



Accommodations Tax Advisory Committee

1:00 p.m., Tuesday, August 23, 2022

1207 Palm Boulevard

City Hall Council Chambers

Public Comment:

Citizens may provide written public comment here:

<https://www.iop.net/public-comment-form>

Agenda

1. **Call to order** and acknowledgment that the press and the public have been duly notified of the meeting in accordance with the Freedom of Information Act.
2. **Approval of previous meeting's minutes** – July 19, 2022
3. **Financial Statements** – Finance Director Debbie Suggs
4. **Old Business**
Consideration of application for funding from the VFW in the amount of \$30,000 for tourism enhancement program
5. **New Business**
 - a. Consideration of calendar for FY24 ATAX Grant Applications
 - b. Discussion of establishing a contract between the City and the CVB
 - c. Approval of FY22 over budget expenditures:
 - Beach and Front Beach trash pickup - \$2,642
 - Police Department body armor - \$647
6. **Miscellaneous** – Date of next meeting
7. **Adjournment**



ACCOMMODATIONS TAX ADVISORY COMMITTEE

1:00pm, Tuesday, July 19, 2022

1207 Palm Boulevard, Isle of Palms, SC and

broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to order

Present: Doug Truslow, Ray Burns, Barb Bergwerf, Chas Akers, Gloria Clarke, Rebecca Kovalich (via Zoom)

Absent: Chrissy Lorenze

Staff Present: Administrator Fragoso, Treasurer Suggs

2. Approval of the previous meetings' minutes

MOTION: Ms. Bergwerf made a motion to approve the minutes of the June 20, 2022 meeting. Mr. Akers seconded the motion. The minutes passed unanimously.

MOTION: Ms. Bergwerf made a motion to approve the minutes of the June 16, 2022 ATAX orientation. Mr. Akers seconded the motion. The minutes passed unanimously.

MOTION: Mr. Truslow made a motion to reorder the agenda to allow for grant application requests to be heard first. Mr. Burns seconded the motion. The motion passed unanimously.

3. New Business

A. Consideration of application for funding from the VFW in the amount of \$30,000 for tourism enhancement program

Mr. George Page and Mr. Buddy Gillam of the VFW came before the Committee requesting \$30,000 in funding for maintenance and upkeep of the VFW post. Mr. Page explained the use of last year's grant of \$15,000 to reimburse for the costs associated with repairing the fence that helps protect sand dunes, the walkway shower which can be used by anyone, and the new entrance and brick courtyard. The entrance is safer, wider, and wheelchair accessible. He said over 1000 people use this space every weekend. He said ten times more visitors than veterans use the sidewalk. Both Mr. Page and Mr. Gillam spoke at length about the ways in which the VFW post supports the island, the residents and visitors, and how it draws people to the island, being the most popular VFW post in the state.

They said they will use the funding to “continue to make IOP and our facility one of the best destinations for servicemen and women, tourists and visitors.” The funding will reimburse the post for the costs of upcoming projects such as fencing, decking, the painting of a mural, roofing, elevator, and work on the front steps and landing. Mr. Gillam noted that the post allows beach access and is used by non-profit organizations for meeting space. Mr. Page said that the post’s visitor log is evidence of how many people it draws to the island.

Membership requirements were briefly discussed.

When asked if the City can award money not tied to a specific project and if the City is exposed to any liability with regards to a construction project, Administrator Fragoso responded, “No, I don’t believe the City is. I would say though that for the spirit of transparency and in light of some of the concerns that this committee has highlighted in the past about wanting to have a mechanism to confirm after a grant has been granted, to have a mechanism to confirm that those funds were used in fact for what the project it was requested. I would encourage the VFW to provide a list of specific projects that they would allocate some of this money to, and then in a year or whatever period we deem necessary, maybe in a year or two, we can just verify that those funds were used for those specific purposes. I think that would strengthen the application and would address some of the concerns about what the \$30,000 are going to be used for. Because State law does define tourism-related expenditures as maintenance-type activities in civic and cultural organizations. I think that this would fall under that. But again, just to confirm, trust but verify.”

After further discussion about whether this request was for reimbursement of projects that have already been completed or for future projects, Mr. Page and Mr. Gillam were asked to amend the application to reflect a particular project or projects and come back to the Committee for consideration. It was suggested that the elevator work would be an appropriate project for these funds to go towards.

B. Consideration of application for funding from the Carolina Surf Club in the amount of \$1,000 for the surfcam webpage

Mr. Jim Radley, of Hartnett Boulevard and representing the Carolina Surf Club, came before the Committee requesting their continued sponsorship of \$1,000 to help fund the costs associated with the surfcam webpage. In addition to the surfcam, this webpage provides visitor information related to traffic, parking and lodging on the island. Monthly expenses related to the surfcam webpage are approximately \$350/month. ATAX monies have been used to support the page since 2015 and the City is listed as a sponsor.

Mr. Radley indicated that the surfcam and its sponsorship do not provide income to the club, and that profits are from annual membership dues which support a variety of community social activities.

MOTION: Mr. Truslow made a motion to approve the application from the Carolina Surf Club in the amount of \$1,000. Ms. Bergwerf seconded the motion. The motion passed unanimously.

4. **Financial Statements – Finance Director Debbie Suggs**

Director Suggs said that not much has changed since the June meeting. There is over \$2M in the bank with another \$650,000 anticipated from the 4th quarter ATAX payment net the portion that goes to the CVB. Staff is recommending the approval of the two budget overages from Public Safety.

MOTION: Mr. Burns made a motion to approve the budget overages for (2) Police Dodge Durangos, \$3,430 higher than budget and Fire Self-Breathing Apparatus, \$72 higher than budget. Ms. Bergwerf seconded the motion. The motion passed unanimously.

5. **Old Business**

A. **Discussion and consideration of proposed FY23 budget from the Charleston Visitors Bureau for the City's 30% state ATAX funds for tourism promotion and advertisement**

Administrator Fragoso said this item is back before the Committee at the request of City Council who would like for the Committee to vote on the proposed FY23 budget from the Charleston Visitor's Bureau.

Lori Smith, COO and Chris Campbell, Communications Director of the CVB, returned to answer questions from the previous meeting and to provide additional information regarding their proposed FY23 budget. Revenue sources for the CVB are made up of ATAX monies (~32%), Business/Memberships (~38%), and grants from the State (~29%). A pie graph showed that of the 10 municipalities whose ATAX dollars go to the CVB, the Isle of Palms contributes 3.6%.

Ms. Smith gave an overview of the budget expense methodology that was discussed at length at the June meeting. She also gave a high level review of the proposed FY23 budget of IOP-related expenditures. She spoke briefly about the four websites that provide visitor and business information about the Isle of Palms and a list of those IOP businesses that have responded to the CVB's invitation to be on the IOP-specific websites. The City is working with the CVB to grow that list of businesses.

Ms. Smith said that short-term rental owners benefit from the branding and reputation of the Isle of Palms and the Charleston area. She will provide KeyData to show the efforts of their promotion of the area.

Ms. Smith said that the budget expense methodology has been shared with Kiawah Island. They are waiting to hear from TERC about standardized reporting before they share it with other municipalities. Once they receive that standardized report, they will be able to share an accounting of the FY22 expenditures.

