



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

Tuesday, April 5, 2016

**1:00 p.m.** – Conference Room 3

\*Please note of  
time change.

## 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. Finance and Administrative Committee Meeting, March 15, 2016
4. **Unfinished Business**
  - a. Update on Beaufort County Sheriff's Office Performance Audit.
  - b. ATM Proposal on Shoreline and Beach Front Management.
5. **New Business**
  - a. Review Proposed Fiscal Year 2016-2017 Affiliated Agencies Budget:  
Beaufort County Sheriff's Office 1:00 pm - 1:30 pm  
Solicitor's Office Multi-Disciplinary Court and Career Criminal Unit 1:30 pm – 2:00 pm  
University of South Carolina Beaufort 2:00 pm – 2:30 pm  
Hilton Head Economic Development Corporation 2:30 pm - 3:00 pm
  - b. Discussion regarding DMO Year End Performance Metrics 3:00 pm – 3:30 pm
  - c. Consideration of Recommendation to Conduct a Site Analysis of a Town Owned Tract on Summit Drive for Potential Use as a Commerce Park.
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:** March 15, 2016 **Time:** 2:00 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*; Tom Fultz, *Director of Administrative Services*; and Cindaia Ervin, *Finance Assistant*

**Others Present:** Kim Likins and Lee Edwards, *Council Members*; Don Kirkman, *Executive Director-Economic Development Corporation*; Dr. John Salazar, *USCB*; Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce*; Allen Perry, *Chairman- Island Recreation Association*; Frank Soule, *Executive Director-Island Recreation Association*, Eleanor O'Key, *Lowcountry Inside Track*; Charles Brown, *Marriott* and other members of the community.

**Media:** None

---

**1. Call to Order:**

The meeting was called to order at 2:05 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:**

- a. 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.

**4. Unfinished Business:**

- a. **Update: General Discussion with the Island Recreation Association regarding programming.**

Allen Perry, Chairman-Island Recreation Association (IRA), spoke to the Committee regarding the board members' perspective of being the Town's recreation department for the last 30 plus years. He stated that the Board is not only involved in programming for the IRA but also financially. He stated that they have a dedicated board, staff and volunteers that make opening daily possible. Mr. Perry informed the Committee that the IRA receives about 35% of its budget from governmental sources, (31% is received from the Town). The MOU with the Town allows up to 50% meaning the IRA has earned and private funds 19% more than required. IRA and its Board strive to provide the best service with the funds received.

Frank Soule, Executive Director- Island Recreation Association, made a brief presentation regarding the hours, parks, community event and programs. He provided the Committee with information regarding how IRA determines which programs to continue, especially when participation drops. Mr. Soule, used the example of a tennis program when the funding was

not sufficient for a full-time staff member. IRA decided to contract it. The IRA collects the fees for the contracted program; if there are not enough participants the only money IRA loses is marketing time for that particular program. Mr. Soule also informed the Committee that IRA awarded \$276,000 in scholarships in 2015 for various programs. Kim Likins, Council member, asked how the scholarship awarding is determined. He responded that it is based on family income levels with emphasis on certain programs. Mr. Soule provided the Committee with an attendance breakdown of the programs they offer. He noted that some programs are trending up, but most are steady. He stated that the IRA anticipates that when the new facility opens IRA can reach more of the community to offer more programs and create more recreational and educational opportunities.

Lee Edwards, Council Member, asked what the IRA's annual operating budget is. Mr. Soule stated that it is roughly \$2.3 Million which includes Capital Improvement Projects. This past year IRA received \$653,000 plus \$250,000 for the capital improvement projects. Accommodations tax funding is a separate request. Susan Simmons, Director of Finance, informed the Committee that the Town maintains the IRA's books, She stated the expenditures of the capital projects includes items for the local parks and proposed that the Town consider moving that expense to a Town-cost so that IRA funding is distinctly separate cost.

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. **USCB/Clemson proposed analysis/study on the effect of a Hilton Head Island Performing Arts Center on property values.**

Dr. John Salazar, provided the Committee with a brief update regarding the hedonic study on the effect of a Hilton Head Performing Arts Center on property values. He discussed that the research team they needs to have a clearer sense of usage of existing performing arts facilities. They plan to conduct an island-wide scientific sampling by mail to Hilton Head Island residents to explore the frequency which they currently participate which will create a base line. From that point, they will be able to gauge the usage, what the future possibility will be, and forecast the future usage. Bill Harkins, Committee Member, stated that he feels that the hedonic study will show that the presence of the arts in the community does have a positive impact on property values on Hilton Head. Mr. Harkins also stated that the purpose of today was to keep everyone informed of updates and communicate to the public that when they receive the mailer how important it is to respond.

Mr. McCann asked for Dr. Salazar to attend to the April 19<sup>th</sup> Finance and Administrative meeting to present an update of cost and timeline of the work to be done.

b. **General Discussion Regarding Town Council Initiatives: Budgeted Funds-Fiscal Year 2016 Balance and Needs for Fiscal Year 2017.**

Susan Simmons, Director of Finance, discussed a spreadsheet of funds budgeted for fiscal year 2016. The total budgeted amount for Town Council initiatives was \$850,000 and the total amount remaining as of the end of February is \$638,370. The initiatives approved by Town Council were Circle to Circle, Visioning process, Arts collaborative study, Heritage tourism/Mitchellville, Cordillo courts, and Public Communications. There is a separate \$25,000 budget for Economic Analysis which \$20,000 is committed. She identified that some funds for Circle to Circle, Visioning Process and Public Communications have been spent. She suggested that Town Council determine an estimate for expenditures through year-end, which programs and amounts that will be carried over to the next year, and what new

programs for next year and the amount needed. Mr. McCann suggested that Town Council members provide the Finance and Administrative Committee the information requested and any new initiatives for fiscal year 2017 at the April 19<sup>th</sup> meeting.

**d. Update: Beaufort County Sheriff's Office Performance Audit.**

Greg DeLoach, Assistant Town Manager, provided the Committee with an update regarding the Beaufort County Sheriff's Office (BCSO) performance audit. He provided four proposed tasks that the contractor would perform, analyze and make recommendations. Task #1 reflects the existing defined services of the contact; Task #2 relates to response times to calls, the timeframe of resolving outstanding cases, and the effectiveness of the current levels of service; Task #3 conducts a "Gap Analysis" on the current service levels that identify areas of high performance and areas that present opportunities for improvement and Task #4 is the final report with recommendations and potential implementation strategies for consideration. Mr. DeLoach explained to the Committee that he and the BCSO are working together to better define Task #1. He will bring an update to the next meeting regarding any changes. Tom Fultz, Director of Administrative Services, asked the Committee if the proposed tasks meet their expectations for the performance audit. The Committee briefly discussed the tasks with Mr. Fultz but did not offer proposed changes.

John McCann, Chairman, made a motion to select Greg DeLoach, Kim Likins and Tom Fultz as the selection team for the performance audit. Mr. Harkins approved the motion; Mr. Lennox seconded; and the motion passed with a vote of 3-0.

