



1 **ACCOMMODATIONS ADVISORY TAX COMMITTEE MEETING**
2 **TOWN COUNCIL CHAMBERS**
3 **JANUARY 25, 2012 ♦ 4:30 P.M.**
4

5
6 1. **CALL TO ORDER.** Chairman Harrison called the meeting to order at 4:30 p.m. Chairman
7 Harrison, and members Chandler, Daniell, Harbin, Murdock, and Servant were in attendance. Vice-
8 Chairman Hein was absent. A quorum was present. Staff present: Deputy Administrator Fellner,
9 Treasurer Hursey, Public Works Director Adair, and Recreation Supervisor Ellis. Others present: Town
10 Clerk Herrmann. Mr. Howard Barnard was asked to lead the Pledge of Allegiance.

11
12 2. **MINUTES APPROVAL.** Ms. Harbin moved to approve the minutes of the September 7, 2011
13 meeting as presented. Mr. Chandler seconded. All voted in favor. **MOTION CARRIED.**

14
15 3. **FINANCIAL UPDATE**

16
17 A. FY 2011-2012 Financial Report. Ms. Hursey presented the report, a copy of which is on file.
18 The second quarter accommodations tax revenue check in the amount of \$70,909.68 was received today
19 and is not reflected in the financial report. Mr. Murdock asked what period that check represents. Ms.
20 Hursey said the check was for the second quarter of the fiscal year, which is October, November, and
21 December collections representing September, October, and November receipts. Mr. Murdock asked if
22 receipts were over what was expected, and how the 30-percent is derived for the chamber. Ms. Hursey
23 said receipts were higher than expected; 30-percent of the accommodations taxes the town receives
24 must be spent on direct advertising. She noted that the current fund balance is \$82,471.

25
26 B. FY 2011-2012 Budget Amendments. Ms. Hursey presented the consideration paper that is on
27 file. Two amendments were requested:

28
29 (1) Ms. Hursey said the first request is to purchase a John Deer Backhoe Loader requiring a
30 budget increase of \$47,500. The 2008 backhoe was actually scheduled for replacement next year, but its
31 condition requires about \$10,000 in repairs, so replacement now is a better option. Chairman Harrison
32 asked what benefit the equipment had for tourism. Mr. Adair said the town has two backhoes on a four-
33 year replacement schedule; alternate purchases are funded by accommodations tax. The units are used
34 to dig swashes on the beach. Mr. Chandler asked if this is the unit he sees dredging on the beach. Mr.
35 Adair said yes, and there would not be a request for a capital expenditure in the FY13 budget if this was
36 approved. Mr. Servant asked what percentage of the equipment time was on the beach. Mr. Adair said
37 three-quarters of the time is on the beach. The units are initially used mainly on streets and then shifted
38 to the beach. Once on the beach they rapidly deteriorate due to rust. Of the second half of the
39 equipment life approximately 90-percent of the time is on the beach. Mr. Servant moved to approve the
40 budget amendment as presented. Mr. Murdock seconded. Mr. Adair said the backhoe is being
41 purchased through State contract at a much lower cost and better trade in value. All voted in favor.
42 **MOTION CARRIED.**

43
44 (2) Ms. Hursey said the second amendment is for mandatory payments required by code based
45 on percentages of the revenue received. Based on the check amount received today, she believes
46 accommodations tax revenue will far exceed the budget. State Code requires 30-percent to be spent on
47 direct advertising. This committee chose to use the Myrtle Beach Chamber of Commerce for that
48 purpose. State Code also requires 5-percent to be deposited in the General Fund. Those two line items
49 will be amended as revenue is received. Mr. Servant moved to approve the budget amendments as
50 requested. Ms. Harbin seconded. All voted in favor. **MOTION CARRIED.**

51
52 C. FY12-13 Proposed Budget. Ms. Hursey presented the proposed budget, which is on file.
53 Next year's budget was kept flat. Only two quarters of this year have been completed, and as yet,
54 significant growth has not been seen. She anticipated requesting a budget amendment during this same

55 time next year, if revenue continues to increase. Proceeds expenditures for next year exceed budgeted
56 revenue by \$23,508. This was proposed because there will be an estimated carry-forward balance of
57 about \$50,000, after the amendments previously recommended. The Tourism Expenditure Review
58 Committee (TERC) sets a time limit on retaining funds. Unless the funds are specifically designated, and
59 an exemption has been approved by TERC, funds must be spent within the time limits.
60

61 Chairman Harrison asked why nothing was budgeted for special events/sponsorships. Ms.
62 Hursey said some funds are received for vendor participation in events. A few years ago the idea was to
63 create a revenue stream by asking utilities and businesses to contribute funds, but that never happened
64 so the line item was taken out of next year's budget. Mr. Daniell asked if the excess funds could be
65 designated as a planned expenditure. Ms. Hursey said that could be done, but the budget would still
66 show expenditures exceed revenue. The excess could be designated and it would become a separate
67 category in the fund balance.
68

69 ♦ Police. Ms. Hursey said one full-time beach police officer position is funded, which is the same
70 as last year, and the fund also covers all tourism-related overtime, gas, equipment, etc.

