



## ACCOMMODATIONS TAX ADVISORY COMMITTEE

11:00am, Tuesday, April 30, 2024

1207 Palm Boulevard, Isle of Palms, SC

### MINUTES

#### 1. Call to order

**Present:** Ray Burns, Margaret Miller, Rebecca Kovalich, Park Williams, Mike Boykin (via Zoom)

**Absent:** Barb Bergwerf, Chrissy Lorenz

**Staff Present:** Administrator Fragoso, Director Hamilton, PR Officer Yudchenko

#### 2. Approval of previous meeting's minutes – March 12, 2024

Mr. Burns made a motion to approve the minutes of the March 12, 2024 meeting, and Mr. Williams seconded the motion. The motion passed unanimously.

#### 4. Financial Statements

Director Hamilton reported that the fund balance as of 3/31/24 was \$5.5 million in investments and \$5,000 in operating cash. Expenses are trending with the budget, but some will be slightly over at the end of the fiscal year. There may not be a need to purchase a second radar sign this year. Police radios are on order and will show up in the financial statements in May or June. Public Works has purchased the Caterpillar loader for \$188,000. The Waterway Boulevard improvements have been deferred to FY25.

Administrator Fragoso two of the four grants awarded by the Committee have been disbursed (VFW and Mary Alice Monroe) and two more (YMCA and the IOP Chamber of Commerce) will be on the next financial report.

Director Hamilton referenced a schedule in the meeting packet detailing income of State ATAX funds and the 30% distribution to the CVB since FY11 to present.

#### 5. Old Business

##### **Approval of application for funding from Mary Alice Monroe for author event**

**MOTION:** Ms. Kovalich made a motion to approve, and Ms. Miller seconded the motion.

Mr. Boykin would like to see benchmarks added to strive for higher numbers of participants staying on the island. He is supportive of the January event but is unsure about the other events.

Mr. Boykin also suggested having a meeting where the Committee discusses how to promote the availability of the grants offered by the ATAX Committee to bring other events to the island. He suggested using Hospitality students at the College of Charleston or USC to research such events. Mr. Burns said the application process could be reopened in the fall for the leftover grant money in FY25.

**A vote was taken as follows:**

Ayes: Miller, Kovalich, Williams, Burns

Nays: Boykin

**The motion passed 4-1.**

**6. New Business**

**A. Consideration of FY25 budget for State Accommodations Tax Fund**

Administrator Fragoso stated that City Council has passed First Reading of the Budget. There will be a Public Hearing and Second Reading on May 28.

For the sake of the new members, she reviewed the definition and purpose of the State ATAX Fund as well as the purpose and scope of the ATAX Committee. She then reviewed the proposed FY25 State ATAX budget.

Mr. Boykin requested that more demographic-type data be requested of people coming to City Hall to pick up a free t-shirt. He would also like demographic information from hotels. Administrator Fragoso said she would look into what data the hotels could share with the City.

**MOTION: Mr. Burns made a motion to approve the FY25 budget for State Accommodations Tax Fund. Mr. Williams seconded the motion. The motion passed unanimously. Mr. Boykin abstained from voting.**

**B. Consideration of FY25 budget for 30% of State Accommodations Tax Fund for tourism promotion**

Catherine Dority, Lori Smith, and Chris Campbell from Explore Charleston were present to share the FY25 budget for the 30% of State ATAX funds earmarked for tourism promotion. Ms. Dority shared a breakdown of proposed FY25 expenses as required by TERC. She shared that the IOP-specific VRBO campaign generated \$2.4 million in just 3 months.

Ms. Dority then reviewed all the IOP-specific marketing campaigns that will be part of the FY25 budget including the IOP-specific website, the Charleston Beaches website, work with the Community Enrichment Committee, a new branding campaign, and the Know Before You campaign. She said they are increasing their efforts in group sales and will be tapping into travel agent networks to advertise. Ms. Smith pointed to the tradeshow schedule in the budget packet. Mr. Boykin volunteered to assist with any sports-related contacts.

Mr. Burns expressed the need for an additional meeting to have more time to ask questions about the proposed budget. Committee members should email those questions to Administrator Fragoso who will share them with the Explore Charleston team to discuss at the next meeting.

**C. Presentation of FY23 report of expenditures of 30% of State Accommodations Tax Fund**

This discussion item was deferred until the next meeting.

**7. Miscellaneous Business**

The next meeting of the ATAX Committee will be Wednesday, May 15, 2024 at 10am to review the FY25 Budget from Explore Charleston and to hear their report of the FY23 expenditures.

**8. Adjournment**

Mr. Burns made a motion to adjourn, and Ms. Miller seconded the motion. The meeting was adjourned at 12:05pm.

Respectfully submitted,

Nicole DeNeane  
City Clerk