

ACCOMMODATIONS TAX ADVISORY COMMITTEE

11:00 a.m., Wednesday, August 7, 2013

The regular meeting of the Accommodations Tax Advisory Committee was held at 11:00 a.m. on Wednesday, August 7, 2013 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Committee members Jim Covington, David Nelson, Franny Russell and Chair Ferencz, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. Despite the absence of Malcolm Burgis, Mary Alice Kreusi and Margaret Miller, a quorum was present to conduct business.

1. Chair Ferencz 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. Nelson moved for the approval of the regular meeting of May 1, 2013 as submitted; Ms. Russell seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments – None

4. Financial Statements – Treasurer Suggs

Treasurer Suggs reported that the 4th quarter of State Accommodations Taxes have not been received by the City; therefore, all information provided today is preliminary and unaudited through June 30, 2013. The auditors are expected to begin their field work on Monday, August 19th.

The assets at June 30th were in excess of one million one hundred twenty thousand dollars (\$1,120,000). Revenues received since the last meeting are for small interest payments from the banking institutions.

In reviewing expenditures, the following accounts have exceeded their budget:

Beach trash barrels	\$1,083.38
Pooper Scooper supplies	2,504.77
Website T-shirt promotion	2,460.18
2 Chevy Impala patrol vehicles	3,238.45
Police Department body armor	360.46

MOTION: Mr. Nelson moved to approve the over-budget items; Mr. Covington seconded and the motion PASSED UNANIMOUSLY.

Chair Ferencz asked why website maintenance actual expenditures had only been half of what was budgeted; Treasurer Suggs explained that the line had been over-estimated because the City had not known the cost of offsite computer backups for disaster recovery.

Treasurer Suggs reported that the dune walkover replacement being accomplished significantly under budget was due to the fact that there had been permitting issues with OCRM for the Front Beach walkover that was scheduled for replacement. The walkover at the Sea Cabins was

replaced instead of the one at Front Beach in hopes of getting concessions from OCRM for Front Beach. In addition to the replacement, a new product was used to coat the walkover at 46th Avenue in hopes of extending the useful life.

The replacement of the Front Beach walkover has been re-budgeted for the FY14 budget.

Administrator Tucker reported that the City is re-financing the taxable marina bond, and Treasurer Suggs added that the term bond and the principal payments will remain the same, but the interest will be reduced.

Mr. Covington asked about the permitting issues relative to the Front Beach walkover, and the Administrator stated that the City wanted to make that walkover wider to accommodate two (2) way traffic and the City wanted to use a new material with a longer useful life. The City has abandoned its request for the new material, but continues to appeal the decision about the width. With the budget year winding down, the City shifted its focus from the Front Beach walkover to the Sea Cabins walkover; the City is planning to replace the Front Beach walkover in FY14.

Mr. Covington asked whether the City had changed the t-shirt design; Administrator Tucker explained that the City had gotten permission from Tate Nation to use his stylized portrayal of coming onto the island from the top of the Connector.

The projected surplus for the FY13 budget year is one hundred thirty-eight thousand dollars (\$138,000) that will contribute to a carry forward of approximately one million three hundred ninety-seven thousand dollars (\$1,397,000).

5. Old Business

Discussion of July 4th After-action

Administrator Tucker stated that she had asked both Fire Chief Graham and Police Chief Buckhannon to attend today's meeting to provide the Committee with both perspectives.

Chief Graham stated that the beach was packed all day long. The Fire Department had additional personnel on hand, as well as the presence of Charleston County Rescue personnel. Personnel were divided between the beach and the trucks. Due to the wind, consideration was given to cancelling the fireworks display, but the Chief decided to send a crew to the roof of the Sea Cabins as a precaution. There were no reported injuries resulting from the wind carrying debris from the fireworks, but the City did get a report of minor damage to a vehicle from the debris. All in all, the day went quite well.

Chief Buckhannon reported that the Police Department was fully staffed for the day which started off with traffic direction for the golf cart parade about 11:00 a.m.; the parade of eighty to one hundred (80-100) golf carts ended about 11:40 a.m. This year a couple of security guards were hired for the Sea Cabins to protect the entrance and exit from being overwhelmed with non-resident traffic per their request; the Chief expressed the opinion that the results were positive and that the practice should be continued in the future. In addition to City personnel, a

Highway Patrol Officer on motorcycle assisted with golf cart parade; six (6) Charleston County deputies were on the island helping with traffic and crowd control. Following the fireworks display, cars were off the island by 11:15 p.m., and traffic lights were functioning without manipulation from officers. The Chief estimates that the crowd this year was smaller than in previous years, but he believes that the same number of cars were on the island. The assistance from Mount Pleasant in directing traffic on the other side of the Connector has made a significant difference in traffic flow over the past five (5) weeks and will continue.

Responding to Chair Ferencz's offer of assistance, Administrator Tucker indicated that, going forward, the expense of the augmentation of the officers from Charleston County may be something that could be an ATAX expense.

6. New Business

A. Discussion of Front Beach Restrooms – Douglas Kerr and Donnie Pitts

Administrator Tucker noted that, unlike many other City facilities, the public restrooms have not had any type of upgrade despite the level of wear-and-tear it receives, and City residents who might go in find that it is less than the Isle of Palms' standard. The Administrator said that she had asked Directors Kerr and Pitts to be present to explain the limitations under which the City has to function relative to the public restrooms; the Administrator explained that the building is not up to current flood standards, so any kind of improvement must take into consideration the fifty percent (50%) rule. The Administrator commented that, to access the plumbing, one must knock holes in the concrete walls, which then can only be repaired by covering with a piece of wood.

Answering the Chair, Director Kerr stated that the restrooms had been built in 1991.

