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**ACCOMMODATIONS TAX ADVISORY COMMITTEE**  
**COUNCIL CHAMBERS**  
**May 18, 2011 @ 4:30 p.m.**

1. **CALL TO ORDER**

Chairman Servant called the meeting to order at 4:36 p.m. Chairman Servant and Committee members Hein, Harbin, Harrison, Chandler, Daniell and Murdock were in attendance. Committee member Chandler was absent. A quorum was present. Staff present: Deputy Administrator, Fellner; Clerk, Pinnell; Finance Treasurer, Hursey; Public Works Director, Adair; Police Chief, Frederick.

2. **MINUTES APPROVAL**

Mr. Harrison moved to approve the June 10, 2010 meeting minutes. Ms. Hein seconded the motion. **All members voted in favor. MOTION CARRIED.**

3. **INTRODUCTION OF NEW OFFICERS**

Mr. Servant introduced new members Tony Daniell and Phil Murdock and each member introduced themselves to the new members.

4. **OFFICER ELECTION:**

Ms. Harbin made a motion to nominate Randy Harrison as Chairman of the ATAX committee. Ms. Hein seconded the motion. **All voted in favor. MOTION CARRIED.** It was agreed that Mr. Servant would continue chairing the meeting currently being held and Mr. Harrison would take over at the next scheduled meeting. Ms. Harbin made a motion to nominate Ms. Hein as Vice Chairman. Mr. Harrison seconded the motion. **All voted in favor. MOTION CARRIED.**

5. **FINANCIAL UPDATE**

*I. Current Fiscal Year 2010/2011 Financial Reports*

Treasurer, Ms. Hursey introduced herself to the new committee members. Ms. Hursey stated that if any members need any information they can contact Ms. Pinnell and additional meeting could be arranged. Ms. Hursey stated that the current year the Town is doing well in its budget. Currently the year end position is being projected to be about \$23,000 under budget; revenue will exceed expenditures. There is also a fund balance carryover from last year of \$15,720. The projection is for the Town to have \$38,000 to \$39,000 by the end of the year. The current fiscal year is now structured to be in line with the State budget reported that in line with the state budget; the largest check will be received in the last quarter of the year which should be received some time in July and that would be through the June quarter ending. This check, which should be the largest check for the year should be in the amount of approximately \$120,000. Ms. Hursey explained to the new members that the previous fiscal year was April 1<sup>st</sup> through March 31<sup>st</sup> which was not in line with the state; the Town adopted a 15 month budget to change the year to be July 1<sup>st</sup> through June 30<sup>th</sup>; this is also in line with many other communities in the area. The current statement through April 30<sup>th</sup> represents 10 months. Mr. Servant asked if there were any items that draw concern or would be a concern for next years' fiscal budget. Ms. Hursey stated that next years' budget will be presented but she has no concerns with the current years' expenditures; everything is in line or coming in better than expected. Gasoline has gone up but the Town budgeted high for this; the Town is in a pretty good

49 position and there were no other concerns. Ms. Harbin asked about the problem the Town  
50 had with someone not paying accommodations tax last year and asked if this had been  
51 resolved. Ms. Hursey stated that they partially paid in the collection effort with the State; it  
52 has not been fully repaid and they are still attempting to collect the debt. Mr. Murdock  
53 asked about the budget re-nourishment; as a general inquiry how does it work? Is it set  
54 aside yearly and paid out or was it a stipend of some type from the State? Ms. Hursey  
55 stated that this was a designation that was set aside, if there were additional funds leftover  
56 at the end of the year they were being reserved for beach re-nourishment. A couple of  
57 years ago the Town was able to get into a project with the area through the Army Corp of  
58 Engineers; the Town only had to pay 10 percent of the cost. The Town had a significant  
59 amount of fund balance built up at that town, over \$800,000, and one of the stipulations  
60 with Atax is that it is not supposed to be saved unless there is a good reason. If there was a  
61 reason the Town would have to appeal to the State Board, the Tourism Expenditure Review  
62 Committee. The Town ended up using those funds plus money borrowed from the general  
63 fund to purchase the pier. If the Atax money returns to the level it was a few years ago the  
64 Town could begin setting aside money for this again. It was confirmed that the federal  
65 funding for the re-nourishment is not a recurring fund; it could come up again but it may  
66 not. Mr. Servant stated that this committee has always tried to make sure that funds were  
67 given from the accommodations tax funds to support anything that included beach re-  
68 nourishment, beach maintenance, support services related to the beach, public restrooms.  
69 When the Town re-nourished the beach right after hurricane Hugo the State said upfront  
70 the Town would have to come up with matching funds to get beach re-nourishment done;  
71 an escrow account was immediately set up for those funds and additionally any excess  
72 would also be put into the account. When the re-nourishment came in from the Corp there  
73 was enough federal money that the amount of money the Town had to come up was  
74 limited. The Town then saw an opportunity to purchase the pier; the Atax committee  
75 supported this purchase. There is a caveat from the State that the money should be spent.  
76 Mr. Servant stated that the committee will need to address this in the future.  
77

78 ***Balance sheet***

79 Ms. Hursey reported that there is approximately \$30,000 in the bank. The Town will get  
80 the largest check next quarter which will replenish the account. There is very little payable  
81 to pay. Recap on the fund balance: The Town does have \$15,720 left from the previous  
82 year. Year to date there is \$9,291 but it is projected to be closer to \$23,000.  
83

84 ***II. Proposed Fiscal Year 2011/2012 Budget***

85 Ms. Hursey reported that the first page is the budget summary which has both the revenues  
86 and the departments at a summary level. Ms. Hursey reported that she is projecting  
87 revenue to increase over the year to about \$450,000. The Town does have special events  
88 and sponsorship money the Town is budgeting in the amount of \$20,000. There is \$25,000  
89 which is a combination of an internal transfer from the sanitation fund of \$15,000 and  
90 \$10,000 from the pier enterprise fund. The Town feels that these enterprise funds should  
91 contribute to the accommodations tax.  
92  
93  
94

95 ***Police***

96 The Police accommodation tax budget funds one(1) full time bike/community service  
97 officer; part time seasonal beach services officers; it funds all of the overtime related to  
98 seasonal events such as May Bike event, summer fireworks patrol, money for uniforms,  
99 training, CPR and water rescue, gas, materials and supplies. Total budget in  
100 accommodations is \$93,234.00.

101  
102 ***Public Works***

103 The sanitation and public works budget includes limited salaries for employees that rake  
104 the beaches, clean the garbage cans and take care of the new recycling program. It also  
105 includes some money for gas, utilities for beach accesses that have the shower towers and  
106 lighting. There is also \$10,000 budgeted in repairs and maintenance which is normal repair  
107 to the crossovers. The contractual services are for the following: when the public works  
108 department uses their equipment to do any repairs or maintenance for the beach it is kept  
109 track of daily; the Town uses the same rates as a FEMA reimbursement; if there were an  
110 incident and the equipment is being kept track of the cost is charged back, the wear and  
111 tear, of using the equipment on the beach. The Town has used general fund to purchase  
112 and maintain the equipment so it is easier to use the standardized hourly rate to charge back  
113 the accommodations tax fund. This cost is \$12,000 and there is \$10,000 budgeted to  
114 replace the handicapped beach access. There is a capital equipment request included for  
115 \$50,000 to replace a six foot beach rake. Mr. Servant stated that a beach rake was  
116 purchased two years ago. Mr. Adair stated that the Town purchased a 2007 Cherrington  
117 beach rake which was sold this year. The piece of equipment had a lot of promise but in  
118 reality it was not practical for the Towns' beach; there was too long of a wheel base and  
119 they could not make turns. It was such a long piece of equipment, the operators had to  
120 continually look over their shoulder which was a safety hazard and nobody felt safe driving  
121 it. Operators should be looking ahead and not behind them. The money they received for  
122 the rake went back into the Atax fund. Mr. Servant stated that he thought it was supposed  
123 to pick up finer items such as cigarette butts. Mr. Adair stated this was how it was  
124 advertised but in his experience with the piece of equipment it did not do any better than  
125 the Barber beach rake. A decision was made to sell it and clear up a parking spot at Public  
126 Works. Currently the Town has a 2006 and 1996; the 1996 is the one that needs to be  
127 replaced. The cost is \$50,000 to buy one rake. The tractor to pull the rake is not in the  
128 replacement plan for this year. The tractor would have other uses but the beach rake can  
129 only be used on the beach and funds would come out of Atax.

