

Accommodations Tax Advisory Committee

12:00 p.m., Wednesday, August 3, 2016

The regular meeting of the Accommodations Tax Advisory Committee was held at 12:00 p.m., Wednesday, August 3, 2016 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Malcolm Burgis, Julise Spell, Margaret Miller, and Susan Haynie, Administrator Tucker, Treasurer Suggs, Assistant Administrator Fragoso and Clerk Copeland; a quorum of the Committee was present. Absent were David Nelson, Sally Leydic-Muhlig and Judith Bleecker.

1. Mr. Burgis 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. Spell moved to approve the minutes of the regular meeting of May 16, 2016 as submitted; Mr. Burgis seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments – None**

4. Financial Statements

A. Review of Preliminary and Unaudited FY16 Year-end ATAX Budget

Treasurer Suggs emphasized that the financial statement to be reviewed was the preliminary and unaudited results for FY16 and that the audit would begin the day after Labor Day.

The City has received the fourth quarter payment from the state, meaning that revenues were complete; the Treasurer was relatively certain that all expenditures were accounted for as well. The balance sheet shows that the ATAX has approximately two million six hundred sixty-five thousand dollars (\$2,665,000) in the bank, and approximately one million three hundred eighty-four thousand dollars (\$1,384,000) in the Local Government Investment Pool where the interest rate is the highest at point seven percent (0.7%). For the year, revenue exceeded expenditures by two hundred forty-eight thousand eight hundred ninety-seven dollars (\$248,897).

Directing attention to the schedule of ATAX payments to the City over the past three (3) years, Treasurer Suggs reported that FY16 was two percent (2%) greater than in FY15.

The Treasurer then reviewed expenditures noting that the ATAX share of the cost for the new rescue truck for the Fire Department had exceeded budget by four hundred thirty-one dollars and eleven cents (\$431.11).

MOTION: Ms. Miller moved to approve the overage for the new rescue truck; Ms. Spell seconded and the motion PASSED UNANIMOUSLY.

B. Review of FY17 ATAX Budget

Treasurer Suggs stated that the ATAX FY17 budget had not changed from the May review, but she had provided the Committee with a copy of the budget for reference over the coming year.

5. Old Business

MASC Grant Application – “Secret Season” Promotion

Administrator Tucker recalled that the Mayor had conferred with members of the lodging industry on the island and heard of “the secret season,” the months of September through March when the island still has weather conducive of a trip to the beach and when the visitation on the island is dramatically reduced. The need for promotion of the island for this “secret season” “to put heads in beds” should be very productive; various ways for promote this time of year for the City has been discussed, and an ad was placed in the *SIP Magazine*.

Recently the Municipal Association of South Carolina (MASC) has announced an economic development grant that is available; the City plans to apply for some of these funds to match with or to increase funds included in the FY17 ATAX budget for this promotion. The maximum amount of the grant is twenty-five thousand dollars (\$25,000) with a five percent (5%) match requirement and a deadline of September 30th.

The Administrator commented that the type of promotion staff wants to do could be much more expensive than they know, because national and regional advertising are expensive. She indicated that she would be speaking Perrin Lawson of the CVB about the companies they use who could provide the guidance and assistance the City will need.

6. New Business

A. Promotion of Surfing on the island as a healthy, family-oriented activity for \$1,000 to the Carolina Coast Surf Club for an ad on the surf-cam splash page

Jim Radley, 38th and Hartnett, of the Carolina Coast Surf Club distributed a screen shot of the splash page for the Committee to see its placement. He stated that the club tracks the number of hits and the number of times the site is visited; the average number of times the site is visited each days is eleven hundred (1,100). On a busy day in October the site had seventy-six hundred (7,600) visits, and, on a day in January, the number of visits can be as low at four hundred (400). Mr. Radley stated that he would like for the City to retain its location on the splash page at the same cost of one thousand dollars (\$1,000); he suggested that this year the surf report could link visitors to the City’s website for people to learn the new parking regulations before coming to the island.

MOTION: Ms. Haynie moved to recommend approval of the advertisement for \$1,000; Ms. Spell seconded and the motion PASSED UNANIMOUSLY.