**5. New Business:**

None

**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 3:23 p.m.

**Approved:**

\_\_\_\_\_  
**John McCann, Chairman**

**Respectfully submitted:**

\_\_\_\_\_  
**Cindaia Ervin, Secretary**

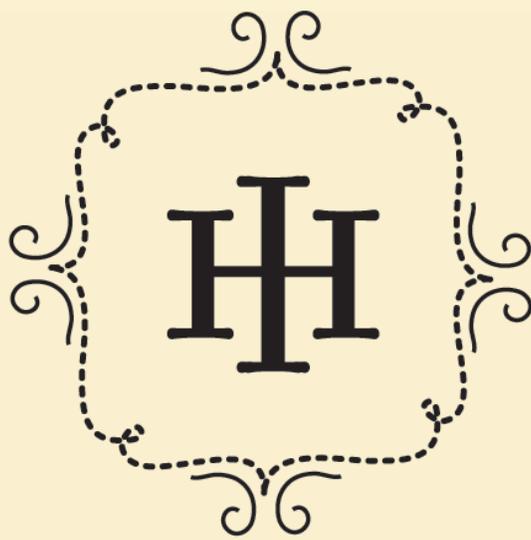


**HILTON HEAD ISLAND-BLUFFTON  
CHAMBER OF COMMERCE**

**2015 DESTINATION MARKETING ORGANIZATION  
INDUSTRY METRICS ANNUAL REPORT**

**MARCH 31, 2016**





# table of contents

---

The purpose of this document is to provide the Town of Hilton Head Island Finance and Administration committee with certain tourism metrics and/or reports to showcase annual DMO performance in efforts pertaining to promotion of the destination, Hilton Head Island. It is understood and acknowledged that such metrics and/or reports may change from time to time based upon best practices, funding and the goals set forth in the Marketing Plan. The evaluation shall consider the metrics and reports in this document, collectively, and shall be compared with peers and other factors that affect the tourism industry such as the state of the economy, weather, condition of the lodging properties, etc.

Reports such as:

(a) revenue per available room.....	4
(b) occupancy rates.....	4
(c) visitor spending studies.....	5
(d) return on investment for visitor spending per dollar of investment.....	6
(e) local tax revenues generated by visitors.....	7
(f) number of visitors.....	7
(g) number of referrals made to area businesses and number of website hits and click throughs made to area businesses.....	8
(h) numbers related to mail fulfillment and other contacts.....	9
(i) industry awards received for marketing and public relations efforts.....	10
(j) number of jobs created by tourism.....	12
(k) events held and participation in events by Chamber members.....	13
(l) update on its public relations efforts to include the number of media impressions and the dollar equivalent for the media impressions.....	14

# revenue per available room and occupancy rates

Revenue Per Available Room, RevPAR, is an industry term used to gauge industry health. RevPAR is calculated by dividing the total room revenue by total room supply within a specific time period.

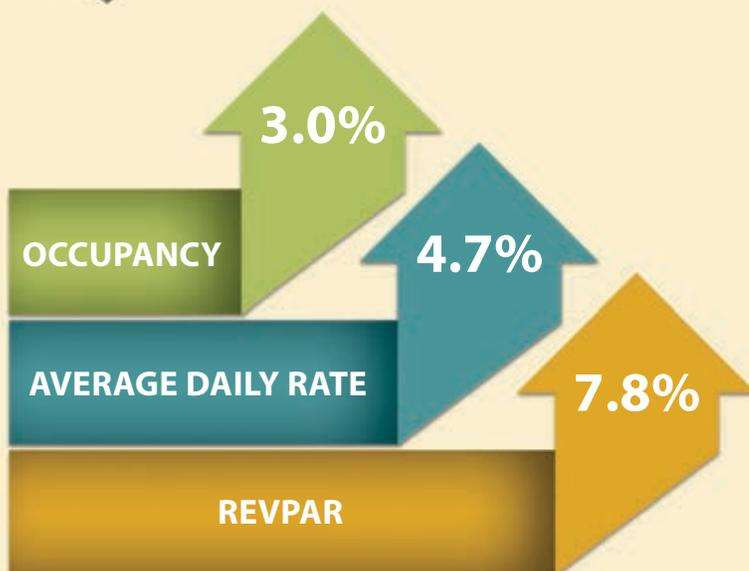
Occupancy is another metric used within the accommodations industry to gauge the health of tourism. Occupancy percentage is calculated by dividing the occupied rooms by total room supply.

