

**TOWN OF HILTON HEAD ISLAND  
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING**

**Date:** September 20, 2016 **Time:** 2:00 p.m.

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

**Members Absent:** None

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

**Others Present:** David Ames and Kim Likins *Council Members*; Stew Brown and Mike Alsko, *ATAC Committee Members*; Eleanor O’Key, *Lowcountry Inside Track*; Charles Brown, *Marriott*; Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce* and other members of the community.

**Media:** None

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**1. Call to Order:**

The meeting was called to order at 2:02 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. Harkins moved to approve the minutes from the Finance and Administrative Committee Meeting on September 13<sup>th</sup> at 10:00 a.m. Mr. Lennox seconded, and the motion passed with a vote of 3-0.

**4. Unfinished Business:**

None

**5. New Business:**

**a. General Discussion Regarding the 2017 Accommodations Tax Application-“Tourist v. Visitor.**

Susan Simmons, Director of Finance, explained to the Committee Members the difference between a tourist and visitor based on the Tourism Expenditure Review Committees (TERC) guidelines. Ms. Simmons stated that any person traveling over 50 miles is considered a tourist. This guideline is based on TERC’s guidance however, they cannot enforce it. She stated that based on the questions received at a previous Accommodations Tax Advisory Committee (ATAC) meeting, the Committee Members decided that the 2017 application should be amended to ask specifically how many patrons are visitors (outside Town limits) and how many would be considered tourists (beyond 50 miles). Based on the Annual Report submitted to TERC each year, Ms. Simmons stated that there have not been many questions regarding the awarding since 2012 (when the Town began reimbursing and reporting based on the tourism percentage (using

the visitor information) and by category). The Arts & Cultural activities provided for visitors are important to the Town whether they are major tourist drivers or enhancers to our area. She also shared with the Committee that each application is toughly screened by staff and also the ATAC Committee members prior to awarding to ensure that each applicant is qualified for the reimbursement. During this process if staff or members of the Committee finds an application in question; they often seek guidance from TERC to prevent questions later. Ms. Simmons informed the Committee that if TERC finds that the Town has not properly spent Accommodations Tax funding, it has the authority to withhold future funding. Stewart Brown and Mike Alsko, Chairman and Vice-Chair of the ATAC Committee shared their thoughts with the Committee regarding revising the application to be more specific and to not only capture the total number of tourists served but also the total number of visitors served. Both felt that this change would help in the awarding process to be able to show the variance of the visitors and tourists. Tom Lennox, Committee Member agreed with the ATAC Committee members and felt that the definition of visitor is very broad and appreciated the changes made to better clarify for not only the applicants but also for the annual reporting to TERC. Mr. McCann thanked all in attendance for their time and efforts on the subject.

**b. Proposed 2017 Finance & Administrative Committee Meeting Dates.**

Mr. Harkins moved to approve the 2017 Finance and Administrative Committee Meeting dates. Mr. Lennox seconded, and the motion passed with a vote of 3-0.

Mr. McCann made a motion to amend the agenda to add “General Discussion of Proposed Ordinances 2016-27, 2016-28, 2016-29 and 2016-30” to the agenda. Mr. Harkins moved to approve the amended agenda. Mr. Lennox seconded, and the motion passed with a vote of 3-0.

Susan Simmons, Director of Finance, conducted an overview of each proposed budget ordinance that would be discussed at the Town Council meeting later that afternoon:

**First Reading of Proposed Ordinance 2016- 27:** This proposed ordinance would amend Fiscal Year 2016 budgets to account for changes needed late in this fiscal year.

**First Reading of Proposed Ordinance 2016- 28:** First Reading of Proposed Ordinance 2016-28 to amend the budget for the Fiscal Year ending June 30, 2017; to provide for roll forward of prior year encumbrances and related revenues.

**First Reading of Proposed Ordinance 2016-29:** This proposed ordinance to amend the budget for the Fiscal Year ending June 30, 2017; provides for budget roll-forwards of expenditures for projects not started or finished in the prior year which are still planned for fiscal year 2017.

**First Reading of Proposed Ordinance 2016-30:** This proposed ordinance amends the budget for the Fiscal Year ending June 30, 2017 to provide for the expenditures and revenues for projects which already need changes in the new year.

Mr. McCann thanked Ms. Simmons for her time and efforts in discussing the proposed budget ordinances.

**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:** January 17, 2017

**Respectfully submitted:**

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**John McCann, Chairman**

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**Cindaia Ervin, Secretary**