

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

**Date:** July 16, 2013 **Time:** 9:00 a.m.

**Members Present:** Robert Stenhammer, *Chairman*; Mike Alsko, *Vice-Chairman*; Trish Heichel, Stewart Brown, Rob Bender, Bob Spear

**Members Absent:** Frank Soule

**Staff Present:** Steve Riley, *Town Manager*; Susan Simmons, *Director of Finance*; Bret Martin, *Deputy Director of Finance*; Bruce Seeley, *Inspections, Collections and Audit Manager*; Lori Schmidt, *Cash Billing and Receipts Manager*; Marcy Benson, *Senior Grants Administrator*; Debra Cyrilla, *Human Resources Assistant*; Erica Madhere, *Finance Assistant*

**Council Present:** William Harkins, Kim Likins

**Others Present:** John Munro, Members of the Public

**Media:** None

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**1. Call to Order:**

The meeting was called to order at 9:00 a.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. Swearing in of Reappointed and New Members:**

Mayor Pro Tempore William Harkins swore in reappointed committee member Robert Stenhammer and newly appointed committee members Rob Bender and Bob Spear. Mayor Pro Tempore Harkins welcomed and thanked them for their willingness to serve on this important committee, and to assist in determining the best uses for Accommodations Tax dollars in our community.

**4. Crystal Award Presentation:**

Mayor Pro Tempore William Harkins presented Bret Martin and John Munro with Crystal Awards on behalf of the Town of Hilton Head Island for their respective five and a half years and six years of service on the Accommodation Tax Advisory Committee. Mayor Pro Tempore Harkins thanked Mr. Martin and Mr. Munro for their tremendous contributions, and expressed his and Town Council's gratitude for the high quality of deliberation, dialogue, and information they have brought to the decision making process over the years.

Mr. Munro stated his thankfulness for serving on the Committee and urged the Committee and the Town to continue focusing on the vacation rental by owner market in order to locate and track those that are not currently remitting Accommodations taxes.

Mr. Martin also was thankful for his experiences with the Committee and for all of the Member's hard work. He welcomed the new members and wished them luck.

**5. Reception:**

A short reception was held in recognition of the newly appointed, reappointed, and out-going members of the Committee.

**6. Special Orders:**

Election of Chairman and Vice Chairman:

- a. Trish Heichel nominated Robert Stenhammer as Chairman. Stewart Brown seconded the motion. There were no other nominations. Mr. Stenhammer was elected unanimously. (6-0)
- b. Trish Heichel nominated Mike Alsko as Vice Chairman. Stewart Brown seconded the motion. There were no other nominations. Mr. Alsko was elected unanimously. (6-0)

**7. Approval of Minutes:**

Mr. Brown moved to approve the Minutes of April 25, 2013. Ms. Heichel seconded the motion. The motion passed unanimously. (6-0)

**8. Chairman's Report:**

Mr. Stenhammer reviewed the recent issue of Accommodations Tax Grants as related to Fundraising activities. He made it clear to the Committee that Accommodations Tax dollars cannot be used specifically for general fundraising activities. Organizations that have a fundraising component are eligible for Accommodations Tax Grants; however, they must use their Grant for tourism related expenditures only.

Mr. Stenhammer asked Bret Martin, the Deputy Director of Finance for the Town, to update the Committee on year-to-date Accommodation Tax Revenue and the Accommodations Tax Recovery Project that the Town has been working on for the past year. Mr. Martin explained the State Accommodations Tax revenue from July, 2012 through May, 2013 compared to the same time frame from the prior year is up by about \$562,000. Part of this increase is due to a one-time adjustment the Town received from the State to correct tax revenue that had been allocated to the wrong municipality. The Local Accommodations Tax revenue is up about 7%. Mr. Martin noted the biggest quarter is still to come and is not included in these comparisons.

Mr. Martin continued with a summary of the Accommodations Tax Recovery Project which was started by the Town's Summer Interns in July, 2012 with the purpose of contacting owner-managed VRBO.com properties to ensure they are remitting taxes. After one full year, out of the 1,713 properties that were identified, 705 were already in the Town's system and paying; 230 are now in the process of being established as new accounts and are paying or have paid current and prior years taxes, if applicable; 132 are no longer renting or have been sold; and the remaining are still to be worked. Mr. Martin explained the process is not straight forward for many reasons, however, the project is still ongoing and he hoped to have more information for the Committee in the fall.

The last item on the Chairman's Report was the USCB surveying tool that the Committee would like to mandate for all organizations applying for Accommodations Tax Grants. The Committee discussed ways this surveying program could be sponsored so that the organizations would not have to pay for it themselves. Ideally, the Committee would like the surveying tool to be utilized this upcoming application season in order to better measure the potential Return on Investment of the Grants.

**9. Unfinished Business**

None

**10. New Business:**

**a. Review and approve Draft 2014 Accommodations Tax Grant Application**

The Draft 2014 Application has a few additions and revisions in order to request better information on how the organization 1) drives tourism, and/or 2) improves the visitor's experience, and 3) collaborates with other organizations. The 2014 Application also specifically asks how many tourists the organization serves on an annual basis.

Susan Simmons, Finance Director for the Town, noted that this year the Applicants will be encouraged to be more stringent with the details of their projects and the intended uses of grant dollars. The Applicants will be reminded to ensure the percentages and itemizations cover their entire request. The Applications will be screened to verify all requested information has been provided.

**11. Adjournment:**

The meeting was adjourned at 10:10 a.m.

**Approved:**

**Respectfully submitted:**

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**Robert Stenhammer, Chairman**

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**Erica Madhère, Secretary**