

**Accommodations Tax Advisory Committee**  
**City Hall, 2<sup>nd</sup> Floor Conference Room**  
**11:00 a.m., Wednesday, October 5, 2011**

The regular meeting of the Accommodations Tax Advisory Committee was held at 11:00 a.m. on Wednesday, October 5, 2011 in the 2<sup>nd</sup> Floor Conference Room of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Malcolm Burgis, Jimmy Carroll, Sandy Ferencz, Margaret Miller and Chair Jimmy Ward, City Administrator Tucker and City Clerk Copeland. The absences of Rick Linville and David Nelson were excused; a quorum was present to conduct business.

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

**2. Approval of Previous Meeting's Minutes**

**MOTION: Ms. Miller moved to approve the minutes of the regular meeting of July 6, 2011 as submitted; Ms. Ferencz seconded and the motion PASSED UNANIMOUSLY.**

**3. Citizens' Comments – None**

**4. Financial Statement – Treasurer Suggs**

Treasurer Suggs was absent due to an illness in the family, and Administrator Tucker presented the reports in her absence. The Administrator pointed out that the schedule that projects the end of year balance was not included because the Treasurer did not have sufficient time; the schedule will be forwarded to Committee members when completed.

The first schedule the Administrator addressed was the legal sheet that depicts State Accommodations Tax revenues for the past three (3) years; total revenue for FY10 was approximately six hundred seventy-five thousand seven hundred dollars (\$675,700) while revenue for FY11 was approximately seven hundred forty-six thousand dollars (\$746,000). Administrator Tucker commented that FY11 may have been "one of the best performing ATAX fiscal years."

From the balance sheet, the Administrator reported that the total cash assets are in excess of one million dollars (\$1,000,000) with approximately three hundred fifty-three thousand dollars (\$353,000) in BB&T and over six hundred forty-six thousand dollars (\$646,000) in the Local Government Investment Pool (LGIP).

State Accommodations Taxes are paid quarterly; therefore the only revenue year-to-date is from interest totaling three hundred eighty-six dollars (\$386).

Expenditures discussed cover the period July through September 2011, and all are budgeted expenditures. The larger expenditures were as follows:

Public Restroom Operations	\$20,737.17
Beach & Front Beach Trash Pickup, Hole fill-ins	37,230.00
July 4 <sup>th</sup> Fireworks, 2011	12,046.80
Early Payoff-2009 Mack Garbage Truck	48,752.92

Lease Payment, FD Ladder Truck (25%)	20,528.17
Lease Payment, 2005 Garbage Packer (33.3%)	5,239.93
Lease Payment, Caterpillar (33.3%)	5,519.71
Lease Payment, 2010 FD Pumper Truck (25%)	10,095.77

Two (2) items brought to the Committee's attention were the Isle of Palms Beach Run, Page 3 of 9, indicating that the event generates money for the City and it had a reclassification from FY11 of approximately fifty-two hundred dollars (\$5,200).

Ms. Ferencz questioned that forty-three percent (43%) of the annual budget for Public Restroom Operations had been expended in the first quarter of the fiscal year; Administrator Tucker replied that many expenditures to the City are seasonal in nature and even out as the year progresses.

**MOTION: Ms. Ferencz moved to approve the financial statement as presented; Mr. Carroll seconded and the motion PASSED UNANIMOUSLY.**

#### **5. Old Business - None**

Chair Ward expressed concern with addressing non-budgeted expenditures without the report that the Committee typically received indicating the projected year-end balance; he stated that the ATAX fund showed a "huge" deficit after Council had approved funding fifty percent (50%) of the design and construction for the Ocean Boulevard parking nodes from ATAX. The Administrator explained that City Council had put on hold any activity toward implementation, and the parking issue has been volleyed back to the Planning Commission for more work. Therefore no plans exist to spend the monies earmarked from ATAX for that purpose, and the funds will serve to offset the projected deficit. Administrator Tucker remarked that revenues being higher than expected would also help with the projected deficit.

Chair Ward indicated that he had been studying the year-end fund balance for FY11, which was in excess of two million six hundred thousand dollars (\$2,600,000), but is projected to be down to one million one hundred thousand dollars (\$1,100,000) for year-end FY12. The Chair asked the Administrator if she should tell him what the projected fund balance for ATAX was for the end of FY12.

Administrator Tucker again stated that she did not have that information at this time, but she pointed out that, in the FY12 budget, fifty-three thousand dollars (\$53,000) was available to spend on unidentified projects. The Administrator added that knowing that the parking money is not going to be spent means it could be added to that figure.

The Administrator informed the Committee that the City had ended FY11 with a surplus in the General Fund of five hundred seventy-one thousand dollars (\$571,000). Administrator Tucker stated that, historically, things come up throughout the year that can be either under or over budgeted projections or things anticipated to be done in the year are not done; the City's performance is normally to the positive according to the Administrator. The City's policy of carrying-over fund balance in tourism is unlike many local governments who spend one hundred percent (100%) of the tourism funds they receive each year.

## 6. New Business

### A. 2012 Request for Spoleto Festival USA

Stephenie Steele, grant writer for the festival, was present to answer any questions members of the Committee might have. Ms. Steele reported that Spoleto had an excellent season in terms of box office receipts and attendance, but the festival is trying to find ways to compensate for the significant loss of state funding, which appears to be permanent. She explained to the Committee that typically non-profit, arts organizations get forty to fifty percent (40-50%) of their funding from ticket sales, and the balance of the operating budget comes from private funding, corporate sponsorships, and government and foundation funding; in addition, Spoleto has a substantial endowment. Ms. Steele reported that government support had also decreased significantly, making continued support from the Isle of Palms very important, and she thanked the City for its support.

