



ACCOMMODATIONS TAX ADVISORY COMMITTEE

9:00am, Wednesday, March 12, 2025

1207 Palm Boulevard, Isle of Palms, SC

MINUTES

1. Call to order

Present: Rebecca Kovalich, Park Williams, Barb Bergwerf, Rod Turnage

Absent: Mike Boykin, Chrissy Lorenz, Margaret Miller

Staff Present: Director Kerr, Director Hamilton

Mr. Turnage and Director Kerr introduced themselves to the members of the Committee.

2. Election of Chair and Vice Chair

Ms. Kovalich nominated Mr. Williams as Chair of the ATAX Committee. Ms. Bergwerf seconded the motion. There being no other nominations, a vote was taken with all in favor of Mr. Williams as Chair of the ATAX Committee.

Mr. Williams nominated Ms. Kovalich as Vice Chair of the ATAX Committee. Mr. Turnage seconded the motion. There being no other nominations, a vote was taken with all in favor of Ms. Kovalich as Vice Chair of the ATAX Committee.

3. Approval of previous meeting's minutes – November 4, 2024

Ms. Bergwerf made a motion to approve the minutes of the November 4, 2024 meeting, and Mr. Turnage seconded the motion. The motion passed unanimously.

4. Presentation of ATAX applications

A. YWCA Greater Charleston MLK Event Application – LaVanda Brown

Ms. Brown explained the event to be held at Wild Dunes is part of a 6-day celebration of Martin Luther King, Jr. She is requesting \$10,000 to “capture logistics” and photography. There were 117 attendees at event in January 2025, four of which stayed on the island. She shared that their sponsors invite people to the event and the remaining tickets are available to the public.

Ms. Brown said their marketing efforts for the event will start earlier this year. They will use social media and their sponsors to promote the event and staying on the island. Most attendees are from South Carolina.

B. IOP Chamber of Commerce – Zacharry Lary

Mr. Lary and Mr. Brian Hoffman detailed their successful marketing campaign using monies awarded to them by the ATAX Committee last year. Their total ad spend of \$10,676.55 over a three-month period generated \$1.6 million in revenue for IOP businesses and \$185, 734 in total tax revenue.

Mr. Lary shared their future objectives including scaling their marketing campaign, continuing current promotions, connecting with City government and island businesses, and using incoming data to continually adjust strategies to maximize their ad spend. They are requesting \$50,000 to engage a larger audience and position the Isle of Palms as a premier family vacation destination.

Mr. Lary said the Chamber’s marketing is island specific as opposed to the CVB who is focused on regional marketing.

Mr. Turnage asked if a portion of the \$50,000 request could be used to target people visiting in the off season. Mr. Hoffman explained how that is possible. Mr. Williams asked how granular the Chamber can get on the data as it relates to where visitors go on the island and what businesses they frequent. Mr. Hoffman said he could ask to view the Google analytics for local businesses to determine if clicks came from IOP Chamber marketing.

5. Financial Statements

Director Hamilton said the cash and investment balance of the ATAX funds has grown by \$364,000, which is 6.2% over the prior year. The fund balance has grown by \$644,000, which is an 11.8% increase from February 2024. Revenues to date are \$2,144,000, which is 57% of the FY25 budget.

Year-to-date expenses are \$930,000. The drone for the Police Department came in slightly over budget and will need approval.

The budgeted amount for the fire suppression boat has been moved to FY26. That money could be used for the boat or a high-water vehicle, depending on whether or not the City receives a grant for the boat. Some expenses related to the Waterway Boulevard improvements were spent in FY25 and the rest will be spent in FY26.

ATAX funds sent to the CVB are tracking 8% over prior year.

6. Old Business -- none

7. New Business

A. Consideration of FY26 Budget for State Accommodations Tax Funds

Director Kerr said that City Council will not see the budget until this afternoon, so the Committee has the opportunity to make changes and provide feedback. Director Hamilton said the FY26 budget is based on 98% of the revenues of the most recent 12 months, which includes the anticipated funds from AirBNB.

Mr. Williams asked if there was a risk of overbudgeting in light of downward trends. Director Hamilton said that while there was a drop in 2024, the City will be receiving regular revenues from AirBNB moving forward. Director Kerr added that the City has always budgeted conservatively and has been criticized for being too conservative. Adjustments to that rate can be made should the Committee and or City Council deem it necessary.

Director Hamilton said the planned expenses for FY26 remain the same. She reviewed the proposed capital items that will be paid for in part or full with ATAX funds.

Mr. Williams asked if there is a way to track costs attributed to tourists. Director Kerr responded, “We’ve always had estimates that the population swells to somewhere around between 15 and 20,000 in those really busy times. So we think that of our overall expense, probably a very high percentage could be contributed to the fact that we operate, and we, staff, based on the busy times of the year, we could certainly give the percentages and let you all kind of look and vet through whether or not you think it’s a justifiable number. But we have always, again, kind of felt like we are very conservative, and what we are paying for with that money based on the fact that we kind of have to build ourselves for a population that is three times the size of the permanent population.

A brief discussion ensued about increasing the amount of money available for grants.

MOTION: Ms. Bergwerf made a motion to request that City Council increase the available funds for grants from \$50,000 to \$75,000 in FY26. Mr. Turnage seconded the motion. The motion passed unanimously.

The Committee agreed to hear Mary Alice Monroe’s request in April.

Mr. Williams asked what the Police Department drone is used for. Director Kerr said he believed it is to surveil events on the front beach if needed. He will bring specific details to the Committee next month.

B. Presentation of the FY26 budget from the Charleston Visitor’s Bureau

Director Hamilton explained that she misunderstood correspondence from the CVB and will be presenting their FY26 budget at the April meeting. Laurie Smith and Chris Campbell of the CVB said they are seeking feedback from the ATAX Committee for their FY26 budget. Ms. Smith reviewed a few of the successful campaigns of FY25. Mr. Campbell added the structure of these campaigns will stay the same in FY26, and they will also be focusing on the offseason and group sales. Ms. Smith encouraged Committee members to talk offline with them about the Committee’s goals for the FY26 budget.

Both budgets will be considered at the next meeting.

8. Miscellaneous Business

The next meeting of the ATAX Committee will be Wednesday, April 9, 2025 at 10am. Mr. Williams would like a more regular meeting schedule during the year. The Committee agreed

that their regular meeting schedule should be the second Wednesday of the month at 10am, and they will decide on setting a date for a new meeting at the end of each meeting.

9. Adjournment

Ms. Bergwerf made a motion to adjourn, and Mr. Williams seconded the motion. The meeting was adjourned at 10:25am.

Respectfully submitted,

Nicole DeNeane
City Clerk