B. Consideration of full-page advertisement for the City of Isle of Palms in *Isle of Palms* magazine to promote local businesses, lifestyles and calendar of events; 4 editions per year @\$4,795 or \$19,180 per year

Mr. Bill Macchio, magazine publisher, introduced himself to the Committee and reported that the *Isle of Palms* magazine and the *Mount Pleasant* magazine have been sanctioned to be the visitors’ centers throughout South Carolina. When he spoke with the person who sanctioned the

state-wide distribution and asked her why she had done so, she stated that the Charleston area is very popular, people ask lots of questions about the beaches and the Number One destination when people visit South Carolina is its beaches.

In addition to the welcome centers, Mr. Macchio said that the magazine will also be placed anywhere people might stop or stay on their way to the island, for example the Hampton Inn, the Renaissance Inn, the grocery stores, etc.

He said that he strives to have good content as well as advertisements for island businesses.

The magazine is available at their website iopmagazine.com; he sends out e-blasts of the magazine in other states and learned that eighteen percent (18%) of the people who open the webpage read the magazine. Magazines will be sent to every residence and every post office box on the island.

He concluded that the ATAX application was for the City to buy an advertisement in every edition and for the City to pay extra to do an extra distribution.

Administrator Tucker noted that the island currently has no printed presence in the state's welcome centers.

MOTION: Ms. Miller moved to recommend approval of an advertisement in each of 4 printings and 4 x 3,000 additional issues with customized covers to be distributed through visitors centers; Ms. Haynie seconded and the motion PASSED UNANIMOUSLY.

C. Consideration for approval of additional beach garbage service – Schupp Enterprises

Administrator Tucker stated that this particular beach season has produced overflowing garbage and recycling containers up and down the beach on many occasions. The number of pickups per week in the current contract has proven to be insufficient to meet the need; therefore, Mr. Schupp has offered to remove garbage and recycling daily through mid-September and to begin again in mid-May of 2017 for an additional one thousand eighty-two dollars per week (\$1,082) or approximately twenty-thousand dollars (\$20,000) per year.

MOTION: Ms. Spell moved to recommend amending the contract for daily garbage and recycling removal for the balance of the 2016 beach season and start of the 2017 season; Mr. Burgis seconded and the motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Administrator Tucker asked members of the Committee to take a few minutes to read the letter to her and associated materials from the CVB; it contains a lot of information relative to what the CVB does for the Isle of Palms.

Perrin Lawson of the CVB was present and asked to describe the new promotions for the area beaches.

Mr. Lawson stated that the CVB has some good results to share and good things coming up. He gave the following results from August 1, 2015 through July 25, 2016:

- The number of user sessions on the specific beaches website – up 11%
- The number of users – up 12%
- Number of people coming directly from seeing ads – up 57%
- Traffic to the Isle of Palms' page within the CVB beaches website – up 89%

He congratulated the City on its “secret season” promotion commenting that growth in-season is very limited so the real opportunity for growth is in those other months of the year with great weather here in the Charleston area.

The newest beach promotion from the CVB is simply entitled “Islands.” Because it is difficult to envision people on the beach without extreme heat, kids running around, and sand, this promo aims at selling the island lifestyle. This campaign will complement the City’s ‘secret season.’

Mr. Lawson then announced that, on August 21, 2017, parts of the United States and a large swath of South Carolina will experience a total eclipse of the sun, and the South Carolina beaches will be a prime viewing spot. The CVB is expecting people to show up for this by the thousands, and they will travel long distances to see it. He reported that the CVB has booked four (4) groups already who are coming here specifically to see the eclipse; he noted that the eclipse is on a Monday so people will be prone to take a long weekend highlighted by the eclipse. He predicted that the Isle of Palms will see a real boon from the event.

Trying to give people an idea of the cost of an ad campaign like the CVB’s “Islands,” the Administrator asked Mr. Lawson how much money must be spent for an inside front or back cover of a publication like *Coastal Living*.

The first answer was that a lot depended on the magazine’s circulation, the audience, the title, etc., but the cost can run forty to fifty thousand dollars (\$40,000 – 50,000) and up to two hundred to three hundred thousand dollars (\$200,000 – 300,000).

Next Meeting Date: 1:00 p.m., Wednesday, September 14, 2016

8. Adjourn

MOTION: Ms. Miller moved to adjourn the meeting at 12:54 p.m.; Mer. Burgis seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk