

ACCOMMODATIONS TAX ADVISORY COMMITTEE

11:00 a.m., Wednesday, July 7, 2010

The regular meeting of the Accommodations Tax Advisory Committee was held at 11 a.m. on Wednesday, July 7, 2010 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Committee members Burgis, Carroll, Linville, Miller, Ferencz and Chair Ward; Mr. Nelson's absence was excused.

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.

Chair Ward took a moment to welcome Jimmy Carroll, the new member of the Committee who is filling the un-expired term of Vicki Hollingsworth.

2. Approval of Previous Meeting's Minutes

MOTION: Ms. Ferencz moved to approve the minutes of the regular meeting of April 7, 2010 as submitted; Mr. Burgis seconded and the motion PASSED UNANIMOUSLY,

3. Citizens' Comments - None

4. Quarterly Financial Statement – Treasurer Debbie Suggs

Treasurer Suggs explained that the information provided was the most preliminary year-end data for FY10 because the June quarter's revenue has not been received from the state. On the Balance Sheet, the Treasurer pointed out that the majority of the State Accommodations Taxes were invested with the Local Government Investment Pool that was currently paying 0.3985 percent interest and the balance was at BB&T that was paying 0.4 percent interest. Year-to-date revenue, composed of interest and quarterly payments from the state, totals more than six hundred sixty-five thousand dollars (\$665,000) for FY10, which is only 2.1 percent less than receipts for FY09 for the same period; with the June quarter remaining outstanding, the possibility exists that the City will match revenues for FY09.

Treasurer Suggs reviewed the expenditures from the fund since the April meeting; one key factor in the review was that fifty thousand dollars budgeted for dredging in the FY10 budget had not been used, but had been re-budgeted for FY11. In addition, the Treasurer explained that the FY10 budget had been approved with a reduction in revenues from FY09 of fifteen percent (15%), but the FY10 revenues have actually been only two percent (2%) behind revenues of FY09. These are two (2) of the factors contributing to the Treasurer's prediction of a surplus of thirty-three thousand dollars (\$33,000) rather than the deficit of one hundred fifty thousand dollars (\$150,000) that was originally budgeted.

Treasurer Suggs directed the Committee's attention to the schedule entitled "Revenue and Expense Projection for the Year Ending 6/30/10;" for this meeting the revenue and expenses were actual amounts rather than budgeted amounts. This schedule shows the anticipated year-end surplus of thirty-three thousand dollars (\$33,000) and the FY11 carry forward balance that exceeds nine hundred eighty-six thousand dollars (\$986,000).

At the April meeting, the Committee reviewed the proposed FY11 budget and made several suggestions to reduce expenditures; on June 22, 2010, City Council ratified the FY12 budget. Treasurer Suggs reviewed the suggestions made by the Committee and Council's actions on them as follows;

- Delay dredging of the marina – Council agreed, and the ATAX deficit was reduced by one hundred fifty thousand dollars (\$150,000);
- Delay anniversary-type party – Council agreed, and the ATAX deficit was reduced by thirty-five thousand dollars (\$35,000);
- Repair only one (1) of two (2) proposed beach walkovers – Council opted to eliminate the repair to beach walkovers entirely and to seek grant funds; the ATAX deficit was reduced by eighty thousand dollars (\$80,000); and
- Delay purchase of replacement of parking ticket devices – City Council decided to make this purchase at a cost of eighteen thousand five hundred dollars (\$18,500).

State ATAX Revenue for FY11 was computed with a five percent (5%) reduction to the past twelve (12) months' actual revenue, and the sale of assets number was increased by two hundred fifty dollars (\$250).

The projected deficit for State Accommodations Taxes for FY11 is two hundred eight thousand dollars (\$208,000), which will be funded from previous years' surpluses.

Mr. Carroll stated that he had no problem understanding how public safety or public works' vehicles could be funded from tourism revenues, but he asked for additional information on the marina because he saw the marina more as an asset to the residents of the City. Administrator Tucker explained that surveys had been done in the past indicating that the majority of the boats that stop at the marina do not belong to residents, but are passing through the area. During the off-season, customers to Morgan Creek Grill are primarily from the island, but the opposite is true during the warmer months of the year, guests from Wild Dunes Resort are the source of many of the clients of Tidal Wave Water Sports.

MOTION: Mr. Burgis moved to approve the financial information as presented; Mr. Carroll seconded and the motion PASSED UNANIMOUSLY.

5. Old Business

Ms. Ferencz was very complimentary of the July 4th Fireworks display. She asked whether the City had any information as to the number of people who were on the island for the fireworks; the Administrator stated that the City parking lots and the County parking lot had filled up quickly, but there were no hard numbers.

Chair Ward commented that the City had not experienced the trash/littering problem that Folly Beach had seen. Administrator Tucker stated that the City had taken a different approach to the trash problem this year. The City had sent out a plea for volunteers to pick up trash and put the trash into the City-provided barrels on the beach, and the island's residents had responded; the Public Works Director had modified one (1) vehicle to be a receptacle and holding area for

collected trash; and the Livability judge had assigned many offenders community service in the way of trash collection on July 5.

6. New Business - None

7. Miscellaneous Business

Chair Ward noted that, since the April meeting, the management of Acme Cantina, the Buckhannon Brothers and others had joined together to hold a fundraiser for Firefighter Dan Mills and raised over seven thousand dollars (\$7,000) for him.

Next Meeting Date: 11:00 a.m., Wednesday, October 6, 2010.

8. Adjourn

MOTION: Ms. Miller moved to adjourn the meeting at 11:28 a.m., Mr. Burgis seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk