

ACCOMMODATIONS TAX ADVISORY COMMITTEE

11:00 a.m., Thursday, March 22, 2012

A Special Meeting of the Accommodations Tax Advisory Committee was held at 11:00 a.m. on Thursday, March 22, 2012 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Committee members Covington, Miller, Nelson and Russell, Chair Ferencz, City Administrator Tucker, Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. The absences of Committee members Burgis and Kruesi were excused; a quorum was present to conduct business.

1. Chair Ferencz called the meeting to order and acknowledged that the press and public had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. Approval of Previous Meeting's Minutes

MOTION: Ms. Miller moved to approve the minutes of the regular meeting of January 4, 2012 as submitted; Mr. Nelson seconded and the motion PASSED UNANIMOUSLY.

3. Old Business

Spoletto Festival USA – Sponsorship vs. Advertising

By way of introduction, Administrator Tucker reported that the City has sponsored a Spoleto event for, at least, the past ten (10) years using ATAX funds; through that sponsorship, the City gains exposure from the Spoleto website with a link to the City's website and through the sponsorship brochure. When the sponsorship brochure was distributed, the Chair noticed that a couple of local governments had purchased advertising, but were not sponsoring an event; the Isle of Palms has never purchased advertising from Spoleto. The question has been raised as to which use of ATAX funds – sponsorship or advertising – gives the City "the best bang for its buck," especially when those in the accommodations industry on the island say that the island is booked solid during Spoleto events. The question before the Committee is should the City better use its accommodations funds elsewhere to accomplish the goal of "putting heads in beds" on the island.

Stephanie Steele, Sponsorship Manager for the Festival, the face for Spoleto to the City for sponsorships, initiated her comments by stating that sponsorship income, contributed income and advertising are all pieces of the Festival's income picture; she stated that "sponsorship income is much more impactful to the Festival as an organization and as an event than individual advertising is." The other local governments that support the Festival are the City of Charleston and Charleston County; the advertisements that the Administrator referenced were actually purchased from property management companies on Kiawah Island and Daniel Island, not the municipalities. Ms. Steele stated, matter of factly, that other municipality do not get the sponsorship benefits like the City does; the City gets the same type of sponsorship benefits that are offered to corporate sponsors, i.e. program sponsorship, complimentary tickets, exposure through printed materials and the website.

Ms. Steele indicated that the purchase of an advertisement on the accommodations page may not fit because those ads are tied to an accommodations entity that provides a telephone number or contact information for making reservations during the Festival.

Ms. Steele agreed with the Administrator that few people who attend Festival events stay on IOP, but many artists do. The payoff to the City is more one of an introduction to the island and its amenities for future visits. The City's sponsorship is more of a branding or profile issue as the City establishing itself as a supporter of the event rather than just an advertiser. She concluded that something like Spoleto, which brings people from around the country to the Charleston area, is good for everybody in the area; she then distributed a handout that identified all of the placement opportunities the City gets as part of the sponsorship package. The email blasts and the placement on the website are all negotiated extras for the City, some of which cannot be duplicated in advertising. (A copy is attached to the historical record of the meeting.)

Helen DeBuse, Patron Services and Sales Manager for the Festival, stated that the City currently has three (3) advertising media as follows:

- The ticket brochure that is distributed in January,
- The website, and
- The Festival program book that is distributed at every event.

In the back of the ticket brochure is a large accommodations and attractions listing; the most recent version is purely an accommodations guide that is helpful to ticket buyers. Each of these listings is a paid advertisement for a specific property that includes a physical address, a website and phone number to book reservations. Boat tours and the Gibbes Museum advertise in the Festival program book that is distributed at the performances thus providing opportunities for visitors to enhance their Festival experience. Ms. DeBuse noted that the ticket brochure and the program book are duplicated on the Festival website.

Responding to a request from the Chair on a cost analysis, Ms. DeBuse stated that accommodations listings in the ticket brochure are twelve hundred fifty dollars (\$1,250) that include a listing on the website. The accommodations listings are limited to thirty (30) words. The four (4) color ads in the program book range from a quarter ($\frac{1}{4}$) page ad for eight hundred dollars (\$800) to a full page ad for twenty-eight hundred dollars (\$2,800).

In informal conversations with the Chair, Administrator Tucker related that they had discussed the possibility that the City could do some advertising in addition to the sponsorship, and one (1) thought would be an ad inviting people to come the IOP in the off-season when the weather is still beautiful and rental rates are lower.

Assistant Dziuban sought confirmation that the City would be required to provide camera-ready art; Ms. DeBuse agreed.

Ms. Russell asked whether the City had camera-ready art, and the Assistant answered in the negative. In addition, she asked if the City had an agency representing the island and was also answered negatively.

Chair Ferencz stated that she had brought this subject to the Administrator's attention after looking at the accommodations page of the ticket brochure and seeing that the City was not listed; she was concerned that the City gave fifteen thousand dollars (\$15,000) to sponsor an event, but was not listed on the accommodations site. When the goal of ATAX is "to put heads

in beds,” she questioned that an event sponsorship was the way to accomplish it. The Chair suggested that having an ad on the accommodations page directing people to the Visitors section of the City’s website might be better.

Chair Ferencz cited Chapter 4 Section 6-4 of the South Carolina Code of Laws as stating that ATAX funds are to be used for advertising or promotion of a particular festival; the support of a program, in her opinion, indicates that the Committee is following the spirit of the law, but possibly not the letter of the law.

Mr. Nelson offered that the Committee could contribute ten thousand dollars (\$10,000) to sponsor an event and five thousand dollars (\$5,000) in advertising. The Chair thought that proposal would be a good compromise and asked that both options be presented to the Committee for the 2013 Spoleto Festival.

Ms. Steele said that the Festival has made opportunities to put printed materials at various Spoleto events; at one point, the City had a brochure that was included in the Festival packets. She iterated that Spoleto is open to ideas from the City for promoting IOP from placement on the Spoleto website or printed materials. Referring to the accommodations pages in the ticket brochure, Ms. Steele said that, when visitors have that in their hands, their first move is to call an 800 number to make a reservation, and every accommodations listing in those pages has a toll free number of a central reservations center. These pages are not just an advertising area for the Festival, but it is also a guide for the visitor.

Mr. Covington said that his experience is that few people stay on the island when they are in the area for Spoleto; therefore, he thought that there were better opportunities “to put heads in beds” than either advertising through Spoleto or sponsoring an event.

Chair Ferencz thanked Ms. Steele and Ms. DeBuse for attending the meeting and presenting a fuller picture of opportunities for the City through Spoleto.

4. New Business

Orientation of ATAX Members

Chair Ferencz commented that she had requested this meeting in an effort to inform the Committee so that they can be better members by understanding their responsibilities and limitations.

a. Introduction of Members – Bios distributed

Administrator Tucker noted that Malcolm Burgis and Mary Alice Kruesi had conflicts that kept them from attending this meeting; she remarked that Mr. Burgess has been on the Committee and in the community for a long time; Ms. Kruesi is a new member.

The Administrator indicated that the short bios were meant to be a tool for the members to know a little about each other.

b. Freedom of Information Act Requirements for Committee Members

Administrator Tucker distributed pocket-sized, quick reference cards on the Freedom of Information Act (FOIA) to each member. The purpose of Freedom of Information Act is to ensure that the business of the government is conducted where the people can “see” it. This is the reason for open meetings, for setting agendas in advance, etc. – to avoid conducting business in a manner that is not in full visibility of the public, whose money is involved in the business. The Administrator then followed with a couple of examples of inadvertent violations of FOIA, i.e. one (1) related to electronic media and another was the unintended coming-together of a majority of members at an event and discussing Committee business. The Administrator closed the discussion noting that FOIA is all about avoiding even the appearance of impropriety.

The State frequently makes changes to the Freedom of Information Act, and people active in community service need to pay attention.

On the subject of members of one (1) committee attending the meetings of another committee; Administrator Tucker stated that, when issues move from this Committee to Ways and Means and on to City Council, having the Chair or Vice Chair attend those meetings might be advisable to respond to questions or concerns or provide additional information to Ways and Means or City Council. In terms of ATAX members attending other meetings, there would likely not be a problem, but avoiding circumstances where one might be called upon to speak would be advisable.

Administrator Tucker urged members of the Committee to use the City’s staff to get the answers to their questions or concerns; it is not necessary to wait for a meeting to get answers and/or information. When asked for information or to answer a question at a meeting, the data may not be readily available, whereas, if asked in advance, both time and resources are at hand.

Assistant Dziuban asked that the Administrator address a member requesting for a topic to be added to a meeting’s agenda. The way the process works for developing an agenda is that a file is opened for each pending meeting, and materials relevant to that meeting are placed in the folder. As the meeting time nears, those materials, the draft agenda from the previous meeting and other City meetings are combined to generate the agenda which is then given to the Committee Chair for approval and/or changes. Members have two (2) opportunities to get a subject on the agenda; he/she can (1) contact City staff and (2) contact the Committee Chair; the Chair has the final approval of the meeting’s agenda.

The Administrator urged the Committee members to become involved with the Charleston Visitors Bureau (CVB), the City’s selected tourism promotion agency; she said they do an excellent job at promoting the area. She recalled that, when the economy was at its worst, the CVB found ways to say positive and uplifting things about the region. The weekly newsletter contains a lot of good data on visitation, what is happening in the region, etc. Perrin Lawson is the City’s contact with the CVB, and he has always been responsive to requests and input from the City. Administrator Tucker pressed the members to read the newsletter to the end because it always concludes with quotes from people in the travel industry or visitors to the area about their positive experiences when visiting the Low Country; the comments are always uplifting.

Ms. Russell mentioned that she attends the CVB's Travel Council representing her employer; she asked if she could also represent the IOP ATAX Committee. Administrator Tucker did not see that as any kind of conflict.

c. Robert's Rules of Order – Rules of Procedure

Included in meeting packets was the same handout that is given to new Councilmembers when they have their orientation. The items the City Attorney highlights are areas where there are difficulties with Robert's Rules; the Administrator reviewed a couple of the most misunderstood.

In preparing for the meeting, staff could not locate where the Committee ever had Rules of Procedure, and, after consulting with the City Attorney, it was agreed that the Committee should have Rules of Procedure. The draft included in the meeting packet is based on how the Committee has operated in the past.

Administrator Tucker asked that members review what is presented between now and the April 4th meeting and, in concurrence, be prepared to adopt via motion at that meeting.

Chair Ferencz referred to the "Attendance" paragraph in the Rules of Procedure that recommends "removal for cause of any member who is absent from three (3) consecutive meetings without adequate reason" and commented that one (1) member has missed two (2) meetings. The Administrator stated that she did not think that this was to mean that dismissal would be automatic, but rather to allow a mechanism to suggest to Council that a person's attendance record is far in excess of the Committee's Rules of Procedure.

d. Summary of State Requirements

Treasurer Suggs indicated that her comments would follow the copy of the South Carolina Code of Laws Accommodation Taxes section; she started by quoting from the law two (2) definitions which follow:

"Travel" and "tourism" mean the action and activities of people making trips outside their home communities for any purpose, except daily commuting to and from work.

The Treasurer stated that the City has worked to retain that definition of tourist because the City uses accommodations tax money to support police, fire and public works services, and part of doing that to stay within the regulations is to state the number of tourists the City is serving. Police, fire and public works are impacted not only by those who come to stay overnight, but also by people who come over for the day; therefore, the City would not want the definition of tourist to be limited to those who stay overnight.

Chair Ferencz referred to the information headed "Policy on the Interpretation of 'Tourism Related Expenditures'" which states

". . . define tourism 'as activities associated with overnight trips away from home in paid or unpaid accommodations and day trips to places 50 miles or more, one way, from the traveler's origin'."

In recent years, the fifty (50) mile rule has been debated, and City got a specific okay because the City has many visitors who come less than fifty (50) miles that burden the City's services. To-date the City has not been held to the fifty (50) mile rule, because the actual law does not mention the fifty (50) mile limitation.

The Tourism Expenditure Review Committee (TERC) is the group that receives the City's annual report and that approves the City's expenditures, which causes the Treasurer to conclude that the City is not held to the fifty (50) mile rule.

Administrator Tucker commented that the day-tripper, a "tourist" in the minds off IOP, has a much more negative impact on the full-time resident than the tourist who comes and stays a week. If the City had to pay for the services it provides in order to accommodate the day-trippers, i.e. extra garbage pickups, extra patrol officers to manage traffic, etc., only from General Fund money, full-time residents would be forced to bear the financial burden for expenses the City has because tourists come to visit for the day. If the law were changed to define tourists strictly as only those who spend the night, it would have a significant fiscal impact on the residents.

To best illustrate how ATAX funds must be allocated, Treasurer Suggs directed attention to the copy of the City's annual report filed with TERC; they, in turn, review the expenditures. The first twenty-five thousand dollars (\$25,000) received by the municipality goes to the City's General Fund, as well as five percent (5%) of the remaining balance. Thirty percent (30%) of that balance goes for advertising and promotion, which for the City is the CVB; the remaining balance is the money over which this Committee has purview. At this point, the sixty-five percent (65%) carried forward from the prior year is added in along with the interest earned.

Of the money the City is allowed to keep, the law requires that it be spent within two (2) years; Treasurer Suggs uses the "first in, first out" approach to the expenditure of ATAX funds. If the Committee spends approximately half ($\frac{1}{2}$) of the fund balance each year, the City does not have to worry about holding money for more than two (2) years.

An exception to the two (2) year rule is given when the municipality has a plan that requires that funds be committed for multiple years for a specific program or project. The City has never needed to exercise this option.

Mr. Covington asked what mix of percentages make up the thirteen percent (13%) accommodations tax collected. Treasurer Suggs reviewed the taxes as follows:

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|-------------|---|
| 5.0% | State sales tax |
| 1.0% | Charleston County Local Option Sales Tax |
| 1.0% | Charleston County Schools Tax |
| 0.5% | Charleston County Transportation Sales Tax |
| 2.0% | State ATAX |
| 1.0% | IOP Municipal Accommodations Fee |
| <u>2.0%</u> | <u>Charleston County Accommodations Tax</u> |
| 12.5% | TOTAL |

Mr. Covington's concern was that the City was getting its fair share of the taxes collected in the name of accommodations; the Treasurer referred him to section 6-4-20 of the law which covers the distribution of revenues. Treasurer Suggs summarized the section by saying that two percent (2%) of the two percent (2%) State ATAX collected on the Isle of Palms is kept at the state level and certain state agencies receive the benefit; the law, also, has a "Robin Hood" provision that takes the other seven percent (7%); therefore, nine percent (9%) of the two percent (2%) collected on the island goes away from the island. Of the one percent (1%) municipal accommodations taxes, Charleston County collects the fee for the City and keeps a small piece as an administrative fee.

Chair Ferencz referenced her attendance at the Ways and Means Committee where discussions about increasing the City's Disaster Recovery Fund from one million eight hundred thousand dollars (\$1,800,000) to three million dollars (\$3,000,000) took place. The Chair questioned whether ATAX funds could be put into a Tourist Recovery Fund for communicating to the public after a disaster that the island is again "open for business" as a project for which money needs to accumulate for multiple years. Treasurer Suggs said that she would inquire of TERC whether they would allow this use as a multi-year program and exempt the City from the two (2) year spending requirement. The Chair suggested wording to indicate that the money was not going into the City's Disaster Recovery Fund, but into a separate fund to be ATAX funds earmarked for recovering tourism to the island after a disaster.

Mr. Nelson said that a disaster would impact the budget in that the programs currently included in the budget would not exist and the money would go toward the immediate recovery needs.

Returning to a review of the annual report, the Treasurer indicated that the balance of the report is a listing, by category, of the expenditures for the year using ATAX funds; the categories are 1-destination advertising/promotion, 2-tourism-related events, 3-tourism-related facilities, 4-tourism-related public services, 5-tourist public transportation, 6-waterfront erosion/control/repair, and 7-operation of visitor information centers.

Ms. Russell commented that the only ATAX money spent on advertising is the t-shirt give-away program. Administrator Tucker mentioned that the City does other advertising in the *Film Industry Guide* and *The Waterway Guide*; one reason the City does not do more print advertising is that the City does not have an advertising/marketing department to generate a product that is representative of the island. The Administrator did point out that "Army Wives" is currently filming an episode in the City.

Treasurer Suggs then directed attention to page 4 of SC Revenue Ruling #98-22 that has a test that she thought to be what TERC uses to determine whether or not to approve an expenditure and would be a good measure when requests come before the Committee. The test has two (2) points; they are

- (1) The expenditures must be used to attract or provide for tourists.
- (2) The expenditures cannot be used for an item that would normally be provided by the County or municipality.

The Treasurer stated that the City uses ATAX funds to fund twenty-five percent (25%) for large fire apparatus and thirty percent (30%) toward garbage trucks; ATAX funds also are used to support the police and fire departments. When the City uses ATAX funds, it must be assured that the level of service these departments are providing would not be necessary if the City did not have the level of tourism that it does; for instance, the City would not need the number of garbage trucks that it has were it not for the volume of garbage generated by tourists.

Administrator Tucker added that transfers to the General Fund from Municipal ATAX cover the wages of full-time seasonal help in the summer, for example the Beach Service Officers (BSOs) hired for the summer months. In this year's budget, some part-time firefighters are paid from transfers from ATAX funds. By way of clarification, the Administrator explained that people hired for the tourist season who are not part of the City's normal complement of personnel may be paid from ATAX transfers.

Responding to the Chair's question about whether TERC had questioned any expenditures the City has made. The Treasurer said that the City has been challenged twice and won one (1) of them; the pooper-scooper stations were initially installed with ATAX funds, but the City was successful in its defense of the expenditure. On the other hand, the City was not successful in defending expenses relative to the Half Rubber Tournament at the Recreation Center despite providing photographs of the parking lot filled with cars from North Carolina, Georgia and Virginia; the City was required to repay the ATAX fund.

Administrator Tucker remarked that Isle of Palms is not the only community that uses ATAX funds to pay for fire apparatus, police vehicles and debt service; Hilton Head, Myrtle Beach, Folly Beach, and other communities that deal with a large influx of people who impact on the provision of those services. For example, the City would likely not need a ladder truck if houses and not high-rise condominiums were on the island.

Section 6-4-15 of the law allows for state ATAX money to be used to finance bonds for tourism-related endeavors; the City used ATAX funds for debt service on the marina purchase and the replacement of the bulkhead.

Section 6-4-25 deals with the existence of the ATAX Advisory Committee; the City is required to have this Committee because it collects more than fifty thousand dollars (\$50,000) annually in ATAX revenue. The purpose of the Committee is "to make recommendations on the expenditure of revenue generated from the accommodations tax," according to the law.

The final section of the law establishes the Tourism Expenditure Review Committee (TERC), i.e. its makeup and purpose; the Committee is to give more oversight to the expenditure of ATAX funds and the force of law to enforce ATAX regulations.

Ms. Russell asked whether TERC had a representative from this regions; she was directed to their website for that information.

e. ATAX Committee's Relationship with City Council

Treasurer Suggs repeated that this is an advisory Committee; City Council will choose to follow the recommendation of the Committee, modify the recommendation or not follow the recommendation. City Council has the wider purview of the whole City; therefore, they may decide to modify or not follow the Committee's recommendation based on island-wide considerations.

f. Isle of Palms Budgeting Process

1. Budget Calendar

Administrator Tucker stated that she wanted the Committee to understand the City-wide budget process and how the Committee interacts with it. The first step is to set the budget calendar for the development of the budget; each milestone is a deadline for work to be ready. In addition, the City has state advertising deadlines that must be adhered to prior to the adoption of the annual budget; this requirement demands that the budget reach a certain level of completion prior to the ad running.

2. Capital Budget

The Administrator explained that the City has a ten (10) year capital plan; staff looks at all City assets and projects a replacement schedules. If there is something new that the City would benefit from, it would be added to the long-term capital plan. This plan is the beginning point for the City's Capital Budget; items that have been identified for purchase, upgrade or replacement in FY13 are placed in the Capital Budget. If an item that is due for replacement is deemed to be in good condition, replacement is frequently deferred to the next year. Occasionally new technology or a new product becomes available that will result in better efficiency or improved productivity, and that new item is added to the Capital Budget. For example, Public Works Director Pitts ascertained that buying larger garbage packers would increase efficiency and allow for a reduction in the number of personnel.

The Capital Budgets impact this Committee because items on them are paid in part by State Accommodations Taxes, for example the fire apparatus mentioned by Treasurer Suggs. In January, department managers, the City Treasurer, Assistant Dziuban and City Administrator sat together to review the Capital Plan and to determine what would need to be replaced or added for FY13. Once developed, the individual standing committees of Council reviewed the Capital Budget(s) in February that fall under their purview for FY13; the committees do not necessarily take action upon their first viewing of the budgets. While the committees are studying the capital budgets, staff is developing the departmental operating budgets. The tools used for the operating budgets are the spending history for the year the City is in, the previous year's audited financial statements and any new endeavors for which there has been an impetus from the City. As the committees study the operating budgets, staff pre-pares the revenue projects for the coming fiscal year, and, in April, City Council holds a budget workshop where the capital and operating budgets are put up against the projected revenues; typically, changes are made to all budgets at this workshop. Per state law, the City must adopt a budget by June 30 of each year.

3. ATAX budget process

When the ATAX budget is presented in April, the Committee will see things that have gone through the standing committees of Council and that contain items that a prior year's commitment for or a new expenditure for which a case can be made to support payment from state ATAX funds. Typical items included in the ATAX budget are for cleaning the beach, for the beach restoration project – generally activities related to tourism and beach-visitors; another item will be sponsorships, which is the amount of money that staff is projecting will be available to the Committee to make decisions about.

The Committee will be able to make changes, additions, make recommendations, modify or accept as presented, but City Council will have the final vote on the ATAX budget. When the budget is presented to City Council, they will be informed about the discussions held at the Committee level.

Chair Ferencz asked what time is appropriate for the Committee to make additions to the FY13 ATAX budget; Administrator Tucker answered, "April 4th."

On the subject of capital expenditures paid from ATAX funds, Treasurer Suggs stated that the Capital Plan is not specific by funds, but is a statement of the City's capital needs. She indicated that, only after City Council approves the Capital Budgets are they spread among the funds. The Treasurer referred the Committee to pages 35 and up of the FY12 Isle of Palms Budget to view how capital expenditures, by department, are spread through the various funds of the City.

Assistant Dziuban explained that, when needs are presented to City Council, one (1) of their first questions is how the item will be funded, and, frequently, their perspective is that, if the item can be funded from tourism funds, that is the preferable because it does not have to come from the General Fund, which is driven primarily from Property Tax Revenues. The ATAX Committee has historically been protective of its fund balances, while City Council would prefer to use the fund balance of a tourism fund over running the risk of having to increase taxes on the residents of the City.

Mr. Covington asked for clarification of *Special Projects* on page 41 of the FY12 budget, which calls for spending one hundred fifty-eight thousand dollars (\$158,000) of state ATAX funds. Treasurer Suggs explained that, in the spring of 2011, the City was contemplating parking nodes on Ocean Boulevard; that action has not and will not happen, so that is money budgeted in the FY12 budget that will not be spent and become a part of the year-end fund balance. Responding to Ms. Russell's query, Assistant Dziuban stated that the ATAX Committee did not approve this expenditure, but City Council approved the budget with the expenditure included.

Administrator Tucker recalled that some small amount of expense may have been charged against this project, but the parking nodes are not being proposed for the FY13 budget. If the City were to do more intense enforcement of parking regulations in the coming season, funds from this cost center may be used to accomplish it.

Assistant Dziuban told the Committee that staff views the budget document as a year-long work plan; the budget is what the elected body has allocated funds for and expects staff to accomplish in the coming year.

Following up on the Chair's observation that no state ATAX funds are being used for beach restoration, Administrator Tucker noted that staff will begin to assemble funding for the next beach restoration project which could be required in FY13 or FY14. She explained that, at this time, no funding source has been identified; completion of the FY12 Shoal Management Project will exhaust any remaining funds from the 2008 project.

Treasurer Suggs commented that the City tries to budget conservatively; therefore, frequently the City ends the fiscal year with a surplus. The Administrator added that, in recent years, the ATAX revenues have been higher than projected; she reminded the Committee that many local governments spend every penny of state ATAX funds they receive every year. The City's ending the year with a fund balance is a much more conservative approach than many other local governments. If the City's revenues were declining consistently, where the City appeared to be in danger of losing the fund balance, the concerns would be more merited; the current trend is that revenues are improving more than expected. Treasurer Suggs remarked that, to comply with the two (2) year rule, the City needed to have expenditures equal to, at least, half ($\frac{1}{2}$) of the fund balance.

Chair Ferencz thanked the staff for providing the information in the meeting packets and for their excellent discussions on the various topics; she asked that the Committee members keep the information handy and the work of the Committee moves forward.

g. ATAX Requests for Funding Form and Process

Chair Ferencz asked whether staff would complete the application form if the City had a funding request to make of the Committee, and the Administrator confirmed that she was correct for any item that was not contained in the budget.

For the April 4th meeting, the Chair asked staff to get some cost estimates on getting professional assistance to generate a new City brochure that could be included in Spoleto packets, for instance.

Mr. Covington said that one (1) the first questions he gets upon renting a residence or condo is whether or wireless internet is available; he then asked for an explanation of the process if he, as a member of the Committee, were to make a funding request. Based on the success that Goose Creek has had, he thought to have WiFi on Front Beach and at the marina would be a valuable addition to the City.

Administrator Tucker encouraged Mr. Covington to investigate what assistance could be made available to the City and the costs associated with it. Assistant Dziuban mentioned that WiFi was included in the budget a couple of years ago, but it did not survive the City Council vote.

Mr. Covington was told that to add a line to the ATAX budget for WiFi would be well within the purview of the Committee, being sure to include the tourism aspect of the addition. Again, it will

fall to City Council to make a final decision on whether or not this is something the City should pursue.

5. Miscellaneous Business

The July meeting of ATAX would fall on Wednesday, July 4th, a day when the City's offices are closed. The members were asked to look at their calendars and to be prepared to select an alternate date at the April 4th meeting.

Next Meeting Date: 11:00 a.m., Wednesday, April 4, 2012.

6. Adjourn

MOTION: Mr. Nelson moved to adjourn the meeting at 1:08 p.m.; Mr. Covington seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland