

SPECIAL MEETING  
DARLINGTON COUNTY COUNCIL  
DARLINGTON, SC

May 15, 2017

A Special Meeting of the County Council of Darlington County was held this 15<sup>th</sup> day of May 2017, at 5 p.m., at the Courthouse Annex/EMS Building, 1625 Harry Byrd Highway (Highway 151), Darlington, South Carolina.

NOTICE OF MEETING

In compliance with the Freedom of Information Act, a copy of the agenda providing the date, time, and place of the meeting was emailed to the local newspapers, persons requesting notification, and posted on the county's website, on the bulletin board in the lobby of the courthouse, and at the entrance of the Courthouse Annex/EMS Building.

COUNCIL MEMBERS PRESENT

Chairman Bobby Hudson, Vice Chairman Marvin Le Flowers, Chaplain Dannie Douglas, Jr., Mr. J. Lewis Brown, Mr. Robert L. Kilgo, Jr., and Ms. Joyce W. Thomas.

COUNCIL MEMBERS ABSENT

Mr. David Coker and Ms. Mozella Nicholson.

ALSO PRESENT

County Administrator Marion Charles Stewart, III, Clerk to Council J. JaNet Bishop, Historical Commission Director Brian Gandy, and Library Director Jimmie Epling.

REPORTERS PRESENT

Ms. Samantha Lyles of the News and Press.

Call To Order / Invocation And Pledge Of Allegiance

Chairman Hudson called the meeting to order at 5:01 p.m. Mr. Douglas presented the invocation and Ms. Thomas led the Pledge of Allegiance.

Items For Consideration

Appointment To Council Committee(s)

Mr. Stewart suggested that since the Library Board is a committee appointed by Council, Council could make appoints at this point instead of adding a separate item or amending the agenda.

There were no objections.

Library Board. **MOTION** was made by Mr. Flowers and seconded by Mr. Kilgo to appoint Ms. JoAnn Kelley Lee to the Library Board. The motion carried unanimously. Ms. Lee will serve an unexpired term through June 30, 2020.

**MOTION** was made by Ms. Thomas and seconded by Mr. Kilgo to appoint Ms. Vanessa Patterson to replace Ms. Elaine Reed on the Library Board. The motion carried unanimously. Ms. Patterson will serve an unexpired term through June 30, 2019.

Chairman Hudson appointed the following Council Committees:

Animal Shelter Committee. Mr. David Coker and Mr. Bobby Hudson.

Benevolent Committee. Ms. Joyce W. Thomas and Finance Director Sherman Dibble.

Finance Review Committee. Mr. Bobby Hudson, Mr. Dannie Douglas, Jr., Mr. Lewis Brown, the Darlington County Treasurer, and the Darlington County Auditor Margaret Rogers.

Pee Dee Regional Council of Governments. Mr. Leon Johnson (Business/Executive Committee), Mr. Wesley Blackwell (Council), Ms. Mozella Nicholson (Council), and Mr. Jim Ramsey (Business).

Solid Waste Study Committee. Mr. Dannie Douglas, Jr., Mr. David Coker, and Mr. Le Flowers.

NESA (North Eastern Strategic Alliance. Senator Gerald Malloy.

Courthouse Construction Advisory Committee. Mr. Bobby Hudson and Mr. Robert L. Kilgo, Jr.

Prison Farm Study Committee. Ms. Joyce W. Thomas, Mr. Lewis Brown, and Mr. David Coker.

Ordinance No. 17-05, Ordinance To Amend The Agreement For The Development Of A Joint Industrial And Business Park Dated November 18, 2010, By And Between Darlington And Florence Counties So As To Enlarge The Park (General Electric Company) - SECOND READING

**MOTION** was made by Mr. Kilgo and seconded by Mr. Brown to approve second reading of Ordinance No. 17-05.

The motion carried unanimously.

#### Items For Discussion

##### Policy & Procedure For Hospitality Tax Funds

Mr. Stewart presented a PowerPoint presentation on the state law governing hospitality tax funds. To comply with state law {South Carolina Code of Laws, section 6-1-720(B)} and county Ordinance No. 14-30 {Darlington County Code of Ordinances, section 10-

74}, the county must keep all proceeds from local hospitality tax in a separate fund and post all accrued interest back to this fund.

Mr. Stewart reviewed the uses for hospitality tax funds as described in South Carolina Code of Laws (6-1-730). The uses include tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums; tourism-related cultural, recreational, or historic facilities; beach access and renourishment; highways, roads, streets, and bridges providing access to tourist destinations; advertisements and promotions related to tourism development; or water and sewer infrastructure to serve tourism-related demand.

Mr. Stewart pointed out that if a county collects over \$900,000 annually in accommodations tax, then hospitality tax funds can be used for law enforcement, emergency medical services, EOC/E-911 operations in support of what they do for any tourism-related event. If the county collects less than \$900,000 annually in accommodations tax, the county can use up the fifty percent of the preceding year's hospitality tax collection. Therefore, Mr. Stewart requested that Council considers assigning \$35,000 of hospitality tax funds to offset the cost of law enforcement, emergency medical services, fire district services, and EOC operations during the NASCAR race. These public service agencies incur a considerable amount of overtime and expenses in operations and employees to support the NASCAR race to provide the appropriate protection and level of service on the highways, streets, and roads surrounding the track and in Darlington County.

Mr. Stewart reported that for eleven months in FY16, the county collected approximately \$214,000 and spent \$22,500 on tourism booklets and the Chamber's Freedom Fest Fireworks Festival. As of the end of April 2017, the county collected approximately \$198,650. The amount of hospitality tax funds available for use as of April 2017 totals \$390,150. The monthly hospitality tax collection averages about \$19,650 and the yearly collection is expected to be about \$235,800 (more or less).

Mr. Stewart emphasized that with his request for \$35,000, there were no plans for any department to receive any new funds or be authorized to spend any additional funds. The requested funds would be used to reimburse the General Fund for the normal expenses incurring during the race.

Mr. Flowers questioned who pays the deputies from other counties and the highway patrol officers who work during the race. Mr. Stewart responded that the race track pays the agencies from other counties. However, he did not know about the highway patrol officers. The county agencies/staff do not receive payment.

Mr. Kilgo reported that hospitality tax funds could be used to leverage bonds such as what the cities of Hartsville and Darlington had done to build facilities. This would be another avenue of doing things. He also stated that the only request Council had received was from Greater Darlington Chamber of Commerce for \$25,000.

Mr. Brown suggested that the three festivals {*Catfish Festival, Egg Scramble Jamboree, and Sweet Potato Festival*} be funded with hospitality tax funds and earmarked for \$10,000. He also suggested establishing more stringent requirements and restrictions to quality for accommodations tax to include verifying hotel stays. Mr. Brown explained how, according to South Carolina Department of Tourism, to calculate the economic impact for every dollar spent. He explained that some of the events applying for Accommodations tax funds could

be entitled to more money if they would put forth the efforts to find out the number of hotel stays. He also stated that it would seem more appropriate to fund the one-day festivals from hospitality tax funds. If hospitality tax funds are earmarked for festivals, these applicants would not have to go through the accommodations tax process.

Mr. Kilgo stated that in talking with the Accommodation Tax Advisory Committee Chairman, the Committee looked more at "heads in beds;" suggested cuts; and recommended more funds for those events that places "heads in beds." Mr. Kilgo felt that hospitality tax funds would be a more logical place to fund the one-day events. It would just be a matter of the one-day festivals applying for hospitality tax funds as opposed to accommodations tax funds. The Junior Golf Tournament, RenoFest, and other two to three-day events would remain under accommodations tax.

Mr. Flowers suggested that rather than having the groups come to Council for hospitality tax funds, the county could give a certain portion of the hospitality tax funds to the four municipalities to create their own one-day festival.

Mr. Kilgo pointed out that Hartsville and Darlington have a two percent hospitality tax. Mr. Stewart confirmed that the City of Hartsville receives approximately \$900,000 per year in hospitality tax. He did not know the amount collected by the City of Darlington.

Mr. Brown stressed that if someone requests money, they should validate the number of hotel stays. The overall structure for accommodations tax was in place. It was just a matter of Council giving the Committee the instructions.

Mr. Kilgo and Mr. Stewart talked about the amount of accommodations tax the county collects and appropriates to tourism related activities. Mr. Stewart suggested that Council earmarks a portion of hospitality tax to replace accommodations tax so that there would be funds for one-time projects/events.

Mr. Kilgo was very interested in using hospitality tax bonds to facilitate larger projects. He talked about a presentation by South Carolina Tourism that he heard at an Economic Development meeting in Greenwood last week.

Mr. Brown asked whether it was within the parameters to earmark \$10,000 in hospitality tax for one-day festivals and they not apply for accommodations tax funds.

Mr. Stewart suggested that Council makes the requirements stricter for receipt of accommodations tax funds, require that the festivals be multi-day festivals versus one-day festivals, and require proof of "heads and beds." These guidelines would then be provided to the Accommodation Tax Advisory Committee to follow.

Mr. Brown said the unknown would be for the festivals to be more diligent in validating the number of hotel rooms in Darlington County, which could result in them getting more accommodations tax funds than the amount earmarked in hospitality tax funds. He did not want to create an environment that would allow applicants to double dip. The intent would be the best use of the money for the economic impact in the county.

Mr. Kilgo felt that it would be best if the staff would review and rewrite the accommodations tax ordinance by proposing an amendment based upon Council's discussion, and do not touch hospitality tax funds until the proposed ordinance is approved.

Mr. Stewart stated that Council could look through this year's list (accommodations tax applicants) to get an idea of who would be restricted and the amount of funds. He also

stated that if Council was going to do three readings of an ordinance, Council could also being the three readings of an ordinance for hospitality tax assignment.

Mr. Flowers questioned how this would affect the Jacob Kelley House, Butler Heritage Foundation, the Cultural Realism Complex, the old Darlington Genealogical Society, and Hartsville Museum who once received accommodations tax funds.

Mr. Brown commented that some of the groups would do more homework and may realize that they book more hotel rooms, and therefore, may receive more funds (accommodations tax) than those in the past who do not place "heads in beds," or they may gravitate more to the hospitality tax side. He said the intent was not to prevent anyone from getting funds, it would be more of how to make the most of the money on the economic impact side.

Mr. Kilgo suggested that the county requires applicants for hospitality tax funds to indicate what they receive from other governmental entities so that they do not double dip. Mr. Stewart mentioned that reporting guidelines similar to those for accommodations tax could be developed for applicants applying for hospitality tax funds.

Chairman Hudson said it was initially discussed that hospitality tax funds could be used for recreation. He said county-owned ball fields need to be evaluated and brought up to standards, especially the fields in Lamar and Lydia.

Mr. Kilgo suggested that the Town of Lamar implement a hospitality tax. It was his understanding that as long as Lamar has not started, the county could pass an ordinance to put Lamar's hospitality tax under the county and collect the money. If the county creates its own hospitality tax for Lamar, then the county would have funds for the fields.

Mr. Flowers pointed out that the county owns very few ball facilities. Most are owned by the school district. The county maintains the fields. Council and the staff briefly talked about ownership of the various fields in the county.

Mr. Kilgo suggested that Council directs the Administrator to prepare an ordinance to amend the accommodations tax procedures.

Mr. Brown stated that he was not in favor of forming another committee similar to the Accommodations Tax Advisory Committee. He felt that it was within Council's capability to discuss and decide on projects to fund with hospitality tax revenue. He talked about identifying top projects, spending money based on bigger projects, allocating funds equally among council districts with each council district having the opportunity to work with neighboring council districts, placing \$50,000 to \$75,000 into projects that are geographically specific to the area, or looking at projects as a group and rank them.

Mr. Kilgo felt that some type of committee should be established to look for bigger projects.

Mr. Flowers questioned what needs to be done to move forward with designating \$35,000 in hospitality tax funds to offset the General Fund.

Mr. Stewart suggested that Council approves a Resolution indicating that the first \$35,000 of hospitality tax revenue be used to defray the cost involved in the provision of services during the NASCAR race.

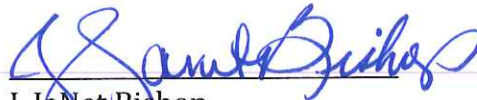
It was the consensus of Council members present to place this on Council's next agenda.

Mr. Stewart also asked Council to consider, while moving forward with changes to make the accommodations tax ordinance tighter, to also move forward with a resolution to set aside a certain amount of hospitality tax funds for one-day festivals and leave accommodations tax funds to stir the economic investment of the funds going to "heads and beds." Council and the staff talked about the amount of manpower needed during the NASCAR race. Mr. Stewart clarified that the \$35,000 in Hospitality tax funds would be shown as income in the General Fund (some transferred to the Emergency Services Fund) and not specifically assigned to anyone. The agencies would not add additional officers or contract for additional ambulances, etc.

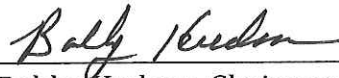
Adjournment

**MOTION** was made by Mr. Kilgo and seconded by Mr. Brown to adjourn the meeting. There being no further discussion, the meeting was adjourned at 5:51 p.m.

Respectfully submitted,



J. Janet Bishop  
Clerk to Council



Bobby Hudson, Chairman  
Darlington County Council

Approved at meeting of June 5, 2017.