

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

**Date:** April 9, 2010 **Time:** 9:00 a.m.

**Members Present:** Willis O. Shay, *Chairman*, John Diamond, *Vice-Chairman*, Louise Miller Cohen, Bret Martin, John Munro, Frank Soule

**Members Absent:** Michael A. Keskin

**Staff Present:** Steve Riley, *Town Manager*; Susan Simmons, *Director of Finance*; Brian Hulbert, *Staff Attorney*; Debra Cyrilla, *Accounting Specialist*

**Others Present:** Mayor Tom Peeples; Ken Heitzke, *Mayor Pro-tempore*; John Safay, *Councilman*; Drew Laughlin, *Councilman*; George Williams, Jr., *Councilman*; Stewart H. Rodman, *Beaufort County Councilman*; Bill Miles, Susan Thomas, Other Staff Members, *Hilton Head Island-Bluffton Chamber of Commerce*; Ann-Marie Adams, Tony Fazzini, Ken Nason, *Hilton Head Hospitality Association*; Various members of the public and representatives from many of the organizations who applied for ATAX Grants

**Media:** Josh McCann, *Island Packet*

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**I Call to Order:**

The meeting was called to order at 9:00 A.M.

**II 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.

**III Approval of Minutes:**

Mr. Diamond moved to approve the Minutes of March 3, 2010. Mr. Martin seconded the motion. The Motion passed unanimously. (6-0)

**IV Chairman's Report**

Mr. Shay reviewed the purpose of the meeting.

**V Unfinished Business:** None

**VI New Business:**

**a) Review event advertising and destination marketing.**

Mr. Shay asked Susan Thomas of the Hilton Head Island-Bluffton Chamber of Commerce and Visitor's and Convention Bureau to speak on behalf of the Chamber in regards to the questionnaire that was sent to all Accommodations Tax Grant applicants. Ms. Thomas spoke about the competitive set report that the Chamber's staff put together comparing other destination marketing organization's use of funds to promote

festivals and events. She also spoke about the partnership the Chamber has with the University of South Carolina Beaufort for research and onsite surveys at events and festivals. The Chamber invites event producers in the community to market their event on the visitor part of the Chamber/VCB website free of charge by posting their events through a back end portal. A Chamber membership is not necessary to post an event. The Chamber has co-op packages available for advertising and they are working on their website to make it more user friendly and to further promote local events. A Chamber-sponsored free workshop is planned for the fall of 2010 on how to promote events. Comments and questions were taken from those attending the meeting.

**b) Review of Chamber of Commerce Visitors and Convention Bureau's proposal for year 2010-2011; budget of expenditures of 30% allocation of State Accommodations Tax Funds for advertising of tourism.**

David Tigges, Chairman of the Board of the Hilton Head Island-Bluffton Chamber of Commerce, Ray Deal, Controller of the Chamber and Bill Miles, CEO and President of the Chamber answered questions from the Committee regarding Mr. Miles' and Susan Thomas' compensation and how those figures were determined. Mr. Tigges then answered questions regarding time and salary allocations to the VCB. There was some discussion on the composition of the board of directors as well as policies or considerations for Chamber members versus non-Chamber members. Mr. Soule asked for an explanation as to the advantages of having the Chamber and VCB together versus separately. Mr. Miles and Mr. Tigges explained that separating the two would not be as cost effective and that the Chamber/VCB would not be as strong if separated, especially since Hilton Head Island's economy is primarily driven by tourism.

Susan Thomas presented the Chamber/VCB's budget and marketing plan. This year they did a great deal of research on what the market is doing and where the best marketing opportunities are. They have done a competitive destinations comparison and a very extensive visitor profile study. Susan explained how they determined which groups to target. They are engaging in a \$1.1 million dollar national media campaign specifically for Hilton Head Island. Attendees were given a chance to give comments and present questions to the Chamber.

**c) Review of Hilton Head Hospitality Association's proposal for year 2010-2011; budget of expenditures of 5% allocation from local 1% Accommodations Tax Revenue for promotion of festivals.**

Ann-Marie Adams, Executive Director of the HHHA, Ken Nason, Chairman of the Festivals Marketing & Events Committee for the HHHA and Tony Fazzini, President of the Board of Directors for the HHHA reviewed the festivals the HHHA sponsors. Mr. Nason expressed his concern that the Wine and Food Festival is not growing in numbers of attendees, primarily because of lack of funds to market the event. Mr. Fazzini spoke about the close relationship the HHHA has with the Chamber and reviewed the budget for the two festivals. HHHA is currently engaged in a co-op agreement with the Chamber, but it is not enough to increase attendance. They would like to receive more funding to execute a marketing strategy for these events. There was some discussion of whether state ATAX grants or increasing the 5% of the 1% local ATAX is appropriate. It was determined that HHHA could apply for state ATAX

funding for marketing and advertising only. HHA would have to contact Town Council to request a percentage increase of the 1% local tax.

After discussion the Committee decided to schedule another meeting after additional information regarding Chamber salary comparisons with other Chamber/VCB's and competitive set comparisons have been received and reviewed. At the next meeting, the Committee will determine whether it will recommend to Council that the same organizations continue to receive the 30% of state ATAX and 5% of the 1% local ATAX. The Committee will also determine what to recommend to Town Council regarding event advertising and destination marketing.

**VII Adjournment:**

Mr. Martin moved to adjourn the meeting. Mr. Soule seconded the Motion. The meeting was adjourned at 1:20 p.m.

**Approved:**

**Respectfully submitted:**

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**Willis O. Shay, Chairman**

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**Debra Cyrilla, Secretary**