

Complaint Item 1

Compliant

“According to City Council Minutes of April 16, 2018, Mayor and Council voted to approve the Wednesday Wind Down event in the amount of \$30,000 from Hotel/Motel Taxes.”

DCA Finding

Expenditures on the Wednesday Wind Down event totaling \$23,365 are out of compliance with HMT Law defining the eligible recipients of TCT restricted funds.

City of East Point’s Response

The City concurs that the \$23,365 expended for the Wednesday Wind Down Event was paid directly to the vendor instead of to the DMO or a Private Sector Non-Profit Organization. The City has implemented procedures in which all qualifying TCT funding for the Wednesday Wind Down Event will be budgeted and paid directly to the DMO. The DMO will ensure that all staging costs meet the requirements of O.C.G.A. 48-13-51(a).

Complaint Item 2

Complaint

“Per City Council Minutes of January 22, 2019, Mayor and Council voted to approve \$22,000 *Sponsorship of “Legends Live Weekend”* using Hotel and Motel Taxes.”

DCA Finding

Not Considered.

City of East Point’s Response

N/A

Complaint Item 3

Complaint

“City Auditorium roof repairs”; “Construction of Government Center Building”; Improvement and renovations of City buildings”

“I am concerned that the City is using Hotel/Motel Tax Money to the Wi-Fi at the New City Hall Building as well as CCTV and Server room upgrades, which all may qualify as capital projects, but do not seem to be related to tourism.”

DCA Findings

The repairs of the City Auditorium could be appropriate based on the previously provided definition in O.C.G.A. 48-13-50.2(6). The Complaint Item also raised concerns about expenditures on the ongoing construction and renovation of the Government Center. Significant fund balance in the Center Fund and Hotel/Motel containing restricted Hotel/Motel Tax dollars make it difficult to determine firm percentages going towards TPD on an annual basis, though significantly more than the mandated 18.75 appear to be allocated towards TPD related projects.

City of East Point’s Response

The City concurs with the finding that the expenditures were appropriate and in compliance with O.C.G.A. 48-13-50.2. The City allocates and maintains 2% of the 8% (37.5%) collected for TCT projects in a separate restricted fund. These funds are restricted for future redevelopment of the City Auditorium, green space and outdoor amphitheater and a Welcoming Center. In addition, the City maintains 1.5% or 18.75 in another restricted funds for TPD projects. A total of 43.75% is allocated for TCT and TPD projects.

Compliant Item 4

Complaint

“An Additional transfer of \$1.7 million from Hotel Tax Fund to the General Fund”

DCA Finding

Not Considered.

City of East Point’s Response

N/A

Complaint Item 5

Complaint

“According to the City Council Meeting Minutes of February 18, 2019, Mayor and Council voted to use \$45,000 of Hotel/Motel Tax Money to provide a “Lump Sum Cash Donation” to the Sickle Cell Foundation of Georgia for their 2019 Sickle Cell Road Race/Walk. While the City has given cash and in-kind donations to this event in the past, they have done so from the General Fund and the cash amount has not exceeded \$15,000 per year. I am skeptical that the event would even cost this much to put on since they are charging an entrance fee in addition to soliciting other donations. This seems to be a donation to the organization which would violate the Gratuities Clause in addition to being an improper use of the Hotel/Motel Tax dollars.”

DCA Findings

The Sickle Cell Foundation of GA was ineligible to receive \$11,473 provided for the promotion of the Sickle Cell Race. Records provided by the City explaining how TCT funds were allocated to the DMO indicated that 18.75% is reserved for this purpose. According to O.C.G.A. 48-13-5-1(b), 43.75% of total HMT Revenues must be spent on TCT “Through a contract or contracts with the State, a department of State government, a State Authority, Convention and Visitors Bureau Authority created by local act of the General Assembly for a municipality, or a private sector nonprofit organization, or through a contract or contracts with some combination of such entities.” The table in Appendix B demonstrates how the City distributed funds in Fiscal Year 2018, with 6.5/8% going to the City and 1.5/8% going to the DMO.

City of East Point’s Response:

The City concurs with the findings that the Sickle Cell Foundation of GA was ineligible to receive \$11,473 in funds. The City has implemented procedures for all eligible expenditures to be paid to the DMO as allowed in O.C.G.A. 48-13-5.

The City disagrees with the find that interprets the City receiving 6.5%/8% of HMT Revenues. The schedule shows that the City allocates funds as follows:

3% - Unrestricted -Transferred to the General Fund.

2% - Restricted – Transferred to Restricted Fund for the Redevelopment of the City Auditorium, Welcome Center, green space for the amphitheater and development of meeting space.

1.5% - Restricted – Transferred to DMO. Funds are transferred out of restricted account.

1.5% - Restricted – TCT or TPD projects. Funds are held in a restricted account.

1.5%/8% HTM Revenues held in restricted account is designated for TCT or TPD projects. The City has implemented procedures for these funds to be paid to the DMO, instead of to a vendor, for all allowable TPD projects.

Complaint Item 6

Complaint

“Local Soccer Fields” (\$75,000)

DCA Findings

Not Considered

City of East Point’s Response

N/A

Complaint Item 7

Complaint

“Use Hotel/Motel Tax funding in an amount not to exceed \$30,000 for the East Point Jazz Festival”.

DCA Findings

Not Considered

City of East Point’s Response

N/A