Another problem with the structure is that the water runoff from the exterior showers is such that the City constantly has to adjust the dunes. When the water runoff causes the dunes to naturally adjust, it diverts the water over onto either of the two (2) adjacent properties, creating problems with their sites. The City does pay for an attendant to be present nearly all year long to notify Director Pitts of any problems that occur and to make sure that the restrooms are properly supplied. In a perfect world with no time or financial constraints, the building would be razed and replaced with an elevated facility similar to the one at the County Park with handicapped accessibility.

Director Kerr repeated that the City is limited to what it can do to improve the building. Regarding the fifty percent (50%) rule, the first thing to be done is to establish the value of the building alone, which in its current state will be quite low. Once that number is divided by two (2), the City has even less to work with; compounded to that is that the amount of money put into the repairs count against that fifty percent (50%) for a period of five (5) years, after which the clock rewinds. A repair to the roof came very close to toggling against the fifty percent (50%) rule; the City must wait for five (5) years from the date of that work for anything more than minimal maintenance.

Chair Ferencz asked for an estimated cost to replace the public restrooms and Mr. Covington add expanding it as well. Director Kerr estimated two hundred dollars (\$200) per square foot for a sixteen hundred (1,600) square foot space and rounded to three hundred fifty thousand dollars (\$350,000). Administrator Tucker commented that, in addition to construction, there are the costs for an engineer to design the structure, demolish the existing structure and dispose of the concrete. Meeting ADA requirements could mean an elevator which is a huge expense.

Chair Ferencz remarked that these restrooms are the face of Isle of Palms, but she is well aware that nothing can be done this fiscal year. The Chair described the building as “rusty, molding, where paint is peeling.”

Administrator Tucker commented that, possibly if the restrooms were replaced, visitors would be drawn back to Front Beach and stop parking in the neighborhoods. The Administrator suggested that the process be tackled in phases with design occurring this fiscal year and construction later if it were to be the will of this Committee and City Council.

MOTION: Mr. Covington moved for Director Pitts to get pricing for the public restrooms to be pressure-washed monthly; Ms. Russell seconded and the motion PASSED UNANIMOUSLY.

Director Pitts pointed out that the work would have to be done after hours during the tourist season.

Mr. Covington asked Director Kerr if the demolition and construction could be accomplished in one (1) off-season. Director Kerr answered that, if all of the preliminary work was completed by the end of the tourist season so that work could begin immediately, it could be built in one (1) off-season.

The Administrator repeated that the architectural component could be achieved in this budget year if it was the will of the Committee and City Council.

MOTION: Mr. Nelson moved to approach City Council for approval for the ATAX Committee to fund the design for new Front Beach restrooms in the current budget year and to consider new construction in the FY15 budget year; Mr. Covington seconded and the motion PASSED UNANIMOUSLY.

B. Discussion of Additional Fireworks Display

Chair Ferencz recalled that the ATAX Committee had made a presentation to City Council about having a second fireworks display and had been turned down; the Chair said that Council appears to now have changed its mind.

Administrator Tucker indicated that the suggestion had been made that fireworks could be added to the Street Festival or another event to attract people to the island in the off-season.

Chief Graham stated that she had spoken with representatives of Zambelli's about having different levels fireworks, i.e. a show like one sees at a concert, but she was told that such a show is more expensive and likely not in the City's best interest. Zambelli's could produce a smaller show for the street festival if the Recreation Department is interested, but Chief Graham said she would love to do a Mardi Gras parade with golf carts up and down Front Beach. The smaller show would be smaller shells shot from the beach, not the pier, and the crowd could safely gather in the County Park, assuming permission could be obtained. Although the Chief did not ask for pricing, she understood that the City could do two (2) smaller shows for the price of the one (1) on July 4th.

Will McElheny of the Recreation Department is responsible for the details of the street festival; he indicated that a fireworks display after the tree lighting would be a great addition to the end. He was unaware of the additional light displays that are in the FY14 budget, but stated that, if marketed well, the crowd could be larger than last year. The street festival is scheduled for Saturday, December 7, 2013.

When asked about a Mardi Gras parade, Mr. McElheny stated that he and Director Page had been discussing adding an event to the City calendar, possibly in February and incorporating Mardi Gras. The Rec Department has had funds budgeted for the Blues Bash that was cancelled, but the money is still available to have an event that incorporates blues music and Mardi Gras, and now, possibly fireworks.

Administrator Tucker confirmed that money was not included in the FY14 budget for a second fireworks display, but Treasurer Suggs reminded the Chair that the Committee has the fifty thousand dollar (\$50,000) discretionary fund each year.

Director Page indicated that she was excited to see the enthusiasm from the Committee, but adding a totally new event could not be successfully staged for February 2014. The Director was in favor of adding fireworks to the street festival, but she pointed out that people will be on Ocean Boulevard and not on the beach. In addition, any event would want to involve participation of island businesses, and they have not been approached about two (2) events, one in December and a second in February. Staffers need to do more research and get feedback from island businesses before making further plans.

Chair Ferencz suggested having more detailed information for adding fireworks to the street festival including cost and personnel requirements.

Chair Ferencz summarized the discussion saying that the Committee would proceed with the new light displays for this year, not go forward with fireworks at the street festival, and decide next year whether to have fireworks at the street festival or at a new event in February. The Chair also wanted it included in the minutes that the Committee needs to garner a team of volunteers to assist the Recreation Department.

7. Miscellaneous Business

Next Meeting Date: 11:00 a.m., Wednesday, October 4, 2013 in Council Chambers

8. Adjourn

MOTION: Mr. Covington moved to adjourn the meeting at 12:23 p.m.; Ms. Russell seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk