

ACCOMMODATIONS TAX ADVISORY COMMITTEE

11 a.m., Wednesday, January 6, 2010

The regular meeting of the Accommodations Tax Advisory Committee was held at 11 a.m. on Wednesday, January 6, 2010 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Committee members Malcolm Burgis, Rick Linville, Margaret Miller, David Nelson, Sandy Ferencz and Jimmy Ward, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. Ms. Hollingsworth's absence was excused.

1. Mr. Ward called the meeting to order and acknowledged that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. Election of Chair and Vice-Chair

Mr. Burgis nominated Mr. Ward to serve as Chair for a second year, Mr. Linville seconded the nomination and there were no other nominations. Mr. Ward was unanimously elected Chair.

Chair Ward nominated Mr. Burgis to serve as Vice-Chair, Mr. Linville seconded and there were no other nominations. Mr. Burgis was unanimously elected Vice-Chair.

3. Approval of Previous Meetings' Minutes

MOTION: Mr. Nelson moved to approve the minutes of the regular meeting of October 7, 2009 and the Special Meeting of October 12, 2009 as submitted; Ms. Ferencz seconded and the motion PASSED UNANIMOUSLY.

4. Quarterly Financial Statement – Treasurer Suggs

Treasurer Suggs distributed several handouts relative to her review of the State Accommodations Taxes. She first directed the Committee's attention to the schedule headed "SC State Accommodations Tax – Distribution of Funds Received" where she pointed out that the receipts for the quarter ended September 30, 2009 were five hundred thousand six hundred fifty dollars (\$500,650), which was only six percent (6%) less than was received for the same quarter in 2008. The Balance Sheet was the next handout reviewed; it indicated an excess of one million one hundred thousand dollars (\$1,100,000) was being held by BB&T and the SC Local Government Investment Pool. The Treasurer detailed the expenditures since the October 2009 ATAX Committee meeting; of key interest was the expenditure to Spoleto that had been approved by the Committee for seventy-five hundred dollars (\$7,500) but had been approved by Ways and Means and City Council for fifteen thousand dollars (\$15,000). Other expenditures mentioned were the deposit for the July 4th fireworks display, body armor for two (2) police officers, a principal and interest payment on the 2007 garbage packer and twenty-five thousand (25,000) scoopers in preparation for the 2010 tourist season.

Chair Ward commented that he was frustrated by the fact that City Council had not heeded the ATAX Committee's recommendations regarding funding for Spoleto and the Fort Sumter-Fort Moultrie Historical Trust. He questioned whether City Council was aware of the deliberations of the ATAX Committee, and he questioned the basis for reversing the Committee's decision. He expressed the opinion that there appeared to be steps in the communication process that were

lacking and wanted to know how they could be corrected. Chair Ward stated that he was of the opinion that the Accommodations Tax Advisory Committee was due an explanation from the Ways and Means Committee and City Council as to why they had chosen to overrule the Committee's recommendations.

Ms. Ferencz noted that she had expressed concerns over the City's application process and the limited amount of information applications provided at the previous meeting. She was questioned what information was communicated to City Council and the means by which that information was communicated to them.

Administrator Tucker stated that City Council had been provided copies of the minutes of the Accommodations Tax Advisory Committee meeting for review before having the motions put before them at their meeting. She also reported that a representative from Spoleto had attended the October meeting of Ways and Means to respond to questions and concerns; the Administrator stated that she did not know how much the representative's presence and information might have influenced the Committee's decision. Administrator Tucker commented that, historically, it has been City Council's position that, if a Committee wanted better dialogue with Council, the Committee Chair was welcomed to attend Ways and Means and/or Council meetings to speak to recommendations from the Committee.

Chair Ward thanked her for the information and stated that he would be attending those meetings in the future.

In the final schedule, Treasurer Suggs calculated that, based on the expenditures approved to-date and budgeted revenue, the fund could end the 2010 fiscal year with approximately eight hundred thirty-three thousand dollars (\$833,000) in fund balance.

MOTION: Ms. Ferencz moved to accept the quarterly financial statement as presented; Mr. Nelson seconded and the motion PASSED UNANIMOUSLY.

5. Old Business - None

6. New Business

Discussion of Application and Evaluation Procedures

Chair Ward turned the discussion over to Ms. Ferencz to lead the discussion. She repeated her concerns that the City's application for ATAX funds did not provide enough information on how the funds would increase tourism on the island; she, therefore, was interested in possibly upgrading the application process. In December she had been drawn to an article in the *Post and Courier* that had related how Charleston County had worked with the Department of Tourism at the College of Charleston to develop a mathematical approach to the decision-making process, thereby eliminating both emotional and political influence.

With the assistance of the City staff, the Committee members were given copies of the presentation made to Charleston County, the new Charleston County ATAX application and an example of the scoring process. Ms. Ferencz asked that the members of the Committee study

the materials, possibly form a task force, of which she offered to be a member, and to have recommendations to make to the ATAX Committee for the April meeting.

Perrin Lawson of the Charleston Visitors Bureau (CVB) was present and Chair Ward asked that he give his opinion of Charleston County's new process. Mr. Lawson indicated that the CVB had been also been involved in the development of the Charleston County application and evaluation process; he stated that, like so many other municipalities, Charleston County was being presented more applications each year, had the same or fewer dollars to distribute and was keenly interested in the return on its investment. He added that each municipality was different, so that the focus would be different for each and that the procedures established for Charleston County continued to be a "work in progress."

Mr. Nelson stated that, based on his initial review of the handout, it seemed "overkill" for the Isle of Palms, but that the concept was a good one.

8. Miscellaneous Business

Chair Ward had been prompted by businesses on Front Beach to ask why the lights on the City Christmas Tree had not been lit every night; he said they had been lit on the weekends but not on weeknights until the week before Christmas. Administrator Tucker stated that the responsibility for turning on the Christmas tree lights every night had been assigned to the Police Department and that Front Beach businesses should call the Police Department any night that the lights are not on. The Administrator added that there had been some electrical problems on Front Beach during the extreme rains in December. Mr. Ward stated that he would pass that information along to the Front Beach businesses.

Next Meeting Date: 11 a.m., Wednesday, April 7, 2010

9. Adjournment

MOTION: Mr. Burgis moved to adjourn the meeting at 11:30 a.m.; Mr. Linville seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk