

**TOURISM EXPENDITURE REVIEW COMMITTEE  
MEETING MINUTES  
September 11, 2006  
Room 2E21, SCDOR  
10 a.m.**

**ATTENDANCE:**

**Committee Members in Attendance:** Frans Mustert, Chairman; Rod Swaim, Susan Cruse, Toni Nance, Ed Riggs, Mark Williams, Kevin Yokim.

**Staff in Attendance:** Damita Jeter, TERC Staff.

**Counsel in Attendance:** John Hoefler, Willoughby and Hoefler

**CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:**

- **Minutes Approval:** The Committee motioned to approve the minutes from the July 10 meeting.
- **Travel Vouchers and TERC Budget:** The Committee remitted travel vouchers to Mrs. Jeter. TERC reviewed its expenses for the fiscal year and reviewed a breakdown of attorney's fees.
- **Legislative Update:** TERC agreed to ask Mr. Sponseller to work with groups such as the SC Association of Counties to help get TERC's legislative clarification language passed in the upcoming session.
- **TERC Appeal Regarding ALJD's Decision with City of Myrtle Beach:** Mr. Hoefler reported that this case was still in the appeal process and nothing has changed.

**RESPONSES/QUESTIONS FROM LOCAL GOVERNMENTS:**

- **City of Aiken's Question:** In an email to the TERC office, the City requested to use a portion of its 65% state accommodations tax funds to offset costs for the operation of a tourism facility, including funding salaries of the facility management. After discussion, TERC determined that this would be an appropriate use of funds per Section 6-4-10 of the S.C. Code of Laws, provided the facility and its staff fully service tourists.
- **Florence County's Question:** In an email to the TERC office, the County stated that the local accommodations tax committee recommended that \$40,000 of the FY06/07 ATAX funds be used to match a \$360,000 grant from SCDOT, for a total project cost of \$400,000. SCDOT is in discussion with the hotel/motel owners at the I-95/76 interchange (Exit 157) to do a major landscaping project at this location. Based on the information presented, the location would not directly benefit tourists, therefore, TERC voted against approving the County's request. Section 6-4-10 of the S.C. Code of Laws states that accommodations tax funds must be used to directly promote, attract and provide for tourists. Lighting and landscaping activities may only be approved when it is proven to directly benefit tourists. Kevin Yokim abstained from voting.

- **City of Florence’s Response to TERC letter:** According to some information previously sent to TERC, it appeared that Florence City Council re-distributed accommodations tax funds, which was returned after an event was cancelled, without following the proper procedure to have the local advisory committee convene and review the expenditure and advise city council prior to approval of such expenditures as per Section 6-4-25 (B) and (C). TERC sent a letter to Florence City Council stating that it needed to re-convene the advisory committee and have the recommendations be a part of the record prior to the expenditure being approved by Council. However, the City responded to TERC and proved that it did follow proper procedure. TERC will draft a letter apologizing to the City and commending the City for following proper procedure.

**Forms reviewed by Susie Surkamer/Rod Swaim**

- **Isle of Palms** – TERC had previously questioned several expenditures on the Isle of Palms’ reporting form for FY 05-06. During its May meeting, it voted to reconfirm its decision regarding approximately \$118 in bank charges and voted to direct the State Treasurer’s Office to withhold funds. Additionally, TERC voted to direct the STO to withhold funds for two additional expenditures – the Half Rubber Tournament and the resurfacing of tennis courts. Isle of Palms chose to provide additional information to TERC regarding the two expenditures. During its September meeting after review of the additional information, TERC voted confirm its original decision regarding the expenditure of \$7,350.00 for tennis court resurfacing. The expenditure is not compliant with Section 6-4-10 of the S.C. Code of Laws. The statute makes no mention of “operational costs” for sporting facilities and events as it does for cultural events and the arts, so TERC maintains the operation of sporting facilities and events is not an acceptable use of funds. TERC voted to direct the state treasurer’s office to withhold funds in the amount of \$7,350.00 from future disbursements to the City based on Section 6-4-35 (B)(1)(a) of the S.C. Code of Laws. (Mark Williams voted against the withholding decision).

Additionally, after review of the information the City provided concerning Half Rubber Tournament expenditure in the amount of \$2,538.87, it appears the funds were used for “advertising, t-shirts and prizes.” TERC will ask what percentage went advertising, t-shirts and prizes.

Ed Riggs abstained from voting.

The next meeting of TERC will be held November 13 at 10 a.m. at SCDOR.

There being no other business, the meeting adjourned.

Respectfully Submitted,  
*Damita S. Jeter*  
**Damita S. Jeter, TERC Staff**