



ACCOMMODATIONS TAX ADVISORY COMMITTEE

11:00am, Wednesday, September 8, 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, David Nelson, Doug Truslow, Ray Burns, Glenda Nemes, Malcolm Burgiss

Absent: Sally Muhlig

Staff Present: Administrator Fragoso, Treasurer Suggs

2. Approval of the previous meetings' minutes – August 11, 2021

MOTION: Mr. Burgiss made a motion to approve the minutes of the August 11, 2021 meeting. Mr. Williamson seconded the motion. The minutes passed unanimously.

3. Financial Statements – Treasurer Suggs

Treasurer Suggs said that not much has changed on the financial statements since July. There is approximately \$1.8M in cash. She reviewed the expenses for the month including costs associated with the public restroom, beach front trash barrel pickup, the staff meals on July 4th weekend, and playground equipment repair.

4. Old Business

A. Discussion and consideration of alternatives for the allocation of the 30% of the ATAX funds collected that must be used for advertisement and promotion of tourism currently managed by the Charleston Visitors Bureau

Mr. Nelson stated that he supports the work of the CVB, likes the work they have done and continue to do for the Isle of Palms. He believes the results speak for themselves. He believes it would be unwise for the City to organize another group to spend the money allotted for advertising the island and its offerings. Mr. Burgiss and Mr. Williamson also spoke in favor of the work being done by the CVB.

Ms. Nemes said she would like to see a hybrid option whereby the CVB could continue its work and the City could create DMO that would be focused on tourism management as well as working to benefit those business owners that do not have CVB membership.

Mr. Truslow believes the issue needs to be looked at more. He said, “I want to go on record as saying I care about our beaches. I want to see that our tax money is spent appropriately. It may be able to be spent for the beaches, beautification, for safety from the Fire Department, Police Department, trash pickup, what’s in the best interest of our community. We can have murals. We may be able to spend some of our money better for the beach mats, the blue beach mats that go over to the actual beach, but without having anybody to look at it and look at the hard numbers, I just cannot condone continuing without even caring to look further.”

Mr. Burns expressed what he believed to be the problems and suggested corrective actions. He believes there is little oversight and accountability in how the money is spent by the CVB. He has not seen where a budget has ever been offered for approval or can accounting of how the money were spent given to the City. He said there is no agreement between the City and the CVB that expresses common goals and objectives. He also does not think it fair that short-term rental owners pay into ATAX but receive no direct referral benefit from the CVB unless they are members. He also noted that despite the fact that Town of Sullivan’s Island and the City of Folly Beach pay significantly less to the CVB out of their ATAX allocations, they are treated the same as the Isle of Palms with regards to the advertising of area beaches. He would like to see goals and objectives that focus on the off-season and supporting all island businesses. He proposed that the CVB assign a staff liaison to attend all ATAX meetings to report on their activities and expenditures. He would like City Council to reapportion the monies given to the CVB so that some funds can be used to create a website similar to visitfolly.com to highlight all island businesses.

Helen Hill of the CVB stated that she would act as the CBV staff liaison to the ATAX Committee. She would very much like to discuss goals and objectives with them as well as set up a stand-alone website as mentioned that would feed into the ExploreCharleston website. It would be up to City Council to determine which businesses could be listed on the site. Ms. Hill said she would present an action plan of measurable goals to the Committee at their October meeting with a focus on the off-season and group sales.

Ms. Nemes said she would like to entertain additional options for this website endeavor.

Administrator Fragoso reminded the Committee of their charge from City Council: “It was study and research what the current relationship is, how it can be improved, and also research alternatives to the CVB, which is I think what the Committee has been doing for the past several months. Just looking at pros and cons, what are the other alternatives, are there any unintended consequences with creating a DMO, can the relationship between the City and the CVB be improved, and if so, what would that look like. What does success look like at the end of a successful relationship whether it is the CVB or a separate DMO? So I think that this is part of this whole discussion and future discussions is part of doing that due diligence and exercise so you all could bring to Council a recommendation of how to move forward either improving the current structure and current relationship or doing something different. I think that it is important advice and recommendation that should be looked at from every single angle. What would happen if the City establishes a new DMO and the City’s accommodations taxes start to decrease? Do we have some mitigating efforts put in place to address that if it comes to happen?

So all of that should be part of the discussion about what the City will do in the future for the use of that 30%, which is, as you know, pretty clear in State law that it has to be used for marketing and promotion and advertising. So I think that with the Chair's, if I am understanding correctly, it's just wanting to continue to entertain an in-depth conversation about what the options are and what a better or more structured relationship with the CVB would look like to help you all make an informed decision about what to do next."

5. **New Business** – none

6. **Miscellaneous Business**

The next meeting of the ATAX Committee will be Wednesday, October 26, 2021 at 11am.

7. **Adjournment**

Mr. Burgiss made a motion to adjourn, and Mr. Nelson seconded the motion. The meeting was adjourned at 12:12pm.

Respectfully submitted,

Nicole DeNeane
City Clerk