



# **The Town of Hilton Head Island Accommodations Tax Advisory Committee Regular Meeting**

**Wednesday, August 25, 2010  
9:00 a.m. – Benjamin M. Racusin Council Chambers**

## **REVISED AGENDA**

---

**As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting**

- 1. Call to Order**
- 2. Freedom of Information Act Compliance**  
Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 3. Approval of Minutes**
  - a. Regular Accommodations Tax Advisory Committee Meeting of July 7, 2010
- 4. Chairman's Report**
- 5. Unfinished Business**
- 6. New Business**
  - a. Report from the VCB on tourist activity and projected accommodations revenue for the first six months of the year and report from the Finance Department on accommodations tax revenues for the first six months of the year. Discussion of the disparity, if any.
  - b. Update report from Susan Simmons on progress at setting up system to identify and track rental of homes and villas by owners who do not collect or remit applicable taxes.
  - c. Presentation of request for supplemental funding for the 2010 season by Main Street Youth Theater.
- 7. Adjournment**

**Please note that a quorum of Town Council may result if four (4) or more of Town Council members attend this meeting.**

**TOWN OF HILTON HEAD ISLAND  
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

**Date:** July 07, 2010 **Time:** 2:00 p.m.

**Members Present:** Willis O. Shay; *Chairman*, John Diamond; *Vice-Chairman*, Michael A. Keskin, John Munro, Bret Martin

**Members Absent:** Frank Soule

**Staff Present:** Susan Simmons; *Director of Finance*, Steven Markiw; *Deputy Finance Director*, Lori Schmidt; *Billing & Cash Receipting Manager*, Debra Cyrilla, *Accounting Specialist*

**Others Present:** Mayor Tom Peeples, Councilman Bill Ferguson, Steve Riley; *Town Manager*, Louise Cohen; *Outgoing Member*, members of the public

**Media:** None

---

**1. CALL TO ORDER:**

The meeting was called to order at 2:00 P.M.

**2. FOIA COMPLIANCE:**

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

**3. SWEARING IN OF REAPPOINTED MEMBERS:**

Mayor Tom Peeples swore in reappointed committee member John S. Munro. Mayor Peeples thanked Mr. Munro for his willingness to serve on the Accommodations Tax Advisory Committee and for doing an excellent job, as did all of the members of the ATAX Committee.

**4. CRYSTAL AWARD PRESENTATION:**

Mayor Tom Peeples presented Ms. Louise Cohen with the Crystal Award on behalf of the Town of Hilton Head Island for her six years of service on the Accommodations Tax Committee and encouraged her to reapply for future service.

**5. RECEPTION:**

**6. SPECIAL ORDERS:**

**Election of Chairman and Vice Chairman.** John Munro nominated Willis Shay as Chairman. Bret Martin seconded the motion. There were no other nominations. Mr. Shay was elected Chairman unanimously.(5-0)

Bret Martin nominated John Diamond as Vice-Chairman. John Munro seconded the motion. There were no other nominations. Mr. Diamond was elected Vice-Chairman unanimously.(5-0)

**7. APPROVAL OF MINUTES:**

Mr. Martin moved to approve the Minutes of May 4, 2010. Mr. Munro seconded the motion. The Motion passed unanimously.(5-0)

**8. CHAIRMAN'S REPORT:**

Mr. Shay reviewed the purpose of the meeting.

**9. UNFINISHED BUSINESS:**

**10. NEW BUSINESS:**

**a. Preliminary Review of Grant Application Form.** Mr. Shay reminded the committee that last year they decided to make electronic filing mandatory when applying for an Accommodations Tax Grant starting with the 2011 application. All committee members concurred. Mr. Shay recommended that he and Mr. Diamond review the application and make recommendations for changes to the committee members. Mr. Munro suggested that staff be involved in the process. Any changes to the application will be completed by the end of this month.

**b. Preliminary review of Committee By-Laws.** By-Laws were provided to all committee members to review at their leisure. After review, if any member would like to suggest changes, two weeks notice should be given to Mr. Shay to be included in the agenda of the next regular meeting.

**c. Consideration of recommendation to Town Council of an amendment to Town Ordinance Chapter 1, Sec. 10-1-10.** The Committee discussed recommending to Town Council an amendment to Town Ordinance Chapter 1, Sec. 10-1-10 in regards to business license requirements covering owners who offer for rent residential units within the town. Mr. Munro moved to change the Town Ordinance definition of a business from, "if that individual owns and rents more than one (1) residential unit within the town" to read, "if that individual owns and rents one (1) or more residential units within the town." Mr. Diamond seconded the motion. Several members of the Committee have offered to assist the Town in researching and tracking owners of rental properties. The Motion passed unanimously. (5-0)

**11. ADJOURNMENT:**

Mr. Munro moved to adjourn the meeting. Mr. Martin seconded the Motion. The meeting was adjourned at 2:37 p.m.

**Approved:**

**Respectfully submitted:**

---

**Willis O. Shay, Chairman**

---

**Debra Cyrilla, Secretary**

Main Street Youth Theatre Update  
August 2010

In February 2010 Town Council recommended that Main Street Youth Theatre receive \$25,000 in ATAX funds. They also indicated that once the theatre had finalized plans for a new performing venue and rehearsal space that it report back to them to request the additional \$23,000 in funds the Council placed in reserve while these decisions were being completed. The following information along with the attached financial documents is intended to serve as our ATAX report update.

In May of 2010 the theatre's lease at 3000 Main Street ended. As explained in our grant, renegotiations of that lease were not pursued due to financial reasons. Instead, the theatre vacated the property and leased a 5000 square foot building located at 25 New Orleans Road which has been converted into an educational facility. It is designed to be used for rehearsals, classes, set building and storage. The theatre successfully rehearsed their June production of *A Midsummer Night's Dream* and their July production of *Peter Pan* in the new studio space as well as built the sets for each show there. The theatre also contracted with the Beaufort County School System to rent the Visual and Performing Arts Center on Hilton Head Island as a performing venue for three shows a year which will run 4-5 weeks each. *Peter Pan*, our first show performed at the VPAC, opened July 7<sup>th</sup> and ran through August 1, 2010. This facility will become the primary performing venue for the theatre.

Additionally, the theatre also used the community Band Shell purchased by ATAX funds a few years ago to stage Hilton Head Island's first ever *Shakespeare in the Park* event in June 2010. *A Midsummer Night's Dream* ran four nights at Shelter Cove Park and was a resounding success. Main Street plans to expand their *Shakespeare in the Park* series next summer to run over a two week period. We are also currently exploring other shows that lend themselves to outdoor theatre. Shelter Cove Park is a wonderful low cost venue which could be used to stage performances all throughout the year.

Our attendance continues to be strong both locally and with Island visitors. Our spring production of *FAME* had attendance of roughly 1200 including 50% of our patrons coming from outside our local geographical area and 25% from outside our region and state. *A Midsummer Night's Dream* exceeded our expectations with attendance of 600 with 25% of our patrons coming from outside our geographical area. *Peter Pan* had attendance of over 2000 also with a large percentage of patrons coming from outside our region and state. We are confident the news that Main Street Youth Theatre will have served almost 4000 patrons in four months with three different performances is a strong indicator that we are on solid ground and have developed a good business model to continue this success into the future.

