

## **ACCOMMODATIONS TAX ADVISORY COMMITTEE**

11:00 a.m., Wednesday, January 7, 2009

The regular quarterly meeting of the Accommodations Tax Advisory Committee was held at 11:00 a.m. on Wednesday, January 7, 2009 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Committee members Burgis, Linville, Miller, Nelson and Ward, Assistant to the City Administrator Dziuban, City Treasurer Suggs and City Clerk Copeland. Committee members Hollingsworth and Ferencz were absent, but there was a quorum to conduct business.

1. Vice Chairman Linville called the meeting to order and acknowledged that the press and the public had been properly notified of the meeting in accordance with the Freedom of Information Act.

### **2. Election of Chair and Vice Chair**

Vice Chairman Linville asked for nominations from the floor for the office of chairman; Mr. Nelson nominated Mr. Ward, and Mr. Burgis seconded; there were no additional nominations. The vote was unanimous to elect Mr. Ward Chairman.

Chairman Ward then assumed leadership of the meeting and asked for nominations for vice chairman. Mr. Linville nominated Mr. Burgis and Mr. Nelson seconded; there were no further nominations. The vote was unanimous to elect Mr. Burgis Vice-Chairman.

### **3. Approval of Previous Meeting's Minutes**

**MOTION: Mr. Burgis moved to approve the minutes of the regular meeting of October 1, 2008 as submitted; Mr. Linville seconded and the motion PASSED UNANIMOUSLY.**

4. **Citizens' Comments** – None

### **5. Quarterly Financial Statement** – Treasurer Suggs

Treasurer Suggs indicated that the information provided actually covered financial transactions for the period July 1 through December 31, 2008. Beginning with the Balance Sheet, the Treasurer reported that there were State Accommodations Tax funds in the bank totaling just over one million dollars (\$1,000,000), which are earning interest at a rate of 0.47 percent at BB&T and 0.925 through LGPI. The Treasurer pointed out that the September 2008 quarter had provided the City with the largest influx of State Accommodations Taxes in the City's history.

As the Treasurer began the review of expenses, she reminded the Committee that the recurring items that they have traditionally approved were incorporated into the FY

2008-2009 budget. In order to reflect this change, an additional column had been added to the expense report headed "FY 2009 Budget." In addition, certain expenses that had been covered by Municipal Accommodations Taxes in the past were now paid through State funds because the Municipal Accommodations Taxes had been pledged for repayment of the Beach Renourishment Project financing; examples of these items are as follows:

- Beach trash pickup, hole fill ins, etc. and
- Website maintenance.

Treasurer Suggs explained that the Committee had approved twenty thousand dollars (\$20,000) for Spoleto, which had been their request. When the matter went before City Council for approval, they reduced the amount to fifteen thousand dollars (\$15,000) since that had been the 2008 sponsorship amount. For the annual July 4<sup>th</sup> Fireworks Display, City Council also reduced the thirty thousand seven hundred dollars (\$30,700) approved by the Committee closer to the 2008 amount of twenty-five thousand five hundred dollars (\$25,500).

The Committee had approved ten thousand five hundred dollars (\$10,500) for the purchase of a thermal imaging camera by the Fire Department. When the camera was purchased, the price was \$10,626; Treasurer Suggs asked that approve the excess.

**MOTION: Mr. Burgis moved to approve the \$126.00 over budget for the thermal imaging camera; Mr. Linville seconded and the motion PASSED UNANIMOUSLY.**

**MOTION: Mr. Nelson moved to approve the Income Statement and the Balance Sheet as presented for the six (6) months ended December 31, 2008; Mr. Linville seconded and the motion PASSED UNANIMOUSLY.**

In conclusion, Treasurer Suggs referred the Committee to the Revenue and Expense Projection for FY 2009; barring any unforeseen events, the year should end with approximately nine hundred thousand dollars (\$900,000) in the bank.

Chairman Ward asked the Treasurer for her opinion on what kind of revenues the City could expect for the balance of the year under the present economic conditions. She responded that she was hoping that both the December and March quarters would only be slightly less than the City received last year. She stated that Perrin Lawson of the Charleston Area Convention and Visitors Bureau was present and might have additional insights into the issues.

Mr. Lawson stated that the drop in the price of gas was certainly a positive indicator for the travel and tourist industries. He stated that the staff at the Convention and Visitors

Bureau had studied all of the research and projections available to them and have determined that, for people who are planning to travel, the key factor being considered is value, i.e. the tourists are getting what they pay for and, possibly, a little more. He noted that, in the short term, the Convention and Visitors Bureau was working with the tourism interests to promote value packages, anything special that they have, to put into the marketplace. Strategically they are looking to three (3) to six (6) years into the future and what the CVB needs to be doing to maintain the relevance of the Charleston area as a destination. Mr. Lawson added his personal opinion that, once the change in government occurs, things will start to happen, and, that regardless of what those things are people are going to want to get back to what they consider "business as usual." He added that he does not anticipate a huge decline in the number of visitors to the area; he reported that, through November 2008, the number of hotel room nights sold in the Charleston area were down about 4% from the same period in 2007 while hotel occupancy was down 5.9% due to the increased number of available hotel rooms. Going into the spring on the meeting and convention side, activity is very strong in the City. Mr. Lawson reported that he had heard only today that there was a good possibility that the State of Florida was going to cut its tourism marketing for the state by ninety percent (90%) for the balance of this year; this could be an opportunity for the coast of South Carolina to increase its market share of tourism. He did indicate the predicting tourism volume was increasingly difficult because people are waiting until the last minute to make their travel decisions.

Chairman Ward thanked Mr. Lawson for sharing his insights into the coming tourist season.

**6. Old Business - None**

**7. New Business**

**A. Request from Access Leisure for Customized On-line Calendar of Events for the Isle of Palms in the amount of \$3,500**

There was no one present representing Access Leisure to promote their request; Assistant to the Administrator and Website Coordinator Dziuban spoke to the fact that the City provides a calendar of events on its website. She noted that Access Leisure also reported on events in the region, but she questioned that the City would want to advertise events in Mount Pleasant for example. Therefore, when asked by Mr. Nelson if the Access Leisure request duplicated efforts by the City, Ms. Dziuban expressed her opinion that it did.

The Committee took no action on this request.

**B. Request from General Government for \$3,000 to print maps of the island**

Laura McLellan of General Government stated that, based on numerous requests from visitors to the island, she was seeking funding for a detailed map of the island with the City's seal on the cover; she had a mock-up that the Committee members reviewed. She stated that the City distributed approximately thousand (2,000) t-shirts last year, and many of those visitors to the island asked for a map of the island as well.

**MOTION: Mr. Nelson moved to approve the request from General Government for \$3,000 for an island map; Ms. Miller seconded and the motion PASSED UNANIMOUSLY.**

**8. Miscellaneous**

**Charleston Visitors Bureau – Audit Report for FY 2007-2008**

Treasurer Suggs announced that she had received a copy of the audit report for the Charleston Visitors Bureau and that it would be available in her office should anyone want to review it.

**Date of Next Meeting: 11:00 a.m., Wednesday, April 1, 2009**

**9. Adjourn**

**MOTION: Mr. Burgis moved to adjourn at 11:42 a.m.; Mr. Nelson seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk