

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

Date: April 7, 2015 **Time:** 1:30 p.m.

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

Members Absent: None

Staff Present: Greg Deloach, *Assistant Town Manager*; Susan Simmons, *Director of Finance*; Tom Fultz, *Director of Administrative Services*; Brian Hulbert, *Staff Attorney*; Jill Foster, *Deputy Director of Community Development*; Shawn Colin, *Deputy Director of Community Development*; Jayme Lopko, *Senior Planner*; Erica Madhere, *Finance Assistant*

Others Present: Suzanne Cook, *Sheriff PJ Tanner, Beaufort County Sheriff's Office*; Jean Heyduck, *Lindsay Finger, Community Foundation of the Lowcountry*; Mary Lou Franzoni and Paula Tilley, *Palmetto Breeze*; Dr. Charles Calvert and Keri Olivetti, *University of South Carolina Beaufort*; Frank Soule, *Island Recreation Association*; Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce / VCB*; Eleanor O'Key, *Lowcountry Inside Track*; and Members of the public

Media: Zach Murdock, *Island Packet*

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. Mr. Harkins moved to approve the Minutes from the Finance and Administrative Committee Meeting of March 24, 2015 at 11:30am. Mr. Lennox seconded the motion, and the Committee voted unanimously in favor to approve the minutes.
- b. Mr. Harkins moved to approve the Minutes of the Finance and Administrative Committee Meeting of March 24, 2015 at 4:00pm and Mr. Lennox seconded. The motion passed with a vote of 3-0.

4. Unfinished Business:

None

5. New Business:

- a. **Review of Affiliated Agencies: Beaufort County Sheriff's Office, University of South Carolina Beaufort, Palmetto Breeze, and Community Foundation of the Lowcountry-Public Art Fund**

Suzanne Cook, Financial Officer for the Beaufort County Sheriff's Office, explained the FY16 budget request has been updated to reflect increases for health insurance premiums and PORS retirement. The health insurance is based on the County's contract with Blue Cross Blue Shield, and therefore, the Sheriff's Office is not able to control the cost fluctuation at this time. There weren't any changes to the budget requests for operating costs. The Committee asked questions about some of the new budget requests such as the Radar Trailer, the proposed Investigator and Patrol Officers, and Detention Center Reimbursement. Sheriff PJ Tanner addressed the questions and explained the Radar Trailer would be dedicated solely to Hilton Head Island, and would provide the Sheriff's Office with valuable information to help determine how to best allocate Patrol Officers. Currently, there is one Radar Trailer for use throughout the whole county. The new Investigator request would allow the Sheriff's Office to be more proactive on cases, whereas now each Officer has a high case load, and works long and irregular hours, which makes it difficult to effectively follow up on each case. The request for four Patrol Officers would add one Officer to each of the four shifts. The Committee had questions about the number of staff and requested an Organizational Chart from the Sheriff's Office. Regarding the Detention Center Reimbursement, Sheriff Tanner explained it would be a reimbursement to the County for providing the Sheriff's Office with Detention Officers to staff the Holding Cells once they are up and running. The use of County Detention Officers would allow Hilton Head Island deputies to continue patrolling the streets instead of staffing the Holding Cells. The Committee also asked how the Sheriff's Office recruits and if they ever encounter a language barrier. Sheriff Tanner explained they recruit the best nationwide and there are several bilingual officers and employees, and do not have a communication issue at this time. In fact, employees are encouraged to become bilingual as they receive a salary increase for that skill.

Jean Heyduck and Lindsay Finger spoke for the Community Foundation of the Lowcountry and explained the Public Art Fund was established in collaboration with the Town in 2006 to purchase and install art in public places on the Island. The first piece, "Charles E Fraser", was donated to the Town in 2010 and placed in the Compass Rose Park. The Public Art Exhibitions started in 2011 and are planned for every two years. A piece of public art is purchased by the Public Art Fund from each Exhibition, donated to the Town, and placed in a location approved by the Town. The Public Art Fund also has received donated art pieces, which are also donated to the Town and placed in public spaces. Ms. Heyduck gave several benefits of the Public Art program, and as written in the handout provided at the meeting, "Public art serves two primary functions: It provides a tool for economic development and revitalization, and creates community identity. It helps shape the quality of life for people in a community by offering a form of expression that embodies a community's spirit. It represents a sense of community pride and brings people together. Moreover, public art attracts people to a community who bring a broad array of talents and experiences, further enriching it." Through both the purchased and donated art, a valuable public art collection is being created. Ms. Heyduck gave an estimated breakdown of the budget request, and explained the year prior to the Exhibition is for planning, and the funds go towards half of the artist stipends, consultant payments, curator fees, and related expenses, and marketing, branding, design and website edits. The year of the Exhibition the funds go towards the other half of the artist stipends, consultant payments and related expenses, guide by cell fee, printing/marketing and advertising costs, and miscellaneous exhibition expenses. Lastly, Ms. Heyduck gave statistics detailing the impressive growth

of the Exhibitions from 2011 to 2014, including the number of entries, sponsors, advertising and marketing promotions, and website traffic.