Mr. Akers expressed concern about a heavy investment in print media and how the Isle of Palms is represented alongside the other Charleston area municipalities the CVB represents. He would like to know that IOP is receiving a top representation in the CVB's marketing. Mr. Akers also pointed out that should IOP decide to use another DMO they would not be able to benefit from the tourism promotional grants provided to the CVB by the State. He stressed the importance of continuing to improve the working relationship with the CVB.

MOTION: Ms. Bergwerf made a motion to approve and recommend to City Council the proposed FY23 budget of the Charleston Visitor's Bureau. Ms. Clarke seconded the motion.

Discussion ensued about the City's alternatives for a DMO. Administrator Fragoso reminded the Committee that until the City approves another DMO as eligible for funding, the CVB is the only option. State law directs that the money go to an approved DMO. She confirmed that there is language in the City's FY23 budget that allows City Council to direct some of the 30% funds to another DMO if an eligible option becomes available.

Mr. Burns asked if voting on this motion nullifies the language in the budget. Administrator Fragoso responded, "I don't think it does. You are approving a budget. We pay the CVB quarterly, and as no other option exists, the CVB is the option available today...Once a viable, eligible alternative is identified by Council, then I just don't see what other alternative there is that would be approved by State law."

VOTE: A vote was taken as follows:

Ayes: Clarke, Bergwerf, Akers

Nays: Truslow, Burns, Kovalich

The motion failed.

6. New Business

C. Discussion of recommendation for the City to issue a Request for Proposals in FY24 for the management and expenditure of the 30% State ATAX funds for tourism promotion and advertisement

Mr. Burns asked to discuss with the Committee the idea of issuing an RFP in FY24 for alternative DMOs to potentially share the 30% tourism promotion and advertisement funds. Mr. Burns said he would like more accountability and traceability of the monies as well as an increase in off-season and group sales. He expressed concern that there is no competition in the process.

Ms. Clarke said the newly-formed Chamber of Commerce is not the vehicle for that level of promotion. The City needs an organization that is well tied to the hotels. She also said that \$1M is not a lot of money for a large-scale marketing campaign. Ms. Bergwerf added that it could be years before the Chamber is ready to handle a marketing campaign of that level.

Administrator Fragoso reminded the Committee of the ATAX Taskforce's recommendations to City Council: improve the City's relationship with the CVB while requesting more accountability and direct focus on IOP, support the IOP Chamber of Commerce so that in the future they could "fill some gaps" related to tourism promotion, and for the City to advocate for changes to State law that mandates the expenditure of the 30%. Mayor Pounds is currently working to form a coalition of mayors around the state to pursue changes to the legislation.

Administrator Fragoso asked to understand the assignment Mr. Burns is wanting staff to complete. Mr. Burns said the assignment would be to issue an RFP after the first of the year for the allocation of FY24's 30% funds. He said it could give the Chamber time to put plans together to compete for the 30% funds. He said that while the ATAX revenues have increased, the City has little to no say about how that money is spent.

Administrator Fragoso said, "They [the CVB] have been here two times asking for feedback on the budget and what kind of initiatives or specific focus you want, we want to see, the Committee wants to see. That is what this exercise is for, is to allow this Committee to provide feedback and guidance and essentially ask them, we want to see this. You all have to define what you are not seeing that you want to see and direct them to provide you all a proposal to do what we want to see. That is how I understand the process of them coming with a proposed budget, similar to what they would be submitting through request for proposals."

Mr. Burns said he does not see feedback or interaction over the course of the year. Ms. Clarke and Ms. Bergwerf said that all tourism-related revenues are up and the City does not need constant interaction with the CVB.

Administrator Fragoso asked what it is the Committee can ask of the CVB to get their support. "What kind of feedback can we provide to the CVB, who is currently our DMO, in their workplan that we are not seeing that we would like to see and we are telling them to develop for us for the benefit of the island?"

Mr. Burns said he would like to see an accounting of the FY22 expenditures. He knows that it is not possible to see that prior to approval of the FY23 budget.

Administrator Fragoso said the Committee needs to tell the CVB why their budget was not approved. "If we don't provide that feedback then how can we expect something different that will likely address the deficiencies that we are seeing today? We are not having that conversation, and I think that is a way that we can provide to the CVB some guidance, what from the budget we don't like that we would like to see."

Mr. Akers said he understands the Committee's concerns and challenges. But he said some of the concern is more about the legislation that requires the City to spend this money in specific ways. He believes looking at the law is important. He would like an understanding of the CVB's overall marketing plan and how that is spent "so that we have an understanding that we are getting fair representation of best of the best...More importantly, what has not been brought here that I think everyone needs to understand is really what that value, that additional percentage of matched dollars is and how we benefit from that, and that maybe another organization could not provide because they could, in theory, be doubling the amount of marketing exposure."

7. Miscellaneous Business

The next meeting of the ATAX Committee will be held on Tuesday, August 23, 2022 at 1pm.

8. Adjournment

Mr. Truslow made a motion to adjourn, and Mr. Burns seconded the motion. The meeting was adjourned at 3:24pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

Explore Charleston Budget Proposal

July 19, 2022

One of the ATAX committee's obligations by statute, directives and stated goals is to advise IOP Council relative to IOP accommodation tax expenditures - basically, what is considered to be in the best interest of IOP's tourism, IOP residents, the City as well as visitors in conjunction with one another. In this instance, at its last meeting in June, Council specifically directed the ATAX committee to advise Council relative to CVB's proposed FY 2022/23 dmo budget, which year commenced July 1, 2022 and which budget was previously presented but not voted upon, nor was a recommendation made to Council. Council expressed that it was important for it to be advised of the ATAX committee's thoughts relative to CVB's proposed budget.

The ATAX committee has endeavored to do what it was directed to do by Council, as is evidenced by its specially called July 19, 2022 meeting.

Upon a limited, but additional consideration of the matter¹, a newly appointed member of the ATAX committee moved to approve CVB's budget proposal. The motion was seconded by another newly appointed member of the ATAX committee. Considerable discussion took place. Some of it was productive. Some was not. There were interruptions as certain speakers had the floor. From the undersigned's point of view, further verbal discussion of a divergent view did not appear to be productive under the circumstances. Moreover, in context, written justification for my individual vote may be more helpful and efficient to assist Council as compared to a mere review of conflicting past and present ATAX committee meetings. The undersigned proposed and was allowed by the ATAX committee, without objection, to explain the basis for my vote (and that of others opposing the CVB budget) in writing as a component of the minutes and for the benefit of Council in lieu of further verbal comment.

Notably, the motion to approve CVB's proposed budget failed.

¹ I am concerned as a threshold matter that the correct process was not followed in that CVB was allowed to make (yet another) presentation without compliance with FOIA, without a vote and without due notice to the public or additional opportunity to be heard by others. .

Executive Summary: While it appears that Explore Charleston aka Charleston Visitors' Bureau ("CVB") has in the past served a useful function in promoting the City of Charleston, some other communities, a large hotel corporation in Wild Dunes and perhaps a limited number of real estate rental companies and others who pay for extra services, that does not mean that IOP's overall best interest has been served or is now being best served by CVB going forward. All involved in the process and impacted thereby deserve fair treatment and fair representation, not just a select few. That has not optimally occurred under the CVB's existing and proposed promotion paradigm, especially in recent years. The vast majority of those people promoting tourism on IOP and generating the vast majority of accommodation taxes for the benefit of IOP are being unjustifiably ignored or left out of the process. CVB's proposed budget excluding them would be, if approved, the epitome of taxation without representation. Otherwise, the financial data relied on to support CVB's budget proposal is more than suspect. For those reasons, among others, I did not vote to approve CVB's proposed budget. And, in context, I would stress that CVB has been given multiple opportunities to establish their case. They have failed to effectively make their case for over a year.

