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ACCOMMODATIONS TAX ADVISORY COMMITTEE
COUNCIL CHAMBERS
October 29, 2008 @ 4:30 p.m.

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1. **CALL TO ORDER**

Chairman Servant called the meeting to order at 4:33 p.m. and welcomed everyone in attendance. Chairman Servant, Vice Chairman Harrison and committee members Mathers and Loftus were present along with new members Chandler, Haseltine and Hein. A quorum was present. Staff present: Administrator Booth; Clerk Pinnell; Director of Public Safety, Christenson; Director of Public Works, Taylor and Finance Treasurer, Hursey.

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2. **INTRODUCTION OF NEW MEMBERS**

Chairman Servant introduced new members, Cecil Chandler, Ross Haseltine and Bruxanne Hein. All members, including new, then went on to introduce themselves and their affiliation. Mil Servant, Surfside Realty; Jon Mathers, Days Hotel; Ross Haseltine, Seaside Rentals; Gary Loftus, Coastal Carolina University; Randy Harrison, Harrison Realty and ReMax Coastal Living; Cecil Chandler, TV 13; and Bruxanne Hein, Coastal Carolina University. Mr. Servant welcomed all members adding that he looked forward to working with everyone.

3. **MINUTES APPROVAL**

Mr. Loftus moved to approve the June 19, 2008 meeting minutes. Mr. Mathers seconded the motion. All members present voted in favor. MOTION CARRIED.

4. **FINANCIAL UPDATE**

Mr. Booth reported that he and staff have been working on the budget adding that the economy is currently not doing very well. Mr. Booth reported that for the next budget the Accommodations Tax was estimated to be 20 percent less than the previous year and added that less tourists are predicted. Mr. Booth reported that the town has seen some businesses leaving the Town of Surfside Beach. Mr. Booth stated that the plan for the town was to move forward and to continue to provide the services for the residents and tourists. Mr. Booth reported that he has estimated the cost of fuel to be higher than what it may be so the town may have some leeway in the budget. Mr. Booth stated that as of September 30th it has been a pretty good year with revenues being down only \$57,000 and still have some time to go on with those figures. Mr. Booth reported that one of the real pluses for the town this year was to purchase the pier. Mr. Booth stated that he and the Mayor had gone to Columbia and the State board was very favorable in having the town use the ATax funds to purchase the pier. Mr. Booth stated that some ATax funds would go into the pier but that it should be self sustaining from the rents and access fees received. Mr. Booth stated that he would be visiting the Folly Beach Pier because he is thinking about presenting something similar to redesign the Surfside Pier. Mr. Booth added that it has a gazebo with an observation deck and that he would like to see more benches installed. Mr. Booth reported that the pier fund would be run as an enterprise fund with no taxpayer's money going into it. Mr. Booth stated that he would like to see the fishing enhanced which could be done by putting a barrier reef made up of military vehicles.

49 Mr. Booth reported that he would like to see the pier area enhanced as well. Mr. Booth
50 reported that students from the woodshop at Saint James High School would be working on
51 projects for the pier and Horry County Technical College would be coming in to assist with
52 landscape designs. Mr. Booth introduced Ty Taylor, the new Public Works Director and
53 added that his department is in the process of fixing the crossovers to the beach and these
54 should be completed within the next two years. Mr. Booth stated that the town would be
55 looking for volunteers to help maintain the plantings by the crossovers and would be looking
56 for as many volunteers as possible to assist. Mr. Booth stated that it looks like the beach may
57 remain non-smoking. Mr. Harrison asked if Mr. Booth anticipates the town meeting the
58 \$50,000 it is short in the next 3 months. Mr. Booth stated that he has not seen many tourists
59 out there and anticipates it to be very close. Mr. Booth stated that he would rather anticipate
60 the budget at 20 percent less than to have to go back and cut items. It was confirmed that the
61 town is currently down 10 percent and Mr. Booth stated that he feels that the town may make
62 up 7 percent of that. Ms. Hursey stated that the town is on a different year end and it will get
63 2 additional checks and that should make up the shortfall. Ms. Hursey confirmed that the
64 \$500,000 was for the entire fiscal year. Mr. Booth stated that the towns budget begins in
65 April and ends in March and beginning with the next budget the town will be looking at a 15
66 month budget to realign it with the rest of the State which is July to June. Mr. Harrison had a
67 question regarding the interest earned with less than 50% budgeted. Mr. Booth stated that
68 funds were removed to spend on the pier so there is not as much money earning interest and
69 also the interest rates have gone down considerably. Mr. Servant asked if the \$10,000 that
70 remains for repairs and maintenance on the beach would be spent. Mr. Booth stated that the
71 budget year goes to April and it would be spent by then. Mr. Booth added that the town
72 would be using manpower and the cost would be materials. Mr. Servant asked about the
73 \$48,000 under Public Works and Sanitation and other equipment and if it was for something
74 approved by the ATax Committee. Mr. Booth stated that the \$48,000 was for a tractor to pull
75 the beach rake that was approved previously by the committee.