71 ♦ Sanitation/Public Works. Chairman Harrison asked why there was a 25-percent increase in
72 beach access replacement. Mr. Adair explained that a previous stockpile of lumber was repurposed.
73 Permits are being sought to build wider walkovers with 12-foot x 12-foot decks in the surf areas to make
74 them more user-friendly.

75 ♦ Capital. Ms. Hursey said no capital equipment is being requested in next year's budget. The
76 increase in land improvement will fund replacing the pier parking lot public restrooms, which will meet
77 American with Disabilities Act standards. Mr. Chandler asked if the \$50,000 under FY2012 adopted was
78 the backhoe. Ms. Hursey said yes, and that amount did not include the amendment just approved.

79 ♦ Recreation and Special Events. Ms. Hursey said an additional \$1,000 was added to
80 Advertising & Promotion Events. A schedule was included in the package that outlined the events and
81 respective costs. There are no proposed changes to the event schedule. Chairman Harrison asked
82 whether the events schedule was approved as presented, if the committee approved the funding amount.
83 Mr. Chandler asked if the Guy Daniels Surf-Off requested any funds. Ms. Hursey said that Guy Daniels
84 applies for grant funds; it is not a town-sponsored event. Ocean Expo has \$500 designated, which takes
85 place at the same time as the surf-off. Chairman Harrison questioned whether some of the events, i.e.
86 the Easter egg hunt, qualified for accommodations tax funding. The committee, in his opinion, supported
87 events as a whole and supported the dollar amount, but believed the committee should reserve the right
88 to reconsider specific events. A lengthy discussion was held about the various events and the successes
89 and failures. Mr. Servant asked how events like the seniors dance contributed to tourism. He preferred
90 events geared towards summer tourists, businesses along Ocean Boulevard and the beach. Ms. Ellis
91 said all of the 60- to 70-people that attend the seniors dance were "snowbirds." Ms. Hursey said the July
92 4th events occur just after budget adoption and asked the committee to consider recommending it now. A
93 motion was offered, but Mr. Servant called point of order suggesting that the proper procedure was to
94 vote on the recommended budget in total, not specific categories. Chairman Harrison said point taken,
95 and asked Ms. Hursey to continue.

96 ♦ Grounds. Ms. Hursey said staff did not expect to spend the budgeted amount this year and
97 reduced the budget to \$5,000 for beach restrooms materials and supplies.

98 ♦ Non-Departmental. Ms. Hursey said \$127,500 represents 30-percent of \$450,000; that amount
99 may need to be amended based on actual receipts. The increase in promotion and marketing includes
100 \$3,500 for new brochures, up to \$2,000 for a marketing intern, \$5,000 for an ad in the Beach Ball Classic,
101 and about \$2,000 for town advertising. Miscellaneous grants are budgeted at \$6,500. At this time, no
102 grant funds were requested for next year. Mr. Servant asked what the intern would do. Ms. Hursey
103 referred to the job description in the package and deferred to Ms. Fellner who said the intern would be
104 involved in smaller scale summer events targeted towards tourists.
105

106 Mr. Servant asked if anyone on staff performed audits to insure accommodations and hospitality
107 taxes were paid appropriately. Ms. Hursey said research is done daily by the two business license staff
108 members. Reports received from the State are audited against in-town businesses. Staff uses every
109 available resource including comparing water usage based on Grand Strand Water and Sewer billings

110 and property transfers. Mr. Servant asked if an intern would benefit the department. Ms. Hursey said
111 perhaps for some repetitive tasks, but staff manages well. Mr. Murdock moved to recommend to town
112 council the proposed FY2012-2013 budget as amended including \$37,700 for special events, but with a
113 proviso that the accommodations advisory committee reserve the right to reconsider specific events, and
114 that the July 4, 2012 special events be approved. Ms. Harbin seconded. All voted in favor. **MOTION**
115 **CARRIED.**

116 117 4. COMMUNICATION

118
119 Chairman Harrison said a subcommittee meeting was held with Scott Schultz, marketing director
120 for the Myrtle Beach Chamber of Commerce. Over the past several years there was concern that the
121 town is not receiving enough for its contribution. Information was provided about what the chamber has
122 done for the town and what it can do. A tourism-related website separate from the town's website was
123 discussed, and he believes staff is headed in that direction. Ms. Fellner said Mr. Schultz was willing to
124 work with staff providing expertise and advice. The town should have elevated links on the chamber's site
125 within the next year. Ms. Fellner said it was a very positive meeting and she was delighted with
126 everything she heard. The chamber is the best option for the town's accommodation tax share, and it
127 was very important to work with them as there is no viable option. Mr. Servant said the chamber is very
128 busy and that the town and this committee must continually follow-up and demand its fair share.
129 Chairman Harrison said the chamber has yet to provide the financial reports and plans for town
130 advertising as required by statute and said that should be followed-up. Mr. Chandler thanked the
131 subcommittee for its efforts. Mr. Daniell said a list was provided for them that outlined what the chamber
132 expects to accomplish this year. At the end of the year, the committee can determine which tasks were
133 accomplished. If the chamber fulfills its plan, the town will get the "bang for the buck." Chamber staff
134 promised to help the town develop a website with multiple pages, and have Surfside Beach prominently
135 displayed.

136 137 5. BUSINESS

138
139 Grant Funding Request: Surfside Rotary Club. Mr. Barnard presented a slide presentation, a
140 copy of which is on file. A request was made for a three year commitment including \$5,000 in 2012;
141 \$4,000 in 2013, and \$3,000 in 2014. Mr. Barnard said that consistently one-third (1/3) of the participants
142 in the race event are from outside the county. All grant money is used for advertising. He explained that
143 the event is classified as a cultural event, because the race route is certified and a runner that breaks a
144 standing record would be recognized for his success; the route is also an asset that belongs to the town
145 that it may sell and has already sold to other organizations for use as a race route. Mr. Barnard
146 expressed thanks to the committee members for their service. A discussion ensued about the event's
147 success and goals. Mr. Chandler asked how much was budgeted for grants, and whether other requests
148 were submitted. Ms. Hursey said \$6,500 is requested annually, and if there are requests granted that
149 exceed that amount, an amendment can be made. Council has granted \$5,000 this year, so the current
150 balance is \$1,500. If this request is granted, an amendment would need to be made for \$3,500. Mr.
151 Chandler asked what happened if additional requests were received. Ms. Hursey said if other grants
152 applications were approved, amendments would be made. Mr. Servant said surplus funds were available
153 that could be used. Ms. Hursey said that was correct. She did not believe any other requests would be
154 received for funding by June 30th. She asked the committee to notify anyone that might want a grant to
155 submit the information so it could be included in the FY13 budget. Mr. Chandler supported the event,
156 saying that it was a very worthwhile cause. Chairman Harrison said the event has a long history with the
157 town, and he believes that under Mr. Barnard's and Mr. DeVille's direction, the event will grow. Mr.
158 Murdock asked if the funds would be used effectively based on the race timeline. Mr. Barnard referred to
159 the funding request that outlined the timeline, and said a grant would have a dramatic effect on how the
160 race can be advertised. Mr. Chandler moved to approve the request for the three year plan requested
161 and that the grant funds be used for advertising. Mr. Daniell seconded. Mr. Daniell asked if the
162 committee would provide a report after the event was completed. Mr. Barnard said an after-action report
163 would be given. Chairman Harrison questioned whether the committee could approve funds for three
164 years at a time. In his opinion, the committee could commit to the current year and the next proposed

165 budget. Mr. Servant believed that was correct, and said he personally believed this type event is good;
166 run events are expanding all the time. He believed the Rotary Club should be helped to maintain its
167 presence in the community as a running event. Mr. Chandler moved to amend his motion to stipulate the
168 approval of the Surfside Rotary's request is for \$5,000 in FY12; to recommend \$4,000 for FY13, and that
169 the committee will consider funding in the amount of \$3,000 for FY14. Mr. Daniell seconded. All voted in
170 favor of the amendment. **MOTION TO AMEND CARRIED.** All voted in favor of the original motion as
171 amended. **MOTION CARRIED AS AMENDED.**

172
173 Chairman Harrison asked if amendments were needed to effect the adopted motion. Ms. Hursey
174 said motions would be appropriate. Mr. Servant moved to amend the current year budget to include a
175 \$5,000 grant approval for Surfside Rotary Club, and to amend the FY13 proposed budget to include a
176 \$4,000 grant approval for Surfside Rotary Club, with all monies to be used for advertising and the Rotary
177 Club to provide after-event reports. Ms. Harbin seconded. All voted in favor. **MOTION CARRIED.**

178
179 6. **PUBLIC COMMENTS.** There were no public comments.

180
181 7. **COMMITTEE COMMENTS.**

182
183 Mr. Servant said the materials for this meeting we received timely and he appreciated staff's
184 efforts. Close to \$750,000 in accommodations tax money is contributed by South Strand communities
185 combined. Surfside Beach is the only municipality in the area and he believes it should take the lead in
186 promotion. He complimented the committee on its efforts, and cautioned that follow-up was crucial.

187
188 Mr. Murdock said he was still learning the purpose of the committee.

189
190 8. **ADJOURNMENT.** Chairman Harrison said there was no other business to come before the
191 meeting and declared it adjourned at 6:08 p.m.

192
193
194 _____
Debra Eaddy Herrmann, CMC, Town Clerk

195
196 Approved: _____, 2012

197
198
199 _____
Randy Harrison, Chairman – Lodging Member

200
201 _____
Cecil Chandler, Culture/Arts Member

202
203 _____
Tony Daniell, Committee Member

204
205 _____
Carolyn Harbin, Committee Member

206
207 _____
Bruxanne Hein, Vice Chairman

208
209 _____
Phil Murdock, Committee Member

208
209 _____
E. J. "Mil" Servant, Lodging Member