Mr. Harkins moved to approve the motion; Mr. Lennox seconded it; and the motion passed with a vote of 3-0.

#### **4. Unfinished Business:**

##### **b. Applied Technology & Management, Inc. Proposal on Shoreline and Beach Front Management.**

Peter Kristian, Hilton Head Plantation (HHP) General Manager presented a diagram of Hilton Head Plantation and indicated where Pine Island was located and how over time the effects of erosion has affected the area. He stated that HHP has worked with DHEC and engineers to try to correct the problem; however, the erosion is still taking place. Mr. Kristian informed the Committee that they are working with ATM which has proposed a living sea wall to parallel part of the shoreline in that area. Mr. Harkins asked what the impact would be if the area were not repaired. Mr. Kristian stated that if the area was breached it would cause severe impact to the Port Royal sound and also homes that are in the area. Tom Lennox asked if this

project could qualify for FEMA funds. Greg Deloach, Assistant Town Manager, stated that the Town has not heard back from FEMA regarding funding; however, the reimbursed amount could be \$0 to \$7 million. He stated the Town does not know at this time and does not include Pine Island. Susan Simmons, Direct of Finance, stated that at a FEMA workshop she attended, FEMA was very specific that allowable projects must be along beaches with an ongoing engineered beach. Pine Island is not defined as a beach for the Town's beach renourishment program and only beaches with a defined beach management plan would be considered.

Mr. McCann made a motion to, send the ATM proposal on shoreline and beach front management to the Town Managers office for a recommendation from Staff to Council. Mr. Harkins moved to approve the motion; Mr. Lennox seconded it; and the motion passed with a vote of 3-0.

## 5. **New Business:**

### **University of South Carolina Beaufort**

Keri Olivetti, Director of USCB Event Management and Hospitality Training, presented their fiscal year 2017 budget to the Committee. She stated that the main focus of the program is to educate hospitality professionals, provide and coordinate, volunteer management and promote event incubation. The students learn about event management by volunteering with event management companies to gain experience. She stated that UCSB to date has conducted 203 Island Ambassador program seminars, provided 3057 educational hours, educated 1576 hospitality professional and certified 526 Island Ambassadors. Ms. Olivetti stated that hospitality groups from all over Hilton Head such as the Westin, The Town of Hilton Head Island, SERG group and CSA, to name a few, have attended the program. The total requested budget for fiscal year 2017 is \$144,830.

At 2:05 p.m. Mr. McCann stated that he would like to take a brief 5 minute break. Mr. Harkins moved to approve the motion; Mr. Lennox seconded it; and the motion passed with a vote of 3-0. The meeting was called back to order at 2:15.

### **Hilton Head Economic Development Corporation**

Don Kirkman, Executive Director-Economic Development Corporation (EDC), presented its fiscal year 2017 budget. He recapped that in FY 2014 the budget was \$98,000 for initial start-up and recruitment of the director, in FY 2015 it was 345,398 to allow hiring staff and the FY 2016 budget was \$436,985 which would be the first year that EDC was fully operational with programs and staff. The total requested budget for FY 2017 is \$496,894. Mr. Kirkman stated that within the FY 2017 operating budget, the meetings and conferences line has increased due to the fact that they are going to hire professional assistance for the "Bring your business to life" program. He also stated that the professional services line did increase because the EDC is working on getting plans for an innovation and entrepreneurship center if approved to be built next year. He stated that the EDC anticipates that the innovation and entrepreneurship center to be a revenue generator as it will offer services to entrepreneurs. Mr. McCann asked has the EDC considered partnering with the Don Ryan Center (DRC). Mr. Kirkman stated that EDC is discussing with DRC co-partnering. DRC offered a proposal to the EDC however EDC prefers to hold off any decisions until EDC receives and evaluates the report regarding possibly of having a similar center on Hilton Head. Mr. McCann asked if the EDC's plan for next year was focused on the "Bring your business to life", the entrepreneur center and recruiting companies to Hilton Head. Mr. Kirman stated that is it a hybrid of working with residents that already have business on Hilton Head as well as recruiting new business to Hilton Head.

Mr. McCann made a motion to go out of order and move to item “C”. Mr. Harkins moved to approve the motion; Mr. Lennox seconded it; and the motion passed with a vote of 3-0.

**c. Consideration of Recommendation to Conduct a Site Analysis of a Town-owned Tract on Summit Drive for Potential Use as a Commerce Park.**

Mr. Kirkman stated they the EDC is seeking to do a site analysis at a not to exceed cost \$40,000 of a Town-owned tract on Summit Drive for potential use as a commerce park. Mr. Kirman stated that the EDC seeks Council authority to pay for the study from its Economic Incentive Fund (EIF) created from the Town’s sales proceeds at Pineland Station.

Mr. McCann made a motion to recommend the site analysis of a town owned tract on Summit Drive property for potential use as a commerce park to be paid from the EDC’s EIF. Mr. Harkins moved to approve the motion; Mr. Lennox seconded it; and the motion passed with a vote of 3-0.

**b. Discussion regarding DMO Year-End Performance Metrics**

Dr. Robert Carey, Clemson University, discussed how the Lowcountry and Resort Islands Tourism Institute provided modeling for the Hilton Head Island-Bluffton Chamber of Commerce/VCB year-end metrics. He stated that Clemson uses the REMI model which is updated every year. Dr. Carey informed the Committee that the REMI model uses an input and output model, (the standard economic impact model) and distinguishes itself as an enhanced model by adding the computable generated equilibrium component which takes into account economic data to estimate how the economy might react to changes or external factors.

Ariana Pernice, VP- Hilton Head Island-Bluffton Chamber of Commerce/VCB (HHIBCC), presented the year-end performance metrics for the Chamber. She stated that HHIBCC is currently one of 7,000 Chambers of Commerce in the United States. Mrs. Pernice stated that of our competitors such as Charleston and Savannah, the Revenue per Available Room (Revpar) of Hilton Head is \$168.80, occupancy is up 3%, the average daily rate is up 4.7% and revpar is up 7.8%. She also informed the Committee that the VCB is the destination marketing division of the Chamber and the marketing efforts put forth by the VCB are delivered on a consistent basis to a well-defined consumer that aligns with its visitor research. The HHIBC stated that using this approach, Hilton Head has a year over year growth in visitation, an estimated 2.65M visitors per year and a 70% repeat rate from our visitors. For every Accommodations Tax dollar invested in marketing, the return is \$19.10 to the local economy. She provided other important statistics that in 2015 the Town of Hilton Head Island had 2.65 million visitors, 73,700 Hilton Head Island Vacation Planner and Golf Island Brochures were mailed, 12,740 jobs were generated from Hilton Head Island (HHI) tourism (HHI tourism accounts for 13.4% of all jobs in Beaufort County), 1,265 stories and mentions and, 862,989,094 media impressions which holds which equates to an ad equivalency of over \$22M. Mr. McCann stated that he appreciated the hard work and efforts of HHIBCC, requested a copy of the original metrics report, and thanked them for their time.

**6. Adjournment:**

Mr. Harkins made a motion to adjourn and Mr. Lennox seconded. The motion passed with a vote of 3-0. The meeting was adjourned at 3:17 p.m.

**Approved:**

**Respectfully submitted:**

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**John McCann, Chairman**

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**Cindaia Ervin, Secretary**