Ms. Steele stated that the City is treated more like a corporate sponsorship to the extent that the City gets as much exposure as possible on the Spoleto website, in email blasts and in printed materials.

**MOTION: Mr. Carroll moved to approve \$15,000 for the 2012 Spoleto Festival USA; Mr. Burgis seconded.**

Ms. Ferencz inquired of Ms. Steele the level of support the festival receives from Kiawah and the City of Charleston ATAX; Ms. Steele responded that the festival has not received support from Kiawah and gets approximately one hundred twenty thousand dollars (\$120,000) from the City of Charleston. Ms. Steele commented that neither Mount Pleasant nor North Charleston contribute.

Ms. Steele stated that she sees the Isle of Palms' participation as a sign of what the City values in the way of cultural attractions in the area.

During the discussion, Assistant Dziuban brought in the report with the projected year-end deficit that had been distributed at the July meeting. Administrator Tucker stated that the projected deficit for the FY11 budget was two hundred seven thousand five hundred sixty-seven dollars (\$207,567), and the actual year-end balance was forty-three thousand five hundred forty-six dollars (\$43,567) "to the good." Not only were revenues higher than projected, but some budgeted expenditures were deferred, such as the marina dredging project.

**VOTE: The motion PASSED on a vote of 4 to 1; Chair Ward cast the opposing vote.**

### B. Request from Patriots Point Naval and Maritime Museum Foundation

Ron Plunkett, a resident of the island, attended the meeting representing the Patriots Point Naval and Maritime Museum Foundation, which he stated is totally separate from the Patriots Point Development Authority, whose members are appointed by the state. The foundation tries to raise funds in support of the museum. The foundation's first project was the handicapped

elevator, which took three to four (3-4) years, and the second project was the Maritime Education Center located in the bow of the USS Yorktown.

Mr. Plunkett explained that the foundation has hired a St. Louis' firm to develop a master plan for the Patriots Point Naval and Maritime Museum; the master plan is focused on the development of the museum into a nationally prominent cultural destination. The master plan process has three (3) phases; Phase One is nearing completion and provides key analysis and strategies that are the basis for Phases Two and Three.

According to Mr. Plunkett, the Foundation is trying to raise a minimum of two hundred twenty-five thousand dollars (\$225,000) to pay for the study; they have raised forty to forty-five percent (40-45%) of their goal. The Foundation is seeking a one-time donation of ten thousand dollars (\$10,000) toward the study. Mount Pleasant has contributed twenty-five thousand dollars (\$25,000), and the Foundation is anticipating a like amount from the City of Charleston.

**MOTION: Mr. Carroll moved to approve \$10,000 for the study to the Patriots Point Naval and Maritime Museum Foundation; Mr. Burgis seconded.**

Ms. Ferencz asked how the ten thousand dollar (\$10,000) figure had been determined, and Mr. Plunkett said it was generally based on population, but the Foundation was not trying to limit the City's contribution.

**MOTION: Ms. Ferencz moved to approve \$15,000 for the study, and Mr. Burgis seconded.**

Mr. Carroll withdrew his motion and Mr. Burgis withdrew his second to the original motion.

Administrator Tucker stated that, if the motion passes at the Committee level, the issue would go before the Ways and Means Committee and, ultimately, City Council. Preparing Mr. Plunkett for such an event, the Administrator posed a likely question about how a study would put "heads in beds" on the Isle of Palms, because the expenditure of ATAX money should correlate to people coming to stay on the island.

Chair Ward repeated his understanding that the Foundation's goal was three hundred thousand dollars (\$300,000), that approximately forty percent (40%) of that had been acquired and that the study could be accomplished with two hundred twenty-five thousand dollars (\$225,000). Mr. Plunkett confirmed that the Chair's understanding was correct.

Ms. Ferencz expressed a clear understanding of the Administrator's question, but she countered that, without a study, there is no action.

Mr. Plunkett stated that the Foundation believes that, if the study can be completed and implementation started, a world-class exhibit will result drawing people to the area and putting "heads in beds."

Administrator Tucker continued that there has been considerable news coverage of the fact that Patriots Point is behind in its debt payments to the state; therefore, if ATAX funds were to be spent, would they not be better spent to keep the doors open by contributing to pay off debt.

Mr. Plunkett expressed the belief that, if the plan can be implemented making Patriots Point a world class destination, paying off the debt and generating future revenue "will take care of itself."

Ms. Ferencz encouraged Mr. Plunkett keep in mind when he speaks with the other committees that, "if you don't have a plan, you don't raise money." She voiced her opinion that an issue with Patriots Point has been that there was no plan. She added that, although this money may not put "heads in beds" immediately, it will eventually make the Patriots Point area tie into the surrounding communities.

**Vote: The motion PASSED on a vote of 4 to 1; Chair Ward opposed the motion.**

#### **7. Miscellaneous Business**

**Next Meeting Date: 11:00 a.m., Wednesday, January 4, 2012**

#### **8. Adjourn**

**MOTION: Ms. Miller moved to adjourn the meeting at 11:48 a.m.; Mr. Carroll seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk