Town of Hilton Head Island

Finance and Administrative Committee Meeting

Tuesday, July 9, 2024, 10:00 AM
1 Town Center Court, Hilton Head Island, SC
Benjamin M. Racusin Council Chambers

The meeting can be viewed on the Town's YouTube Channel, the Beaufort County Channel, and Spectrum Channel 1304.

1. **Call to Order**
2. **Adoption of the Agenda**
3. **Approval of the Minutes**
   a. Regular Meeting Minutes of April 9, 2024
4. **New Business**
   a. Consideration of a Resolution Authorizing the Town Manager to Execute an Intergovernmental Agreement with Beaufort County for the William Hilton Parkway Safety and Pedestrian Improvements from Beach City Road to Dillon Road and along Palmetto Bay Road - Bryan McIlwee, PE, Director of Engineering

   b. Town of Hilton Head Island Finance Director Introduction - Adriana Burnett, Finance Director
5. **Public Comment - Non Agenda Items**
6. **Adjournment**

FOIA Compliance: Public notification of this workshop has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the Town of Hilton Head Island will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. Auditory accommodations are available. Any person requiring further accommodation should contact the Town of Hilton Head Island ADA Coordinator as soon as possible but no later than 48 hours before the scheduled event.

Municipal Association of South Carolina (MASC) Civility Pledge:
“I pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others and their viewpoints, and finding solutions for the betterment of my city or town.”

Town of Hilton Head Island FINANCE AND ADMINISTRATIVE COMMITTEE MEETING Tuesday, April 9, 2024, 10:00 AM Minutes

Call to Order

Chair Brown called the meeting to order at 10:00 a.m.

Committee Members present: Alex Brown, Chair, Ward 1; Steve Alfred, Ward 5; David Ames, Ward 3; Glenn Stanford, Ward 6; Tamara Becker, Alternate, Ward 4

Adoption of the Agenda

Mr. Ames moved to approve. Mr. Alfred seconded. Motion carried 4-0.

Approval of the Minutes

Regular Meeting Minutes of March 12, 2024

Mr. Ames moved to approve. Mr. Alfred seconded. Motion carried 3-0-1 (Stanford abstained as he was not present at the meeting).

Appearance by Citizens

None.

Presentations and Recognitions

Town of Hilton Head Island Fiscal Year 2024 Year to Date Update - Jeff Herriman, Treasurer

Mr. Herriman conducted a presentation with the following information.

Key Issues

- During the December to February period, a significant portion of the annual property taxes are remitted to the Town by the County.
- Through February, 101% of General Fund budgeted property taxes have been remitted to the Town by the County.
- Business License receipts, the second largest single source of income, are received mainly during the fourth quarter of the fiscal year.
- General Fund expenses, which are predominantly personnel related, are incurred more evenly throughout the fiscal year.
- Year-to-date results are in line with expectations.

General Fund – Revenues and Transfers In

	FY 2024			
	BUDGET	Y-T-D	$ VARIANCE	% OF BUDGET
Revenues and Transfers In:				
Real and Personal Property Taxes	$ 16,942,000	$ 17,134,468	$ 192,468	101%
Business Licenses	12,421,015	3,542,169	(8,878,846)	29%
Franchise Fees - Cable	967,752	576,156	(391,596)	60%
Franchise Fees - Beach	52,650	58,270	5,620	111%
Permits	1,979,200	1,789,007	(190,193)	90%
State Shared Funds	926,755	698,600	(228,155)	75%
Public Safety	-	1,440	1,440	0%
EMS	2,117,000	1,416,476	(700,524)	67%
Beach Fees	243,000	112,352	(130,648)	46%
Accommodations Tax - Local	7,034,520	3,669,858	(3,364,662)	52%
Miscellaneous Revenue	345,129	267,750	(77,379)	78%
Investment Income	585,000	1,371,625	786,625	234%
Subtotal	**43,614,021**	**30,638,171**	**(12,975,850)**	**70%**
Transfers In & Other:				
Short Term Rental	1,750,000	583,333	(1,166,667)	33%
Accommodations Tax - State	3,515,021	2,249,684	(1,265,337)	64%
Hospitality Tax	5,062,424	3,374,950	(1,687,474)	67%
Beach Preservation Fees	1,983,508	1,322,339	(661,169)	67%
TIF Tax	110,000	73,333	(36,667)	67%
Stormwater Utility	125,000	83,333	(41,667)	67%
Capital Projects	-	-	-	0%
Electric Franchise Fees	540,603	360,402	(180,201)	67%
Sale of Equipment/Vehicles	-	7,247	7,247	0%
Total Revenues & Transfers In	**56,700,577**	**38,692,792**	**(18,007,785)**	**68%**