In no particular order, what follows are some of the reasons I did not vote to approve of CVB's proposed budget, though there are many more reasons supporting my vote:

IOP is no longer dealing with small sums of accommodation tax money as existed when CVB first began to ostensibly promote IOP as its "DMO", a designated marketing organization – basically an advertising agency and/or advertising middleman. **Millions** of dollars have now been paid to CVB. The annual amount paid by IOP to CVB to promote IOP is now in the range of one million dollars per year and is expected to increase going forward. However, if the sums paid goes down due to, inter alia, hurricanes, environmental impacts and unforeseen events, there is even more need to exercise fiscally sound business practices to benefit all on IOP and especially all who generate tax income relied upon by IOP to provide essential services. Given the constraints of CVB's budget, it is apparent that those concerns have not been appropriately addressed. Prudent planning is required in the best interest of taxpayers, residents and daily

visitors “day trippers”. CVB plan fails. It does not appear to envision or encompass all that is required.

The expenditure of IOP’s 65% accommodation tax funds and the 30% dmo accommodation funds currently paid to CVB can and should be better coordinated, productive and efficiently used. Wise use of IOP’s accommodations taxes - such as has existed on Folly Beach for at least the last 18 years - is offered by way of comparison evidencing better practices. The newly formed IOP Chamber of Commerce has also offered excellent suggestions, though it is in its infancy and would not currently qualify to act as IOP’s dmo. There are a myriad of other suggestions on how IOP’s tax funds can be better used to the benefit of IOP, its tourists, and visitors. CVB’s proposed budget clearly does not fully address those concerns.

As IOP’s dmo, CVB has a duty and responsibility to promote and spend wisely IOP’s tax funds entrusted to it. However, CVB has not been able to effectively account in many instances, nor provide meaningful budget information requested. In conjunction, CVB has been asked, but cannot answer effectively what “promotion” means, except for “advertising”. It is submitted that the term includes far more than merely placing ads in magazines, hiring entities to provide television and billboard ads, traveling to Europe to “promote” the region, etc. Compounding the problem, neither the ATAX committee nor Council has line item veto power relative to CVB’s budget. Thus, in essence, CVB is dictating how IOP’s tax money is to be spent.

Council may continue with CVB going forward for this year without approving of CVB’s budget. That would be the most fiscally responsible, prudent thing to do. Disapproval of CVB’s budget would put IOP in the strongest position and would not materially harm CVB. Also, disapproval of CVB’s budget would give notice to CVB that IOP has reservations and would provide both a basis for TERC review and a basis to effectuate change in the future. CVB would be forced to learn from its mistakes, consider changes in its business practices or risk losing IOP’s tax money. Stated another way, **if Council approves CVB’s budget, there will be no legally cognizable basis to ever make a change for the better. IOP will be left in the weakest position possible.**

In the current business and tourism milieu, **experts agree that more focus on tourism management is needed. CVB is not filling that critical need relative to IOP.**

Financial and performance records reflect IOP can be better served in a much more efficient manner than CVB proposes, especially in an internet age. Simply stated, **the CVB business model currently being used is far outdated.** What worked in year 2000 simply does not work in FY 2023. CVB has been too big and unwieldy and/or unwilling to move forward so as to benefit IOP as circumstances have dictated. Again, CVB may be servicing other communities, but what works for them doesn't necessarily work for IOP.

IOP is now projected to pay CVB approximately a million dollars this year for "promotion". The IOP ATAX committee owes to our taxpayers a duty to ensure that taxpayer funds are well spent and fully documented to be spent on IOP and for IOP tourists and visitors, which in turn coincidentally benefits IOP residents. That has not occurred, based on what has been presented and proposed, even after giving CVB numerous opportunities to provide needed data.

As a basis to support CVB, one new member of the IOP ATAX committee has repeatedly opined and publicly stated words to the effect that the ATAX committee has no need to use due diligence in trying to ensure that IOP's tax funds are wisely spent because "it is only tax money paid by others and doesn't come out of our personal pockets" and also asserted words to an effect suggesting that IOP is not impacted by tourism. The undersigned vehemently disagrees and submits that the ATAX committee has a solemn duty to encourage, within the limits of the law, that IOP tax funds be wisely spent for the taxpayers' and IOP's benefit and to advise city council accordingly. In conjunction, the undersigned asserts that IOP is in fact substantially impacted by tourism.

For fiscal year 2021, IOP paid \$733, 416 to CVB to promote tourism while SI paid next to nothing, if anything at all. In fact, pursuant to what is commonly called the "Robin Hood provision of law, IOP effectively pays SI to not have a meaningful tourism program. That works to SI's benefit. It works to IOP's detriment. To add insult to injury, one has only to refer to TERC reports relative to funds paid to CVB by other municipalities: Add Mt Pleasant, SI, Folly, Seabrook and Charleston County together and compare their dmo payments to CVB to

IOP's.... **IOP has for many years paid more to CVB than all of them combined, yet they get far greater and beneficial promotion.** Why? It's not fair and it does not make sense. Those communities are not at fault. IOP is not at fault. It is not a quirk of law that IOP is unjustifiably and constantly advertised and promoted as the least desirable of the Charleston beaches – all while IOP has paid **millions of dollars more** to CVB than other communities **combined** - to tout our island as a tourist destination. **IOP deserves better treatment and accountability for the millions of tax dollars paid to CVB and projected to be paid for promotion going forward.** Meaningful answers to pointed questions and concerns for at least the last year and a half have not been satisfactory. IOP's dmo must be held financially accountable. If not, the taxpayers and IOP residents will irretrievably lose more and more as time goes by – both in good economic times and in bad ones. CVB will thus become more entrenched than now exists. A wake up call to CVB is called for. Simply saying, as CVB has said for years, that it hears our voices and that it will do better is not enough. If more beneficial results cannot be obtained, IOP would be well advised to seek a more productive alternative than now exists under the auspices of CVB.... In effect getting more bang for its tax bucks with a change. Changes in the current law to benefit IOP are also overdue and have never been positively addressed by CVB.

As it exists and under the direction of CVB, IOP is promoted at the bottom tier of beach rankings in Charleston and beyond – far below SI, which pays nothing or next to nothing and FB, which pays CVB about \$25,000 per year for the same essential services provided to IOP at a past cost of \$733,000 in but one year alone. IOP is also ranked below Edisto Beach as a destination despite the millions IOP has paid CVB to advertise IOP's considerable attributes. IOP is consistently ranked far below Kiawah, which is mostly not open to all beach visitors. That is not intended as a criticism of Kiawah. It is just a fact that it has very little public beach access or parking available for day trippers and many others. And, on a State level of beach rankings, Roach Beach tops IOP. So does little Pawleys Island. What is meaningfully being done with the millions IOP pays CVB for advertising? The answer seems to be buried in a lot of meaningless data. Succinctly stated, IOP taxpayers have a right to know and to expect better. Minutes and historical records reflect that CVB has promised to do better for years, but then either ignores the obligation or falls flat on its face. IOP can't be expected depend on

the same old same old with the taxpayers' money year after year and expect to miraculously get a better result. It is painful to see IOP with its low rankings. IOP is an extraordinarily welcoming island with a tremendous constituency of wonderful neighbors, a wonderful beach and many tourists who come here year after year on vacations. IOP deserves better than it is getting for the millions of tax dollars being paid to CVB to promote our island.

