

THE TOWN OF HILTON HEAD ISLAND
SPECIAL TOWN COUNCIL MEETING

Date: Wednesday, February 2, 2011

Time: 6:00 P.M.

Present from Town Council: Drew A. Laughlin, *Mayor*; George Williams, Bill Harkins, Kim Likins, *Council Members*.

Absent from Town Council: Ken Heitzke, *Mayor Pro-Tem*; Bill Ferguson, *Councilman*

Present from Town Staff: Stephen G. Riley, *Town Manager*; Lavarn Lucas, *Fire Chief*; Susan Simmons, *Director of Finance*; Brian Hulbert, *Staff Attorney*; Marcy Benson, *Senior Grants Administrator*; Paul Rasch, *Emergency Management Coordinator*; Debra Cyrilla, *Accounting Specialist*; Vicki Pfannenschmidt, *Executive Assistant*

Present from Media: Tom Barton, *Island Packet*

1. **CALL TO ORDER**
2. **PLEDGE TO THE FLAG**
3. **INVOCATION**
4. **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.
5. **NEW BUSINESS**

Mr. Williams motioned to combine Items 5.a and 5.b for discussion and distribution of funds. Mr. Harkins seconded. The motion was approved by a vote of 4-0.

Mayor Laughlin invited Willis Shay, Chair of the Accommodations Tax Advisory Committee to speak concerning the recommendations before Town Council. Mr. Shay reviewed the process that took place and how they arrived at their recommendations. Mayor Laughlin thanked Mr. Shay and the Committee Members for their hard work.

- a. **Consideration of a recommendation from the Accommodations Tax Advisory Committee that the Town Council of the Town of Hilton Head Island award a 2.6% increase to the amount previously approved in 2010 for those Accommodations Tax applicants who requested forward funding for Grant Year 2011.**
- b. **Consideration of recommendations of the Accommodations Tax Advisory (ATAX) Committee for the purpose of allocating the proceeds of the Accommodations Tax Funds.**

Mr. Harkins moved to approve. Mr. Williams seconded. Mr. Williams moved to remove the Heritage Classic Foundation request from the grant applicants and that Town Council fund the Heritage Classic request from the Local Accommodations and Hospitality Tax Emergency Advertising reserve fund. Ms. Likins seconded. After comments and discussion the motion was approved by a vote of 4-0.

Susan Simmons reviewed the figures after the \$160,000 was removed and informed Town Council there would be a balance remaining for allocation.

Each recommendation of the Committee was reviewed and discussed. Town Council heard comments from the applicants and members of the audience. Mr. Williams moved to amend the recommendations of the Accommodations Tax Advisory Committee as discussed and modified. (Noted below.) Mr. Harkins seconded. The motion was approved by a vote of 4-0.

\$ Approved By Town Council	Agency Name	Forward Funded Grants Approved by Town Council
\$ 45,000	Art League of Hilton Head	
60,000	Arts Center of Coastal Carolina-(supplemental operating support)	
	Arts Center of Coastal Carolina	\$ 350,703
35,000	Community Foundation of the Lowcountry - Mitchelville Project	
8,000	Harbour Town Merchants Association-(4th of July fireworks)	
3,200	Hilton Head Audubon Society	
17,000	Hilton Head Choral Society	
78,000	Hilton Head Concours d'Elegance	
9,000	Hilton Head Dance Theater	
0	Hilton Head Island Airport	
0	Hilton Head Area Hospitality Association	
8,000	Hilton Head Island St. Patrick's Day Parade	
0	Hilton Head Island St. Patrick's Day Parade (LEO OT)	
135,000	Hilton Head Island-Bluffton Chamber of Commerce VCB	
	Hilton Head Symphony Orchestra	143,820
0	Hilton Head Symphony Orchestra - Special Request	
0	Keep Beaufort County Beautiful	
30,000	Main Street Youth Theater	
	Native Island Business & Community	75,000
0	SC Lowcountry & Resort Islands Tourism	
15,000	South Carolina Repertory Company	
0	Shelter Cove Harbour Company-(Harbourfest)	
8,000	Shelter Cove Harbour Company (4 th of July fireworks)	
8,000	Skull Creek July 4 th Celebration	
165,000	The Coastal Discovery Museum	
0	The Heritage Library (Fort Mitchel Civil War Sesquicentennial)	
15,000	The Heritage Library	
0	Island School Council for the Arts	
32,500	The Sandbox	
	Town of Hilton Head Island	888,300

The total amount awarded by Town Council for new grant applicants was \$671,700. The total amount awarded by Town Council for forward funded grants was \$1,457,823. The amount remaining is \$148,850. It was agreed that the Accommodations Tax Advisory Committee would reconvene and develop recommendations on how to reallocate the remaining amount and report back

to Town Council.

During the discussion of the Main Street Youth Theatre, Kim Likins disclosed a potential conflict of interest and temporarily left the dais. The required disclosure form is attached.

During the discussion of The Sandbox, Kim Likins disclosed a potential conflict of interest and temporarily left the dais. The required disclosure form is attached.

The Mayor moved on to the issue of forward funding. Kim Likins stated she always had concerns with forward funding. She said it was important that the Accommodations Tax Funding should be fair and even and the forward funding process created problems. Ms. Likins moved to discontinue forward funding. Mr. Harkins seconded. Mayor Laughlin spoke in favor of reviewing the process. Mr. Williams suggested asking the Accommodations Tax Advisory Committee to work on a recommendation for a phase-out of the forward funding process. After lengthy discussion, it was agreed Town Council would request that the Accommodations Tax Advisory Committee meet and consider recommendations to Town Council concerning the forward funding process. Kim Likins withdrew her motion and Mr. Harkins withdrew his second.

6. ADJOURNMENT

Mr. Harkins moved to adjourn the meeting at 8:03 p.m. Mr. Williams seconded. The motion was approved by a vote of 4-0.

Vicki Pfannenschmidt, Secretary

Approved: March 1, 2011

Drew A. Laughlin, Mayor