

Accommodations Tax Advisory Committee

12:00 p.m., Wednesday, April 1, 2015

The Accommodations Tax Advisory Committee held its regular meeting at 12:00 p.m., Wednesday, April 1, 2015 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Malcolm Burgis, Jim Covington, Margaret Miller, David Nelson, Susan Haynie, Carol Rice, Chair Franny Russell, Administrator Tucker, Treasurer Suggs, Assistant Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

1. Chair Russell 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: Ms. Rice moved to approve the minutes of the regular meeting of January 7, 2015 as submitted; Mr. Nelson seconded and the motion **PASSED UNANIMOUSLY.**

3. Citizens' Comments – None

MOTION: Ms. Rice moved to change the Agenda to include a review of the most recent ATAX financial statements; Mr. Nelson seconded and the motion **PASSED UNANIMOUSLY.**

Treasurer Suggs stated that the figures presented to the Committee on the Balance Sheet were only preliminary because the bank reconciliations have not been completed, but she did not anticipate a material change. The Balance Sheet showed that the ATAX fund has approximately one million seven hundred sixty-five thousand dollars (\$1,765,000) deposited between three (3) banks/funds, i.e. BB&T, First Tennessee Bank, and the Local Government Investment Pool (LGIP); an amount exceeding one million dollars (\$1,000,000) was in the LGIP to get the higher interest rate. The income to the ATAX fund since the last meeting has been interest and the December quarter's ATAX payment from the State; from that payment, approximately two hundred sixty-three thousand dollars (\$263,000) went into the ATAX fund. The Treasurer reviewed the expenses incurred since the January meeting; significant amount paid included one-third ($\frac{1}{3}$) of the marina debt service, the full page ad for Spoleto, and the sponsorship of the Junior Dunlop Tennis Tournament. On the Revenue and Expenditure Projection page, the ATAX fund ends the year with a deficit of approximately one hundred twenty thousand dollars (\$120,000), but the Treasurer projected that payments from the State would increase enough to overcome the possible deficit.

MOTION: Ms. Rice moved to approve the financial statements as presented; Mr. Nelson seconded and the motion **PASSED UNANIMOUSLY.**

4. New Business

Review of FY16 ATAX Budget

Treasurer Suggs commented that the document being reviewed was the first draft of the FY16 budget and that it did not include revenue or expenditures for the managed beach parking program. The Committee asked for a status report on the parking plan. Administrator Tucker reported that the key piece of information was missing to be able to generate a budget, i.e. the cost of software development for the system whereby parking passes could be purchased on-line; the RFP would be opened tomorrow and should give the City the needed information. Once that number was entered into the budget, decisions could be made about the pricing for the three (3) levels of passes – daily, weekly, or seasonal. The City staff continues to work on a timeline with a goal of initiating a “soft” start late in the summer of 2015, otherwise, the early spring of 2016. The system would use license plate recognition (LPR) software to identify vehicles that have valid passes; those without would be ticketed. Residents in the resident-only parking area could purchase books of thirty (30) passes for fifteen dollars (\$15.00) for their guests to park in the right-of-way.

The Administrator explained that the City modeled its plan after the plan used by the City of Charleston; their plan has not been challenged legally.

Responding to Ms. Haynie, the Administrator noted that for those who, for whatever reason, do not buy a pass online, could go to the Public Safety Building to buy a pass. The City did plan to hire additional Beach Service Officers (BSOs) as well as purchase additional equipment and a vehicle for enforcement; and the City would add hundreds of signs designating places to park with passes, the resident-only parking area, etc.

When Mr. Covington asked whether residents would pay the same price for a pass as visitors, he was informed that the passes would be the same price for all based on legal advice. As for golf cart parking, the Administrator commented that the City would have some golf cart only parking and was currently working with the State on legislation to allow golf carts in the right-of-way on Palm Boulevard between 21st Avenue and the shopping center.

In the ATAX budget, FY16 revenues were projected to be only slightly higher than in FY15 at one million five hundred eighty-nine thousand five hundred dollars (\$1,589,500); transfers-out cover the same expenses or percentage of expenses as in FY15. In addition, an increase from thirty-three percent (33%) to fifty percent (50%) was made to fund the Marina debt service, and a transfer out of seventy thousand dollars (\$70,000) would go to the Beach Maintenance Fund for island-side shoreline monitoring.

Some General Government expenditures to be funded from ATAX that have changed from FY15 included the following:

\$	3,500	Spoletto advertising
	15,876	Website redesign and monthly maintenance
	69,750	Miscellaneous Events as approved by the ATAX Committee and July 4 th Fireworks

\$ 35,000	50% of fabrication and installation of Phase III wayfinding signs and Additional Christmas light displays
500,000	Based on projected revenue, the transfer to the CVB per State law

The only item to be funded from State ATAX for the Police Department is the scheduled replacement of body armor at eighteen hundred dollars (\$1,800).

In the Fire Department, ATAX would fund twenty-five percent (25%) of the new Rescue Truck from reserve funds.

Under Capital Outlay for the Public Works Department, ATAX would fund the purchase of a skid steer for beach path maintenance and Mobi-mat for a total of fifty-two thousand dollars (\$52,000).

A replacement Christmas tree for Front Beach would be funded from State ATAX at seventeen thousand dollars (\$17,000) for the Recreation Department.

For the Front Beach/Public Restrooms/Breach Inlet, both electric and gas and water and sewer have been reduced for the FY16 budget. Without the one-time insurance credit the City took advantage of in FY15, property, liability and flood insurance have increased; the per hour rate for the Public Restroom attendant has increased the Professional Services line.

MOTION: Ms. Rice moved to approve the FY16 ATAX budget as presented; Mr. Burgis seconded and the motion PASSED UNANIMOUSLY.

6. Miscellaneous Business

Administrator Tucker proudly announced that Governor Haley had appointed her to a four-year (4 yr.) term on the Tourism Expenditure Review Committee (TERC) that insures that ATAX expenditures fall with the parameters of the law; she thought she would learn new ways that ATAX funds could be used to bring back to the Isle of Palms.

Next Meeting Date: 10:00 p.m., Wednesday, May 6, 2015 in Council Chambers.

7. Adjourn

MOTION: Mr. Nelson moved to adjourn the meeting at 12:48 p.m.; Ms. Rice seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk