

TOURISM EXPENDITURE REVIEW COMMITTEE MEETING MINUTES

February 12, 2003

Committee Members in Attendance:

Frans N. Mustert, Chairman
Susan Cruse
David Warren
John Curry

Non-Committee Members:

Tom Sponseller, President/CEO
Hospitality Association of SC

Kim Harris, TERC Liaison
Zane Wilson – Sun News Reporter
Bernie Maybank, DOR Director

Meeting Started – 10:20 am

Minutes from last meeting – Minutes reviewed and approved

Administrative Tasks:

1. Travel vouchers completed and submitted.
2. License Tag applications completed and submitted to SCDPS

Steven Stewart – The Committee agreed that a letter to the SC Association of Counties advising that Mr. Stewart has not attended four of the TERC meetings. (Oct02, Nov02, Jan03, Feb03 meetings)

Explanation to Questionable Expenditure Letters:

1. Due to the suggestion of John Curry at the January 8 meeting, all questionable expenditure letters were reviewed and approved by Frans before mailing them to the counties/municipalities. Therefore, the letters were not mailed until February 10, 2003. In the letters, the Committee is asking for a response by February 20, 2003 so that the Committee could properly review the submitted information by the next scheduled meeting. (There has been an extension to that date – by March 5)
2. Any responses to the Committee's queries are to be forwarded to the team reviewing the reports in question.

Paul Jarvis's Question:

Paul Jarvis wanted to know what to do with the funds once a county or city has forfeited its rights to the funds, i.e. Clarendon County and City of Hardeeville. The Committee's response was that the funds go to TMPP of PRT for TMPP funding. (Needs to be placed on the agenda again for further clarification.)

Anderson County – The Committee agree that Mr. Russell Byrd needs to provide information regarding whether the Pendleton Merchants Guild is non-profit by February 20, 2003. The Committee agreed to advise Paul Jarvis to withhold the funds from future disbursements should no reply is received by February 20, 2003 and that Mr. Byrd be advised accordingly.

City of Aiken - Susan requested that I fax the response from the City of Aiken as soon as I receive it.

City of Folly Beach – Susan requires further information on:

Folly Beach Art Guild (Tides of March Event)	\$2,309
Folly Beach Art Guild (Festival of the Arts)	\$7,500
Actor’s Theater	\$6,000

Note: According to Jerilynn, the City of Folly Beach meets the \$900,000 rule since Charleston County area collects \$900,000 or more in revenues regarding the Seasonal Fire Fighter Program for Tourist.

Pawley’s Island – Frans plans to contact Mayor Otis personally by phone or visit.

Pickens County – Pickens County sent a rough sketch of its brochure outlining the contents. The Committee still would like to know the overall purpose of the brochure including the intended distribution channels and market.

Town of Blythewood – Submitted a plan for a 13-acre Town Center for the Committee to review and provide comments. The Committee feels that the Town of Blythewood would first need to go through its local advisory committee.

City of Columbia – Frans is to get in touch with the City of Columbia to clarify the “overnight stay requirements” and the percentage of tourism issue.

Discussion Topics:

- a. Out of Market Advertising** – The Committee agrees that the 50-mile rule one way would apply.
- b. Georgetown County (\$40,000 expenditure)** – (Waiting on further information)
- c. Hilton Head (\$50,000 expenditure)** – John Curry requested that the Committee offer its opinion regarding a planned project which included landscaping and a flag pole on the traffic circle in Sea Pines. The Committee felt that this expenditure would not be acceptable under the statute. John was asked to relay this message to the authorities.
- d. Horry County (Funding of Boat Show Advertising)** The Committee discussed that this may be an issue of using public funds for a private purpose.

Barbara Brown and Jerilynn Van Story: Barbara Brown and Jerilynn Van Story attended the meeting for 40 minutes to offer the Committee legal advice on issues and opinions on non-profit and other issues.

1. **Question:** If the county or municipality does not respond or comply with the requirements of the law, does DOR or the State Treasurer’s Office or some other agency have any further authority than withholding \$5,000.00 from the county or municipality? Could the treasurer’s Office withhold “other funds” i.e. local option sales tax, etc. until a response is received by the Committee?

Answer: According to Jerilynn, it is stated in the law that the Committee can withhold up to \$5,000.00. She did not think that the Treasurer’s Office could withhold “other funds”.

2. **Question:** How should TERC handle complaints or suspected wrongdoings?

Answer: TERC can investigate written complaints; however, the Committee is permitted to advise Counties what TERC may rule as acceptable and unacceptable expenditures.

3. **Question:** If a county as a whole, like Charleston for example, collects \$900,000.00 or more, could a smaller municipality within the county use the money for additional police, firemen, etc.?

Answer: Yes, according to Jerilynn, the smaller municipality could use the funds for those purposes.

Other Business:

1. The Committee feels that the local advisory committees should feel comfortable asking the Committee questions before its meeting and offering recommendations. The Committee feels this is a proactive approach and may eliminate or lower the amount of correspondence that is sent out by TERC.
2. John Curry suggested providing a quarterly newsletter for the counties/municipalities outlining what the Committee has ruled on; listing rules of the Committee; stating acceptable and unacceptable expenditures; offering examples of expenditure reports and its contents in an effort to be proactive and maintaining communication among the local governments.
3. Susan suggested a mid-year mailing to the county and local governments about issues that the Committee has addressed, discussed and agreed on.
4. **Bernie Maybank** - The new Director of the Dept. of Revenue stopped by the TERC meeting for a brief 30-minute discussion on the concerns of the Committee. Frans asked Mr. Maybank if he had a problem with the TERC holding its meetings there at the Dept. of Revenue and if Barbara Brown and Jerilynn Van Story could provide legal advice to the Committee as needed. Mr. Maybank said that he had no problem with either request. It was also suggested that the Committee move its meeting day to Mondays or Fridays. It was decided that Mondays would work better. The time has been changed from 10:00 am to 11:00 am the second Monday of the month as of this meeting.

****Next meeting scheduled for: Monday March 10, 2003 11:00am at DOR, room 2E21.**

Final Thoughts and Adjournment 2:45 pm