General Fund – Expenditures and Transfers Out

	FY 2024			
	BUDGET	Y-T-D	$ VARIANCE	% OF BUDGET
Expenditures:				
Town Council	450,842	330,768	(120,074)	73%
Town Manager	1,698,127	1,219,588	(478,539)	72%
Administration/Legal	6,356,000	4,215,787	(2,140,213)	66%
Finance	2,667,700	1,668,014	(999,686)	63%
Community Development	4,886,012	3,078,346	(1,807,666)	63%
Public Projects and Facilities	8,770,478	5,203,208	(3,567,270)	59%
Public Safety	1,490,215	821,054	(669,161)	55%
Fire Rescue	21,146,990	13,105,393	(8,041,597)	62%
Townwide	7,514,613	4,827,026	(2,687,587)	64%
Transfers Out:				
Housing	2,000,000	2,000,000	-	100%
Economic Development Corporation	-	-	-	0%
Sale of Land	1,000,000	1,000,000	-	100%
Total Expenditures & Transfers Out	**57,980,977**	**37,469,184**	**(20,511,793)**	**65%**

Capital Projects Fund Budgets and Actual - FY24 – through February (8th period)

	Original Budget	Actual	Commitments	Variance with Amended Positive (Negative)
Expenditures:				
Park Development	9,129,500	1,025,075	1,207,676	6,896,749
Land Acquisition	400,000	11,750,034	19,399	(11,369,433)
Beach Maintenance	4,556,000	1,444,995	1,373,409	1,737,596
Facilities Improvements	14,033,116	2,529,854	8,494,398	3,008,864
Roadway Improvements	6,204,465	1,093,813	1,775,066	3,335,586
Stormwater Projects	860,000	85,874	311,536	462,591
Pathway Improvements	4,810,000	523,899	890,460	3,395,641
Total Expenditures	**39,993,081**	**18,453,544**	**14,071,944**	**7,467,594**

FY24 Land Acquisitions -- $11,688,000

- Bryant Road -- $3,400,000
- Shelter Cove Lane -- $3,938,000
- Matthews Drive -- $350,000
- Pope Avenue -- $4,000,000

Investment Summary

Summary of the investments and interest income earned by the Town in the South Carolina Local Government Investment Pool (LGIP) and in Wells Fargo Securities. The total invested on February 29, 2024 was $223,579,149 as detailed below.

LGIP

- Total amount invested with LGIP at 2/29/24 was $73,974,322
- The average interest rate for the Investment Pool account decreased slightly from 5.6111% for January to 5.5687% for February

Wells Fargo Securities

- Total Market Value of Treasury Bills/Treasury Notes/Agency Securities outstanding was $149,604,827
- Maturity dates range from 3/13/2024 to 8/15/2025 and the yields range from 4.013% to 5.407%

Interest Earned – All Funds

- Total Interest Earned in all funds, including LGIP interest, WF Securities Mark to Market adjustments, Treasury Notes, and Federal Agency Securities semi-annual interest, and Wells Fargo Bank interest and service charges totaled $6,961,509 for

YTD FY 24

Ad Valorem Tax Revenue - General Fund Revenues by Month/Fiscal Year									
Fiscal Year	July	August	September	October	November	December	January	February	**Total**
2015	38,766	40,487	78,203	1,930	65,991	1,847,436	8,174,584	801,920	**11,049,317**
2016	54,378	56,645	44,580	242,654	1,035,837	-	5,130,332	5,204,417	**11,768,843**
2017	-	45,492	151,125	96,211	1,256,627	124	5,313,733	5,282,564	**12,145,876**
2018	-	50,808	137,351	72,190	234,127	1,457,685	6,249,336	4,588,002	**12,789,499**
2019	-	91,400	156,556	97,341	300,315	1,050,641	6,248,987	5,499,525	**13,444,765**
2020	-	78,876	117,043	77,560	219,771	1,076,800	6,888,648	6,055,546	**14,514,244**
2021	-	129,642	134,157	78,169	71,690	1,220,574	2,394,688	5,006,290	**9,035,210**
2022	-	123,150	130,348	88,593	196,604	2,283,332	6,049,595	6,239,459	**15,111,081**
2023	-	109,860	128,669	92,597	213,772	2,325,313	6,511,449	6,656,198	**16,037,858**
2024	-	82,227	125,358	101,124	210,816	949,509	5,054,418	10,611,016	**17,134,468**

Business License Revenue - General Fund Revenues by Month/Fiscal Year									
Fiscal Year	July	August	September	October	November	December	January	February	**Total**
2015	79,439	46,277	37,406	54,303	29,975	51,227	357,876	519,711	**1,176,214**
2016	27,568	80,864	36,572	29,088	27,176	38,215	548,654	602,120	**1,390,257**
2017	64,509	86,648	59,972	86,132	28,244	29,660	520,807	583,336	**1,459,308**
2018	67,290	30,256	20,838	28,558	18,345	30,319	651,902	620,383	**1,467,891**
2019	120,174	97,474	21,523	18,774	32,052	35,040	462,293	709,984	**1,497,314**
2020	66,795	70,285	28,064	22,083	18,401	56,975	677,419	756,256	**1,696,278**
2021	24,115	328,495	1,155,774	28,558	19,766	20,679	794,863	672,581	**3,044,831**
2022	87,288	1,720,313	62,727	16,434	33,564	32,331	673,839	755,432	**3,381,928**
2023	155,970	164,738	175,702	49,355	61,981	92,114	462,002	943,435	**2,105,297**
2024	422,122	98,915	1,065,622	244,951	26,523	44,117	607,225	1,032,694	**3,542,169**

Local ATAX Revenue - General Fund Revenues by Month/Fiscal Year									
Fiscal Year	July	August	September	October	November	December	January	February	**Total**
2015	(614)	66,510	88,566	1,159,004	45,603	18,112	261,750	14,873	**1,653,804**
2016	(815)	67,305	56,154	1,229,155	57,316	23,698	270,942	14,323	**1,718,078**
2017	(2)	104,685	75,399	1,037,898	266,822	22,416	247,350	24,056	**1,778,624**
2018	121	81,067	50,523	1,274,638	60,517	23,190	329,491	17,387	**1,836,934**
2019	35	110,663	69,539	1,281,174	52,300	25,754	336,642	26,974	**1,903,081**
2020	12	129,431	89,668	1,329,949	77,316	55,716	345,905	43,515	**2,071,512**
2021	(172)	324,378	216,254	1,418,057	172,710	63,485	487,871	50,275	**2,732,858**
2022	(14)	441,439	295,412	2,002,671	162,533	89,918	631,573	68,814	**3,692,346**
2023	1,928	508,911	242,573	2,016,867	168,393	101,920	593,739	68,526	**3,702,857**
2024	(245)	558,108	247,272	1,996,743	163,316	73,720	565,924	65,020	**3,669,858**

Real Estate Transfer Fee Revenue Revenues by Month/Fiscal Year									
Fiscal Year	July	August	September	October	November	December	January	February	**Total**
2015	221,317	199,496	188,301	253,080	150,389	268,055	160,395	114,066	**1,555,099**
2016	234,595	279,002	202,973	216,847	167,854	261,485	229,220	198,334	**1,790,310**
2017	211,072	245,654	244,422	174,911	178,434	226,500	199,693	169,245	**1,649,931**
2018	264,872	340,779	262,410	335,365	223,959	264,198	265,998	199,667	**2,157,248**
2019	296,001	313,882	206,316	320,404	263,233	289,595	218,269	175,129	**2,082,829**
2020	351,658	300,875	296,053	339,361	252,246	301,810	310,098	191,741	**2,343,842**
2021	507,895	633,339	590,226	704,857	555,031	668,553	426,367	393,801	**4,480,069**
2022	658,402	625,669	553,975	562,174	565,490	570,232	500,286	412,086	**4,448,314**
2023	502,466	382,365	499,057	432,972	354,800	340,135	267,280	268,133	**3,047,208**
2024	434,928	423,083	460,863	375,976	327,580	311,280	331,156	396,177	**3,061,043**

Hospitality Tax Revenue
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	October	November	December	January	February	Total
2015	-	263,460	250,552	1,376,186	210,948	135,505	782,101	115,615	**3,134,367**
2016	(2,451)	296,736	254,972	1,473,719	215,836	143,710	831,682	135,776	**3,349,980**
2017	(112)	307,641	266,071	1,280,180	386,522	172,512	732,298	144,942	**3,290,054**
2018	(1,896)	350,984	272,962	1,354,343	305,889	176,091	863,424	184,537	**3,506,334**
2019	(9,311)	519,830	311,840	1,442,824	308,357	184,810	940,109	171,194	**3,869,653**
2020	(1,966)	440,781	322,265	1,533,954	320,714	193,848	996,593	172,646	**3,978,835**
2021	(1,066)	479,724	302,201	1,465,205	353,444	176,301	1,005,209	153,767	**3,934,785**
2022	-	640,898	432,750	1,964,624	379,533	264,776	1,239,280	298,836	**5,220,697**
2023	-	678,986	420,270	2,000,402	434,292	293,276	1,320,673	248,272	**5,396,171**
2024	3,569	675,017	446,721	2,123,476	434,832	248,995	1,329,707	230,126	**5,492,443**

Beach Preservation Fee Revenue
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	October	November	December	January	February	Total
2015	(1,229)	133,020	177,134	2,318,006	91,207	36,223	523,502	29,746	**3,307,609**
2016	(1,630)	134,604	112,309	2,458,309	114,632	47,395	541,885	28,645	**3,436,149**
2017	(6)	209,371	150,800	2,075,794	533,645	44,832	494,699	48,112	**3,557,247**
					8%				
2018	241	162,135	101,045	2,549,276	121,035	46,379	658,983	34,774	**3,673,868**
2019	70	221,325	139,080	2,562,348	104,599	51,408	673,384	53,947	**3,806,161**
2020	24	258,863	179,335	2,659,898	154,633	111,430	691,810	87,032	**4,143,025**
2021	(344)	648,756	432,509	2,836,113	345,421	127,533	975,178	100,550	**5,465,716**
2022	(28)	882,878	590,824	4,005,343	325,065	179,837	1,263,145	137,627	**7,384,691**
2023	-	1,021,679	485,145	4,033,734	336,786	203,840	1,187,478	137,051	**7,405,713**
2024	(490)	1,116,704	494,055	3,993,487	326,632	147,441	1,131,847	130,040	**7,339,716**

Committee members asked questions, made comments and held discussion regarding the presentation.

New Business

Consideration of Award Recommendations for the Fiscal Year 2024-2025 Affiliated Agency Budget Request - Memory Matters - Jeff Herriman, Treasurer

Representative from Memory Matters conducted a presentation regarding the need for funding regarding their services and needs within the community. It was explained the funding request would be used to assist families who cannot afford any of the fee-based programs which includes the elderly memory loss class, some educations classes and the adult day programs.

Committee members asked questions, made comments and held discussions regarding: concern regarding the program staying on Hilton Head Island; confirmation by Memory Matters representatives they intend to stay on the Island and commit the funds to Hilton Head Island residents; the need to report back to Council regarding the usage of funds; and confirmation the service is needed but concern this funding request is not the answer to how the Town would assist in their cause.

Chair Brown asked for public comment.

Angie Hutchins addressed the Committee regarding her concern that healthcare is failing and the need to assist in supporting a healthy environment for the residents of Hilton Head Island. She suggested looking into available space at the Senior Center.

Chair Brown invited Mr. Herriman to explain the funding. Mr. Herriman provided background regarding the request and noted the following.:

For reference, an Affiliated Agency is defined as an integral partner contracted by the Town to deliver services that benefit the public on the Town's behalf. The funding review process is conducted with a commitment to transparency and accountability, and is guided by the following criteria to assess the public purpose served by each project:

- Clear Public Goal or Benefit: Evaluation of the presence of a distinct goal or benefit to the public resulting from the proposed project.
- Primary Beneficiary: Assessment of the extent to which public or private parties will be primary beneficiaries of the project.
- Speculation Level: Consideration of the level of speculation inherent in the project to determine its feasibility and potential impact.
- Probability of Public Interest: Evaluation of the overall probability that the public interest will be served, and the degree to which it will be served.

A summary of all Affiliated Agency funding requests that were received for Fiscal Year 2025 and the Committee's recommendations from the March 12, 2024, meeting are as follows:

Town of Hilton Head Island
Affiliated Agency Funding Requests FY 2024 and FY 2025

	FY 2024		FY 2025		
	Applicant Request	Adopted Budget	Applicant Request	F & A Recommend-ation	Adopted Budget
Hilton Head Island Recreation Association	$ 1,123,766	$ 1,123,766	$ 1,167,366	$ 1,167,366	
Coastal Discovery Museum	$ 102,432	$ 102,432	$ 107,700	$ 107,700	
Mitchelville Preservation Project	$ 105,000	$ 105,000	$ 105,000	$ 105,000	
USCB Event Management & Hospitality Training	$ 238,985	$ 238,985	$ 235,000	$ 235,000	
LRTA - Palmetto Breeze	$ 249,911	$ 277,842	$ 253,595	$ 253,595	
14th Circuit Solicitor - Multidisciplinary Court	$ 50,000	$ 50,000	$ 50,000	$ 50,000	
14th Circuit Solicitor - Career Criminal Program	$ 118,500	$ 118,500	$ 118,500	$ 118,500	
Beaufort County Economic Development Corporation	$ 40,000	$ 40,000	$ 40,000	$ 40,000	
Hilton Head Regional Habitat for Humanity	$ 500,000		$ -	$ -	
Beaufort Jasper Economic Opportunity Commission			$ 100,000		
BlacQuity			$ 75,000		
Memory Matters			$ 50,000		
Sea Turtle Patrol Hilton Head Island		$ -	$ 73,480	$ 73,480	
Total	**$ 2,528,594**	**$ 2,056,525**	**$ 2,375,641**	**$ 2,150,641**	**$ -**

To support this effort, and to assist in the development of the Town's Fiscal Year 2025 budget, staff have prepared an assessment of the anticipated revenues for the next fiscal year. Based upon this information, staff believes that revenues for the next year will remain flat at the previous Fiscal Year 2024 budgeted levels. Because of this, any additional funding that may be recommended by the Finance and Administrative Committee will have a corresponding impact on the Fiscal Year 2025 budget development.

Curtis Coltrane was invited to explain the legal aspect of using public funds for private enterprise. Mr. Coltrane explained the Supreme Court of South Carolina has said is that the determination of whether there is a public purpose is one that initial sits with the legislative body making in, in this case, it would be the Town Council when it considers its budget that encompasses all of these things in order to make a determination on whether or not there is a public purpose to the expenditure and it serves a broader public interest.

Concluding further discussion, Mr. Standford moved the Committee recommend approval of the grant provided that a Memorandum of Understanding is negotiated with Memory Matters that assures that the funds will be applied to services to residents of Hilton head Island and related services. Motion failed for lack of a second.

It was the consensus of the Committee to discuss the issue with the Town Manager as to what was discussed at the meeting and how to move forward.

