

## **ACCOMMODATIONS TAX ADVISORY COMMITTEE**

City of Isle of Palms, South Carolina  
11:00 a.m., Wednesday, February 6, 2008

The regular meeting of the Accommodations Tax Advisory Committee was held at 11:00 a.m. on Wednesday, February 6, 2008 in City Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending were Chairwoman Tucker, and Committee members Malcolm Burgis, Rick Linville, Margaret Miller, David Nelson and Jimmy Ward, as well as Assistant to the Administrator Dziuban, Treasurer Suggs and City Clerk Copeland. Vickie Hollingsworth was excused from the meeting. There was a quorum present to conduct business.

**1. Call to Order.** Chairwoman Tucker called the meeting to order and acknowledged that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.

**2. Approval of Previous Meeting's Minutes**

**MOTION: Rick Linville moved to approve the minutes of the meeting of January 9, 2008 as presented; Margaret Miller seconded and the motion PASSED UNANIMOUSLY.**

**3. Citizens' Comments.** None

**4. Treasurer's Report – Treasurer Suggs**

Treasurer Suggs had three (3) handouts for the Committee consisting of the following:

- (1) SC State Accommodations Tax – Distribution of Funds Received;
- (2) State Accommodations Tax Balance Sheet and Detailed Expense Data; and
- (3) Revenue and Expense Projection for the Year Ending 6/30/2008.

The Treasurer began her comments noting that the City had received the state payment for the three (3) months ending December 31, 2007 in the amount of \$158,053.62 which is twelve percent (12%) higher than was received for the same period last year. With the deposit of that money and interest earned, there is \$1,142,156 in the bank accounts, This is a slow period that resulted in few disbursements in the past month; the expenditures of note were the sponsorship of the Spoleto event, deposits for entertainment on Piccolo Spoleto Goes to the Beach and the cost of the carriage rides at the Front Beach Tree Lighting.

She reported that the City will receive fifty (50) tickets to the Spoleto ballet event in exchange for its sponsorship; the tickets will be split between two (2) performances of the ballet. She will provide the Committee with additional information about the event as she receives it.

Chairwoman Tucker asked if there were any specifics on the entertainers for Piccolo Spoleto at the Beach; Recreation Director Page said the entertainers are from the improvisation group "The Have Nots."

Chairwoman Tucker also inquired about the status of the thirty thousand dollars (\$30,000), which had been provided for the City's parking study; she understood from Chief Buckhannon that no one had responded to the RFB, and he had been unsuccessful in locating a party that was both qualified and willing to undertake the project. Treasurer Suggs stated that the City Council fully supported the parking study and that the search for a competent source will continue.

Jimmy Ward asked that the Treasurer provide some explanation to the Committee relative to all they have been reading in the newspapers about the two million dollars (\$2,000,000) the City has pledged towards the beach renourishment at the north end of the island and its implications for the Committee's ability to function. Treasurer Suggs stated that City Council had agreed to distribute the currently budgeted two hundred thousand dollars (\$200,000) for the permitting process; one hundred thousand dollars (\$100,000) comes from the ATAX budget. In addition, the City Council has pledged \$1.7 million towards the renourishment project, which is estimated to cost \$9.9 million.

The City plans to raise the \$1.7 million through a revenue bond pledging future Accommodations and Hospitality Tax revenues. From the Treasurer's conversations with the bond attorney, she has learned that chances are Municipal Accommodations Tax will actually be the source of funds that will pay the bond payments. The City will adapt to paying these expenses, which have typically been funded by Municipal Accommodations Taxes, with the State Accommodations Tax fund such that overall every accommodations tax and hospitality tax funds will be affected.

The bond is to be repaid over a six (6) year term with payments in excess of three hundred thousand dollars (\$300,000) per year. Assistant Dziuban added that the particular funding scenario that City Council approved is based upon the premise that the City will continue to provide services as per the *status quo*; therefore, the ATAX Committee will continue to function on the same level that it has in the past.

Chairwoman Tucker stated that she has read that the City receives two million dollars (\$2,000,000) in Accommodations Taxes per year; she asked the breakdown between the various funds to know where the City gets that amount. Treasurer Suggs referred to a copy of the FY 2007-2008 budget and quoted the following budgeted revenue amounts:

Municipal Accommodations Tax	\$500,000
Charleston County-Local Tax	200,000

Hospitality Tax	\$430,000
State Accommodations Tax	<u>560,000</u>
TOTAL	\$1,690,000

The Treasurer noted that in the calculations for the Revenue Bond, actual 2007 revenue figures were used.

Referring back to the subject of the Spoleto sponsorship, Chairwoman Tucker stated that the Committee wanted the Keenagers to use the tickets if possible. That had been the intent in 2007, but it had not occurred due to transportation issues. Director Page stated that transportation arrangements will be made for the Keenagers to attend should they desire to do so. Director Page commented that the Keenagers will meet today and she will inform them of the event. Treasurer Suggs stated that the City has twenty-five (25) tickets for the performance at 8:00 p.m. on Saturday, May 31 and twenty-five (25) tickets for the Sunday, June 1 matinee at 2 p.m.

**5. Old Business - None**

**6. New Business**

**Request from Isle of Palms Connector Run and Walk Board of Directors for \$7,500 for the Isle of Palms Connector Run and Walk for the Child set for October 4, 2008.**

Recreation Director Page remarked that this request does not come from the Recreation Department, but from the Board of Directors for the run. She then introduced Robbie Nichols who is the Chairperson for this year's event; she also stated that this is the same dollar request that has been presented in the past. The Director reminded the Committee that the Recreation Department receives ten percent (10%) of the amount from the sponsors. Mr. Nichols thanked the Committee for their consistent sponsorship.

**MOTION: Rick Linville moved to approve \$7,500 for the Isle of Palms Connector Run and Walk for the Child to be held October 4, 2008; David Nelson seconded and the motion PASSED UNANIMOUSLY.**

**7. Miscellaneous**

The next meeting was scheduled for 11 a.m. on Wednesday, March 5, 2008.

Chairwoman Tucker recognized the citizen in the audience who introduced herself as Jenny Watson, an observer from the IOP Neighborhood Association.

**8. Adjourn**

**MOTION: With no further business to come before the Committee, David Nelson moved to adjourn at 11:25 a.m.; Malcolm Burgis seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland, City Clerk