An opportunity for change in this instance would be welcome. IOP taxpayers will not be harmed if we try it to do better or commence to chart a different course of action - perhaps incrementally at first. Besides, if cognizable results equal to CVB's are not achieved, IOP can always revert to CVB. There is no harm in trying something designed to improve IOP and tourists' experiences and better spend taxpayers' funds. Doing the same thing over and over and expecting to get a different result would be unwise.

If anyone has followed the money paid out to CVB over the years and carefully inspected its accounting, budgets, 990 tax returns, 990 T IRS reporting of offshore bank accounts, accounting, European bank records, travel and entertainment expenses and such... which certain members of the ATAX committee previously endeavored to do, it would be an understatement to say that there is considerable disappointment. In multiple instances, there has not been material transparency or accountability. In many instances where documentation has been uncovered, it appears that IOP tax money has not been optimally spent for IOP or to promote tourism on IOP or to benefit the island's tourism, excepting for the Wild Dunes hotel and a limited number of others. Residents and STR providers in Wild Dunes and outside its gates report that the current state of affairs is not fair and balanced. Those providing individual STRs outside the gate - such as those with beach houses available for rent report that the practices being followed are not fair. This is not intended to be critical of the hotel within Wild Dunes. It is just a fact that, when IOP's tax money is in fact spent on IOP, it is the primary beneficiary of CVB's beneficence. Those providing the majority of tax funds are left out.

There has never been any forensic accounting of CVB's activities. It has only had "independent accounting", which is basically a bean counter function (matching up revenue and expenses) without material critical thinking involved. This is not

intended to be critical of CVB's accountant; it is just what it appears to be in context.

To the extent CVB has performance metrics, they are in actuality irrelevant and/or misleading in many instances in that they are merely gathered from hotels and/or some real estate corporations whereas the great majority of STRs on IOP do not fall in that category. Tourism data has not been sought from many or most who provide short term rentals upon which accommodation taxes are predicated.

The metrics relied upon by CVB are thus considerably out of context. Despite what CVB may seemingly assert, tourism on IOP does not revolve solely around a single hotel hidden behind a gate and inaccessible to the majority of tourists, visitors and residents. IOP is not a hotel dominated STR community such as perhaps exist in Charleston and Myrtle Beach. One has only to consider the multitude of house rentals on Palm Blvd and Ocean and scattered within Wild Dunes and elsewhere on IOP as examples. What is being done for them? What data is sought from them. What benefit from CVB are they getting? Ask individual owners of STR such as Rebecca Kovolich or Ray Burns or former ATAX member Nemes what CVB does for them or information it gathers from or for them. The answer is nothing. Zero. Again, CVB's marketing plan might work in Charleston, Kiawah or Myrtle Beach hotels and for condos and for others who pay extra fees to CVB for advertising, but IOP is, overall, in a different category altogether. Besides, IOP citizens do not want to become a community dominated and controlled by high rise condos, huge hotels and large corporations. The vast majority on IOP want to have a far different identity and branding than being seen as a "mini-Myrtle Beach" (apologies to Myrtle Beach).

In context, IOP will pay CVB around \$900,000 to \$1 million dollars this year. If historical practices holding true, CVB will spend a fraction of that sum on or for IOP and then only for a couple of corporate businesses/ hotels who pay for the service already. **The rest of IOP's dmo atax funds – will be commingled and spent off the island to subsidize others,** all the while being untraceable. That is neither fair nor reasonable. **Those providing the vast majority of STRs for tourism support on IOP and maximizing the funds available to IOP for essential services are being taxed, yet they and residents get almost nothing from CVB.** **It is in effect taxation without representation.** There are reported to be approximately 1450 STR licenses on IOP. They include folks who live on IOP and

have their life savings invested in promoting tourism on IOP via STRs. The amount of STR investment assets aside from the Wild Dunes hotel on IOP is estimated to be in the **BILLIONS OF DOLLARS**. Those providing for tourists other than hotels provide most of the ATAX money, 30% of which in turn goes to CVB. They deserve fair representation. Currently, they get next to nothing from CVB. That needs to change. Given CVB's proposed budget, they will once again be left out of the loop and buried in the sand. In saying this, it is certainly not suggested that the hotels are not valued corporate citizens or that they are not entitled to a figurative seat at the tourism table. They are, but not in excess of proportion to the overall benefit to the island in context. Simply stated, only a select and limited few on IOP are being served by CVB. That has got to change. CVB's proposed budget does not meet that goal. That said, the undersigned certainly understands that CVB has a mission and dictate to spend the ATAX money it receives. That does not mean, however, that it should continue to be spent on things that do not improve the quality of life of all on IOP.

While some favoring CVB, with irrational exuberance, propose to give CVB all the credit for whatever positives have occurred on IOP, most residents, myself included, feel strongly that IOP's success is mostly due to other factors such as IOP's unique location, our good residents, our good businesses, our good workers, our good government and the economics of supply and demand. IOP's success in promoting tourism is due more to these factors than, say, CVB paying Conde Nast and other magazines millions of dollars each year for print material to promote Charleston, paying for off-island professional sports teams, expensive jaunts to London, Germany and beyond or paying hundreds of thousands of dollars to put slick brochures in Welcome Centers at the State border – as if that is the indispensable source of travel information in a digital age. Again, IOP is markedly different than, say, North Charleston or even SI (where STRs have purposely dwindled to approximately 43). Each community must be separately, efficiently, and effectively considered.

In a digital age, experts agree that what worked thirty years ago or even ten years ago in the “stone age” of marketing is not particularly beneficial today. CVB's proposed budget does not meet IOP's current needs.

All of us very much appreciated Charleston and our neighboring communities, but IOP's objective should primarily be to support IOP's tourism efforts and not be lumped in as a mere small piece of a regional tourism picture. With few voters, as compared to the rest of the region, IOP will inevitably be left behind. IOP's obligation is to do what is in the best interest of IOP rather than to disproportionately subsidize others under a misplaced theory of "regional" marketing. Otherwise, IOP will remain an afterthought with no independent identity or autonomy. In asserting this, concepts of home rule come to mind. Besides, it is wrongheaded for IOP to be subsidizing other tourism programs to the extent we do. By many calculations, 85% of IOP's dmo tax funds paid to CVB are spent elsewhere than for (or on) IOP. CVB is seen as not spending IOP's tax funds on or for the benefit of IOP in many instances. Under CVB's budget proposal, IOP loses. That needs to change.

IOP would be successful as a tourist destination regardless of whatever advertising CVB does. If a dime, weren't paid to CVB, IOP would still prosper and there would still be parking challenges (which CVB has never lifted a finger to help address).

Nowhere near the top of the list as reasons to oppose CVB's budget proposal in comparison to past expenditures is because: if we were to approve the CVB conduct and proposals, we would in effect be eliminating the opportunity for others (such as using the Folly Beach paradigm, or the vision suggested by Ms. Limbaugh) to do better. They would be foreclosed from ever competing or offering alternatives. IOP would be stuck with CVB no matter how they spend IOP's tax funds and there would be little or no meaningful accountability as has unfortunately occurred in the past. That must not happen. A change is needed.

Notably, excepting Ms. Limbaugh and assisted by Mr. Stone, **this committee hasn't heard from any others who can offer better alternatives than the budget proposed by CVB. No one who can critically assess CVB's performance has been allowed to speak.** Due diligence must be incorporated into the process. This comment is not intended to be critical of CVB, but rather is presented to point out the substantial weaknesses in the evaluation process historically utilized by IOP - whereby it has never implemented a competitive or transparent bidding process,

much less ever having a contract or set of established or meaningful metrics by which to measure success. Taxpayers and residents deserve better.

The process by which the ATAX committee and Council simply hear from CVB alone is far less than optimum as Ray Burns has capably established. It is akin by way of analogy to a Court trial where the process is rigged so that the jury only hears from the plaintiff, who sets the rules and then argues about how much money he wants with nothing else being allowed to be offered from other points of view. Or in a criminal trial if the jury were only to hear from the defendant. The result would almost always be predictable.... Not good! All sides need to be considered, not just CVB's side alone. It is IOP's fiduciary duty to the taxpayers to do so. Again, Council, the taxpayers and our tourists deserve better than just hearing from one side.

From another perspective and perhaps being charitable to CVB or as a thank you for a job well done, it could be argued that CVB has served a useful purpose such that IOP is now capable to move forward with more autonomy, oversight and control. With the amount of money now involved, IOP can promote tourism better and more efficiently at once or in incremental steps. Folly Beach has proven it works with revenue that is far less than is generated and then paid out by IOP. Folly pays CVB about \$25,000 per year and gets far better promotion from CVB than IOP for far less money than IOP pays. SI pays next to nothing to CVB, yet CVB gives it far more positive promotion than IOP. The same holds true for Mt. Pleasant which has paid millions of dollars less to CVB than IOP.

It is stressed **that it is NOT in the best interest of IOP to see how many tourists and visitors CVB can try to pack into the figurative IOP telephone booth in the summer (or at any other time for that matter)**. As the saying goes, when we are full, we're full. IOP needs and deserves managed tourism promotion, not merely a focus on maximizing hotel or condo occupancy counts, increasingly challenging traffic counts and rental rates – with rates that are a product of supply and demand in any event. Regardless of whether credit is due or to whom it is due, it may legitimately be argued that success has been achieved on IOP. All should deservedly be proud. However smarter, managed tourism is what is now called for going forward. Ms. Limbaugh and Folly Beach's experiences (and others in South Carolina) have made abundantly clear that IOP can do better going

forward. There are at least six alternatives to CVB alone that need to be considered if IOP is going to responsibly spend taxpayers' s funds. IOP needs to give others a chance to do better or at least an opportunity to compete. And, notably, **IOP would inevitably be stuck with CVB given its past history if its budget were approved, so there is little or no downside to voting down the CVB budget - for good reason.**

Has anyone carefully studied CVB's 990s in juxtaposition to their budgets? I have. Ray Burns has. CVB does not list T&E nor otherwise account for its travel and entertainment. That fact and concern is threshold and very concerning. When asked pointedly in the past about this obvious discrepancy, IOP ATAX members were told that CVB did not keep their records in a way that it could be determined or that it was "**none of our business**" and that our IOP ATAX chair was being "disingenuous" and "untruthful" in asserting that he had not been given all requested financial data. The latter was said in a public meeting. The chair was truthful as has been thoroughly and conclusively established. He was and is thoroughly honest. He has a history of excellence in business affairs. He is thoughtful and has put the best interests of IOP at the forefront. It has been documented that he has been in fact correct. CVB's claims to the contrary have been without merit and raise continued credibility issues relative to CVB's proposed budget. CVB has never apologized or sought to clear the record. It should have done so. The fact that it has not is a believability factor that should at least be considered.

CVB's UBIT activities need to be factored in, as does that fact that CVB has admittedly commingled IOP's tax funds with those of others, including its private "stakeholders" such that a more meaningful analysis could not be further evaluated. If a lawyer commingled clients' funds such that they lost their identity, he'd likely be disbarred. A similar or more severe consequence would hold true for financial institutions. Among other concerns, CVB has been proven to have put millions of accommodations tax funds in the Cayman Islands and millions in European bank accounts among other concerns. Saying it was for "ease of currency exchange" is demonstrably inaccurate. After all, Charleston is a recognized international port city. It has numerous banks that can provide international banking services at a lower cost than in offshore bank accounts albeit with far greater transparency and reporting requirements. The list of

questionable expenses that do not materially benefit IOP goes on and on. Once again, the taxpayers deserve better.

CVB has claimed that the ATAX committee urged CVB to develop a very expensive additional web site specially for IOP (at a cost that apparently now exceeds \$157,000). The ATAX committee did not ask that that cost be incurred. And, the web site is not beneficially in use if at all at this stage and would be of little or no true benefit of those IOP taxpayers who have incurred the expense for nothing meaningful. Besides, there is little benefit in having a “micro website” that no one can easily find to placate one or two or 1450 STR providers, if any truly exist.

When other communities has been criticized, notably Charleston, CVB has been justifiably and admirably quick to come to their defense. When IOP has been unfairly criticized relative to tourism and visitor related issues , CVB has never come to IOP’s defense. The silence has been deafening. IOP deserves better for the millions of dollars it has paid CVB.

CVB’s justification for many proposed expenses and allocation of same to IOP is highly suspect, as a new member of the ATAX committee with marketing experience capably pointed out at the most recent meeting.

CVB has a member of IOP Council on its Board of Governors. To the extent any meaningful performance and financial information has been provided to him, it has not been in turn provided to ATAX. IOP’s ATAX committee has been kept in the dark.

The lines of communication between CVB and the IOP ATAX committee have been far, far less than is desirable and there is no end in sight despite repeated requests for transparency. In fairness, one recent presentation was of some marginal benefit but she has admitted she did not have many answers and was merely filling. Besides, there is still far too little and far too late.

As Ms. Limbaugh made clear in her presentation to the ATAX committee, IOP has no meaningful or positive identity or branding – such as exists for SI, FB, Kiawah, Charleston and beyond. IOP’s current advertising agency (CVB) has abjectly failed IOP in that regard for over 20 years. Ms. Limbaugh has done an excellent job providing a vision and others ought to be given a fair chance to

weigh in as well. If IOP were to approve of CVB's budget, there will be no motivation or even a chance to do better. The words "complacency" and "deliberate indifference" to taxpayers, tourists, visitors and IOP residents comes to mind. The same holds true for the excuse that "But this is the way we've always done it". By way of illustration: to the undersigned's way of thinking and that expressed by Ms. Limbaugh, IOP ought to be identified, branded, and promoted as a welcoming, safe and peaceful "**family beach community**" as compared to others who may be promoted as "funky", "at the edge of America", "exclusive", "private" or in existence to host and encourage bachelorette, fraternity and wedding parties and their associated challenges. Ms. Limbaugh is due a debt of gratitude for again bringing to the forefront what should have been done by the entity responsible for promoting tourism on IOP. The fact that CVB continues to ignore this significant aspect of tourism is more than disconcerting.

