



Town of Hilton Head Island
Accommodations Tax Advisory Committee

Thursday, April 4, 2024, at 9:00 a.m.

MEETING MINUTES

Present from the Committee: Jim Fluker, *Chairman*; Stephen Arnold, *Vice-Chairman*; Cecile Eck, John Farrell, Margaret Johnson, Martin Lesch, Keith Schlegel

Absent from the Committee: None

Present from Town Council: None

Present from Town Staff: Jeff Herriman, *Acting Director of Finance*; John McGowan, *Assistant Director of Finance*; Bob Bromage, *Director of Public Safety*; Angie Stone, *Assistant Town Manager*; Cindaia Ervin, *Assistant Town Clerk*; and Shena Smith, *Finance Assistant*

Present from the Media: None

1. Call to Order

The meeting was called to order at 9:04 a.m.

2. Roll Call- See as noted above.

3. Adoption of the Agenda

Mr. Arnold moved to approve the agenda. Ms. Johnson seconded. By a show of hands, the motion was approved by vote of 7-0-0.

4. Approval of Minutes

a. Regular Meeting - October 30, 2023

Chairman Fluker asked for a motion to approve the meeting minutes from October 30, 2023. Mr. Arnold moved to approve the meeting minutes. Mr. Schlegel seconded. By show of hands, the motion was approved by a vote of 7-0-0.

5. Appearance by Citizens

Shena Smith, Committee Secretary, stated that comments concerning agenda items were to be submitted electronically via the Town's Open Town Hall portal. The public comment period closed the day prior to the meeting at 4:30 p.m. At the conclusion of the Open Town Hall, there were no comments submitted, and no citizens signed up to speak.

6. New Business

- a. Hearing regarding the Hilton Head Island-Bluffton Chamber of Commerce/Visitor & Convention Bureau's proposed 2024-2025 Marketing Plan and Budget of Expenditures of the 30% Allocation of State Accommodations Tax Funds for the Advertising and Promotion of Tourism.

Staff Report – Jeff Herriman

Mr. Herriman addressed the Accommodations Tax Advisory Committee and recommended they review for recommendation to Town Council the Fiscal Year 2024-2025 VCB Marketing Plan and Budget, as required by Town Code each year. According to State Law, 30% of the two percent bed tax funds collected by the State of South Carolina is allocated to the pre-determined Destination Marketing Organization with an ongoing tourist program, which the Town Council

has designated the VCB. The VCB will present in a format previously recommended by ATAC and Town Council. The budget breaks down expected revenues and expenses in rows by functional categories and in columns by the major funding sources with the Town of Hilton Head with a budget of \$4,000,000. Mr. Herriman then introduced Ariana Pernice, Vice President of the Visitor & Convention Bureau of the Hilton Head Island-Bluffton Chamber of Commerce to conduct the presentation.

Presentation – Ariana Pernice,

Ariana Pernice, VP of the HHIVCB, presented Visitor Profile Survey Results to the Accommodations Tax Advisory Committee that included metrics covering visitor’s trip characteristics when visiting Hilton Head Island, top reasons for choosing their destination, travel behaviors, and companies used to assist with travel planning. The presented list of metrics was extensive, but some highlights included occupancy rates, visitor spending studies, local tax revenues generated by visitors, and number of jobs created by tourism. Ms. Pernice covered some industry awards received for marketing public relations efforts such as Best Island in the U.S in The Conde Nast Traveler and Reader’s Choice Awards for the 7th Year in a row among other notable mentions. She stated that our destination’s positive recognition from reputable global media outlets along with alignment of travel trends signified the success of their marketing shift.

Ms. Pernice presented the Marketing Plan Strategies and Tactics in addition to providing a strategic marketing roadmap detailing efforts to protect and preserve Hilton Head’s delicate ecosystem, further invest in data management platforms, host community engagement events, and conduct competitive assessments to evaluate our destination compared to other locations.