<u>Review of the 2023 Hilton Head Island Destination Marketing Organization (DMO) Industry Metrics Report - Angie Stone, Assistant Town Manager, Community Engagement</u>

Ms. Stone introduced Arian Pernice, Vice President of the Visitor & Convention Bureau of the Hilton Head Island-Bluffton Chamber of Commerce to conduct a presentation.

Ms. Pernice reviewed the statistics from each of the following areas:

DMO Report – Metric Deliverables

Visitor and Resident Satisfaction
Survey In-market Timeframe – August 28 to September 17, 2023 – 2,830 Total Respondents* (The sample size yields an error of +/- 1.77 percent points at the 95% level of confidence. This means that if the survey was to be replicated 100 times, we would expect the results to vary by no more than 1.7 percentage points 95 of those times.)
Importance of Tourism UP from Wave 1
Chamber remains top reference source residents suggest to their visitors
Traffic continues to be a top concern
Pride in residence UP while perception of safety is slightly DOWN
NPS of residents is UP from Wave 1 Residents consider themselves passionate advocates
Visitor Survey
2023 Hilton Head Island Visitor Profile Study, College of Charleston-Office of Tourism Analysis Survey in-market timeframe: January to December 2023
1,710 Visitor Respondents
Trip Characteristics
- 4.7, avg group size
- Personal car, main mode of transport
- 8.1, H&V avg length of stay
- 6.5, Hotel avg length of stay

Travel Planning
- VRBO
- Local Vacation Rental Management Companies
- Local Resort on-line booking platforms

Top Reasons for Choosing Hilton Head Island
- Beaches, Relaxation
- Family, Nature based activities
- Biking, Culinary

Travel Behaviors
- Appealing Experiences
- Important Supporting Attributes

(Revenue per available room (REVPAR)
Hilton Head Island Lodging Performance - 2-SOURCE Performance (Combined Home & Villa and Hotel Report)
• 2021 Had Strong Demand Which Resulted In an Increased Average Daily Rate
• 2022 We Saw the U.S. Opening Back Up Post COVID-19, Began to See Decrease in OCC, ADR, and RevPAR
•2023 World Was Open, Rates Right Side, Inflation, Uncertainty in Economy

Occupancy rates;
OCC – 57%/ADR- $290.00 RevPAR - $167.00

Visitor spending studies
3.61 BILLION ECONOMIC IMPACT OF HILTON HEAD ISLAND TOURISM IN 2023

Return on investment for visitor spending per dollar of investment;
For Every Tax Dollar Invested In Marketing The Destination = $24.11
Local tax revenues generated by visitors;
Up 74% - ACCOMODATION & HOSPITALITY TAX UP OVER 5 YEARS
Number of visitors;
2.98M NUMBER OF VISITORS TO HILTON HEAD ISLAND IN 2023
45.7% MALE
54.1% FEMALE
0.3% SELF IDENTIFY
86.4% MARRIED
Number of referrals made to area businesses and number of website and click through(s) made to area businesses
3.2 Million visits in 2023
1.2 Million website conversions to partners in 2023

Numbers related to mail fulfillment and other contacts;
71,792 Hilton Head Island Vacation Planners and Golf Island Brochures Mailed
Distribution touch points:
• Hilton Head Island-Bluffton Chamber of Commerce
• All State Welcome Centers
• AAA Offices
• Email/ Phone Fulfillment Requests
• Tradeshows/ Events
• Media and Public Relations initiatives

Industry awards received for marketing public relations efforts;
NAMED #1 BEST ISLAND IN THE U.S. IN THE CONDÉ NAST TRAVELER READER'S CHOICE AWARDS FOR THE 7TH YEAR IN A ROW

Other notable mentions:
NY Post - Named Among "Best Family-Friendly Vacations of 2023"
Town & Country - Named Among "The 40 Best Beaches on the East Coast"

WHY IT MATTERS
The destination's positive recognition from a reputable global media outlet, along with alignment of travel trends, signifies the success of our marketing shift, emphasizing the destination's relevance and forward-thinking approach

Number of jobs created by tourism;
40,641 JOBS GENERATEDFROM HILTON HEAD ISLAND TOURISM

TOURISM ON HHI NOW ACCOUNTS FOR 33.3%OF ALL JOBS IN BEAUFORT COUNTY

Events held and participation events by Chamber members;
83+IN PERSON + VIRTUALEVENTS
43 RIBBON CUTTINGS & GROUNDBREAKING CEREMONIES

Update on its public relations efforts to include the number of media impressions and the dollar equivalent for media impressions

6,376,960,959 IMPRESSIONS
2,138 STORIES & MENTIONS
$21,028,150.43 AD EQUIVALENCY

Committee members asked questions and made comments during the presentation. Chair Brown stated that due to the time constraint before the next scheduled meeting, discussion would take place at the conclusion of the next presentation.