The process by which CVB argues that it is the "only game in town" is highly suspect from the inception. Reference is made to past minutes going back to 1997 when a local IOP chamber of commerce and Mt. Pleasant had for over ten years provided dmo services to IOP. Competitive bidding, an established ordinance and FOIA requirements were in place and certainly seem appropriate, but for reasons that are not at all clear they have been ignored and/or not been utilized. Best business practices would seemingly mandate that they be implemented. The same holds true for meaningful performance metrics that do not exist. Moreover, government records reflect that CVB was not a non-profit when "selected" in 1998. It did not have a corporate status until a later time according to the South Carolina Secretary of State. Those facts seem to be something no one wants to discuss. And, again, it is stressed that there are many advertising agencies capable of doing what CVB does with greater efficiency and transparency.

CVB's past efforts and expenditures for changes in the law have definitely **NOT** been to IOP's benefit.

TERC has in the past taken the position that it did not have oversight relative to accommodation tax funds paid to CVB. The AG has repeatedly indicated for years that TERC does have oversight responsibilities, to no avail. However, as a practical matter, TERC is composed of a limited number of volunteers to oversee

hundreds of millions of dollars of often complex transactions and it has no forensic accounting arm or meaningful support mechanism to carefully analyze CVB's expenditures. The burden thus clearly falls initially on the local ATAX committee and Council as emphasized by the SC Supreme Court in 2018 and now by TERC at least a year ago. **IOP now clearly has a duty to use due diligence in assessing the performance of its dmo. If IOP does not now do so, it runs the risk of losing crippling and/or substantial sums of money otherwise available to IOP, as is set forth in SC Code 6-4-10, et. seq. and as reported in SC case law.** Thus, it is quite evident that it would be in IOP's financial best interest to disapprove of CVB's budget.

There are many other reasons to reject CVB's budget, to include Mr. Burns presentation to Council on September 21, 2021 (which Council said was the most thorough and professional presentation ever made to it). Given the timing of the election in November of that same year, changes could not be made at the time and the matter is now in the hands of the newly elected council members.

I realize the above is somewhat overlapping and there may be some typos as I am without secretarial assistance and more than computer challenged as I experiment with voice dictation. However, it is hopeful that these comments will be of aid to Council and help to explain the basis for my vote to reject CVB's budget.

Doug Truslow

State Accommodations Tax
Detailed Expense Statement for the 12 Months Ending June 30, 2022 ***PRELIMINARY & UNAUDITED***

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Public Restroom Operations					
Dominion	YTD electricity for restrooms	637	500		
IOP WSC	YTD water & irrigation	11,577	12,000		
Blitch, etc	YTD maintenance	11,129	45,080		
Port City Paper	YTD paper & cleaning supplies	10,369	7,500		
SCMIRF/Wright Flood	YTD property & flood insurance	7,585	7,000		
Quality Touch Cleaning	YTD cleaning	22,330	40,000		
IOP Payroll	YTD attendant	19,206	22,800		
		82,833	134,880		52,047
Beach Barrel & Front Beach Business District Trash Pickup					
JLG Enterprise LLC	YTD trash pickup per contract	87,642			
		87,642	85,000		(2,642)
Irrigation at Breach Inlet Sign					
IOP WSC	YTD irrigation	328			
		328	600		272
Beach Trash Barrels					
Zoro Tools	1 barrel	76			
		76	7,500		7,424
Repair 4500 linear feet of sidewalk in Front Beach Area					
		-			
		-	70,000	-	70,000
IOP website T-shirt Promo					
		-			
		-	15,000	-	15,000

State Accommodations Tax
Detailed Expense Statement for the 12 Months Ending June 30, 2022 ***PRELIMINARY & UNAUDITED***

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Charleston CVB - 30% Tourism Promotion Funds					
Charleston Area CVB	30% distribution for Sept Qtr	397,475			
Charleston Area CVB	30% distribution for Dec Qtr	160,292			
Charleston Area CVB	30% distribution for Mar Qtr	77,919			
Charleston Area CVB	30% distribution for Jun Qtr	409,040			
		1,044,725	675,474	-	(369,251)
Transfer to IOP Marina for 75% of Bond Debt Service					
Isle of Palms Marina Enterprise Fund		249,920	249,920	-	(0)
4th of July Fireworks - Year 2022					
Munnerlyn Pyrotechnics	deposit on 7/4/22 fireworks show	17,500			
Various	gatorade and food for staff	635			
		18,135	35,000	-	16,865
4th of July Fireworks - Year 2021 (cancelled due to Covid-19)					
	carryover from FY21			16,702	
Costco, Walmart, Sams	staff meal	798			
		798	-	16,702	15,904
Recreation Dept Replace or Add Playground Equipment as Needed					
8/10/21 Peggs Recreation	replace rusted part on Bongo equip	1,036			
		1,036	10,000	-	8,964
Sponsor Isle of Palms Beach Run (annually in July)					
IOP Rec Building Fund	annual sponsorship	3,000			
		3,000	3,000	-	-

State Accommodations Tax
Detailed Expense Statement for the 12 Months Ending June 30, 2022 ***PRELIMINARY & UNAUDITED***

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Sponsor IOP Connector Run and Walk for the Child (annually in October)					
IOP Connector Run & Walk	2022 sponsorship	7,500	7,500	-	-
Music in the Park					
The Blue Plantation Band	deposit	400			
Lowcountry Bluegrass	deposit	1,000			
Amazon/Sign Design	supplies for event	235			
		1,635	4,000		2,365
Easter Egg Hunt					
2022 Hunt limited to IOP residents, so Atax funds were not used		-	4,500		4,500
Fund Salary & Fringes for Police and all Beach Service Officers					
City of IOP General Fund	All BSOs, \$20k OT, 1 Patrol Officer	181,252	201,137	-	19,885
Police Dept Body Armor					
Premier Body Armor	body armor less \$1787 SCMIT rebate	7,747			
		7,747	7,100		(647)
Replace 2 Police Patrol Vehicles					
East Coast 911 Upfitters	equipment for two Durango SUVs	19,530			
Santee Automotive	2 Dodge Durangos	65,900			
		85,430	82,000		(3,430)
Digital License Plate Reader for parking enforcement					
		-	50,000		50,000

State Accommodations Tax

Detailed Expense Statement for the 12 Months Ending June 30, 2022

PRELIMINARY & UNAUDITED

Vendor	Description	A Actual Expenditure	B FY2022 Budget	C Committee Approved	B+C-A (Over)/ Under
Police Department - replace Low Speed Vehicle					
Baker Motor Company	Polaris GEM E2 LSV	16,933			
		16,933	17,000		67
Fire Dept Debt Service on 75' Ladder Truck					
Truist Governmental Finance	debt service principal & interest	91,915			
		91,915	91,915		0
Fire Dept 1/3rd of SCBA equipment replacement					
Safe Industries	replace SCBA equipment	96,714			
		96,714	96,667		(47)
Fire Dept replace 1 Pickup Truck					
			42,000		42,000
Fire Dept Replacement ATV					
John Deere Company	2022 John Deere Gator ATV	18,882			
		18,882	25,000		6,118
Fund Salaries & Fringes for the Fire Department					
IOP General Fund	1 Firefighter, portion of restructuring cost	135,399	157,334	-	21,935
Public Works - Replace z-track mower					
STI Turf Care Equipment	52 Inch Toro Z-Track Mower	8,174			
		8,174	15,000		6,826

State Accommodations Tax
Detailed Expense Statement for the 12 Months Ending June 30, 2022 ***PRELIMINARY & UNAUDITED***