Committee members asked questions, made comments, and held discussions regarding ways the VCB will monitor marketing and social media campaigns that result in revenue turnover as well as efforts to be made toward increasing diversity among tourists. Ms. Pernice assured the committee that the Community Cornerstone Plan will continue to be in place, which will foster effective and inclusive community collaboration as well as focus on diversifying the visitor and local experience year-round. Strategies to do this involve showcasing small businesses and local history as well as continuing partnerships with Historic Mitchelville Freedom Park through creative campaign strategies.

Below is the 2024-2025 budget submitted by the HHIVCB.

Hilton Head Island-Bluffton Chamber of Commerce Hilton Head Island Visitor Convention Bureau Schedule of Functional Revenues and Expenditures FY2024-2025 Budget								
	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific	SCPRT Co-ops	Town of Bluffton DMO	Beaufort Co DMO	Membership
Revenues								
Town of HHI DMO	4,000,000	4,000,000						
Private Sector	475,000		475,000					
SCPRT Destination Specific	625,000			625,000				
SCPRT Coop	625,000				625,000			
Private Match Coop	2,600,000				2,600,000			
Town of Bluffton DMO	350,000					350,000		
B/C Bluffton & Daufuskie	365,000						365,000	
Total Revenues	9,040,000	4,000,000	475,000	625,000	3,225,000	350,000	365,000	
Membership Revenue								1,950,000
Total Revenues with Membership	10,990,000							

Expenses

Media Partnerships

Media Buys	960,000	776,107	49,337	134,556
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Social Media

Partner Promotions	60,000	48,507	3,084	8,410
Paid Brand Social Media	170,000	137,436	8,737	23,828
Social Media Management	76,317	61,698	3,922	10,697
Sub-total	306,317	247,640	15,743	42,934

Digital Marketing

Digital Strategy, Web Maintenance & Support	80,000	64,676	4,111	11,213
Technology Improvements	60,000	48,507	3,084	8,410
SEO	24,000	19,403	1,233	3,364
SEM / Display	569,754	460,614	29,281	79,858
Managed Web Hosting and Content Delivery Network	1,800	1,455	93	252
eNewsletter/Drip Campaign	30,000	24,253	1,542	4,205
Digital Contingency	0	0	0	0
Sub-total	765,554	618,908	39,344	107,302

Destination PR

PR Strategy, Maintenance & Support	276,000	223,131	14,184	38,685
Journalists/Influencers/Partnerships	50,000	40,422	2,570	7,008

	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific
Monitoring Services (Print/Online/Broadcast Tracking)	18,300	14,795	940	2,565
PR Contingency	50,000	40,422	2,570	7,008
Sub-total	394,300	318,770	20,264	55,266

Group Sales & Marketing

Promotional Giveaways	50,000	40,422	2,570	7,008
Program Incentives	2,000	1,617	103	280
VCB Dues, Subscriptions and Training	90,000	72,760	4,625	12,615
Tradeshows	35,000	28,296	1,799	4,906
In-Market Events	15,000	12,127	771	2,102
Focused Service	1,000	808	51	140
SEM	40,000	32,338	2,056	5,607
Social Media	49,630	40,123	2,551	6,956
Sub-total	282,630	228,491	14,525	39,614

International

International Promotions and Events	150,000	121,267	7,709	21,024
International Tradeshows	40,000	32,338	2,056	5,607
Sub-total	190,000	153,604	9,765	26,631

Destination Photography & Video	75,000	60,631	3,854	10,512
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Collateral/Fulfillment

Vacation Planner	300,000	242,533	15,418	42,049
Fulfillment	120,000	97,013	6,167	16,820
Toll-Free Phone	4,000	3,234	206	561
Sub-total	424,000	342,780	21,791	59,429

Research & Planning	214,075	173,068	11,002	30,005
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VCB Sales, Mkt, Services & Ops:

Personnel	1,295,000	756,000	202,563	83,125	65,625	91,875	95,813
Benefits	185,000	108,000	28,938	11,875	9,375	13,125	13,688
Operations	370,000	216,000	57,875	23,750	18,750	26,250	27,375
Sub-total	1,850,000	1,080,000	289,375	118,750	93,750	131,250	136,875

	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific	SCPRT Co-ops	Town of Bluffton DMO	Beaufort Co DMO	Membership
SCPRT								
SC PRT - Leisure	1,300,000				1,300,000			
SC PRT - Sports	1,002,749				1,002,749			
SC PRT - Meetings & Groups	828,500				828,500			
Sub-total	3,131,249			0	3,131,250			
Town of Bluffton DMO								
Promotions	218,750					218,750		
B/C Bluffton & Daufuskie DMO								
Promotions	228,125						228,125	1,950,000
TOTAL VCB EXPENSES	9,040,000	4,000,000	475,000	625,000	3,225,000	350,000	365,000	10,990,000
Difference btw Revenue & Expense	0	0	0	0	0	0	0	0
Total Expenses with Membership	10,990,000							
Revenues Minus Expenses:	0							
	Revenues & Expenses for HHI-related marketing programs							
	Revenues & Expenses for other marketing programs							

By way of roll call, the motion to recommend the Fiscal Year 2024-2025 VCB Marketing Plan and Budget to Town Council was approved by a vote of 7-0-0.

b. Discussion Regarding Potential Amendments to the Calendar Year 2025 Accommodations Tax Grant Application – Shena Smith, Finance Assistant

Shena Smith, Committee Secretary, presented the previous Accommodations Tax Grant Application from 2024 to allow committee members to determine if any updates or changes were thought to be necessary for the 2025 Calendar Year. It is recommended amendments to the existing document are discussed annually to address any areas that could be improved upon, provide further clarification, and potentially assist future applicants as well as committee members.

The committee discussed and are overall satisfied with the previous amendments to the application and do not feel that any further changes are needed at this time. Some committee members voiced concern regarding the information provided to applicants during the Accommodations Tax Grant Applicant Workshop held in August and felt that it could be more thorough. Ms. Smith agreed that while the workshop has previously focused on instructions for the electrical filing of the application, there is room to expand on any processes and procedures that can help ensure applicants feel more confident in what is expected from them in their submissions. The upcoming addition of live streamed and recorded meetings was also discussed as a helpful resource that applicants will eventually be able to refer back to. It could not be confirmed, but the live recordings were thought to be available as soon as the next Accommodations Tax Advisory Committee Meeting in July.

Chairman Fluker asked for a motion to approve that the current Accommodations Tax Grant Application be used for the 2025 Calendar Year with no amendments. Mr. Arnold moved to approve the application as is. Mr. Schlegel seconded. By a show of hands, the motion was approved by vote of 7-0-0.

c. Consideration and Approval of the Revised Calendar Year 2024 Accommodations Tax Advisory Committee Meeting Dates – Shena Smith

During the Accommodations Tax Advisory Committee Meeting on September 28, 2023, committee members unanimously approved the meeting schedule for the 2024 year. Since that time, there have been scheduling conflicts with two of the previously approved dates, which have been revised.

The Thursday, July 11th meeting has been changed to Thursday, July 18, 2024.

The Thursday, October 3rd meeting has been changed to Monday, October 7, 2024.

Chairman Fluker asked for a motion to approve the revised meeting dates of Thursday, July 18, 2024 and Monday, October 7, 2024. Mr. Arnold moved to approve. Mr. Schlegel seconded. By a show of hand, the motion was approved by a vote of 7-0-0.

Chairman Fluker addressed the room as it was his last meeting of his second term on the Accommodations Tax Advisory Committee. He offered a special thank you to fellow committee members and citizens as well as expressed his love for the Town of Hilton Head and what an honor it has been to serve.

7. Adjournment

At 10:18 a.m. Mr. Fluker adjourned the meeting.

Submitted by: Shena Smith, Secretary

Approved: July 18, 2024