<u>Consideration of a Resolution Recommending the 2024-2025 Destination Marketing Organization (DMO) Marketing Plan & Budget - Jeff Herriman, Treasurer</u>

Ms. Pernice reviewed the following destination goals:

Connect the marketing promise with the on-island experience.
Create an understanding of, and respect for our delicate ecosystem (residents & visitors).
Drive deeper discovery and exploration of our destination
Build brand awareness.
Enhance leisure & group business through qualified visitation.

She reviewed the Marketing Plan Strategies and Tactics below and provided a 2024-2025 strategic marketing roadmap along with tactical details which include the following:

Destination Website
Organic Social Media
Digital Advertising & Media Partnerships
Public Relations
Meetings and Groups
International Marketing & Vacation Planner
Destination Website & Social Media

As the Town's Designated Marketing Organization (DMO) we have the unique privilege to steward the community's identity to the world. Aligning our destination out- marketing messaging and initiatives with our destination core values of Arts/Culture, History, Culinary, Wellness, and Recreation, we are aligned with the Town and residents in efforts to ensure, enhance, and protect the quality of life for our community.

A review of the proposed budget was completed.

Committee members asked questions, made comments and held discussions regarding: the goal of having fewer visitors spending more money and/or fewer visitors in the summer and more in the other parts of the year; anticipation that in terms of metrics there would be lower occupancy and a higher RevPAR; concern over getting anything substantive out of a year over year comparison; inquiry as to any information regarding how residents perceive tourism in general; acknowledgment that a concern Is what is the appropriate level of tourism; concern over the volume and traffic due to tourism; the need for clarification on the numbers presented regarding RevPAR and occupancy decline; the need to include the park activities the Town provides in the Vacation Planner; the need to promote the history element of the community; clarification ass to how they calculated day trippers; acknowledgement of the conflicts between the expectations of most businesses on the Island and the need to continue to show profits in an everchanging world; acknowledgment of a conflict between economic expectations and quality of life and the need for balance; and expression of consideration for the efforts made to adapt and adjust the reporting so Council questions are answered along with community concerns; and encouragement for the DMO to continue working on the metrics.

Mr. Herriman provided background concerning the funding for the budget. He explained it includes $4,000,000 in revenue from the State Accommodations Tax collections. He stated staff is projecting accommodations tax revenues will be down slightly for this year compared to this year. He stated there is a projection of 12.8 million dollars in revenue and with 30% of that estimate would be $3,836,000. He reminded the Committee that the amount that gets sent to the DMO is set by State law.

Mr. Ames moved to forward the resolution to Town Council for consideration of approval. Mr. Alfred seconded.

Chair Brown asked for public comment.

Katie Henderson addressed the Committee encouraging further promotion of the RBC Heritage by utilizing the national and international market.

Melinda Tunner addressed the Committee stating her concern on the number of visitors and questioned if there was a targeted number for visitors to the Island. She encouraged partnering with the DMO to give direction as to how many tourists we are looking to target to provide clarity in balancing the quality of life for residents.

Concluding public comment, motion carried 4-0.

Adjournment

The meeting was adjourned at 12:21 p.m.

Approved:

The recording of this Meeting can be found on the Town's website at www.hiltonheadislandsc.gov

TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO:	Finance & Administrative Committee
FROM:	Bryan McIlwee, Director of Engineering
VIA:	Shawn Colin, Assistant Town Manager
CC:	Marc Orlando, Town Manager Josh Gruber, Deputy Town Manager
DATE:	July 9, 2024
SUBJECT:	Consideration of a Resolution Authorizing the Town Manager to Execute an Intergovernmental Agreement with Beaufort County for the William Hilton Parkway Safety and Pedestrian Improvements from Beach City Road to Dillon Road and along Palmetto Bay Road

RECOMMENDATION:

Consideration of a Resolution Authorizing the Town Manager to Execute an Intergovernmental Agreement with Beaufort County for the William Hilton Parkway Safety and Pedestrian Improvements from Beach City Road to Dillon Road and along Palmetto Bay Road.

BACKGROUND:

In January, 2024, Town Staff and Beaufort County began discussions relating to potential funding available for projects on Hilton Head Island. Beaufort County advised that County Impact Fee funding was available for projects that improve safety or improve capacity on William Hilton Parkway and Palmetto Bay Road with the intent that they be completed by October 2024.

The two projects recommended by Staff are projects that meet the criteria and can be accomplished by the October 2024 deadline:

- William Hilton Parkway - Northridge Area Segment 3 Safety Improvements

  This project will update crosswalk pavement markings and replace existing pedestrian crossing signs with a push button rectangular rapid flashing beacon (RRFB).

- William Hilton Parkway and Palmetto Bay Road Intersection Safety Improvements, Signage and Pavement Marking

This project will update pavement markings, street signs, and make minor safety improvements to intersections.

The IGA is in the amount of $600,000 and was unanimously approved by Beaufort County Council on April 8, 2024.

SUMMARY:

Recommendation of the Resolution authorizing the Town Manager to execute an IGA with Beaufort County will allow Staff to implement the safety and pedestrian improvements from Beach City Road to Dillon Road and along Palmetto Bay Road to meet the October 2024 deadline.

