

ACCOMMODATIONS TAX ADVISORY COMMITTEE

11:00 a.m., Wednesday, April 6, 2011

The regular meeting of the Accommodations Tax Advisory Committee was held at 11 a.m. on Wednesday, April 6, 2011 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting Committee members Burgis, Carroll, Ferencz, Linville, and Nelson, Chair Ward, City Treasurer Suggs and City Clerk Copeland; Ms. Miller's absence was excused. A quorum was present to conduct business.

1. Chair Ward called the meeting to order and acknowledged that the press and public had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. Approval of Previous Meeting's Minutes

MOTION: Mr. Burgis moved to approve the minutes of the regular meeting of January 5, 2011 as submitted; Mr. Linville seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments – None

4. Quarterly Financial Statement – Treasurer Suggs

From the Balance Sheet, Treasurer Suggs reported that state ATAX funds totaling one million one hundred fifty-five thousand dollars (\$1,155,000) were invested primarily with the Local Government Investment Pool (LGIP) at an interest rate of 0.3116%. Revenues include the December 2010 quarterly payment from the state in excess of one hundred seventy-four thousand dollars (\$174,000), fifteen hundred dollars (\$1,500) from the sale of an ATV originally purchased with ATAX funds and interest on investments. In reviewing expenditures, Treasurer Suggs stated that the postage expenses under the "IOP website t-shirt Promo" was the cost to mail t-shirts to visitors when the City did not have the correct size when the visitor was in town.

The Committee briefly discussed a possible contribution to the ball field reconfiguration in FY13 or FY14 and whether such a contribution could be justified to the TERC; the Piccolo Spoleto Goes to the Beach will be re-named in future events because it is no longer associated with Piccolo. The Treasurer commented that the City's website and email were completely funded by state ATAX funds.

In an effort to make the yellow trash barrels last more than one (1) season, the barrels were repainted with rustoleum before being placed on the beach; the cost of the paint caused the budget to be exceeded by five hundred eighty-two dollars and change.

MOTION: Mr. Nelson moved to approve the overage of \$582.22 for rustoleum paint; Mr. Burgis seconded.

Ms. Ferencz asked whether the barrels could be painted with rustoleum at the factory saving the City not only the cost of the paint, but also the labor involved in painting them; Treasurer Suggs said she would check with Public Works Director Pitts.

VOTE: The motion PASSED UNANIMOUSLY.

On the schedule entitled "Revenue and Expense Projection for the Year Ending 6/30/11," the Treasurer stated that no new programs or events have been approved; therefore, the projected balance to be carried into FY12 exceeds eight hundred thirty-one thousand dollars (\$831,000). Chair Ward commented that the ending balance for FY11 exceeds the previous year by approximately forty thousand dollars (\$40,000). Treasurer Suggs remarked that the funds directed for the cost of design and permitting for marina dredging would likely come in lower than estimated.

MOTION: Mr. Nelson moved to approve the Financial Statements as presented; Mr. Linville seconded and the motion PASSED UNANIMOUSLY.

5. **Old Business** – None

6. **New Business**

Review of FY 2011-2012 Budget

Treasurer Suggs stated that the budget before the Committee was the first draft of the FY12 ATAX budget; the annual budget workshop was scheduled for Tuesday, April 19 following the Ways and Means Committee meeting. The budgets discussed are attached to the historical record of the meeting.

The Treasurer noted that the ATAX revenue indicated was the portion over which this Committee had purview; Treasurer Suggs stated that she had not reduced the projection for FY12 as she has in the past couple of years. Other sources of revenue will be the sale of one (1) Chevrolet Impala purchased originally with ATAX funds and interest on investments.

The section for "Transfers Out" include the following:

- Funds for long-term beach management reserve and the actual expenses for monitoring the beach outside of the 2008 project area;
- Funds for additional staffing for the Fire Department on the weekends from April through September;
- One-third ($\frac{1}{3}$) of the marina debt service; and
- One-third ($\frac{1}{3}$) of the estimated cost of dredging the marina.

An expenditure added to the FY12 budget is a provision of fifteen thousand dollars (\$15,000) for the implementation of on-street parking management program; the Planning Commission continues work on a parking management program, and these funds are for the initiation of a plan when it is developed. The Treasurer indicated that the funding for the July 4th fireworks display has been reduced from FY11.

Treasurer Suggs reminded the Committee that the leases the City has for the fire trucks are different in that the City will own the equipment at the end of the lease. The large increase to *Capital Outlay* in the Public Works Department is for the repair and/or replacement of dune walkovers at eighty thousand dollars (\$80,000). For the Fire Department, half ($\frac{1}{2}$) of the cost of a replacement for the boat is included in *Capital Outlay*; the City will continue to seek grant

funding for the dune walkovers. *Special Activites* for the Recreation Department have been reduced by three thousand dollars (\$3,000) for FY12.

As presented, the FY12 ATAX budget ends the year with a deficit of two hundred forty-seven thousand five hundred thirty dollars (\$247,530) that will be funded with cumulative surpluses from prior years.

MOTION: Mr. Carroll moved to approve the FY12 ATAX budget as presented; Mr. Burgis seconded.

Chair Ward commented that he continues to have difficulty in dealing with a deficit budget; he inquired of the Treasurer how long the City had to spend state ATAX funds, and the Treasurer responded that funds were to be spent within two (2) years of receipt. Mr. Ward suggested eliminating the Fire Department boat and possibly the dune walkover from Public Works.

Treasurer Suggs repeated that this was the first draft of the ATAX budget and that the budget workshop would produce changes to all budgets. The Treasurer noted that the one hundred thousand dollars (\$100,000) indicated for marina dredging could be transferred to the marina fund and that, possibly, ATAX could pay a quarter ($\frac{1}{4}$) of the marina debt service rather than one-third ($\frac{1}{3}$) that the budget presently shows.

Mr. Carroll stated that the City had experienced good ATAX revenues as a result of the Gulf oil spill a year ago, but the City cannot continue to spend without regard for the future.

Chair Ward asked which beach walkovers would be repaired; Treasurer Suggs responded that the staff had not specified which because all dune walkovers would be assessed before one (1) was selected.

Chair Ward stated that he could not approve a budget that would draw on fund balance by thirty percent (30%).

Mr. Carroll withdrew his motion to approve the budget, and Mr. Burgis withdrew his second.

The ATAX Committee agreed to take the budget as presented under advisement and to have a Special Meeting at 11 a.m. on Wednesday, May 4, after the budget workshop.

7. Miscellaneous Business

Next Regular Meeting: 11:00 a.m., Wednesday, July 6, 2011.

8. Adjourn

MOTION: Mr. Burgis moved to adjourn the meeting at 11:50 a.m.; Mr. Linville seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:
Marie Copeland, City Clerk