

## TOWN COUNCIL

### STAFF REPORT

#### Finance & Administration Department



<b>MEETING DATE:</b>	June 11, 2024
<b>PROJECT:</b>	Consideration of Approval of Resolution for the FY2025 Budget and Marketing Plan Presented by the Hilton Head Island-Bluffton Chamber of Commerce in Accordance with Contract 2022-35 as the Town of Bluffton Designated Marketing Organization (Fiscal Impact – <b>\$350,000</b> )
<b>PROJECT MANAGER:</b>	Natalie Majorkiewicz, CGFO, Director of Finance & Administration

#### **REQUEST:**

Town Council to authorize the Town Manager to renew the contract with the Hilton Head Island-Bluffton Chamber of Commerce to continue to serve as the Town of Bluffton's Designated Marketing Organization (DMO) for fiscal year 2025 and approve the Accommodations Tax Advisory Committee's (ATAC) recommendation.

#### **BACKGROUND:**

In accordance with the grant process, the Accommodations Tax Advisory Committee (ATAC) held a meeting on May 21, 2024, where the Hilton Head Island-Bluffton Chamber of Commerce presented the FY2025 budget and marketing plan.

#### **☐ Designated Marketing Organization Budget and Marketing Plan for FY2025**

- As part of contract 2022-35 that began on July 1, 2022, the Hilton Head Island-Bluffton Chamber of Commerce proposed a fiscal year 2025 budget of \$350,000 for the Town of Bluffton.
- S.C. Code of Laws Sec. 6-4-10-(3) requires the Town's DMO to manage and direct 30% of the balance of State Accommodations Tax funds and submit a budget for approval before the beginning of each fiscal year.
- Per Town of Bluffton Code of Ordinances, Sec. 24-26(b), "the Town may set aside an amount not to exceed eight percent (8%) of Local Accommodations Tax revenue for the Designated Marketing Organization." There are no Local Accommodations Tax funds budgeted for the DMO in FY2025.
- FY2025 will be the final year of a three-year term of the contract.

Below is a comparison between the FY2024 and FY2025 budgets:

<b>Bluffton Marketing Strategies and Programs</b>	<b>FY2024 Budget</b>	<b>FY2025 Budget</b>	<b>% Increase/ (Decrease)</b>
Research & Planning	\$ 10,400	\$ 9,800	(6%)
Website Maintenance	15,600	14,700	(6%)
Website Hosting	936	1,176	26%
Social Marketing & Content Strategy	15,6000	14,700	(6%)
Paid Social	50,000	35,280	(29%)
Digital Promotions/SEM	37,032	21,303	(42%)
SEO	9,360	9,800	5%
Bluffton Insiders (enews)	10,400	9,800	(6%)
Bluffton Blog	7,072	-	(100%)
Bluffton Vacation Planner/Fulfillment	61,360	61,250	0%
Regional Vacation Planner/Fulfillment	18,200	21,560	18%
Media Partnerships	26,000	12,250	(53%)
Group Tour	1,040	-	(100%)
Photography/Videography	20,800	4,900	(76%)
Contingency	5,200	2,231	(57%)
Operations & Management	136,000	131,250	(3%)
<b>Total:</b>	<b>\$ 425,000</b>	<b>\$ 350,000</b>	<b>(18%)</b>

The committee voted to recommend the Hilton Head Island-Bluffton Chamber of Commerce's Town of Bluffton DMO budget and marketing plan for FY2025.

**NEXT STEPS:**

Upon approval by Town Council, the Town Manager will authorize the resolution for FY2025.

**SUMMARY:**

The resolution will be for one year beginning on July 1, 2024 through June 30, 2025 and in accordance with contract 2022-35.

**ATTACHMENTS:**

1. Presentation
2. Resolution Approving FY2025 Budget and Marketing Plan
3. DMO Contract 2022-35 between Hilton Head Island-Bluffton Chamber of Commerce and Town of Bluffton
4. Hilton Head Island-Bluffton Chamber of Commerce: FY2025 Budget and Marketing Plan
5. Recommended Motion