76
77 **5. FUNDING REQUEST**

78 Horry County Museum: Mr. Harrison asked if any funds have ever been granted for them
79 previously. Mr. Servant stated that historically the committee has not funded these types of
80 requests and not because they are not supported as an entity and concept but Horry County
81 and Myrtle Beach has typically funded these events. The town has a limited amount of funds
82 and it has not had the luxury of supporting these types of venues; the funds have grown over
83 the years but they are used towards town needs and events. Mr. Servant stated that the town
84 has supported various art events, reading on the beach and children reading programs but
85 geographically they have remained inside the town. Mr. Harrison made a motion to decline
86 the request for funding adding that it is more of a county function and is outside the town
87 limits. Mr. Chandler seconded the motion. **MOTION CARRIED.**

88
89 **6. BUDGET PRESENTATION FY 04/01/09-06/30/10**

90 Mr. Booth stated that the town does support the County; it spends approximately \$160,000
91 on sports programs for children outside the town. Mr. Booth stated that the Accommodations
92 Tax budget they are presenting is the same that they will be presenting to council at the end
93 of November.

94

95 Mr. Booth stated that they have estimated on receiving \$520,000 and next year they are
96 estimating \$462,000 adding that they are anticipating a lower amount due to the economy.
97 Mr. Booth confirmed that the current town budget runs from April to March. Mr. Booth
98 stated that the 15 month budget is estimated to be \$582,000; this is taking 25 percent more to
99 cover the extra months and it also includes another season. There was some discussion as to
100 the collection quarters. Mr. Booth stated that by changing it to 15 months another business
101 license season is included.

102
103 Mr. Booth reported that this year Public Safety is budgeted at \$153,000 and will be moved
104 down to \$136,000. This does not mean that there would be fewer officers, the cost for some
105 of the beach officers is moving to the general fund. The beach officers work 8 hours a day
106 on the beach and the other 4 hours they are working patrol.

107
108 Mr. Booth reported that Sanitation has been reduced a little since one less employee would
109 more than likely be needed. Mr. Booth stated that recreation and special events have been
110 cut. A new Grounds Department was set up; some employees for Recreation and Public
111 Works were moved into this department adding that it was a better utilization of manpower
112 and is working very well with a lot more getting done around town.