130  
131 ***Recreation and Special Events***

132 There is some part time salary for the part time website intern who keeps the website  
133 updated with current events and works with the Deputy Administrator and IT Coordinator,  
134 Micki Fellner. Over time is for employees working special events; \$23,000 is budgeted this  
135 for advertising for the events, this includes print, television and radio ads for all approved  
136 Atax events. There are also the events themselves included for funding. There was a list of  
137 events passed out to the committee members for proposed funding. The total is \$36,700  
138 and then there is an additional \$25,000 for the fireworks display for 4<sup>th</sup> of July. Mr. Daniell  
139 asked if the Blue Grass festival was successful. Ms. Ellis stated that it was not a successful  
140 event this past year. Mr. Daniell stated that he attended the event and thought it to be an

141 unsuccessful event as well. Ms. Ellis explained that the previous Recreation Committee  
142 came up with the idea for the Town to hold a Blue Grass and BBQ; the first year the Town  
143 worked with the Shriners and the only time of year they were available was February 20th  
144 the event got perfect weather and there was a great turnout. The second year it was moved  
145 to March since the Town did not want to rely on good weather in February and the Town  
146 ended up competing with the St. Patricks Day festivals in the areas and the turnout was  
147 much smaller. There was some additional discussion regarding whether the Blue Grass  
148 and BBQ was an event for Surfside Beach. Ms. Hursey stated that perhaps the committee  
149 could schedule another meeting in a few months to discuss other ideas for the Town to use  
150 the funds; there would also be updated financials available. The budget could also be  
151 amended if needed. Ms. Hein asked if there were additional events planned for the end of  
152 summer celebration. Ms. Hursey stated that she was going to try to bring in a better band  
153 and add to it to make it better. Last year the event got rained out.

154

155 ***Grounds Department***

156 This is a small piece of the budget. It includes maintenance of the beach restrooms. They  
157 are cleaned, stocked and repaired. The budget includes salary, maintenance and repair.

158

159 ***Non-departmental***

160 Thirty percent of the State accommodations money that the Town receives has to be spent  
161 on direct advertising. One of the approved methods is to give the 30 percent to a Chamber  
162 of Commerce. The Town gives 30 percent to the Chamber of Commerce. Next year, with  
163 the revenue number being proposed, the Town would be giving \$115,500 to the Chamber.  
164 Thirty percent is given right after the Town gets a check. In this fund is \$25,000 budgeted  
165 for the fireworks display; this has been kept separate from the Special Events money  
166 because 1) it was not always a part of her budget 2) if the Town chose not to continue the  
167 funding then it is segregated to show when it was funded and when it was not. The \$5,000  
168 in promotion and marketing is money that the Deputy Administrator, Ms. Fellner, asked to  
169 be put aside for website development. There is \$6,500 put aside for grant requests. State  
170 law for accommodations tax of the funds received the first \$25,000 is returned to the  
171 general fund and an additional 5 percent of revenue goes to the general fund; this is  
172 projected to total \$44,250. Mr. Daniell asked what the Myrtle Beach Chamber does for the  
173 Town for \$115,000. Ms. Hursey stated that she does know that they market the entire  
174 Grand Strand and occasionally they will do specific promotions for the Town. Mr. Servant  
175 stated that is all goes into the out of town advertising budget for the Chamber. None of the  
176 money is spent locally; there is 3 percent set aside to do specific advertising for the Town  
177 of Surfside Beach. In the past they have secured billboards for the Town and offered  
178 website development, brochure printing; a vast majority of the funds are combined with  
179 Horry County funds, Myrtle Beach City funds and they all are earmarked for out of Town  
180 advertising. For those in the accommodations industry the visitmyrtlebeach.com website is  
181 the top referring website of any including Google. Mr. Daniell asked if Surfside was on  
182 this website. Mr. Servant stated that all of the advertising says Myrtle Beach area but each  
183 municipality that contributes to the fund are listed on the site as well. Mr. Daniell agreed  
184 that it would make sense to put it all together rather than individually. Mr. Servant stated  
185 that there is a Board of Directors that has the final say of where funds are spent. Mr.  
186 Servant stated that alone \$115,000 is not much money and would not go far in advertising.

187 It was confirmed that the Chamber has updated the Town video. Ms. Hursey stated that  
188 Ms. Fellner has established links and has additional information. There is also some  
189 promotional advertising the Chamber has planned with Raleigh News and other media.  
190 Mr. Servant stated that if the Town's objective should be to get more tourists to visit. Mr.  
191 Murdock stated that although the Town is a smaller contributor he assumes it is a member  
192 of chamber. Ms. Hursey stated that the Town is not a member; individual businesses are.  
193 Mr. Murdock stated that a dialogue would be the best way to discuss issues and asked if the  
194 Chamber would have a problem in asking the Chamber to meet with the Atax committee  
195 once a year. Mr. Servant stated that this would be possible. The Chamber produces a  
196 report and they could be placed on the agenda for next meeting.

197  
198 The next meeting date was discussed. It was discussed to have the next meeting in late  
199 August or September meeting. Mr. Harrison made a motion to approve the budget subject  
200 to concerns he presented regarding his request for more information on festivals as  
201 presented by staff. Ms. Hein second. **All voted in favor. MOTION CARRIED.**

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203

## 204 6. **FUNDING REQUESTS**

### 205 I. ***Guy Daniels Ocean Expo – Grant Application Request \$4,000: Jim Daniels***

206 Mikey Pruitt, current CEO, Guy Daniels Memorial Foundation was present for request.  
207 Mr. Pruitt stated that the foundation holds a yearly surf competition; it is held in mid  
208 August and it has approximately 200-300 entries. Entries come from around Horry  
209 County, Georgetown County, Charleston and Wilmington as well. The foundation is  
210 requesting funds to put on the competition; it costs between \$8,000 to \$10,000 to run the  
211 competition each year. The funds raised go towards giving away 5 scholarships a year;  
212 this year they gave to the winners with two of the winners being residents of Surfside  
213 Beach. The rest of the money goes towards beach re-nourishment projects; they work in  
214 conjunction with the Town and have constructed smoker outposts for the beach accesses.  
215 Their mission is to help deserving kids get their fair shot at education and to promote the  
216 Town of Surfside as a clean beach and to educate visitors. The request is currently for  
217 \$4,000. Mr. Daniell asked about the scholarships. Mr. Pruitt stated that currently they  
218 give scholarships to Horry and Georgetown schools. This year they have given to five  
219 high school seniors; currently they give \$1,000 per person but they are hoping to increase  
220 this in the next few years. The competition is the main fundraiser. It was confirmed that  
221 there are 200 to 300 entries and they bring their friends and parents; based on random  
222 headcounts and e-mail correspondence they have seen 2,000 to 3,000 people on the beach  
223 for a two day stretch out on 13th Ave South. It was confirmed that vendors are not  
224 allowed on the beach per Town ordinance. There are no other festivals at this time but  
225 the Town holds an Ocean expo in conjunction with the competition. This is the 11<sup>th</sup> year  
226 of the competition and the Ocean Expo has been around for 3; Guy Daniels Surfing  
227 competition is the anchor event for the Ocean Expo. Mr. Daniell stated that he would  
228 like to see this event expand. Vendors could be allowed on the street. Mr. Pruitt  
229 contemplated using the parking lot at 13<sup>th</sup> in the past since there is space. Having some  
230 vendors in addition to food vendors was discussed. Mr. Pruitt stated that they would like  
231 to grow. Mr. Daniell discussed giving a grant of \$6,500 to put towards scholarships. Mr.  
232 Pruitt stated that they may be able to earmark granted funds. Mr. Servant stated that the

233 Town is inclined to give money towards promoting an event and not for scholarships.  
234 Mr. Pruitt stated that the Town also provides the event with a lot of support. Mr.  
235 Murdock stated that he has enjoyed the event. Mr. Pruitt stated that they have a website  
236 surfloff.com; they have a webcam that shows the beach. Mr. Harrison made a motion to  
237 approve the funding of \$4,000. Ms. Hein seconded the motion. **All voted in favor.**  
238 **MOTION CARRIED.**  
239

## 240 II. *Police Department request for Beach Vehicles*

241 Chief Frederick presented his request to the committee. The beach services and beach  
242 patrol functions are being restructured a little. The police department has the most direct  
243 impact in regarding to the quality of life in Surfside Beach. If the police do not do their  
244 job well the tourists will not come back. A part of their mission is to keep the beach safe;  
245 people like police presence on the beach. They have come to an equilibrium of what  
246 needs to be enforced and how to enforce. In the police reorganization the beach patrol  
247 procedures have changed. Currently the Town shifted some sworn officers from the  
248 beach patrol to cover the two blocks out from the beach; beach related crimes are not  
249 necessarily conducted in the sand. By moving the patrol out two blocks the Town has  
250 dramatically reduced the vehicle break-ins and burglaries. From a funding standpoint  
251 this patrol is still Atax relevant. The Town has pulled their truck off the beach; the Beach  
252 Services which is contracted with the Town has a truck on the beach. There have been  
253 incidents where people have gotten hit by public safety vehicles on the beach. The  
254 people on the beach now have a little less support from the truck vehicle but the police  
255 still use ATV's. One of the requests is to replace one of the current ATV's with a new  
256 one. This is a state contract vehicle and run \$2,000 less because they are State  
257 contracted. The beach cuts the use to 3 years as opposed to 7 years. It is day and night  
258 capable; the police patrol the beaches both day and night. There are residents in 1<sup>st</sup> two  
259 blocks fireworks. If the Town mechanic can't fix it there is local service available.  
260 *Yamaha 400cc four wheel ATV.*  
261

262 Chief Frederick stated that the other item they are requesting funding for is a Kawasaki  
263 Mule. It is an ATV but it is designed from the ground up to be a commercial vehicle.  
264 From a design standpoint it is a lot tougher in a beach environment. Horry County has  
265 had their vehicle for two years and it is in much better condition than the standard four  
266 wheel ATV's. These are not currently available with State contracting; they are hoping  
267 to be next year. The Town would eventually like to transition into these vehicles. The  
268 cost difference is a couple of thousand dollars but the life of the vehicle would be double  
269 versus the ATV. They have full beach and road access; they can be licensed as a low  
270 speed vehicle. Currently fire departments can do incidental road travel for rescue gear;  
271 the police are now asking to add a line to include law enforcement agencies. These  
272 vehicles have two officer capability; which is good for two officer patrol. This vehicle is  
273 litter capable; an EMS gurney or standard rescue gurney can be attached. EMT cannot  
274 currently get onto the beach; the can gurney up the beach but cannot get them off; the  
275 beach services can get them off the beach. The total request for both items is \$12,495.  
276 There is a fund balance available from the last fiscal year in the amount of \$15,720. The  
277 balance this year is \$9,291 and the projected balance is \$23,246 which totals  
278 approximately \$39,000 that is available. Chief Frederick reiterated that the plan is to go

279 to a 5 or 6 year service life on a vehicle as opposed to a 3 year life by eventually  
280 transition into changing over to the mules. Mr. Harrison stated that he questioned why  
281 the Town would not get two mules rather than an ATV and a mule adding that the vehicle  
282 looks much more versatile. The ATV is easier to trailer but if the legislation goes  
283 through allowing the mules as police vehicles on the road they would not have to trailer  
284 at all. The Town still currently has an ATV; if the mules work out Chief Frederick feels  
285 the ATV's will be a thing of the past. Mr. Daniell had some questions regarding direct  
286 advertising and using Chamber money to advertise the Town website. Mr. Servant stated  
287 that the chamber money goes to promote the area and the Town website is just an  
288 informational page for the Town and Ms. Fellner has stated in the past that she would like  
289 to see the Town create a promotional website. Chief Frederick stated that the Town  
290 would go out for bid on the vehicles. Mr. Harrison made a motion to alter the request to  
291 authorize the purchase of two Kawasaki Mules. Ms. Harbin seconded the motion. **All**  
292 **voted in favor. MOTION CARRIED.**

293

294 **7. PUBLIC COMMENTS**

295 There were no Public Comments.

296

297 **8. COMMITTEE COMMENTS**

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299 **9. ADJOURNMENT**

300 Meeting was adjourned at 5:50PM

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\_\_\_\_\_  
Sharon Pinnell, Town Clerk

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305

306 Approved: \_\_\_\_\_

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"Randy" Harrison, Chairman

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Clerk's Note: This document constitutes minutes of the meeting, which was audio taped. In accordance with FOIA, meeting notice and the agenda were sent to local media and interested parties. A complete list is on file in the clerk's office. The agenda was posted on bulletin boards outside council chambers and in the town hall reception area. Meeting notice was also posted on the town marquee.