



Town of Hilton Head Island
ACCOMMODATIONS TAX ADVISORY
COMMITTEE MEETING
Thursday, July 24, 2025, 2:00 PM
Minutes

Call to Order

Current Vice-Chair Farrell called the meeting to order at 2:00 p.m.

Committee Members Present: Keigh Schlegel, *Chairman*; Martin Lesch, *Vice-Chairman*; Cecile Eck, John Farrell, Adriaan Radder and Dave Ferguson

Members Absent: Thomas Dowling

Members of Town Council Present: Alex Brown, Mayor Pro-Tem

Introduction of Newly Appointed Members

Michele Bunce, Senior Grants Administrator, introduced newly appointed Accommodations Tax Advisory Committee Member, Dave Ferguson. Town Staff and Committee Members welcomed Mr. Ferguson to the Committee.

Adoption of the Agenda

Mr. Lesch made a motion to adopt. Mr. Schlegel seconded. Motion carried 6-0.

Approval of the Minutes

Regular Meeting Minutes of April 3, 2025

Mr. Lesch made a motion to approve. Mr. Schlegel seconded. Motion carried 6-0.

New Business

Election of Chairman and Vice Chairman

Current Vice-Chair Farrell nominated Mr. Schlegel as Chair. Motion carried 5-0-1 (Mr. Schlegel abstained).

Current Vice-Chair Farrell nominated Mr. Lesch as the new Vice-Chair. Motion carried 5- 0-1 (Mr. Lesch abstained).

Overview of Accommodations Tax Advisory Committee Role, Responsibilities, and Statutory Requirements - Curtis Coltrane, Town Attorney

Mr. Coltrane presented an overview of the need for and requirements of the Accommodations Tax Advisory Committee, including its role and responsibilities. He stated that the Committee's primary purpose is to guide the distribution of grant funds and provide recommendations for the ATAX Grant Awards, with the final decision made by Town Council.

He also reviewed the role of the Tourism Expenditure Review Committee (TERC), which serves as the oversight authority to ensure compliance with State law by reviewing reporting forms submitted by Municipalities.

Mr. Coltrane further explained how the Accommodations Tax is calculated and outlined the statutory regulations governing its use. He clarified the distinction between the Local and State accommodations tax and noted that State law requires 65% of ATAX revenue to be allocated to Tourism-Related Expenditures. He also provided examples of expenditures that qualify under State guidelines.

Review of Accommodations Tax Advisory Committee Bylaws and Rules of procedure - Curtis Coltrane, Town Attorney

Review of Election of Officers Requirement

Mr. Coltrane reviewed the procedural guidelines governing the Committee's operations, including the process for electing officers. He emphasized the importance of members being familiar with the governing documents and understanding their responsibilities to ensure proper conduct and compliance with the bylaws.

Committee members asked questions regarding the new ATAX Fund Distribution Policy, particularly the percentage allocations set by the Town. Mr. Coltrane explained that State statute allows the Town to establish its own distribution guidelines and noted that the final allocation of ATAX funds may be adjusted by Town Council. He advised that if the Committee believes further review is needed, the matter should be brought before Town Council.

Mr. Coltrane also reminded the Committee that they have the authority to amend their bylaws if necessary.

Review of South Carolina Freedom of Information Act Requirements - Curtis Coltrane, Town Attorney

Meeting Quorum

Communication Among Committee Members and the Public

Public Records

Executive Session

Mr. Coltrane stated that the Committee is a public body and that all activities conducted in its service are considered public record. He noted that meetings must be properly noticed and that a quorum of at least four members is required for the Committee to take official action.

He emphasized that all communications and documents related to Committee business, regardless of platform or device, are subject to disclosure under the Freedom of Information Act (FOIA), including personal phones and emails.

Mr. Coltrane reviewed the use of Executive Sessions, explaining that they may be appropriate for receiving legal advice; however, the topic of discussion must still be publicly disclosed, and any resulting actions must be taken in open session.

Committee members raised questions regarding ethical responsibilities, such as accepting

gifts and determining when to abstain from voting. Mr. Coltrane explained that the key factor is whether a member might personally benefit from a decision. He emphasized that recusal is ultimately a decision for the individual member.

Members discussed scenarios involving their affiliations with local organizations applying for ATAX funds. Mr. Schlegel noted that such experience is valuable but reiterated that if there is any appearance of a conflict, it is best to err on the side of recusal. He stated that disclosure of potential relationships is always recommended, even though the Committee serves in an advisory role rather than as a final decision-making body.

The discussion also addressed distinctions between volunteering and profiting. Mr. Coltrane clarified that while donating time does not present financial gain, disclosure is still good practice, and the decision to recuse remains with the member.

Committee members requested that the Town Attorney provide the relevant state ethics language for further guidance. Mr. Coltrane concluded by emphasizing the importance of thoughtful consideration and discussion on these matters.

Presentation Regarding 2026 Accommodation Tax Grant Application Policy and Process - Michele Bunce, Senior Grants Administrator

Mrs. Bunce asked the Committee if there were any questions or comments regarding the ATAX policy and process. With the exception of new member Mr. Ferguson, members indicated they were already familiar with the procedures. She reminded the Committee that policies and procedures remain open to improvement.

Mrs. Bunce clarified that the Committee recommends funding allocations to the Finance and Administrative Committee and Town Council, which hold final authority. She noted that the distribution policy promotes consistency, clarity, and informed recommendations. She also explained that the application form is a Town document based on State law.

Regarding applicant workshops, Mrs. Bunce stated that at the request of the ATAX Committee attendance is mandatory for all 2026 applicants that will apply. Members expressed concern this could discourage participation, while Mrs. Bunce emphasized the workshops provide valuable updates, clarification, and mentoring opportunities.

The Committee and Mrs. Bunce thanked Shena Smith for her efforts in supporting the Accommodations Tax program.

Public Comment - Non Agenda Items

There was no public comment at this time.

Adjournment

Mr. Farrell adjourned the meeting at 3:05 p.m.

Approved: September 25, 2025

The recording of this Meeting can be found on the Town's website at www.hiltonheadislandsc.gov.