

Accommodations Tax Advisory Committee

12:00 p.m., Wednesday, April 4, 2018

The regular meeting of the ATAX Committee met at 12:00 p.m., Wednesday, April 4, 2018 in Council Chambers of City Hall, 1207 Palms Boulevard, Isle of Palms, South Carolina. Attending the meeting were Susan Haynie, David Nelson, Julise Spell and Rusty Williamson, Administrator Tucker, Treasurer Suggs, Assistant Administrator Fragoso and Clerk Copeland; a quorum was present to conduct business. Absent were Malcolm Burgis, Margaret Miller and Sally Leydic-Muhlig.

1. Administrator Tucker called the meeting to order and acknowledged that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

2. Election of Chair and Vice Chair

Ms. Haynie nominated Mr. Nelson as Chair, and Mr. Williamson seconded the nomination. Mr. Nelson was unanimously elected Chair

Mr. Nelson nominated Ms. Haynie Vice Chair, and Mr. Williamson seconded the nomination. Ms. Haynie was unanimously elected Vice Chair.

3. Approval of Previous Meeting's Minutes

MOTION: Ms. Spell moved to approve the minutes of the regular meeting of November 13, 2017 as submitted; Mr. Williamson seconded and the motion PASSED UNANIMOUSLY.

4. **Citizens' Comments – None**

5. Financial Statements

Beginning with the Balance Sheet, Treasurer Suggs stated the cash balance was strong at approximately two million one hundred thousand dollars (\$2,100,000). Year-to-date, the City has received two (2) quarterly payments from the state and a correction of funds sent incorrectly to Charleston County, proceeds of the sale of assets originally purchased with ATAX funds and interest for a total of one million seventy-six thousand dollars (\$1,076,000).

In reviewing the expenditures from the ATAX Fund, the Treasurer pointed out that the biggest expense for the public restrooms was for the attendant; seventy-five percent (75%) of the marina debt payment, or approximately two hundred thirty-three thousand dollars (\$233,000), was made in January; the Recreation Department has also replaced its pickup truck; the Fire Department has replaced its inflatable boat and the Police Department has acquired some body armor. The expenses year-to-date for the renovation of the public restrooms total just over seventy-six thousand dollars (\$76,000); the project is expected to be completed on time and under budget. The Fund made money on the eclipse event because the sales of t-shirts were more than expected.

MOTION: Ms. Haynie moved to increase the ATAX budget by \$1,000 for irrigation at the Breach Inlet sign and by \$8,000 for the beach trash barrels and to approve the overage for the flood insurance premium on the public restrooms of \$1,032; Ms. Spell seconded, and the motion **PASSED UNANIMOUSLY**.

6. **Old Business – None**

7. **New Business**

A. **Consideration of a sponsorship for the South Carolina Aquarium Turtle Trek in the amount of \$10,000 (The event is scheduled for Saturday September 29th, and it has been approved as an annual City sponsored event.)**

Stephanie Gabosch, Advancement Events Coordinator for the South Carolina Aquarium, stated that 2018 would be the third year the Turtle Trek has been held on the island and that the run has had the maximum participation allowed by the County Park each year. The proceeds from the event go to the Sea Turtle Rescue program that also promotes sea turtle conservation initiatives and trash-free beaches.

MOTION: Ms. Spell moved to approve the \$10,000 sponsorship for the Turtle Trek, and Chair Nelson seconded; the motion **PASSED UNANIMOUSLY**.

Chair Nelson stated that the ATAX Committee was an advisory committee; therefore, this action must also be approved by the Ways and Means Committee and City Council for their final approval.

Perrin Lawson of the Charleston Visitors Bureau was present to update the Committee about activities and changes occurring in the area on the tourism front. He recalled that, when he last attended an ATAX meeting, he was asked to change the focus of the CVB's promotions to the many forms of enjoyment on the Isle of Palms in the fall, winter and spring. One (1) way they have done that has been to promote the island life style and the many activities that can be enjoyed year-round, like tennis, biking, fishing, golf, etc. He noted that the CVB has completely revamped their beaches website with more video and photography. He reported that they had engaged a company that enables them to better track occupancy, the sold occupancy rates and the revenue being generated per unit. He reported that the CVB's efforts in the field of air service continue to pay off; the addition of a second daily flight to Nashville was welcomed because Nashville is a big market for the Charleston area. He stated that fares, across the board, are down approximately twenty percent (20%) since Southwest Airlines started providing service to Charleston. In an effort to solve the parking and transportation problems everyone is having, park-n-ride is starting in downtown Charleston on April 15th; the idea is to get hospitality workers to park at 99 Morrison Drive and to shuttle further down on the peninsula. Charleston County, CARTA and the City of Charleston are involved in this pilot project; the COG is looking at twenty-five (25) other sites in the region to do park-n-ride.

B. **Consideration of FY19 ATAX Budget**

Administrator Tucker initiated the discussion by updating the Committee on how far along City Council was in its deliberations over the FY19 Budget. To this point, Council has had one (1) budget workshop where they looked at capital items and a list of proposed initiatives not included in the draft budget, from the Citizen Forums, staff input, or input from individual Councilmembers

to consider to be incorporated into the FY19 budget. As a result of the workshop, the Committees of Council were to review the portion of the budget under their purview and to come back to Council with possible new sources of revenue and what expenditures to include or exclude or cut from the second draft of the budget that included changes made at the workshop. Council will consider the input from the Committees, including ATAX, at a second budget workshop on April 11th.

Revenues from State ATAX are projected to increase slightly based on FY18 year-to-date actual collections to be approximately one million seven hundred seventy thousand dollars (\$1,770,000).

As has been done in recent years, Transfers Out from the ATAX Fund go to the General Fund for tourism-related wages in the Police and Fire Departments, and a Transfer Out also goes to the Marina Fund to pay seventy-five percent (75%) of the debt service for the IOP Marina. The Marina will be paid off with the FY19 payment.

The Administrator reviewed only the expenditures that are re-budgets from the current year, and new items added. In the Police Department, ATAX funds will fund twenty-five percent (25%) of the Year 1 maintenance items and a full roof replacement at the Public Safety Building (PSB) per the Hill Report. The Administrator reminded the Committee that the Hill Report was the work product of a company hired by the City to perform inspections of City-owned buildings to identify maintenance they needed immediately and what maintenance would be needed in the next five (5) years. The ATAX Fund will also fund twenty-five percent (25%) of the cost for replacement radios from reserves the City has been accumulating over several years. In the Fire Department, ATAX Funds will also be used for twenty-five percent (25%) of the Year 1 maintenance needs for the PSB and for Fire Station 2. In the Public Works Department, ATAX Funds will be used for twenty-five percent (25%) of the Year 2 maintenance per the Hill Report, including a full roof replacement. Other expenditures are consistent with previous budgets.

The Administrator explained that the deficit budgeted for in FY19 would be covered by the reserve funds the City has saved over several years.

Ms. Haynie asked if ATAX Funds could be used to purchase benches for the dog park. Administrator Tucker stated that funds could possibly be found in the FY18 budget for additional seating at the Bark Park rather than wait until the FY19 budget kicked in July 1.

MOTION: Ms. Spell moved to approve the FY19 budget as presented; Mr. Williamson seconded and the motion PASSED UNANIMOUSLY.

8. Miscellaneous Business

Next Meeting Date: 11:00 a.m., Wednesday, June 13, 2018 in Council Chambers

9. Adjourn

MOTION: Ms. Haynie moved to adjourn the meeting at 12:45 p.m.; Chair Nelson seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk