

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
February 14, 2005
Room 2E21 of the S.C. Department of Revenue
10 a.m.**

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman, Toni Nance, John Curry, Susie Surkamer. (Rod Swaim and Lanneau Siegling were available later via telephone and approved all motions submitted by the Committee in writing).

Staff in Attendance: Damita Jeter, TERC Staff.

Guests in Attendance: None

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

- **Minutes:** The Committee motioned to approve the December 7, 2004 meeting minutes as submitted.
- **Travel Vouchers:** The Committee submitted their travel vouchers to Mrs. Jeter.
- **Governor's Conference:** Mr. Mustert thanked Mrs. Nance for her service as moderator during TERC's panel discussion at the Governor's Conference on Travel and Tourism. He reported that the session had about 80 in attendance, mostly from chambers of commerce and various tourism groups. He stated several good questions were generated and that we could use many of them in our next newsletter.
- **Myrtle Beach Withholding:** The Committee went into executive session to discuss information that was attorney/client privileged.
- **Legislation:** The Committee went through the "clean up language," which Mr. Sponseller assisted in drafting. The Committee voted to approve the language as submitted with minor grammatical changes and ask Mr. Sponseller to work with TERC to get it attached to the BAT bill.
- **Senate Bill 0027:** The Committee discussed in detail Senate Bill 0027 and its effects. The legislation has most recently passed the Senate and is now in the House Ways and Means Committee. Mrs. Jeter distributed a list of entities the law would affect and allow them to reimburse their atax pot for monies already withheld. (All those TERC withheld funds from for FY 02-03.) The Committee discussed its concern for the time frame in which entities would have to refund their atax accounts after TERC had certified that an expenditure was non compliant. TERC is concerned that if too much time is allowed to lapse it could become difficult for TERC and the State Treasurer's Office administratively.
- **Myrtle Beach Opinion:** Mr. Mustert requested that TERC consider asking Mr. Hoefler for an opinion concerning a couple of items in Myrtle Beach. The Committee approved a motion to request Mr. Hoefler to render an opinion concerning this matter.
- **Richland County:** The Committee discussed a matter in Richland County where the Cultural Council was receiving funds and serving as an "umbrella" organization to smaller organizations and simply "re-granting funds." Mrs. Jeter shared with the

Committee a letter TERC drafted to Richland County to explain the appropriate process that would hopefully be advantageous to all involved.

- **Ethics Form and Committee Appointments:** Mrs. Jeter collected ethics forms from those who had submitted them. She reminded the Committee to pass along that forms needed to be remitted no later than mid-March, so she could turn them in. She also discussed Committee appointments and reviewed term expiration dates. She said this would be her top priority upon returning from leave in May.

REVIEWED BY SUSAN CRUSE:

- The Committee reviewed some questions from various entities that were sent to Mrs. Cruse via email. The questions are as follows:

Oconee County: The County questioned whether or not atax funds could be used to pay for building “kit-type” cottages as lodging in a state park. Mrs. Cruse and the Committee decided that no, accommodations taxes could not be used for the construction of lodging even for a not for profit park, especially since Oconee County is not in an area of high concentration. Additionally, the County requested that atax funds be used to pay individuals who are making a documentary on the County and selling it to SCETV. As a secondary function, they would use the video as a tourism tool. Mrs. Cruse and the Committee decided that the County could not use ataxes to fund individuals, only non profit organizations. Additionally, the nature of this request is for profit and the tourism aspect is secondary, therefore, the Committee decided it could not be funded.

City of Aiken: The city requested to use atax funds to fund 1) a banner display that the city would take to various conventions to promote tourism-related athletic events that are held each year. 2) an 800 number that would solely be dedicated to the promotion of tourism events 3) promotional items to give away at tourism conventions and softball conventions. The Committee deemed all of these appropriate as all of them would be used 100% for promoting the town to visitors.

The following will be carried over to March 7: Greenville County and NAACP, City of Clemson, Aiken County, City of Greenville, Jasper County, Anderson County, Newberry County, City of Hardeeville, Greenville County, City of Beaufort, Oconee County, City of Simpsonville

REVIEWED BY MARK WILLIAMS/JOHN CURRY:

- **City of Clinton:** TERC will ask them if the Main Street Commission is nonprofit. Additionally, it will ask the City to submit a revised report.
- **City of Columbia – okay.** A letter will be drafted telling them.
- **Laurens County – okay.** A letter will be drafted telling them.
- **Pawley’s Island – TERC will ask them for proof of incorporation of the Pawley’s Island Civic Associations Promotion Committee**
- **North Myrtle Beach – okay.** A letter will be drafted telling them.

- **Town of Duncan – vote to approve the SCALE project, however, the Committee voted to deny funding of Town of Duncan's \$20,000.00 expenditure for parking additions for the Middle Tyger YMCA.**
- **Orangeburg County – okay. A letter will be drafted telling them.**
- **Town of Surfside Beach – TERC voted to approve the Town's committee membership. Additionally, it approved funding of advertising for the 10K race. Also, the Committee voted to allow the Town two more years to carry forward their balance for beach renourishment. It must spend the funds by the first quarter of 2007. Finally, the committee Motion and second to withhold \$4,000.00 for the inappropriate expenditure of an impact study.**
- **Richland County – the committee had discussed the matter of re-granting earlier in the meeting and decided the letter that it had previously sent was an appropriate expense.**
- **Horry County – okayed based on the fact the funds were used to promote and advertise the campground.**
- **Myrtle Beach – The committee approved the expenditures of Freewood Farms and the Carolina Spartans. However, the Committee voted to deny funding of \$25,000.00 for Myrtle Beach fireworks. The fireworks organization has since received its for profit status, but TERC determined it did not fit the criteria of Section 6-4-10 in that those who benefit primarily are merchants. The Committee voted to have its attorney review the letter.**

REVIEWED BY SUSIE SURKAMER/ROD SWAIM

- **Dorchester County – Expenditure for Middleton Place was approved. TERC voted to withhold funds of \$1510 for the Sons of Confederate Veterans for a highway marker (does not fit criteria of 6-4-10). TERC also voted to withhold \$1,960 of the \$2500 approved for museum upkeep. Based on tourism data, only \$540 should be approved for that expenditure.**
- **Town of Mt. Pleasant – carried over.**
- **City of Dillon – TERC voted to approve \$9,000 for the promotion of the Dillon County Theater, however it voted to withhold \$9400 of the \$10,000.00 used to repair the roof of the theater. Based on tourism information, only 6% were tourists. Need further information on the second expenditure for the Dillon house Museum (\$10,800)**
- **Folly Beach – Will ask them to submit a revised form reflecting their corrected carry forward.**
- **Lexington County – Will continue to work with council to fulfill vacancies.**
- **City of Cayce – TERC voted to withhold \$4,000 of the \$9,000 for the Cayce Historical Museum, firehouse exhibit, based on the reported tourism impact. TERC voted to withhold \$1,600.00 of the \$2,000.00 for the Cayce Historical Museum acquisitions based on reported tourism impact.**
- **Santee – approved. A letter will be drafted telling them.**
- **Town of Hilton Head – their carry forward explanation was approved. TERC voted (based on John Hoefer's approval) to deny funding of \$7,500 for Shelter Cove fireworks. It also voted to deny \$7,500 of funding for Skull creek fireworks. This is based on fireworks not fitting the description of 6-4-10.**

- **Town of Summerton – the Committee found that the Swamp Fox Mural Society was not an appropriate 30% organization. It voted to draft a letter stating that in the future funds need to be dispersed to a proper organization or it would consider withholding funds. The Town does not have an appropriate cultural representative and has asked for advice on how to replace this person. The Committee decided to let the Town know that the cultural representative could be someone involved in local art, theater, dance, etc.**
- **Town of Summerville – approved. A letter will be drafted telling them.**
- **Clarendon County – ask them to prepare an amended report reflecting the change of vendors.**
- **Town of Kiawah Island – The Committee voted to withhold funds of \$366.00 for bank charges. This is not an appropriate expenditure.**
- **City of Isle of Palms – local committee was approved. A letter will be drafted telling them.**
- **Town of Walterboro – The Committee voted to withhold \$83.71 which was used to reimburse the City manager for meals with tourism commission. The Committee voted to withhold \$1987.01 which was used to pay for electrical access for vendors at the Rice Festival.**

REVIEWED BY LEE PRICKETT/LANNEAU SIEGLING:

The following will be carried over to March 7: Georgetown County, Chester County, City of Gaffney, Spartanburg County, Colleton County, Florence County, Pickens County (review of 03-04 form, City of Georgetown, City of Florence, Cherokee County (response not yet in)

The next TERC meeting will be held via conference call on Monday, March 7 at 10 a.m. There being no other business, the Committee adjourned.

Respectfully Submitted,

Damita S. Jeter

Damita S. Jeter, TERC Staff