113
114 Mr. Booth reported that the non-departmental funds include funds going to the Chamber of
115 Commerce adding that it was \$156,000 and for 12 months it is budgeted for \$141,000 and 15
116 months \$177,000. Mr. Booth stated that there has been a little controversy on that money
117 adding that he is looking for more of a contract from the Chamber. The town has been
118 giving them money year in and year out and the town gets less and less service. Mr. Booth
119 reported that he is not taking their money away but he wants them to list what they intend to
120 do for the Town of Surfside. Mr. Servant stated that the Chamber has a full layout on their
121 advertising and their plans and what they are providing for each municipality each year and
122 asked if Surfside has been provided with this. Mr. Booth answered that they have not. There
123 was some additional discussion regarding a report from the Myrtle Beach Chamber. Mr.
124 Servant asked if the Chamber had come through on the promise they made to assist the town
125 in developing a tourist related website. Mr. Booth answered they had not; they created a
126 website that does not promote Surfside and its businesses adding that the town is in the
127 process of developing their own website that promotes local business. Mr. Booth stated that
128 he is concerned that Surfside is losing its businesses. Mr. Booth stated that he is going to
129 begin pushing community redevelopment adding that it is a slow process but it has to be
130 started somewhere and he is starting with the Zoning Board and then he will get with the
131 business owners. Mr. Booth reported that there are funds designated for beautification and
132 he wants to see these projects get done as well. Mr. Servant agreed that there are buildings in
133 town that have reached their "functional obsolescence". Mr. Booth stated that this would
134 need to be addressed with the owners. Mr. Booth reported that transfer to the general fund of
135 5 percent is set by law. Mr. Booth stated that he is using this same figure for the sanitation
136 and for the pier fund once that gets going; 5 percent goes back into the general fund. Mr.
137 Booth stated that the town could then get back into the beach renourishment. The town used
138 the funds that would otherwise have been lost to purchase the pier. Mr. Booth reported that
139 the State was very supportive of the purchase of the pier. Mr. Booth reported that the town
140 would hold a grand opening at the pier once the weather is warmer. Mr. Loftus confirmed

141 with Mr. Booth that the debt service and operation of the pier would be offset with the pier
142 enterprise fund. Mr. Loftus asked about having the \$10,000 allocated to the pier repair paid
143 back to the ATax fund at some point. Mr. Booth stated that the \$10,000 would not be paid
144 back; it would go into paying for items like benches. Mr. Booth clarified that it will be run
145 like a business and he has to put in depreciation and this offsets the cost; the life expectancy
146 would be put in as 20 years rather than 40 years since the pier will more than likely need to
147 be rebuilt in 20 years. Mr. Booth stated that the plan is to put a deck on the back of Nibil's
148 on the ocean front side with a permit already in place. This would allow for 10 more tables
149 of seating and the rent would increase. Mr. Booth confirmed that the owner is aware of this.
150 Mr. Booth stated that the plan is to have more entertainment on the pier. Mr. Booth stated
151 that he plans on rolling the parking lot by the pier into the enterprise fund as well. Mr. Booth
152 added that he has a proposal out to lease the lot; he would like to see a parking station put in
153 there. Mr. Booth stated that the town is in the process of beautifying the entrance area by the
154 pier. A brick wall will be built to house the dumpster.
155

156 Mr. Loftus had a question regarding cutting the 12 month revenue by 20 percent. Mr. Booth
157 clarified that it was more like 11.9 percent adding that he is focusing more on the 15 months.
158 There was some additional discussion regarding the quarters and the funds received. Mr.
159 Loftus stated that he thought this to be a little ambitious. Mr. Booth stated that the main
160 reason he is showing the 12 months is more for expenditures to compare "apples to apples."
161 There was some discussion regarding checks received. Ms. Hursey stated that the previous
162 check received was in the amount of \$309,000 and last year at this time the town received
163 \$321,000. Mr. Loftus stated that the town would need to be cautious for at least the next 12
164 months. Mr. Booth stated that he currently has a hiring freeze and added that if the town
165 needed to cut ATax spending he would cut the \$10,000 towards the pier and added that he
166 would not want to cut the beach patrol. Mr. Loftus asked if the 5% was required to go to the
167 general fund or was it optional. Mr. Booth stated that he would check on this and would look
168 at other ways to cut back if the income does not come in. Mr. Booth stated that he does not
169 want to wait until the last quarter and then have to have layoffs; he wants to plan ahead. Mr.
170 Booth stated that he estimated the fuel costs at \$3.50 a gallon and believes that it will go
171 down to \$2.00 per gallon but will keep it budgeted for \$3.50 to give him some kind of
172 cushion and it would also prepare the town if fuel were to go back up.
173

174 Mr. Booth stated that he would be presenting the detail justification to council at the budget
175 meeting. Mr. Booth discussed the Public Safety salaries and the duties of the beach patrol
176 officers and how they are needed year round. Mr. Booth stated that he has cut back overtime.
177 Mr. Booth stated that the town is looking at leasing a vehicle for the beach adding that these
178 beach vehicles get a lot of wear and the town would like to turn them in every two years. Mr.
179 Booth confirmed that this would be cheaper than going through the State purchase program.
180 Mr. Booth added that the County is leasing some of their vehicles and it has worked out for
181 them. Mr. Booth added that the town would turn the vehicle in after approximately 18
182 months so that it does not get too much wear and tear. Mr. Booth stated that he will need to
183 purchase a backhoe since these last only a couple of years. Mr. Booth reported that he has
184 compressed the budget down quite a bit and the town is not planning on making many
185 purchases. Mr. Booth reported that Sanitation workers are used different ways; they collect
186 trash from residents, businesses and garbage on the beach. Mr. Booth stated that the town is

187 proposing \$50,000 for a backhoe adding that it is needed to clean out the swashes and this
188 needs to be done every day. Mr. Booth stated that the backhoe runs approximately \$87,000
189 and the town plans on purchasing one with larger tires and they plan on getting an
190 approximate \$27,000 trade in for the one they currently have. Mr. Booth stated that they
191 usually last about 3 years and their current one is now 3 years old. Mr. Harrison asked about
192 the possibility of looking into a lease for the backhoe as well. Mr. Booth stated that he would
193 look into this. Mr. Christenson stated that the town would need to be careful and check into
194 various other costs that are sometimes added to leases.

195
196 Mr. Booth reported that the town's Grounds Department now maintains the beach bathrooms
197 instead of the Recreation Department. Mr. Booth stated that his plan is for additional parking
198 meters to go in on Ocean Boulevard once the town takes it over. Mr. Booth stated that there
199 are costs involved in repair; teenagers have been causing damage to the restrooms. Mr.
200 Booth explained to the committee that costs have shifted from Recreation to the Grounds
201 Department. Mr. Booth stated that the town would like to see more special events. Mr.
202 Servant asked what tourist events were in the \$21,500. Ms. Hursey explained that a detail
203 sheet was distributed. Mr. Booth stated that they include the Sun Fun Festival and the End of
204 Summer Celebration, the Can Am Reception; it also includes salaries. Mr. Servant asked
205 what the \$2,000 for pier entertainment would be. Mr. Booth stated that this would include
206 adding a band or two to perform at the pier. Mr. Servant stated that he liked this idea. Mr.
207 Booth added that he would like to see a gazebo with an observation deck added to the pier at
208 some point in time. There was some additional discussion regarding the pier and how it
209 could be better utilized. Mr. Booth reported that students from Saint James will be assisting
210 in construction projects for the pier.

211
212 Mr. Booth reported that non-departmental includes the distribution to the Myrtle Beach
213 Chamber and his plan was to keep some of the funds in-house. Mr. Booth added that he
214 would like to put the money in for the town to promote their own businesses. Mr. Booth
215 would like to directly advertise the town and town events. Mr. Booth stated that he would
216 like a more detailed look at what the Myrtle Beach Chamber is doing with the funds that the
217 town gives them. Mr. Booth stated that everyone is competing with each other since there
218 are fewer tourists. Mr. Loftus stated that he understands where Mr. Booth is coming from
219 but he believes that the town could take what he is thinking about doing and leverage it. Mr.
220 Booth stated that he understands that Mr. Loftus is a member of the Myrtle Beach Chamber
221 of Commerce and Mr. Loftus stated that he did not personally belong he was only involved
222 through Coastal Carolina University. Mr. Booth stated that he is not planning on creating a
223 new Chamber of Commerce; this is up to the business owners to do. Mr. Loftus explained
224 that he is not for or against this but he just wanted to make everyone aware that \$40,000
225 could be lost in advertising in a heartbeat without ever seeing anything from it. There was
226 additional discussion regarding the Myrtle Beach Chamber and that ads in magazines no
227 longer work and how everyone now uses the internet. There was some discussion regarding
228 the Chamber linking the town's website and Mr. Booth stated that the Chamber has made it
229 very difficult to find our website from their website. Mr. Booth stated that \$40,000 would be
230 for 15 months and it would be used to upgrade the town website and directly advertise. Mr.
231 Servant asked about the tourist related website that the Chamber was going to start. Mr.
232 Booth stated that they created a website that has very little on it; it does not link onto Surfside

233 Beach businesses. Mr. Servant disagreed stating that Accommodation participants who are
234 paying to be on it could link onto the Surfside Beach website. There was some additional
235 discussion regarding linking onto other websites and the expenses involved. Mr. Servant
236 stated that a report is available from the Chamber and Mr. Booth stated that there is a report
237 but it does not list where the money from Surfside Beach is going. Mr. Servant stated he is
238 not there to defend the Chamber but he knows that an annual report, that is required by law,
239 is put out on an annual basis and funds go into the Chamber's operating budget for tourism
240 and promotions and added that it probably does not show where particular funds from
241 Surfside Beach are going but that a report was available. Mr. Booth stated that he was not
242 saying that this \$40,000 would take care of all advertising but he is looking for ways to get
243 more exposure than the town currently gets. Mr. Booth added that he is concerned about the
244 small businesses in town and does not want to see a ghost town and added that the business
245 licenses have been down and this is another concern. Mr. Servant stated that there is
246 synergism in having all of the funds together in one place and once one municipality moves a
247 certain way the concern would be that others would follow and then the clout is no longer
248 there. Mr. Booth stated that he understands this but also feels that given the current economy
249 Surfside is competing with Myrtle Beach. Mr. Booth added that the small businesses do not
250 have the money to advertise with the Chamber and he would like to assist them in getting
251 more business and would like to see more tourists come to Surfside adding that the Myrtle
252 Beach Chamber seems to promote more of just Myrtle Beach. Mr. Loftus stated that
253 according to state law the purpose of the accommodations tax is to get people to come to the
254 area and not to divide them up once they get here. Mr. Loftus added that the Myrtle Beach
255 Chamber just wants people to come to the Grand Strand. Mr. Chandler added that the Myrtle
256 Chamber does reference Myrtle Beach quite often. There was some discussion as to tourists
257 referencing the Grand Strand as Myrtle Beach not realizing the difference between Surfside
258 and Myrtle Beach. Mr. Loftus pointed out that many tourists say they played golf in Myrtle
259 Beach when they were never actually in Myrtle Beach at all; it is just a branding issue. Mr.
260 Servant stated that he has been asking for years for the town to develop a tourist related
261 website and has never seen it happen adding that there is plenty of accommodations money
262 that is going towards other items and questioned why we would need to take the \$30,000
263 from the Chamber that every other accommodation business in town is putting much more
264 money than the town is ever going to put in and dilute the Chamber adding that they are
265 business men who have been in town for a long time and they have seen what works and
266 what does not work and added that \$30,000 would more than likely not help his business.
267 Mr. Servant stated that if he spends \$100,000 with the Chamber and goes into his website the
268 number 2 referring website to Surfside Realty is the Myrtle Beach Chamber of Commerce
269 and the other is Myrtle Beach.com. Mr. Servant did not see how the \$30,000 would help
270 unless the town got serious about developing a tourist related website. Mr. Booth stated that
271 this is seed money and the town would need to start somewhere. Mr. Booth stated that the
272 town is a large tourist oriented community. Mr. Servant asked how the website would help
273 the small businesses. Mr. Booth stated that the plan is to list all of the businesses and let
274 people know what is available in town adding that he realizes that it will not be as impressive
275 as the Myrtle Beach Chamber website at first but it will be something. There was some
276 discussion regarding flyers that were previously printed and how they should get distributed
277 to the Welcome Centers. Mr. Chandler stated that if he wants to find something he goes to
278 the internet. Mr. Loftus agreed with Mr. Chandler but his concern was would someone look

279 up Surfside Beach or would they look up Myrtle Beach and find Surfside Beach. The
280 question is how many people know exactly where they are when they are here. Mr. Booth
281 stated that the money would need to go towards direct advertising and if the town does not
282 use it then they would turn it over to the Myrtle Beach Chamber. Mr. Servant stated that he
283 is slightly disappointed in the fact that the Chamber has not followed through on keeping the
284 town council informed and has not followed through on their promise to develop a website
285 but at the same time he would like to see the town tread lightly and would like to see the
286 town website designer get with the local tourism leaders to get some input and added that the
287 small businesses are more than likely closing up due to the current economy rather than the
288 tourist promotion. Mr. Servant stated that he did agree that the town needs to get more
289 exposure and more people to visit Surfside Beach. Mr. Booth stated that he is not anti-
290 Chamber but his focus is Surfside Beach and what is good for the town. Mr. Servant stated
291 that the Myrtle Beach Chamber is more of a convention visitor's bureau; they are trying to
292 attract tourists and conventions.

293
294 Mr. Booth stated that he will be making the promise to council and the citizens that he will
295 not spend money where he does not get revenues. Mr. Booth stated that the town is moving
296 forward with the building of a fire station and various beautification projects going on in
297 town. Mr. Servant stated that he feels that Mr. Booth did an excellent job in putting the
298 budget together. Mr. Booth stated that he would present the budget to council in Pinopolis.
299 Mr. Loftus and Mr. Servant thanked staff for the work they did on the budget.

300
301 Director Christenson reported on recent investigations on break-ins in town and the addition
302 David Turbeville who will be the Community Services Officer explaining that he will be out
303 on foot patrol and out on a bicycle assisting tourists, residents and helping to promote the
304 Police Department and the town.

305
306 Mr. Loftus made a motion to approve the Accommodations Tax budget as presented. Ms.
307 Hein seconded the motion. Mr. Harrison stated that he has reservations of taking \$30,000
308 away from the Chamber; he agrees that it is a great thing for the town to have their own
309 website and do their own promotion but believes there is a better way to get the funding for
310 this. Mr. Harrison stated that he agrees that the town needs to put more pressure on the
311 Chamber for the town to get more bang for their buck. There was a question whether the
312 budget could be amended. Mr. Booth stated that he does not want to give the Chamber
313 money until they can show him what they are doing for the Town of Surfside Beach. Mr.
314 Loftus stated that he plans on looking at the website the Chamber started. Mr. Loftus asked
315 Mr. Booth what the town will do with the \$30,000 not given to the Chamber. Mr. Booth
316 answered that he could develop a website and do some advertising and with \$150,000 he
317 could do even more. Mr. Loftus stated that JC Penny had said that 50 percent of his
318 advertising works, he just did not know which 50 percent it was. Mr. Booth argued that if
319 the town does nothing than no one will know the town is here. There was some discussion
320 regarding Mr. Booth's original idea to start up another Chamber and how that was an error to
321 attempt to change things that quickly. Mr. Servant stated that sometimes the town needs to
322 point fingers at themselves in that they have not done anything previously to promote the
323 town. **All voted in favor. MOTION CARRIED.**

324

325 Mr. Servant stated that he did not oppose the motion although he feels that he should but only
326 because he does not feel that Surfside Beach got what they had been promised.

327

328 **7. PUBLIC COMMENTS**

329 There were no public comments.

330

331 **8. COMMITTEE COMMENTS**

332 Mr. Mathers stated that he had addresses for all of the Welcome Centers and would e-mail
333 them to the town. Mr. Loftus stated that this would be his last meeting; he would be
334 resigning to join Horry County Council and added that he had enjoyed his service. Mr.
335 Servant wished Mr. Loftus well and thanked him for his service with the committee. Mr.
336 Harrison echoed Mr. Servant's sentiments regarding Mr. Loftus and added how he always
337 brought a wealth of knowledge, expertise and experience that has assisted the committee
338 greatly. Mr. Harrison stated that he has great concerns about the budget as presented and
339 hopes it can be tweaked prior to council voting on it.

340

341 It was determined that the next meeting would be held after the 1st of the year with a date to
342 be determined and that 4:30 on a Wednesday or Thursday would work out for everyone.

343

344 **9. ADJOURNMENT**

345 Meeting was adjourned at 6:15 P.M.

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Approved: _____

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APPROVED

Sharon Pinnell, Town Clerk

Clerk's Note: This document constitutes minutes of the meeting, which was audio taped. In accordance with FOIA, meeting notice and the agenda were faxed and/or emailed 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.