ATTACHMENTS:

1. Resolution
2. Intergovernmental Agreement with Beaufort County

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE TOWN MANAGER TO EXECUTE AND DELIVER AN INTERGOVERNMENTAL AGREEMENT WITH BEAUFORT COUNTY, SOUTH CAROLINA CONCERNING THE WILLIAM HILTON PARKWAY PEDESTRIAN AND SAFETY IMPROVEMENTS.

WHEREAS, the Town of Hilton Head Island, South Carolina, (hereinafter referred to as the "Town"), has a need for safety improvements and pedestrian accommodations along certain sections of William Hilton Parkway (US Highway 278) at areas located within the municipal limits of Town of Hilton Head Island; and

WHEREAS, the County collects development impact fees in accordance with the Beaufort County Code of Ordinances, Chapter 82 - Impact Fees, and such fees may be expended on qualifying capital or system improvements, that address safety and capacity, in jurisdictions from which they were collected. The planned safety and pedestrian improvements on William Hilton Parkway are qualifying projects; and

WHEREAS, Beaufort County has a 2024 Fiscal Year balance of $600,000.00 in Traffic Impact Fees that must be allocated to qualifying projects within the Hilton Head Island – Daufuskie Island jurisdictions; and

WHEREAS, the Town and County seek to enter into an intergovernmental agreement whereby the County will offer aid and assistance to the Town in the form of funding for two safety projects along sections of William Hilton Parkway at areas located within the municipal limits of the Town; and

WHEREAS, the two safety projects are to be completed pursuant to the Intergovernmental Agreement are in the Northridge Area Segment 3 Safety Improvements, which will consist of updating crosswalk pavement markings and replacement of existing pedestrian crossing signs with a push-button rectangular rapid flashing beacon (RRFB), in-pavement crosswalk lighting and roadway lighting; and in the William Hilton Parkway and Palmetto Bay Road Intersection will consist of updating pavement markings, street signs, and minor safety improvements to intersections; and

WHEREAS, pursuant to S.C. Code of Laws § 4-9-40, and § 6-1-20, and S. C. Const. art. VIII, § 13, cities and counties may enter into agreements to provide joint services when mutually desirable.

WHEREAS, the Town Council finds that completion of the projects described herein and in the proposed Intergovernmental Agreement attached to this Resolution as Exhibit “A” is in the best interests of the Town and its citizens, residents, and visitors.

NOW, THEREFORE, BE IT RESOLVED, AND IT HEREBY IS RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT:

(a) The Town Manager is authorized to execute and deliver the Intergovernmental Agreement with Beaufort County, South Carolina, a copy of which is attached hereto as Exhibit “A.”

(b) The Town Manager is authorized to take all other and further actions as are needed to complete obligations of the Town described in the Intergovernmental Agreement, and to complete the qualifying projects described in the Intergovernmental Agreement.

MOVED, APPROVED, AND ADOPTED ON THIS ____ DAY OF JULY, 2024.

Alan R. Perry, Mayor
Town of Hilton Head Island

ATTEST:

Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

EXHIBIT "A" TO RESOLUTION AUTHORIZING INTERGOVERNMENTAL AGREEMENT WITH BEAUFORT COUNTY, SOUTH CAROLINA

STATE OF SOUTH CAROLINA)
) **INTERGOVERNMENTAL AGREEMENT**
) **WILLIAM HILTON PARKWAY SAFETY**
COUNTY OF BEAUFORT) **AND PEDESTRIAN IMPROVEMENTS**

THIS INTERGOVERNMENTAL AGREEMENT is made and entered into this 3rd day of May, 2024 by and between the Town of Hilton Head Island, South Carolina, (hereinafter referred to as the "Town"), and Beaufort County, South Carolina (hereinafter referred to as the "County".)

WHEREAS, the Town and County seek to establish an agreement whereby the County will offer aid and assistance to the Town in the form of funding for two safety projects along sections of William Hilton Parkway (US 278) at areas located within the Town of Hilton Head Island; and

WHEREAS, the two safety projects to be completed pursuant to an Intergovernmental Agreement are 1) in the Northridge Area Segment 3 Safety Improvements, which will consist of updating crosswalk pavement markings and replace existing pedestrian crossing signs with a push-button rectangular rapid flash beacon (RRFB), in pavement crosswalk lighting and roadway lighting; and 2) in the William Hilton Parkway and Palmetto Bay Road Intersection will update pavement markings, street signs, and make minor safety improvements to intersections; and

WHEREAS, the County collects development impact fees in accordance with the Beaufort County Code of Ordinances, Chapter 82 - Impact Fees, and such fees may be expended on qualifying capital or system improvements, that address safety and capacity, in jurisdictions from which they were derived. The planned safety and pedestrian improvements on William Hilton Parkway are a qualifying project; and

WHEREAS, the County has a 2024 Fiscal Year balance of $600,000.00 in Traffic Impact Fees that must be allocated to eligible transportation projects within the Hilton Head Island – Daufuskie Island jurisdictions; and

WHEREAS, pursuant to S.C. Code of Laws Sections 4-9-40, and 6-1-20, and Article VIII, Section 13 of the State of South Carolina Constitution, cities and counties may enter into agreements to provide joint services when mutually desirable.

