

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

Date: June 2, 2015 **Time:** 2:00 p.m.
Members Present: John McCann, *Chairman*; Bill Harkins, Tom Lennox, *Council Members*
Members Absent: None
Staff Present: Susan Simmons, *Director of Finance*; Tom Fultz, *Director of Administrative Services*; Brian Hulbert, *Staff Attorney*; Nancy Gasen, *Director of Human Resources*; Erica Madhere, *Finance Administrator*
Others Present: Kim Likins, *Council Member*; Eleanor O’Key, *Lowcountry Inside Track*; Jocelyn Staigar, *Hilton Head Island Realtor’s Association*; Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce/VCB*; Eric Summerfield and Members of the public
Media: None

1. Call to Order:

The meeting was called to order at 2:05 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 on May 19, 2015 at 2:00pm. Mr. McCann seconded, and the motion passed with a vote of 2-0 (Mr. Lennox did not vote as he was not in attendance at the May 19th meeting).

4. Unfinished Business:

None

5. New Business:

a. Economic Analysis Tools Presentation by Dr. John Salazar

Mr. Harkins welcomed Dr. John Salazar from the University of South Carolina Beaufort, and expressed the Committee’s desire to start accumulating metrics from communities similar to Hilton Head to be able to analyze and develop an idea of how Hilton Head compares. Another desire is to be able to gather data on the impact of the Island’s potential projects, for example, the Ironman, to be able to share more information with the public.

Dr. Salazar introduced Dr. Robert Carey, Director of Regional Economic Analysis Laboratory at Clemson University, and together, they presented to the F & A Committee. Dr. Salazar and Dr. Carey explained their partnership, the economic analysis databases they

use, and gave examples of projects they have worked on, such as the economic impact of second homes on Hilton Head Island, economic impact studies for the RBC Heritage, presented by Boeing, golf tournament, and the economic impact of bicycling on the Island. Data is gathered based on “boots on the ground” research by Dr. Salazar and his team, then plugged into the different databases they use to explore the direct, indirect, and induced spending and subsequently, the economic output. They presented a proposal for the types of services they could provide the Town, and gave examples of the data that could be gathered, then compared to the Town’s competitors. They would be able to deliver a quarterly economic report, annual economic cluster analysis, sector performance analysis and community comparisons. Dr. Salazar explained his team has been able to develop a baseline model with data that had been purchased from years 2007 through 2013 from IMPLAN, one of the economic modeling tools they use. Using this data, analysis of prevailing sectors of Hilton Head Island can be conducted, and Gross Regional Product can be determined. Dr. Salazar explained the USCB is matching a portion of the cost of this proposal, and the remaining costs for the purchase of additional data sets, and time spent by Dr. Salazar’s, Dr. Carey’s, and a research assistant, would need to be covered by the Town.

Dr. Carey presented more examples of analysis he has done throughout the State regarding indicators such as unemployment rates, labor force vs. employment, employment vs. population, regional GDP and region-to-region comparisons, GDP growth by region, top employers per region, and per-capita personal income. He is able to determine challenges and conclusions based on these types of analyses.

Dr. Salazar and Dr. Carey concluded their presentation and answered questions from the Committee on drilling down into the data to be able to understand what is driving Hilton Head Island’s revenue sources, figuring gross domestic product for the Town, and more specifics of data that would be needed to be purchased in order to conduct competitive analysis to other communities. The Committee and Dr. Salazar also discussed a study that is in the works about day-trip visitors to Hilton Head Island and the related economic and traffic impacts.

The Committee heard public comment from Jocelyn Staigar with the Realtor’s Association regarding the Association’s interaction with one of Dr. Salazar’s study, Act 388, and the possibility of looking at economic development based on the area’s non-owner occupied residences. The Committee also heard from Hilton Head Island resident Eric Summerfield about drilling down into certain categories and sub-categories of sectors, within their Economic Analysis tools. The Committee thanked Dr. Salazar and Dr. Carey for the very informative presentation.

6. Executive Session:

At 3:09 p.m., Mr. Harkins moved to enter into Executive Session to discuss the Town Manager Performance Evaluation. Mr. Lennox seconded and the motion was approved by a vote of 3-0.

Mr. McCann called the meeting back to order at 3:45 p.m., and announced there was no business as a result of the Executive Session.

At 3:45 p.m., Mr. Harkins moved to enter into Executive Session again to discuss the review process for the Town’s Attorney. Mr. Lennox seconded and the motion was approved by a vote of 3-0.

Mr. McCann called the meeting back to order at 3:49 p.m. and stated there was no business as a result of the Executive Session.

7. Adjournment:

Mr. Harkins made a motion to adjourn and Mr. McCann seconded. All members voted in favor and the meeting was adjourned at 3:50 p.m.

Approved: June 16, 2015

Respectfully submitted:

John McCann, Chairman

Erica Madhere, Secretary