Kim Likins  
Executive Director  
Main Street Youth Theatre

**Main Street Youth Theatre Inc.**  
**Balance Sheet**  
 As of May 31, 2010

|                                   | May 31, 10        |
|-----------------------------------|-------------------|
| <b>ASSETS</b>                     |                   |
| Current Assets                    |                   |
| Checking/Savings                  | 149,588.10        |
| CoastalStates Money Market        | 7,397.48          |
| CoastalStates                     | 2,992.37          |
| First Federal                     | 12,905.76         |
| Gallagher Endowment               | 200.00            |
| Petty Cash                        | 200.00            |
| <b>Total Checking/Savings</b>     | <b>173,083.71</b> |
| Other Current Assets              |                   |
| Due to Temporarily Restricted     | 5,000.00          |
| Prepaid Rent                      | 8,448.75          |
| Prepaid Royalty                   | 4,715.00          |
| Barter Receivable                 | 3,159.06          |
| <b>Total Other Current Assets</b> | <b>21,322.81</b>  |
| <b>Total Current Assets</b>       | <b>194,406.52</b> |
| Fixed Assets                      |                   |
| Leasehold Improvements            | 259,185.70        |
| Equipment                         | 53,500.59         |
| Accumulated Depreciation          | -83,005.00        |
| <b>Total Fixed Assets</b>         | <b>229,681.29</b> |
| <b>Total Fixed Assets</b>         | <b>229,681.29</b> |
| Other Assets                      |                   |
| Deposit                           | 6,000.00          |
| Intangible Assets                 | 3,600.00          |
| <b>Total Other Assets</b>         | <b>9,600.00</b>   |
| <b>TOTAL ASSETS</b>               | <b>433,687.81</b> |
| <b>LIABILITIES &amp; EQUITY</b>   |                   |
| Liabilities                       |                   |
| Current Liabilities               |                   |
| Other Current Liabilities         |                   |
| Deferred Grant Revenue            | 4,820.00          |

**Main Street Youth Theatre Inc.**  
**Balance Sheet**  
 As of May 31, 2010

4:01 PM  
 07/23/10  
 Accrual Basis

|                                       | May 31, 10               |
|---------------------------------------|--------------------------|
| Payroll Liabilities                   |                          |
| Federal                               | 1,264.08                 |
| Payroll Liabilities - Other           | 311.72                   |
| Total Payroll Liabilities             | <u>1,575.80</u>          |
| Total Other Current Liabilities       | <u>6,395.80</u>          |
| Total Current Liabilities             | 6,395.80                 |
| Long Term Liabilities                 |                          |
| First Federal Note Payable            | 60,000.00                |
| Total Long Term Liabilities           | <u>60,000.00</u>         |
| Total Liabilities                     | 66,395.80                |
| Equity                                |                          |
| Equity                                | 171,107.03               |
| Prior Period Adjustments              | -83,843.69               |
| Retained Earnings                     | -21,030.98               |
| Net Income                            | 301,059.65               |
| Total Equity                          | <u>367,292.01</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b><u>433,687.81</u></b> |

## Main Street Youth Theatre Inc.

## Profit &amp; Loss

January through May 2010

|                            | Jan - May 10 |
|----------------------------|--------------|
| Income                     |              |
| Admissions                 |              |
| Box Office                 | 25,028.00    |
| Online Ticket Sales        | 5,253.36     |
| Total Admissions           | 30,281.36    |
| Production Costume Fee     | 6,921.00     |
| Concessions                |              |
| Snacks                     | 2,470.60     |
| Photos                     | 57.00        |
| Total Concessions          | 2,527.60     |
| Tuition                    |              |
| After School Classes       | 1,825.00     |
| Total Tuition              | 1,825.00     |
| Rental Income              |              |
| SPMA                       | 1,500.00     |
| World Affairs              | 2,920.00     |
| Other                      | 300.00       |
| Total Rental Income        | 4,720.00     |
| Donations                  |              |
| Gallagher Estate           | 214,048.16   |
| Donations - Other          | 61,382.80    |
| Total Donations            | 275,430.96   |
| Fundraising Events         |              |
| Fame Gala                  | 3,780.00     |
| Appeal Letter              | 125.00       |
| Total Fundraising Events   | 3,905.00     |
| Judy Gallagher Endowment   | 100.00       |
| Interest                   | 226.84       |
| Miscellaneous Income       | 87,230.72    |
| Total Income               | 413,168.48   |
| Expense                    |              |
| Fundraising                | 1,003.04     |
| General and Administrative |              |
| Meals                      | 30.00        |
| Background Checks          | 277.89       |

**Main Street Youth Theatre Inc.**  
**Profit & Loss**  
 January through May 2010

|                                  | Jan - May 10 |
|----------------------------------|--------------|
| Insurance                        |              |
| Worker's Comp                    | -693.50      |
| General Liability                | 2,188.20     |
| Equipment Floater                | 265.00       |
| Total Insurance                  | 1,759.70     |
| Bank Expenses                    |              |
| Bank Charges                     | 207.05       |
| Credit Card Service Charges      | 594.64       |
| Total Bank Expenses              | 801.69       |
| Office Supplies                  | 296.99       |
| License                          | 50.00        |
| Gifts Expense                    | 66.88        |
| Total General and Administrative | 3,283.15     |
| Concession                       |              |
| Snacks                           | 89.07        |
| Other                            | 1,830.88     |
| Total Concession                 | 1,919.95     |
| Education                        |              |
| After School                     | 250.00       |
| Summer Camp                      | 245.00       |
| Supplies                         | 44.32        |
| Total Education                  | 539.32       |
| Occupancy                        |              |
| Moving                           | 3,894.95     |
| Lease                            |              |
| Rent                             | 20,530.00    |
| Building Insurance               | 2,130.00     |
| Total Lease                      | 22,660.00    |
| Utilities                        |              |
| Electric                         | 4,848.00     |
| Telephone                        | 1,588.00     |
| Water                            | 243.00       |
| Total Utilities                  | 6,679.00     |
| Landscap Maintenance             | 1,000.00     |
| Waste Removal                    | 658.87       |
| Supplies                         | 70.44        |
| Repairs and Maintenance          | 57.84        |
| Total Occupancy                  | 35,021.10    |

## Main Street Youth Theatre Inc.

## Profit &amp; Loss

January through May 2010

Jan - May 10

|                              |           |           |
|------------------------------|-----------|-----------|
| Personnel Expense            |           |           |
| Executive Director           | 11,458.37 |           |
| Artistic Director            | 12,500.00 |           |
| Theatre Manager              | 1,737.75  |           |
| Stage Manager                | 5,250.00  |           |
| Graphic Design               | 2,572.50  |           |
| Musical Director             | 3,500.00  |           |
| Lighting Designer            | 1,125.00  |           |
| Set Designer                 | 3,000.00  |           |
| Musician                     | 690.00    |           |
| Administrative               | 683.41    |           |
| Technicians                  | 1,505.00  |           |
| Payroll Taxes and Expenses   | 3,434.84  |           |
| Total Personnel Expense      |           | 47,456.87 |
| Production Expense           |           |           |
| Royalties, Scripts and Music | 8,280.00  |           |
| Advertising Expense          |           |           |
| Website Hosting              | 572.15    |           |
| Rack Cards                   | 147.51    |           |
| Newspaper                    | 3,278.58  |           |
| Posters                      | 513.98    |           |
| Magazine                     | 890.00    |           |
| Miscellaneous                | 234.35    |           |
| Programs                     | 1,174.67  |           |
| Total Advertising Expense    |           | 6,811.24  |
| Production Expenses          |           |           |
| Costumes                     | 78.00     |           |
| Set                          | 700.00    |           |
| Audio                        | 208.75    |           |
| Printing Expense             | 225.83    |           |
| Other                        | 3,959.57  |           |
| Total Production Expenses    |           | 5,172.15  |
| Cast                         |           |           |
| Food                         | 412.89    |           |
| T-Shirts and Hats            | 580.35    |           |
| Photos                       | 154.31    |           |
| Total Cast                   |           | 1,147.55  |
| Warehouse Rental             |           |           |
| Total Production Expense     |           | 2,550.00  |
|                              |           | 23,960.94 |

3:53 PM

07/23/10

Accrual Basis

**Main Street Youth Theatre Inc.**  
**Profit & Loss**  
January through May 2010

|                              | Jan - May 10      |
|------------------------------|-------------------|
| Interest Expense             | 937.50            |
| Reconciliation Discrepancies | 7.95              |
| Suspense                     | -2,020.99         |
| Total Expense                | 112,108.83        |
| Net Income                   | <b>301,059.65</b> |