	<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Unexpended Projects/Miscellaneous				
2021 Carolina Coast Surf Club Surf Cam sponsorship	1,000		1,000	
2021 VFW Post 3137 sponsorship	15,000			
2021 MUSC Foundation/Lowvelo sponsorship	10,000			
2022 IOP Community Corp LENS Program sponsorship	10,000			
2022 MUSC Foundation/Lowvelo sponsorship	10,000			
Budget provision for expenditures recommended by Atax Committee		50,000		
Add/replace/maintain fixtures at Carmen Bunch Park	268	1,000		
Marina Public Dock		150,000		
Marina maintenance		50,000		
Miscellaneous/undesignated		1,500		
	46,268	252,500	1,000	207,232
Grand Total	2,186,342	2,340,027	17,702	171,387

**City of Isle of Palms
State Accommodations Tax
Balance Sheet
as of July 31, 2022**

	7/31/2021	7/31/2022
CASH @ BB&T	\$ 972	\$ (8,645)
CASH @ SC LOCAL GOVERNMENT INVESTMENT POOL	1,813,392	2,023,770
ACCOUNTS RECEIVABLE	-	1,295,293
AMOUNTS DUE FROM OTHER FUNDS	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>1,814,364</u>	<u>3,310,418</u>
ACCOUNTS PAYABLE	13,415	428,322
AMOUNTS DUE TO OTHER FUNDS	<u>22,440</u>	<u>-</u>
TOTAL LIABILITIES	<u>35,855</u>	<u>428,322</u>
FUND BALANCE Beginning	1,798,371	2,927,876
Excess Revenues Over/(Under) Expenditures	(19,861)	(45,780)
FUND BALANCE	<u>1,778,509</u>	<u>2,882,096</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 1,814,364</u>	<u>\$ 3,310,418</u>

City of Isle of Palms
State Accommodations Tax
Revenue Statement for the 1 Month Ending July 31, 2022
Fiscal Year Ending June 30, 2023

Date	Description	Total
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Revenues

September Quarterly Payment from State
December Quarterly Payment from State
March Quarterly Payment from State
June Quarterly Payment from State

YTD Interest Income 2,956

Grand Total	<hr/> 2,956 <hr/>
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State Accommodations Tax
Detailed Expense Statement for the 1 Month Ending July 31, 2022
Fiscal Year Ending June 30, 2022

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Public Restroom Operations					
Dominion	YTD electricity for restrooms	43	700		
IOP WSC	YTD water & irrigation	-	12,000		
Blitch, etc	YTD maintenance	-	45,080		
Port City Paper	YTD paper & cleaning supplies	399	10,000		
SCMIRF/Wright Flood	YTD property & flood insurance	2,756	8,100		
Quality Touch Cleaning	YTD cleaning	-	40,000		
IOP Payroll	YTD attendant	1,881	24,164		
		5,080	140,044		134,964
Beach Barrel & Front Beach Business District Trash Pickup					
JLG Enterprise LLC	YTD trash pickup per contract	14,607			
		14,607	85,000		70,393
Irrigation at Breach Inlet Sign					
IOP WSC	YTD irrigation	-	600		600
Beach Trash Barrels					
		-	7,500		7,500
Repair 4500 linear feet of sidewalk in Front Beach Area					
		-	70,000	-	70,000
IOP website T-shirt Promo					
	sold tshirt	(10)			
		(10)	15,000	-	15,010

State Accommodations Tax
Detailed Expense Statement for the 1 Month Ending July 31, 2022
Fiscal Year Ending June 30, 2022

Vendor	Description	<i>A</i> Actual Expenditure	<i>B</i> FY2022 Budget	<i>C</i> Committee Approved	<i>B+C-A</i> (Over)/ Under
Charleston CVB - 30% Tourism Promotion Funds					
Charleston Area CVB	30% distribution for Sept Qtr				
Charleston Area CVB	30% distribution for Dec Qtr				
Charleston Area CVB	30% distribution for Mar Qtr				
Charleston Area CVB	30% distribution for Jun Qtr				
		-	826,528	-	826,528
Transfer to IOP Marina for 75% of Bond Debt Service					
Isle of Palms Marina Enterprise Fund			250,419	-	250,419
4th of July Fireworks - Year 2023					
		-	35,000	-	35,000
4th of July Fireworks - Year 2022					
carryover from FY22				16,865	
Costco, Walmart, Sams	staff meal	1,211			
		1,211	-	16,702	15,491
Recreation Dept Replace or Add Playground Equipment as Needed					
		-	15,000	-	15,000
Sponsor Isle of Palms Beach Run (annually in July)					
		-	3,000	-	3,000

State Accommodations Tax
Detailed Expense Statement for the 1 Month Ending July 31, 2022
Fiscal Year Ending June 30, 2022

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Sponsor IOP Connector Run and Walk for the Child (annually in October)					
			7,500	-	7,500
Music in the Park					
		-	4,500		4,500
Easter Egg Hunt					
		-	4,500		4,500
Replace Front Beach Christmas Tree					
		-	22,000		22,000
1/3 of Cost to Reconstruct Outdoor Basketball Courts					
		-	50,000		50,000
50% of Cost to Construct 2 Pickleball Courts					
		-	25,000		25,000
Fund Salary & Fringes for Police and all Beach Service Officers					
			205,730	-	205,730
Police Dept Body Armor					
		-	7,100		7,100

State Accommodations Tax
Detailed Expense Statement for the 1 Month Ending July 31, 2022
Fiscal Year Ending June 30, 2022

Vendor	Description	A Actual Expenditure	B FY2022 Budget	C Committee Approved	B+C-A (Over)/ Under
Police Portable Radar Sign		-	3,500		3,500
Replace 1 Police Patrol SUV		-	45,000		45,000
Digital License Plate Reader for parking enforcement		-	60,000		60,000
Police Department - replace Low Speed Vehicle		17,849			
Baker Motor Company	Polaris GEM E2 LSV	17,849	18,000		151
Fire Dept Debt Service on 75' Ladder Truck		-	91,915		91,915
Fire Dept Replacement Radio Repeater		-	17,000		17,000
Fire Dept Replacement Jet Ski			18,000		18,000
Fire Dept Replacement ATV		-	22,000		22,000

State Accommodations Tax
Detailed Expense Statement for the 1 Month Ending July 31, 2022
Fiscal Year Ending June 30, 2022

	<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Fire Department - 25% of Cost for 2nd Set of Bunker Gear for all Personnel				
	-	34,000	-	34,000
Fire Department - 38% of Cost for Exhaust Systems at Both Stations				
	-	75,000	-	75,000
Fund Salaries & Fringes for 2 Firefighters				
		161,252	-	161,252
Public Works - Replace Pickup Truck				
	-	37,000		37,000
Unexpended Projects/Miscellaneous				
Sponsor IOP Chamber of Commerce	10,000			
Budget provision for expenditures recommended by Atax Committee		50,000		
Add/replace/maintain fixtures at Carmen Bunch Park		1,000		
Add marker at Leola Hanbury Park		2,000		
Add/maintain beach wheelchairs		5,000		
50% of Marina T Dock Improvements		200,000		
50% of Marina Greenspace Improvements		50,000		
Marina maintenance		50,000		
Miscellaneous/undesignated		1,000		
	10,000	359,000	-	349,000
Grand Total	48,736	2,716,088	16,702	2,684,054

City of Isle of Palms																								
SC State Accommodations Tax - Distribution of Funds Received																								

City of Isle of Palms, South Carolina
Accommodations Tax Advisory Committee
IOP ATAX Grant Application
FY24 Accommodations Tax Grant Applications Process:

Grant Period: July 1, 2023 – June 30, 2024

The City of Isle of Palms will establish an annual process for the submittal and consideration of grant requests for accommodations tax funds.

Application Deadline: The ATAX grant application must be submitted electronically no later than 5:00 p.m., Tuesday, January 31, 2023.

Applicant Workshop: The City will host a workshop on Tuesday, January 10, 2023, at 1:00 p.m. The purpose of the workshop is to review application guidelines and criteria and assist potential applicants with completing the applications.

Application Process: Applications received by the deadline will be reviewed by staff for compliance with the law to determine eligibility. The applicants passing the initial review will be asked to make a presentation to the ATAX Committee. The presentations are scheduled for February 14, 2023.

The ATAX Committee will meet on March 7, 2023, to make grant award recommendations to City Council. The recommendations will be presented to City Council for inclusion in the FY24 Budget.

Application Timeline:

Action:	Date:
Advertise Solicitation/Request for Applications	December 1, 2022
ATAX Application Workshop for interested applicants	January 10, 2023
Application Deadline	January 31, 2023
Staff reviews applications for compliance	February 1 – 3, 2023
Applicants notified of presentation to ATAX	February 6, 2023
Applicant interviews/presentations before ATAX Committee	February 14, 2023
ATAX Committee Meeting to Finalize Award Recommendations	March 7, 2023
ATAX Committee recommendations presented to City Council	March 21, 2023
Grant Award notifications	June 1, 2023
Council approved ATAX Applications included in the FY24 Budget	FY24 Budget July 1, 2023 – June 30, 2024
Mid-year reports	January 31, 2024
Final Reports	July 1, 2024

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) **AGREEMENT**

THIS AGREEMENT (the "Agreement") entered into this 3rd day of **November 2021**, between COUNTY OF CHARLESTON, SOUTH CAROLINA, a public body corporate and politic and political subdivision of the State of South Carolina (hereinafter "County"), and **Charleston Area Convention & Visitors Bureau** (**State**) (hereinafter "Agency"), (collectively the "Parties").

WHEREAS, on March 27, 2018, Charleston County Council specified per Council Directive 18-55 that the Charleston Area Convention & Visitors Bureau serve as the County's organization to promote tourism under Section 6-4-10 of the South Carolina Code of Laws for the State of South Carolina;

WHEREAS, it is the intent of this Agreement to establish the various responsibilities of the Agency with respect to the expenditure of said monies, as well as the method of disbursement by the County;

NOW, THEREFORE, IT IS AGREED by and between the Parties hereto, in consideration of the mutual covenants and promises set out herein, as follows:

1. County and Agency hereby agree that the monies paid to the Agency shall be spent only for a valid public purpose within the boundaries of Charleston County, specifically for tourist-related activities as defined in State Legislative Code 6-4-10 titled *Allocation of Accommodations Tax Revenues*.
2. The County agrees to pay the Agency for Fiscal Year 2021 by making a payment of **\$76,046.78**.
3. The County agrees to pay the Agency during Fiscal Year 2022 and future years, 30% of the State Accommodations Tax remitted by the State, provided; however, that the County specifically reserves the right, at any time, to unilaterally terminate this agreement at any time, to change the schedule of payment, to increase the payments, to reduce payments or to make no payments whatsoever.
4. Agency agrees to notify the County immediately of any material change in the Agency's financial condition.
5. Agency must report by August 15 of each year on the Agency's receipt and use of monies on a cash basis:
 - a. Beginning balance as of July 1
 - b. Funds received from July 1 through June 30 including the date and amount
 - c. Funds spent from July 1 through June 30 including the date, amount and purpose
 - d. Ending balance as of June 30


6. Agency shall allow the Charleston County Internal Auditor, if deemed necessary by the County, to review the financial records and transactions of the Agency.
7. It is understood and agreed by and between the Parties hereto that this Agreement is subject to the condition that nothing contained herein shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.
8. Nothing in this Agreement is intended to, or shall be deemed to, constitute an agent or an agency of the County. No representation will be made by Agency that would create an apparent agency, and Agency shall have no power to act for the County in any manner or to create debts or obligations that would be binding upon the County; and the County shall not be responsible for any obligations or expenses of Agency. The County shall not be responsible for any acts or omissions of Agency, or any of its agents, servants or employees, and nothing in this Agreement shall be in any way construed to constitute Agency or any of its agents or employees as the agent, employee or representative of the County.
9. Agency shall indemnify County against all liability or loss, and against all claims or actions based upon or arising out of damage or injury, including death, to persons or property caused by or sustained in connection with the performance of this Agreement or its conditions, or based upon any violation of any federal/state or local statute, ordinance, building code or regulation, and the defense of any such claims or actions. Agency shall also indemnify the County against all liability and loss in connection with, and shall assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security and income tax laws, with respect to Agency's employees. This indemnification shall be to the extent possible under South Carolina law.
10. Agency agrees not to discriminate against any employee, applicant for employment or client of Agency on the basis of race; color; sex; religion; national origin; sexual orientation; age; veteran status; marital status; disability; genetic information; gender identity; and/or women affected by pregnancy, childbirth, or related medical conditions, while expending the funds provided. Violation of this provision may, at the option of the County, be treated as a breach of this Agreement and grounds for immediate termination by the County.
11. Agency's specific funding comes from the Charleston County Accommodations Tax. Therefore, all expenditures of those funds will be used to promote tourism-related activities.
12. Agency shall not assign this Agreement or any benefits hereunder to any other entity without specific written approval of Charleston County Council.
13. This Agreement embodies the whole agreement of the Parties. There are no promises, terms, conditions or obligations other than those contained herein, and this Agreement shall supersede all previous communications, representations or agreements, either verbal or written, between the Parties hereto.
14. It is mutually understood and agreed by and between the Parties hereto that this Agreement shall be governed by the laws of the State of South Carolina, both as to interpretation and performance.


15. Should any part of this Contract be determined by a court of competent jurisdiction to be invalid, illegal, or against public policy, said offending section shall be void and of no effect and shall not render any other section herein, nor this Contract as a whole, invalid. Any terms which, by their nature, should survive the suspension, termination or expiration hereof shall be deemed to survive.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement under their several seals the day and year first written above.

SIGNED SEALED AND DELIVERED
IN THE PRESENCE OF:

COUNTY OF CHARLESTON

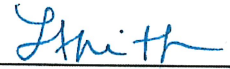

Print Name: Anthony J. Moore
Date: 11/3/2021

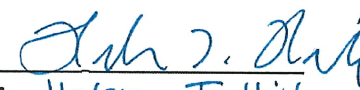

William L. Tuten
County Administrator



Print Name: Latashia J. Fonick-Liford
Date: 11/03/2021

SIGNED SEALED AND DELIVERED
IN THE PRESENCE OF:

Agency: Charleston Area Convention & Visitors Bureau


Print Name: Lauri Lynn Smith
Date: 11.3.21

Signature: 
Print Name: Helen T. Hill
Title: CEO


Print Name: William Hawke
Date: 11.3.2021

Signatures do NOT have to be notarized