



ACCOMMODATIONS TAX ADVISORY COMMITTEE
8:30am, Friday, May 28, 2021
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to order

Present: Rusty Williamson, Malcolm Burgiss, Sally Muhlig, Doug Truslow, Ray Burns

Absent: Julise Spell, David Nelson

Staff Present: Asst. Administrator Hanna, Treasurer Suggs

2. Approval of the previous meetings' minutes – March 19, 2021

MOTION: Ms. Muhlig made a motion to approve the minutes of the March 19, 2021 meeting. Mr. Williamson seconded the motion.

Mr. Burns noted that Ms. Muhlig was absent from that meeting.

Mr. Truslow clarified his request and concerns relative to financial matters, taxpayer funds, and transparency was not intended to be limited to one future year only. He also said he did not believe the presentation given by Mr. Perrin Lawson of the Charleston Visitor's Bureau was reflective of how the monies the CVB receives from the Isle of Palms are used to support the tax revenues created by visitors to the island.

VOTE: The amended minutes passed unanimously.

3. Financial Statements – Treasurer Suggs

Treasurer Suggs stated the total ATAX fund balance is just over \$1.9M as of 4/30/2021. She noted that the quarterly payments received in December and March were much higher than projected. She expects the actuals for FY21 to be in excess of the budget and more inline with pre-COVID levels. She anticipates a "very good FY22" as far as accommodations and local option sales taxes.

She reviewed the year-to-date expenditures. The budget is "way below" through April. She stated that the expense of the City's website will be paid through the General Fund next year as it is more integral to the operations of the City as a whole rather than just tourism focused.

4. **Old Business -- none**

5. **New Business**

MOTION: Mr. Truslow made a motion to reorder the items under New Business such that the presenters could go ahead of the discussion items. Mr. Williamson seconded the motion. The motion passed unanimously.

A. Consideration of an application by the South Carolina Aquarium for funding in the amount of \$10,000 for the Turtle Trek 5K Project

Ms. Stephanie Gabash, Strategic Partnership Officer for the South Carolina Aquarium, came before the ATAX Committee to request funding for the Turtle Trek 5K to be held on Saturday, October 9, 2021. She said this is a city-sponsored run in its 6th year. The event expects to bring approximately 800 runners of all ages to the island and proceeds benefit the South Carolina Aquarium's Sea Turtle Care Center. She said nearly all participants come from off the island and there is an educational component to the event.

Noting an error in the application, Mr. Burns clarified that this event is an in-person event and not a virtual one. Ms. Gabash confirmed that it is an in-person event with a virtual component. Asst. Administrator Hanna added that City Council will be considering the city-sponsored status request at their June meeting.

MOTION: Ms. Muhlig made a motion to approve, and Mr. Williamson seconded the motion. The motion passed unanimously.

B. Consideration of an application by Veterans of Foreign Wars Post 3137 for funding in the amount of \$12,000 facilities maintenance

Mr. George Page of VFW Post 3137 came before the ATAX Committee to request funding to support the facilities maintenance of the post. He explained that 50% of its membership are residents of the Isle of Palms and Mt. Pleasant and 50% are from outside the area. This post draws people from all over the country. He reviewed a lengthy list of activities and events hosted by the VFW and highlighted the work they do in support of veterans. He explained the many needs the post has to keep the facility well-maintained.

MOTION: Mr. Truslow made a motion to approve, and Mr. Williamson seconded the motion. The motion passed unanimously.

C. Presentation by Charles Barrineau of the Municipal Association of South Carolina regarding the requirements for disbursement of Accommodations Tax Funds and the Freedom of Information Act

Mr. Barrineau gave a presentation to the ATAX Committee regarding the disbursement of Accommodations Tax Funds and the Freedom of Information Act as it relates to their work and membership on the Committee.

D. Discussion of the Charleston Visitor's Bureau's funding from the City of Isle of Palms

Mr. Burns spoke at length about his concerns regarding the City's Accommodations Tax funds being paid to the Charleston Visitor's Bureau. He noted the CVB has received \$2.9M from the City of Isle of Palms over the past 5 years, adding that the City of Folly Beach and the Town of Sullivan's Island pay significantly less. He said that State law requires DMOs to provide an accounting of the funds given to them and what the City has received from the CVB is not detailed.

He said, "I have a problem when 96% of the Accommodations tax that we are responsible for which represents the 30%, 96% of the 30% goes to the DMO CVB. I have a hard time approving that budget when I have no idea what I am approving."

He volunteered the ATAX Committee to research what other cities are doing with these same funds. He noted that while the CVB's efforts have been "extraordinarily successful," he was unsure if the success of the Isle of Palms is entirely due to the activities of the CVB.

Ms. Muhlig stated that many on City Council are also frustrated with this situation, but the creation of an internal DMO is a large undertaking. Mr. Truslow would like to see the formation of an internal DMO.

6. Miscellaneous Business

The next meeting of the ATAX Committee will be Wednesday, July 14, 2021 at 11am.

7. Adjournment

Mr. Burgiss made a motion to adjourn, and Mr. Williamson seconded the motion. The meeting was adjourned at 10:00am.

Respectfully submitted,

Nicole DeNeane
City Clerk