

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

Date: March 24, 2015 **Time:** 4:00 p.m.
Members Present: John McCann, *Chairman*; Tom Lennox and Bill Harkins, *Council Members*
Members Absent: None
Staff Present: Susan Simmons, *Director of Finance*; Brian Hulbert, *Staff Attorney*; Jill Foster, *Deputy Director of Community Development*; Rene Phillips, *Website Administrator*; Erica Madhere, *Finance Assistant*
Others Present: Mike Alsko and Stewart Brown, *Town of Hilton Head Island Accommodations Tax Advisory Committee Members*; Eleanor O'Key, *Lowcountry Inside Track*; and Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce / VCB*
Media: None

1. Call to Order:

The meeting was called to order at 1:30 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:

- a. The Committee voted unanimously in favor to approve the minutes from the Finance and Administrative Committee Meeting of March 17, 2015.

4. Unfinished Business:

None

5. New Business:

a. Finalize discussion of ATAX Grant processing

The Finance and Administrative (F&A) Committee has been discussing seven items in consideration of improving the State Accommodations Tax (ATAX) Grant Process. The first is whether the Town should use forward funding or advances in awarding or disbursing ATAX grants. Mr. Harkins moved that the F&A Committee recommend to Town Council that the Town **not** permit the use of forward funding or advances in awarding or disbursing ATAX grants. Mr. Lennox seconded the motion, and it was passed with a vote of 3-0.

The second consideration is whether the Town should require that the ATAX Grant Application be available in both the Spanish and English language, online and in hard copy. The Committee has learned that members of Town Staff are able to both provide Spanish-English translation and online application assistance, and therefore Mr. Harkins moved that the F&A Committee recommend to Town Council that the ATAX Grant Application remain in English only, be required to be filed online, and that Town Staff continue to assist applicants as needed. Mr. Lennox seconded the motion and it was unanimously approved.

The third consideration is whether a Town Council liaison should be provided to the ATAX Committee. The Committee believes open lines of communication will help to avoid conflict and confusion after the awards have been made. They also thanked Mike Alsko, Chairman of the ATAX Advisory Committee, for his consultation on this subject. Mr. Harkins moved that the F&A Committee should recommend to Town Council that a Council liaison be provided to the ATAX Advisory Committee (ATAC) and that Town Council endeavor to provide better direction regarding its objectives in advance of the ATAX Grant application meetings. The liaison will be neither a voting nor ex-officio member of the ATAC and should strive to provide direction on behalf of the full Council. Mr. Lennox seconded the motion and it passed with a vote of 3-0.

The fourth consideration is whether the Town Finance Department should provide a statement detailing each of the grants and status of grant funds. The Committee feels this would be good information for the ATAX Committee to have, and also would be a transparent way for the community to see what is happening with the ATAX funds. Mr. Lennox moved for the F&A Committee to recommend to Town Council that the Town Finance Department should provide a statement detailing by grantee and grant the amounts requested, awarded, expended, lapsed, and balance still available to the grantee prior to each Annual ATAX meeting. Mr. Harkins seconded the motion and it was approved with a vote of 3-0.

The fifth consideration is whether the efficiency and effectiveness of grant funds should be measured. The Committee encourages ATAC to develop a measurement process, and to give strong consideration to grant applicants and applications which provide a robust return on investment, cultivate and promote the arts and cultural community, and drive tourism or enhance the residents and visitors' experience. Mr. Alsko stated he agrees with the concept, as efficient and effective use of grant money is a progressive cycle that would lead to more tourists, and therefore more ATAX funds available for future grants. It may also help some organizations become self-sufficient, which would also allow for more funding to be available for new grants. Mr. Lennox moved that the F&A Committee recommend to Town Council that ATAC should continue to measure the efficiency and effectiveness with which a recurring grantee has utilized its grant funds. Mr. Harkins seconded the motion and it was approved with a vote of 3-0.

The sixth consideration is regarding procurement guidelines for the ATAX grantees. The Committee would like reassurance that the grant money is providing a valuable product that will enhance the community, and would like to know that the organization has a systematic approach to procurement. Mr. Harkins moved that the F&A Committee recommend to Town Council that ATAC require applicants to indicate whether they follow Town procurement guidelines or if they have their own procurement guidelines which they use and follow in the expenditure of ATAX grants. Mr. Lennox seconded and the motion was approved with a vote of 3-0.

The seventh consideration is whether an ATAX applicant should be permitted to seek an interim hearing with the F&A Committee prior to the Town Council award meeting. This interim hearing would give an applicant a chance to express opinions or explanations regarding the ATAC committee's grant recommendations. Mr. Harkins believes the recommended Council liaison to ATAC could suffice and alleviate the need for the interim hearing. The liaison will attend all of the applicant hearings and will be familiar with the applications and able to share insights with the full Council. Mr. Lennox agreed that having a Council liaison and interim hearing may be a redundant approach. Stewart Brown, Accommodations Tax Advisory Committee Member, and Mr. Alsko stated they are comfortable starting with the liaison and believe this will be a good conduit for communication. The F&A Committee determined that it would not recommend to Town Council that an ATAX applicant be permitted to seek an interim hearing process as it prefers to allow the liaison process time to work prior to introducing another layer of review into the process.

Mr. Harkins made a motion to recommend to Town Council that Mr. McCann serve as the Council Liaison to the ATAX Committee. Mr. Lennox seconded, however the motion did not pass as the Chairman did not call for a vote.

Mr. Harkins made a motion to amend the meeting agenda to include a new item for the discussion of Town Council involvement in the Town's RFP process. Mr. Lennox seconded and the motion passed 3-0. Mr. Harkins moved for the F&A Committee to recommend that Town Council identify to the Town Manager specific projects, studies, and adopted priorities it wishes to participate in for the development of a Request for Qualifications (RFQ) or a Request for Proposal (RFP) that have an impact on the community. Mr. Lennox seconded the motion. Mr. McCann thinks the first step of involvement is assisting with the writing of the RFP or RFQ and giving adequate direction to Town Staff. Mr. Lennox stated the most important part of the process is to clearly define the objectives. The Committee voted on the motion and it passed unanimously.

Mr. Harkins made a motion to amend the meeting agenda to include a new item for the discussion of the shelf-life of Town construction projects. Mr. Lennox seconded and the motion passed with a vote of 3-0. The F&A Committee recommends that Staff periodically, but not less frequently than once per year, advise the Town Council of those projects that have received a Public Project Review determination from the Planning Commission but have not yet advanced to construction. The Committee voted unanimously in favor of making this recommendation in order to refresh, inform, educate and communicate the projects in the pipeline to the public.

Mr. Harkins made a motion to amend the meeting agenda to include a new item for the discussion of the USCB Event Management and Hospitality Training Program. Mr. Lennox seconded and the motion passed 3-0. Susan Simmons, Finance Director for the Town, explained the section of the Town Code that states the Town shall set aside 5% of the local Accommodations Tax for the event management and hospitality training program fund and that one organization shall be selected by the Town to manage and direct such expenditures. The University of South Carolina Beaufort was selected as this organization in June, 2011, and is required to submit an annual budget to the Town prior to April 1 of each year. The budget is included in the Affiliated Agencies budget process; and Town Council considers the budget and if accepted, a reimbursable grant is adopted in the Town's overall budget for the upcoming fiscal year. The F&A committee would like to know more about this program, if it is efficient and effective, and if it provides value to the community. The Committee would like USCB to bring data and information on how the program's effectiveness is measured to the F&A Committee meeting on April 7, 2015.

6. Adjournment:

Mr. Harkins made a motion to adjourn and Mr. Lennox seconded. All members voted in favor and the meeting was adjourned at 5:01 p.m.

Approved:

Respectfully submitted:

John McCann, Chairman

Erica Madhere, Secretary