

Members of the Hilton Head Island-Bluffton Chamber



It's time to stop the abuses and take YOUR chamber back.

As Americans we demand public participation, transparency and the efficient use of our tax dollars. All who serve in governmental positions and non-profit "public bodies" must respect our rights and continuously earn our trust.

- As a dues-paying member, why aren't you allowed to participate in the governance of your own chamber of commerce?
- Why does the Hilton Head Island-Bluffton chamber fight against transparency?
- Is the chamber effective and efficient with the use of your membership dues and with tax payer funds?
- What benefits and support do you receive from the chamber for the amount of money you pay in membership dues each year?

How to take back YOUR Hilton Head Island-Bluffton Chamber of Commerce.

- Demand of chamber leadership that the bylaws be changed back to require annual member meetings and to only allow board members that are elected by the members.

- Write the mayor and town council members and demand that the town stop funding the chamber until the chamber submits to a thorough independent audit/review.
- Write to the mayor and town council members and demand that no further funding be granted to the chamber until after an appropriate public bidding process is conducted by the town.
- Stop your membership with the chamber until the chamber gets its compensation spending in line and until the chamber and the visitors and convention bureau are separated into two entirely unrelated organizations.
- Stop your membership until you receive total access to all accounting records of the chamber. South Carolina Law provides members' rights to such access.

Song and Dance Men, Bill Miles and Tom Upshaw.



At a nearly \$400 thousand dollar annual compensation package for Bill Miles, you realize that it takes nearly 1,000 dues-paying members, just like you, to pay just his compensation each year.

The Bylaws of the Hilton Head Island-Bluffton Chamber at one time required an annual meeting of members. Members then voted for board members and on other issues. That is no longer the case. When was the last time you were notified of an annual meeting of members? Were you ever permitted to vote for a board member?

For many years now, board members have been appointed, not elected. The board has become an non-elected "buddy board", comprised of Bill Miles' friends, that have no term limits, and they simply "rubber-stamp" virtually whatever Bill wants. Many board members are good people, however like many of us they are also kept in the dark and never allowed to see the full accounting of this chamber.

They too have been deceived, tricked and lied to. Ask them yourself. Their names and companies are listed below. What Bill miles has done is appoint as many leaders in our community as possible to give the appearance that all is well. How could anyone believe anything could be amiss with such a "blue ribbon" board? But even the board has not been allowed total and unfettered access to the detailed financial records.

The Town of Hilton Head Island, the Town of Bluffton, the County of Beaufort and the State of South Carolina have funded this chamber with over \$60 million dollars in tax funds over the years with little to no oversight.

There has never been a public bidding process for the chamber to be the designated marketing organization for the Town of Hilton Head. The chamber has never been required to submit to an independent review or investigative/forensic audit.



This chamber is directly involved in its own "for-profit" businesses including the sale of \$1.8 million of advertising annually, which unfairly competes with local private-sector media companies. This chamber now receives more of its annual revenue from advertising sales than it receives from membership dues. Should a chamber of commerce compete with the local businesses it is supposed to support?

The IRS has rules forbidding non-profits from being involved in "for-profit" businesses. The IRS even taxes otherwise tax-exempt non-profit organizations for "unrelated business income" (UBI). Has this chamber complied with the tax laws? Has this chamber appropriately reported UBI?

This chamber operates under an archaic model whereby the chamber of commerce and the visitors and convention bureau are combined. Only 5% of chambers operate this way. The chamber and visitors and convention bureau should be separated. These are two very diverse functions. It is inefficient and prone to abuse as a result of co-mingling of public tax funds and member dues.

Of the \$7 million annual budget on which this chamber operates, 30 percent of that money is spent on employee compensation. Hilton Head receives only 2.5 million visitors per year.

The Myrtle Beach Area Chamber of Commerce spends only **6 percent** of its budget on employee compensation and Myrtle Beach receives over **16 million visitors per year**.

The average compensation for a Myrtle Beach chamber employee is approximately **\$48,000** per year. The average employee of the Hilton Head Chamber is **\$87,000** per year.

The Hilton Head Island-Bluffton Chamber is an organization with a **primary charter to support local businesses. Right?** Then why does this chamber spend so much money in **Canada and Arkansas** for its two (2) interactive marketing agencies, Verb and Aristotle respectively? **Why does this chamber not afford local companies the opportunity to bid on various products and services the chamber purchases?**

Is this Chamber doing everything it can to promote local businesses on Hilton Head Island?**How is the Chamber promoting your business or organization specifically?**

Do you think the Chamber should **contract for services or goods first and foremost with members that are actually on Hilton Head Island?**

Why do they continue to go out of state for services and products? This does not help our island economy at all.

Do you feel that the **bidding process should be transparent to including a bid report** that shows who bid, what they bid, and where their main offices are located?

Compare the operations of the Hilton Head Island-Bluffton Chamber to that of the Greater Bluffton Area Chamber. The Greater Bluffton Chamber operates appropriately and conducts itself perfectly in accordance with national standards. Members of the Bluffton Chamber participate in the governance of the organization. Board members are elected by the members. The Bluffton Chamber is not involved in any "for-profit" business ventures of its own and therefore does not compete with local private-sector for-profit businesses. **The Greater Bluffton Chamber should be the ONLY Bluffton chamber.**

In Summary

A chamber of commerce should fulfill the sole purpose of supporting the interests of local businesses, not the interests of the chamber. Chambers should exist financially only from revenues generated from member dues, business expos, seminars, and other "after hours" events. Never should chambers of commerce receive public monies nor should they participate in any internal for-profit business ventures.

Visitors and convention bureaus have a different single purpose and that is to promote their market for tourism. Such entities are often provided public funds to carry out such functions. ATAX dollars in South Carolina are provided to such entities that serve as designated marketing organizations (DMOs).

Chamber of commerce organizations and visitors and convention bureaus should never be conjoined. In the United States, only 5% of all chambers of commerce also provide convention and tourism functions. There are no commonalities between the functions nor are economies of scale to be derived. The only reason to continue as a combined chamber and tourism organization is to try to escape transparency.

The Hilton Head Island-Bluffton Chamber should simply become the Hilton Head Island Chamber of Commerce and the tourism division of this chamber should be a totally separate organization with its own leadership and its own member-elected board of directors.