

**TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Date: May 04, 2010 **Time:** 9:00 a.m.

Members Present: Willis O. Shay, *Chairman*; John Diamond, *Vice-Chairman*; Louise Miller Cohen, Michael A. Keskin, John Munro, Bret Martin, Frank Soule

Members Absent: None

Staff Present: Susan Simmons, *Director of Finance*; Debra Cyrilla, *Accounting Specialist*

Others Present: Mayor Tom Peeples; *Councilman*, Drew Laughlin; *Councilman*, Bill Ferguson; Susan Thomas, Ray Deal, *Hilton Head Island-Bluffton Chamber of Commerce*; Ann-Marie Adams, *Hilton Head Hospitality Association*

Media: Josh McCann, *Island Packet*

I Call to Order:

The meeting was called to order at 9:00 A.M.

II 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.

III Approval of Minutes:

Mr. Munro moved to approve the Minutes of April 9, 2010. Mr. Martin seconded the motion. The Motion passed unanimously. (7-0)

IV Chairman's Report:

Mr. Shay reviewed the purpose of the meeting.

V Unfinished Business:

a) Review event advertising and destination marketing.

Committee members were given the opportunity to make comments and to ask questions of the Chamber. All agreed that website and calendar restructuring would be a great improvement and that communication between the Chamber and event planners is key to the success of each event. Mr. Munro suggested a tiered down pricing structure for 501C organizations and he also requested that the Chamber report back in the fall regarding the success of banners to see if the money is being spent in the right area

Susan Thomas of the VCB described two phases to the redesign of the website. The new website should be completed by early fall.

Mr. Martin moved to support the current Chamber/VCB's program of event marketing and especially the contracting for services for the individual events. Mr. Soule seconded the motion. The motion passed unanimously. (7-0)

b) Review of Chamber of Commerce Visitors and Convention Bureau's proposal for year 2010-2011; budget of expenditures of 30% allocation of State Accommodations Tax Funds for advertising of tourism.

Mr. Soule moved to approve the Chamber/VCB 2010-2011 budget with respect to expenditure of the 30% statutory allocation. Mr. Munro seconded the motion. The motion passed unanimously. (7-0)

c) Review of Hilton Head Hospitality Association's proposal for the year 2010-2011; budget of expenditures of 5% allocation from local 1% Accommodations Tax Revenue for promotion of festivals.

Mr. Diamond moved to approve the HSHA budget for expenditure of 5% of the Town's local 1% tax for promotion of local festivals. Mr. Keskin seconded the motion. Mr. Soule asked Ann-Marie Adams from the HSHA if this funding will go toward additional staffing. Ms. Adams confirmed that part of these funds would be used for administrative expenses. The motion passed unanimously. (7-0)

VI New Business:

Mr. Shay asked Mr. Munro to brief the Committee on his concern that there are many short-term home and villa owners who are not collecting and remitting sales tax and accommodations tax. Mr. Munro explained that he has been watching the VRBO (a consumer site where owners of homes and villas can list their property for rent), and it appears that there are many more properties listed for rent than there are properties that are remitting taxes. Susan Simmons, Director of Finance for the Town, briefed the Committee on the Town's policies regarding tax collection. Susan Thomas of the Chamber/VCB informed the Committee that the VCB had prepared a report in 2010 on villa and home rental properties on the island. The VCB agreed to send that property report to the Town to assist in investigating and implementing tax compliance. After a lengthy discussion, Mr. Munro moved to recommend to Council that the Town should identify owners who are renting their properties short-term and to take action on their compliance with tax laws. Mr. Martin seconded the motion. The motion passed unanimously. (7-0)

VII Adjournment:

Mr. Martin moved to adjourn the meeting. Mr. Diamond seconded the Motion. The meeting was adjourned at 10:55 p.m.

Approved:

Respectfully submitted:

Willis O. Shay, Chairman

Debra Cyrilla, Secretary