Mary Lou Franzoni, the Executive Director of Palmetto Breeze, explained that the company utilizes seven busses that service the rural areas of five counties and transport people to the Lowcountry (over 50% of the total ridership is transported to/from Hilton Head Island), who are mainly commuting to work at the local hotels, resorts, and restaurants. In the past, Palmetto Breeze has had sufficient funding between grants and local matches from the counties and municipalities; however, last year there was a significant cut in the State grant, which forced Palmetto Breeze to dip into its reserves. It was recently discovered the State grant will be cut again for the upcoming year, which means the budget request of \$175,000 from the Town will not be enough to meet the budget, and therefore, although the Town has not received it yet, Palmetto Breeze plans to request an increase of 25% from Hilton Head Island and the other counties and municipalities that it serves. Ms. Franzoni mentioned that the area from Eagles Pointe in Bluffton to Hilton Head is now qualified as a “Small Urban Area” and will receive an additional pot of funding, but the Urban funding will also require a local match. The Committee and Ms. Franzoni discussed partnering with more local resorts whose employees utilize Palmetto Breeze, in the manner as the Marriott does when it purchases bus tickets and resells them at discounted rates to its employees. They also discussed ways additional resources could help increase the promotion of bus service, and adding more routes and additional times, because the demand for more service does exist. The importance of Palmetto Breeze’s service was stressed as it could be a way to augment the goal of creating affordable housing on the Island. The Committee would like to receive feedback about the increased contributions other municipalities have agreed upon, as well as a more recent audit report, and a report on the funding sources over the last three years that show the impact on Palmetto Breeze’s budget.

Dr. Charles Calvert and Keri Olivetti spoke for the University of South Carolina Beaufort and the Center for Event Management and Hospitality Training. The program, which is funded by 5% of Local Accommodations Taxes, was started in the 1990’s at the suggestion of a former Hilton Head Island Mayor. The program started as hospitality training and was performed by a local hospitality association until USCB took over in 2011 and expanded the Island Ambassador Training to include hospitality, environmental, and cultural subjects, and also added the Event Incubation and Event Volunteer Management portions. Since many employers on the Island employ people from out of the area who are not familiar with the Island, this program is a very important factor in the creation of a knowledgeable and trained workforce, which is essential to meet the tourist’s high expectations in our world class destination. The program improves student’s knowledge of Island Arts and Culture, sporting experiences, the varied music scene, and the different eco-systems on the Island so that when the hospitality professionals interact with guests, they are educated and prepared to speak with them. The Center also places students with local managers of events such as the RBC Heritage, Wine and Food Fest, Wingfest, etc., which gives students the service learning hours required for school, and gives the managers a volunteer workforce with fresh ideas and outlooks, and especially new technological ideas. Another of the Center’s missions is Event Incubation, which works on the creation of new island events; some recent examples include the successful Burgers and Brew Festival, 350/30 Celebration and Sand Castle contest, Sandbox Children Museums Sandbox at the Stables, and more. The Committee asked how the Center’s effectiveness is measured, and Dr. Calvert and Ms. Olivetti explained they track hotel and restaurant reviews by looking at websites such as Trip Advisor where they can see the Center is training at 8 out of the top 10 Island

accommodations. Also, the employers who have arranged for the training are giving positive feedback and asking for repeat training sessions even though it means an extra payroll expense for the training hours. They calculate impact by looking at the market penetration, and have seen the numbers of participants, as well as the class sizes, growing. Perhaps one of the best examples of effectiveness is two Island properties, the Sonesta and Hampton Inn, became national award winners after the training program took their service to the next level. The Committee made suggestions such as secret shopping the hospitality professionals that have taken the course, as well as offering the Island Ambassador Training program to the residents of the PUDs. Dr. Calvert and Ms. Olivetti thought those were great suggestions that they would like to incorporate.

Susan Simmons, Director of Finance for the Town, reminded the Committee that the next meeting on April 21 will be to review the Hilton Head Island Economic Development Corporation and the Solicitor's Office.

6. Adjournment:

Mr. Harkins made a motion to adjourn and Mr. Lennox seconded. All members voted in favor and the meeting was adjourned at 3:05 p.m.

Approved:

Respectfully submitted:

John McCann, Chairman

Erica Madhere, Secretary