The details below provide 2015 performance detail on Hilton Head Island against the U.S. as a whole, and top competitors, Charleston, South Carolina and Savannah, Georgia. The numbers show that Hilton Head Island is leading in RevPAR, occupancy and average daily rate, not only against our competitors, but also against nationwide averages.

## REVENUE PER AVAILABLE ROOM

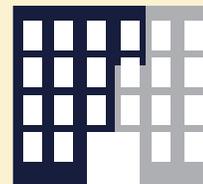


**\$168.80**



Source: 2015 STR Inc.

## OCCUPANCY RATES



**60.4%**

### HOTEL INDUSTRY NATIONWIDE

- Occupancy up 1.7%
- ADR up 4.4%
- RevPAR up 6.3%

### HOTEL INDUSTRY COMP SET

#### Charleston

- Occupancy up 0.4%
- ADR up 5.2%
- RevPAR up 5.7%

#### Myrtle Beach

- Occupancy up 1.4%
- ADR up 4.0%
- RevPAR up 5.5%

# visitor spending studies

This study of the economic and fiscal impact of spending by tourists to Hilton Head Island in the year 2015 was performed by Regional Transactions Concepts, LLC, in association with Dr. John Salazar of the Lowcountry and Resort Islands Tourism Institute (LRITI) at the University of South Carolina, Beaufort.

The study examines spending by tourists classified into five segments according to their lodging arrangement while visiting the island: villa rental, timeshare, hotel, second homeowners and their non-paying guests, and finally those who visit for the day and do not lodge overnight. The estimated impact from spending by each of these groups is summed in order to indicate the total impact that tourists to the island have on Beaufort County, South Carolina.

## \$1.1 BILLION ECONOMIC IMPACT OF HILTON HEAD ISLAND TOURISM IN 2015

Source: 2015 Lowcountry and Resort Islands Tourism Institute



# ROI for visitor spending per dollar of investment

The VCB is the destination marketing division of the Chamber. This division works to increase tourism through its marketing efforts cultivating leisure as well as meeting and group business throughout southern Beaufort County.

The marketing efforts put forth by the VCB are delivered consistently to a well-defined target consumer set that aligns with our visitor research. This proactive and customized approach has led to a year over year growth in visitation at an estimated 2.65M and a 70% repeat rate from our visitors.

FOR EVERY ATAX  
DOLLAR INVESTED  
IN MARKETING

**\$19.10**

IS RETURNED TO THE  
LOCAL ECONOMY IN NET  
LOCAL GOVERNMENT  
REVENUE



Source: 2015 Lowcountry and Resort Islands Tourism Institute

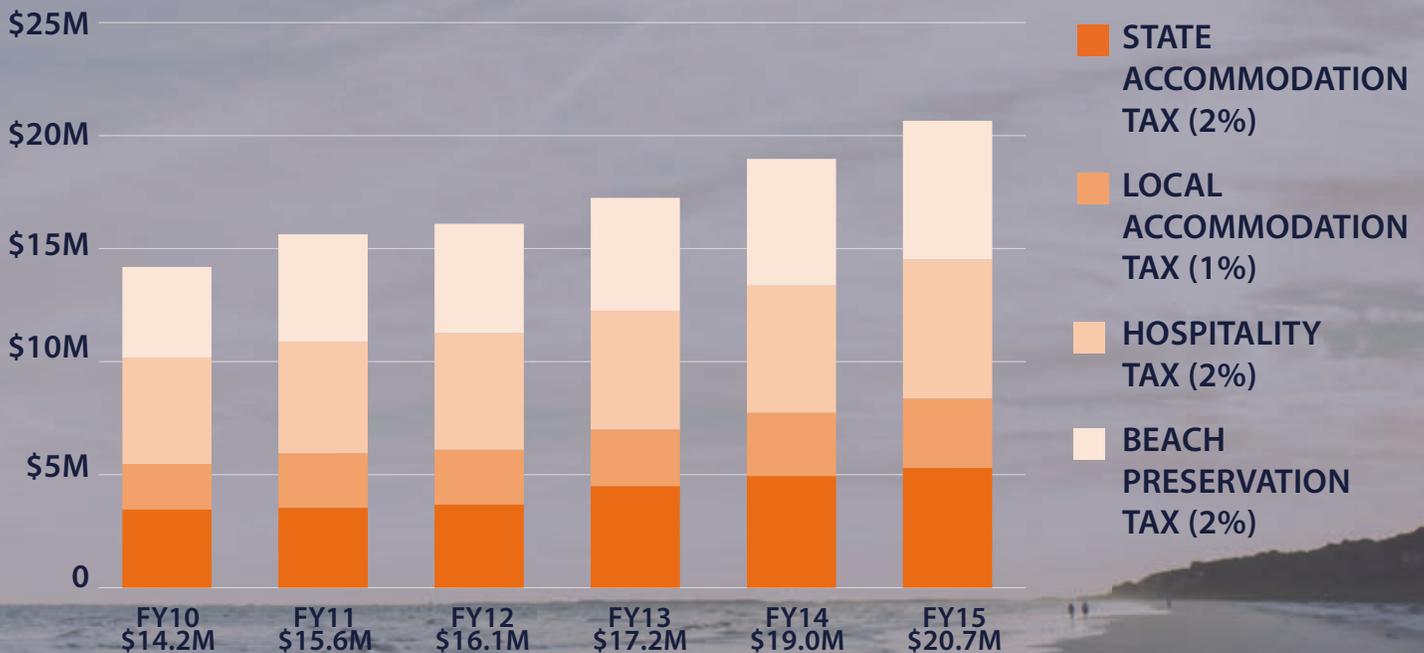
# local tax revenues generated by visitor

# 46%

ACCOMMODATION & HOSPITALITY TAX UP OVER 5 YEARS

Source: Town of Hilton Head Island

## TOWN OF HHI ATAX and HTAX COLLECTIONS



# number of visitors

# 2.65 MILLION

RECORD NUMBER OF VISITORS IN 2015

Source: DestiMetrics / STR Two Source Report / USCB

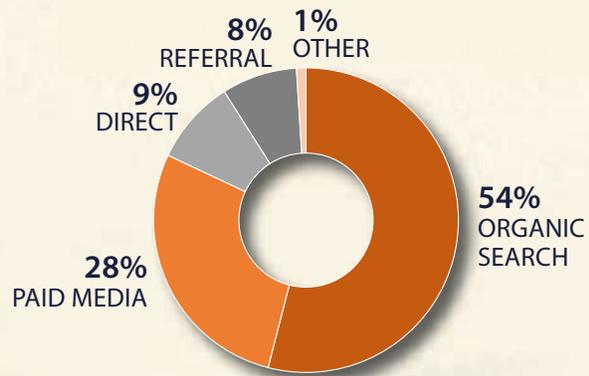
# number of referrals, website hits and click throughs made to area businesses

The Hilton Head Island website is our virtual storefront. The website serves as the window into our brand and plays an integral part in the travel ribbon process. The measures of success are important key indicators of overall brand health and allows insight into visitor behavior. The insight and data taken from this platform allows for us to better serve our partners, anticipate trends and react to consumer behavior.

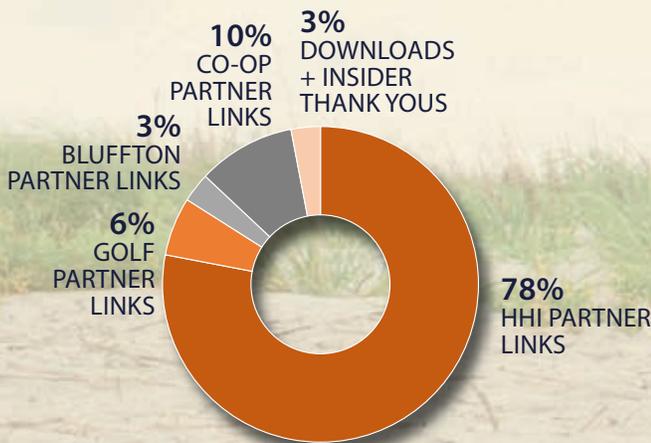
## VISITS BY SOURCE

**82%**  
WEBSITE TRAFFIC FROM  
PAID/ORGANIC SEARCH

**+615.9K**  
2015 PAID MEDIA VISITS



## CONVERSION RATE OVERVIEW

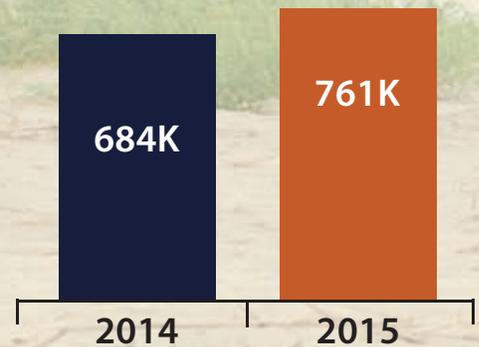


**782,698**  
CONVERSIONS  
(UP 8% vs previous year)

**35.8%**  
CONVERSION RATE

## PARTNER LINK DETAIL

**11% ↑**  
INCREASE



# numbers related to mail fulfillment

The Hilton Head Island Vacation Planner, our comprehensive guide to help the visitor plan and envision their vacation here on Hilton Head Island, is our primary print fulfillment piece.

We receive requests for this piece from multiple platforms; online, media and home inquiries. In addition, we also distribute the planner to state and local welcome centers, along with trade shows and promotional events.

To cater to our golf specific visitors, we offer our Hilton Head Island, Golf Island planner. This planner can be requested through the same channels as our Vacation Planner.

The production, fulfillment and management of our Vacation Planners is a partnership between Kennickell, our fulfillment and asset inventory partner, Impact Golf and our VCB Staff.



**73,700**

**HILTON HEAD ISLAND  
VACATION PLANNERS AND  
THE GOLF ISLAND  
BROCHURES MAILED**



# industry awards received for marketing & public relations efforts

---

With 1,265 stories and mentions about Hilton Head Island in national print, digital and broadcast media including the Today Show, USA Today, National Geographic Traveler and HGTV, it was a banner year for destination PR coverage.

**#2 ISLAND**  
IN NORTH AMERICA  
& CANADA

- *Travel + Leisure's*  
*World's Best Awards*

10 BEST: READER'S  
CHOICE AWARDS  
**BEST U.S.**  
**ISLANDS**

- *USA Today*

**MOST**  
**INSTAGRAMMED**  
PLACES IN THE U.S.

- *TIME Magazine*

**TOP 10**  
**ISLANDS**  
**IN THE U.S.**

- HILTON HEAD ISLAND

- *TripAdvisor*

**BEST GOLF**  
**GETAWAYS**  
FOR SPRING

- *U.S. News & World Report*

**5 GREAT**  
**SOUTHERN**  
**RESORTS**  
FOR FAMILIES THIS  
SUMMER

- *Huffington Post*

#5 BEST PICK FOR  
THE **PERFECT**  
**DESTINATION**  
**SPA**

- *Travel + Leisure*

#6 RESORT IN THE  
U.S. FOR **FAMILY**  
**TRAVEL**

- SEA PINES RESORT

- *Travel + Leisure's*  
*World's Best Awards*

They Call It

ONE OF THE **TOP 10 ISLANDS**  
IN THE UNITED STATES



**#7 U.S. DESTINATION  
ON THE RISE**

- *Fodor's Travel-Where Do  
Americans Want to Go*

**BEST  
TRIPS 2015**

- **HILTON HEAD ISLAND**  
- *National Geographic*

**BEST  
BEACHES  
IN SOUTH CAROLINA**

- *The Travel Channel*

**PALMETTO DUNES  
TOP 50 TENNIS  
RESORTS  
IN THE WORLD**

- *Tennis Magazine*

**BEST TRIPS:  
TOP 10 LIST**  
- **HARBOUR TOWN  
GOLF LINKS**

- *Golf Magazine's Most Influential  
Designs You Can Play*

**TOP 25  
BIKE-FRIENDLY  
COMMUNITIES**

- *the Nation-League of American  
Bicyclists Gold Award*

**THE #1 MOST  
POPULAR  
ISLAND**  
FOR SUMMER VACATION

- *Yahoo.com*

**HILTON HEAD ISLAND  
FEATURED ON THE  
TODAY SHOW  
ROKERTHON**  
WEATHER BROADCAST

- *NBC Today Show*

# number of jobs created by tourism

---

This study of the economic and fiscal impact of spending by tourists to Hilton Head Island in the year 2015 was performed by Regional Transactions Concepts, LLC, in association with Dr. John Salazar of the Lowcountry and Resort Islands Tourism Institute (LRITI) at the University of South Carolina, Beaufort.

The 12,740 jobs that comprise the estimated total employment impact generated by the five combined visitor segments in 2015 represent 13.4 percent of all jobs in Beaufort County. Given this impact, tourism is clearly a major driver in the Beaufort County economy.

# 12,740 JOBS

GENERATED FROM  
HILTON HEAD ISLAND TOURISM

*Source: 2015 Lowcountry and Resort Islands Tourism Institute*



# Chamber events



**80**  
CHAMBER  
EVENTS HELD



- Business Golf Classic
- Chamber Ball
- Coffee Talk
- Conversation & Cocktails
- Executive Connection
- Government Affairs
- Leadership/Jr. Leadership
- Prime of Life Showcase
- Restaurant Week
- Ribbon Cuttings
- Small Business Week
- State of the Region
- Taste of the Season
- Tech Tuesdays
- Young Professionals



**4200**  
PARTICIPATION IN EVENTS BY  
CHAMBER MEMBERS



# media impressions and the dollar equivalent

The chamber's communications team tracks all print, digital and broadcast mentions and stories about Hilton Head Island. Hosting visiting journalist and social influencers, meeting with editors of some of the nation's top-tier publications, working with broadcast crews and actively pitching story ideas about the destination are all part of the chamber's daily public relations outreach efforts in partnership with Weber Shandwick, one of the world's leading travel public relations firms.

1,265

STORIES & MENTIONS

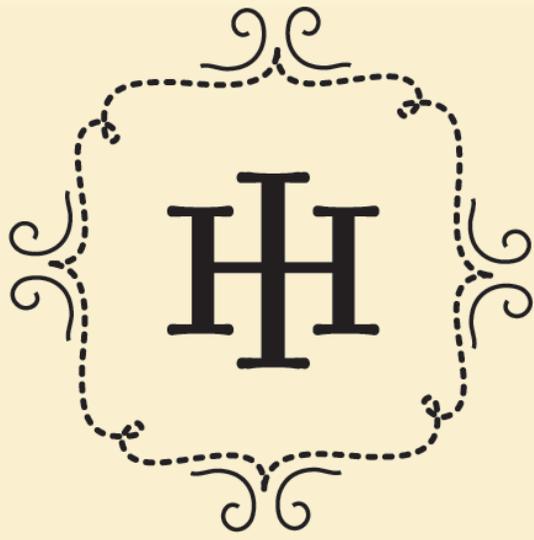
862,989,094

MEDIA IMPRESSIONS

\$22,750,834

AD EQUIVALENCY





ONE CHAMBER OF COMMERCE DRIVE | HILTON HEAD ISLAND  
THINKHILTONHEADISLAND.ORG

