

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES**

August 9, 2004

SC Confederate Relic Room and Museum

10:30 a.m.

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman, Suzette Surkamer, Susan Cruse, Toni Nance, Rod Swaim, David Warren.

Staff in Attendance: Damita Jeter, TERC Staff.

Guests in Attendance: John Hoefer, Willoughby and Hoefer, P.A. and Gary Cannon, Municipal Association of SC

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

- **Minutes:** The Committee motioned to approve the June 28, 2004 meeting minutes as submitted.
- **Travel Vouchers:** The Committee submitted their travel vouchers to Mrs. Jeter
- **Interpretation of High Concentration of Tourism Language:** The Committee then entered into executive session to discuss confidential information with its attorney, Mr. John Hoefer.
- **Florence County Update:** Mrs. Jeter shared with the Committee the ALJD's final ruling regarding the Florence County case in which it upheld the Committee's decision to withhold funds. The Committee decided to post the interpretation on its website as well as mention it in an upcoming newsletter.
- **ATAX Packets:** Mrs. Jeter asked the Committee to review the current atax packet, which was posted online, and submit any suggestions soon. She said she hopes the packets will go out at the end of the month.
- **Newsletter Content:** Mrs. Jeter told the Committee that this month's issue of the newsletter would include information regarding the atax packets. The Committee also asked her to include a summary of the ALJD's ruling on Florence County.
- **Georgetown County:** Chairman Mustert asked the Committee its opinion on the Georgetown CVB (which was started exclusively as a way to expend the 30% monies) using 30% funds for audits, office expenses, etc. After some discussion, the Committee approved a motion to advise the CVB to use funds from elsewhere, such as the \$25,000 or 5% of atax funds that is put back into the county's general fund.
- **City of Myrtle Beach:** Chairman Mustert shared with the Committee some talk about the City of Myrtle Beach using its 65% funds to conduct audits on the 65% recipients. After some discussion, the Committee concluded that the City could avoid audits by having the applicants complete the proper paperwork with detailed information and implement the form that is used by Richland County to track data after the project is completed. Therefore, the Committee passed a motion that it would advise the City that the 65% funds should not be used for this purpose.

REVIEWED BY SUSAN CRUSE/DAVID WARREN:

- **City of Aiken:** Mrs. Cruse asked that the City of Aiken's information be carried over until the September meeting, so she may review it in more detail.
- **City of Clemson:** The Committee voted to withhold funds for the following two projects: **Cadillac Heights Community - \$2,000.00, City of Clemson Administration - \$500.00.** Both of these were deemed to benefit the local community more so than tourists. The City wished to submit more information to the contrary. After further review, the Committee voted to reverse its decision on the City of Clemson administration of \$500.00. Although it is not primarily a tourist-related event, the City did use the funds to promote the City during a city managers conference. The decision on the Cadillac Heights Community remains the same. The State Treasurer's Office will be requested to withhold funds.
- **Oconee County:** The County's local atax chair submitted a question to the Committee about the appropriateness of funding for a performing arts and civic center. Under normal circumstances, the Committee would not allow funds to be spent on upgrades unless it is in a high concentration of tourism area. However, the Committee examines everything on a case by case basis and based on the tourism impact that the center generates approved a motion to allow it "under the circumstances."
- **City of Easley:** The City remitted information that the Committee had requested on various questionable expenditures. After review, the Committee determined that the Easley Black History Parade does not meet the requirements of Section 6-4-10 in that it is not primarily tourism related. Furthermore, the Committee based its decision on the fact that rarely are parades acceptable in that it does not attract, promote or provide for tourists. Therefore, the Committee passed a motion to request the State Treasurer's Office to withhold funds in the amount of \$2,000.00 for this inappropriate expenditure.

REVIEWED BY JOHN CURRY/MARK WILLIAMS:

Because neither Mr. Curry nor Mr. Williams were in attendance, the Committee decided to carry forward discussion of entities reviewed by them. However, they did review the Town of Springdale's expenditure report and decided the ONLY expenditure worthy to receive funding was for billboard advertising. Mr. Curry and Mr. Williams will be alerted of this and the Committee will vote on action that needs to be taken against the town at its next meeting.

The Committee also determined that the City of Myrtle Beach would need another letter asking for the supplemental information that the Committee had requested in May. In July, the Committee had given the City an additional 30 days to supply the information because one of their staff had left. The Committee decided that the City should receive another letter letting them know that if they did not get the information within 15 days, it would be noncompliant.

REVIEWED BY TONI NANCE/LANNEAU SIEGLING:

- **Pickens County:** The County still has not submitted to the Committee proper forms, the local committee is still not in compliance and the 30% funds have still not been dispersed in the proper manner. Therefore, the Committee voted to withhold the County's 65% funds due to lack of sufficient information. Additionally, until the local committee is in compliance, TERC voted to direct the State Treasurer's Office to withhold funds in the amount of \$500 up to \$5,000.00. TERC also directed the County to simply choose a nonprofit organization eligible to administer the 30% funds instead of keeping the funds in house. The Committee will ask this process be completed within 15 days or funds will be withheld.

OTHER BUSINESS:

Future Meetings: The Committee determined its next meeting would be via conference call on September 20. TERC will meet at the SCDOR building on November 15.

Florence County: The Committee discussed at length Florence County's questions about 1) using 65% funds for civic center improvements and 2) reimbursing their accommodations tax fund for the Sheriff's Department expenditure and correcting their report accordingly for FY 03-04 reporting.

On the Civic Center issue, the Committee passed a motion that since Florence County is not in an area of high concentration of tourism, the cannot use the 65% funds for the Civic Center unless it is used to promote events and advertising regarding those events. Regarding the reimbursement of funds, the Committee passed a motion that the County not be allowed to do so and must report their expenditures as actual.

The next TERC meeting will be a conference call, which will be held on September 20 (time to be announced). There being no other business, the Committee adjourned.

Respectfully Submitted,

Damita S. Jeter

Damita S. Jeter, TERC Staff