NOW, THEREFORE, the below-listed Intergovernmental Agreement is established to better serve the needs of the Town and County by providing safety improvements along portions of William Hilton Parkway within the Town's municipal boundaries.

SECTION 1 – DEFINITIONS

A. **TRAFFIC IMPACT FEES -** These are development impact fees charged by the County in accordance with the County Code of Ordinances, Chapter 82 - Impact Fees, and such fees may be expended on qualifying capital or system improvements in jurisdictions from which they were derived.

B. **PROJECT -** The overall project will consist of work at two locations on William Hilton Parkway and the improvements are more specifically defined below:

   a. William Hilton Parkway - Northridge Area Segment 3 Safety Improvements.
      i. This project will update crosswalk pavement markings and replace existing pedestrian crossing signs with a push-button rectangular rapid flash beacon (RRFB), in pavement crosswalk lighting and roadway lighting.
   b. William Hilton Parkway and Palmetto Bay Road Intersection Safety Improvements, Signage, and Pavement Marking.
      i. This project will update pavement markings, street signs, and make minor safety improvements to intersections.

SECTION 2 – PROCEDURES

A. **DESIGN & PERMITTING**: The Town will be responsible for the design of the project and any procurement necessary to hire an engineering consultant required to design the planned improvements. The Town and its consultants will be responsible for obtaining all permits required to perform the work.

B. **CONSTRUCTION**: The Town will be responsible for the procurement of a contractor to perform the planned work. The contractor is to perform the work in accordance with the prepared plans, specifications, and permit requirements.

C. **CONSTRUCTION ADMINISTRATION & INSPECTION**: The Town will be responsible for the administration of the construction contract and any inspection of the work as required by the SCDOT encroachment permit.

D. **INVOICES**: For all work on the project, the Town shall submit paid invoicing documentation to the County. The Town shall send the County an invoice(s) for all completed work requesting reimbursement in an amount not to exceed $600,000.00. Any project costs incurred greater than $600,000.00 will be the responsibility of the Town.

E. **PAYMENT**: The County shall pay the invoice, or advise of any disputed items, not later than thirty (30) days following the billing date.

SECTION 3 – INSURANCE

Each party to this Agreement shall bear the risk of its own actions, as it does with its day-to-day operations, and determine for itself what kinds of insurance, and in what amounts, it should carry. A copy of the insurance carrier's letter or the resolution of self-insurance shall be attached to the executed copy of this Agreement. Each party shall be solely responsible for determining that its insurance is current and adequate prior to providing assistance under this Agreement.

SECTION 4 – LIABILITY

Each Party to this Agreement shall be responsible for any and all claims, demands, suits, actions, damages, and causes of action related to or arising out of or in any way connected with its own actions, and the actions of its personnel, in providing mutual aid assistance rendered or performed pursuant to the terms and conditions of this Agreement.

SECTION 5 – TERM

This Agreement shall run through completion of the project or December 31, 2024, whichever comes first. This agreement may be terminated upon thirty (30) days advance written notice by the Parties to this agreement. Notice of termination shall not relieve the withdrawing Party from obligations incurred hereunder prior to the effective date of the withdrawal.

SECTION 6 – SEVERABILITY: EFFECT ON OTHER AGREEMENTS

Should any portion, section, or subsection of this Agreement be held to be invalid by a court of competent jurisdiction, that fact shall not affect or invalidate any other portion, section or subsection; and the remaining portions of this Agreement shall remain in full force and affect without regard to the section, portion, or subsection or power invalidated.

In the event that any parties to this Agreement have entered into other mutual aid agreements or inter-local agreements, those parties agree that said agreements are superseded by this Agreement only for emergency management assistance and activities performed in major disasters, pursuant to this Agreement. In the event that parties of this Agreement have not entered into another mutual aid agreement, and the parties wish to engage in mutual aid, then the terms and conditions of this Agreement shall apply unless otherwise agreed between those parties.

IN WITNESS WHEREOF, the Town of Hilton Head Island, South Carolina and Beaufort County, South Carolina, by and through their duly authorized officers have set their hands and seals on this 3rd day of May, 2024.

WITNESSES:

____

Brenna S. Owens

BEAUFORT COUNTY

By: ____________________________

Its: Interim County Administrator

WITNESSES:

____

____

TOWN OF HILTON HEAD ISLAND

By: ____________________________

Its: ____________________________

STATE OF SOUTH CAROLINA)
) INTERGOVERNMENTAL AGREEMENT
) WILLIAM HILTON PARKWAY SAFETY
COUNTY OF BEAUFORT) AND PEDESTRIAN IMPROVEMENTS

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WITNESSES:

Brenna S. Owens

BEAUFORT COUNTY

By:

Its: Interim County Administrator

WITNESSES:

TOWN OF HILTON HEAD ISLAND

By: ___________________________

Its: ___________________________