

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
December 10, 2007
Room 2E21, SCDOR
10 a.m.**

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman; Lanneau Siegling, Vice Chairman, Rod Swaim, John Curry, Toni Nance, Susan Cruse, Mark Williams, Kevin Yokim and Susie Surkamer.

Staff in Attendance: Damita Jeter, TERC Staff.

Guests in Attendance: John Hoefer, TERC Counsel; Tom Sponseller, SC Hospitality Association; Libby Gober, City of Columbia.

TERC voted to go into executive session to discuss confidential matters with its counsel, John Hoefer, Willoughby and Hoefer. TERC approved a motion unanimously to come out of executive session.

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

- **Minutes Approval:** The Committee motioned to approve the minutes from the October 29, 2007 meeting.
- **Travel Vouchers:** The Committee remitted travel vouchers to Mrs. Jeter.
- **TERC Budget:** Mrs. Jeter explained the TERC budget including a breakdown of attorney's fees. Mr. Hoefer will be asked to breakdown his fees according to litigation vs. advice.
- **Cleanup Language:** Chairman Mustert met with Meredith Cleland at the SCDOR to see if TERC can insert its cleanup language in the BAT bill this legislative session. Meredith will discuss it with Ray Stevens, SCDOR's director.
- **Governor's Conference:** TERC will be speaking at the Governor's Conference on February 13. Mr. Mustert encouraged TERC members to be part of this panel.
- **Non reporting-** A few entities have still not submitted their accommodations tax reporting form. Mrs. Jeter said she spoke with most of them, however, she feels as though Greenwood County, which has not submitted a form in several years, would not report this year. TERC asked Mrs. Jeter to draft a letter to Greenwood County council to let them know that the County has not filed in several years. John Curry made a motion that if Greenwood County has not filed by January 1 then TERC would ask the State Treasurer's Office to withhold funds. Mr. Rod Swaim seconded the motion and TERC members approved it unanimously. Additionally, Mrs. Jeter will ask Mr. Hoefer whether or not directing the State Treasurer's Office to withhold the maximum amount (up to \$5,000.00) is the extent of TERC's authority.

QUESTIONS FOR COMMITTEE:

- **Isle of Palms:** The City of Isle of Palms questioned whether or not atax funds could be used for beach re-nourishment. Although the state statute and revenue ruling 98-22 states that it is an appropriate use of funds, Isle of Palms wanted TERC's opinion because the area which needs to be re-nourished is part of Wild Dunes, which is a private resort. After some discussion, TERC determined that although the access was private, the beach itself is public and can be accessed by tourists by walking and boating. Additionally, Wild Dunes generates much of the accommodations taxes for the area and is a major tourism draw. Mrs. Jeter will write a letter stating that as long as state and federal guidelines regarding beach erosion and re-nourishment are followed, it should be an acceptable use of funds.
- **City of Columbia:** TERC had previously voted to direct the State Treasurer's office to withhold funds from the City of Columbia for an expenditure to the Carolina Carillon Christmas parade in the amount of \$14,027.40. It has also questioned several items on the City's report. After review and an appearance of Libby Gober from the City of Columbia, John Curry made a motion to reverse the decision of withholding based on the fact that the funds were used for advertising. Susan Cruse seconded the motion and it was passed unanimously by TERC. Additionally, TERC approved the items previously questioned.

The Committee is in the process of reviewing FY 06-07 Accommodations Tax Reporting Forms. The following entities will be questioned about various items such as their 65% expenditures, their 30% recipients, accurate coding, balancing issues, and their local committee compliance. Those from which TERC voted to withhold funds will receive the chance to provide additional information in person at a TERC meeting or via written correspondence. TERC also will remind entities about its attorney's legal opinion concerning sporting events:

Reviewed by Susan Cruse/Lisa Martin

- **Aiken:** change coding internally, notify city via email.
- **Aiken County:** change coding internally, notify county via email.
- **Beaufort:** After review, Susan Cruse made a motion to direct the state treasurer's office to withhold funds in the amount of \$1,000 for funding the Lady's Island Garden Club. The funds will be used to research that trees could be on a walking tour. TERC did not see how this was related to tourism. The motion was seconded by John Curry and approved unanimously by TERC.
- **Bluffton:** okay.
- **Greenwood:** okay
- **Jasper County:** change coding internally, notify county via email.
- **Newberry County:** ask the county to resubmit its report with more detail. Will inquire why the County did not spend enough of its 30% monies.

- **Ridgeland:** Will ask the town to submit its advisory committee list. Susan Cruse made a motion to direct the state treasurers office to withhold funds in the amount of \$5,329.00 for the addition of lights to a holiday display. Mrs. Cruse did not think this met the criteria of being tourism-related. John Curry seconded the motion and TERC passed the motion with Kevin Yokim and Mark Williams casting dissenting votes.
- **Simpsonville:** okay

Reviewed by Kevin Yokim/Ed Riggs/Lanneau Siegling

- **Berkeley County:** okay
- **City of Camden:** Will question why local committee did not seem to approve expenditures. Also will ask the city to resubmit information for the Jazz Festival.
- **Cayce:** Will ask them to resubmit their unbalanced form.
- **Chester County:** After careful review, it appears most of the County's expenditures were for events that generated mostly local attendance. Therefore, Lanneau Siegling motioned that TERC direct the State Treasurer's Office to withhold funds in the amount of \$29,342 from future disbursements. The motion was seconded by John Curry and passed unanimously by TERC.
- **Gaffney:** After review, Kevin Yokim motioned to direct the State Treasurers Office to withhold \$5,819.11 from future disbursements due to the report that the Gaffney Business Association, which was the recipient of the funds, is for-profit. The motion was seconded by John Curry and passed unanimously by TERC. Additionally, TERC will ask about a committee vacancy.
- **Georgetown County:** okay
- **Kershaw County:** okay
- **Town of Lexington:** will question Fun Fest and Kids Day
- **Orangeburg:** Will question the Rose Festival Entertainment
- **Spartanburg:** okay
- **Spartanburg County:** Will question certain expenditures that lack detail. Additionally will inquire about a committee vacancy.
- **Springdale:** Will ask the Town about funding of landscaping. At one time, TERC had told Springdale that certain landscaping at a certain exit did not warrant tourism funds because of minimal tourism impact. TERC will verify that it is a different area.
- **Richland County:** TERC will question the tourism validity of Auntie Karen Foundation, and an expenditure for 2Hot4Ice which was not funded and the County changed the expenditure to fund a golf tournament. TERC is questioning whether or not the local committee approved the Golf Tournament expenditure.

Reviewed by Mark Williams/John Curry

- **Blythewood:** TERC will compliment the Town on its tourism-marketing plan. However, its form does not appear balanced. Will question this.
- **Town of Duncan:** will question why it does not appear that enough funds are being expended.

- **Horry County:** Will ask the County to breakout multiple coded projects. Will verify that the Horry County Cultural Society's director's salary was funded after the last letter to the County asking them to divide the salary among all municipalities within the County.
- **North Myrtle Beach:** TERC will question why the local committee did not approve the expenditure to the Long Bay Symphony.
- **Pawley's Island:** okay
- **Rock Hill:** okay
- **Walterboro:** Will question the Downtown Walterboro Criterium (bicycle race)

Reviewed by Rod Swaim/Susie Surkamer

- **Charleston:** okay
- **Edisto Beach-**Rod Swaim motioned to direct the State Treasurers Office to withhold funds in the amount of \$15 for the use of atax funds for bank charges. Susan Cruse seconded the motion with unanimous approval from TERC. Will also question the Tomato Festival expenditure.
- **Folly Beach** – okay
- **Kiawah Island** – will question the cultural rep affiliation on local committee.
- **Mt. Pleasant** – will verify that the Visitors Center expenditure is not being used to retire old debt.
- **Summerville** - Will question what steps are being taken to make committee compliant.

RESPONSES TO OCTOBER LETTERS:

The following entities responded to questions generated by TERC as a result of October's meeting. Those from which TERC voted to withhold funds will receive the chance to provide additional information in person at a TERC meeting or via written correspondence:

Reviewed by Susan Cruse/Lisa Martin

- **Greenville:** The Committee approved all questionable expenditures except for the Gold Wing Riders. This group has a for profit status. Therefore, John Curry motioned to direct the State Treasurer's Office to withhold \$20,000 from future disbursements. This was seconded by Lanneau Siegling and approved unanimously by the Committee.

Reviewed by Kevin Yokim/Ed Riggs/Lanneau Siegling

- **Clarendon County:** TERC approved the questionable landscaping expenditure.
- **Lexington County:** TERC approved several expenditures questioned for tourism impact.
- **Georgetown:** TERC approved what appeared to be an unbalance of funds.

Reviewed by Mark Williams/John Curry

- **Hartsville:** Approved with coding changes.
- **Myrtle Beach:** TERC requested the City give a breakdown of how its funds for municipal services were used. Although the funds were appropriate, TERC requested that the City run all expenditure through the local committee.
- **Surfside Beach:** TERC requested the City provide information of when it would be expending funds for erosion and in addition questioned whether or not the Guy Danials Surfcoff is for profit. The City said funds would be used to buy a private peer instead of beach erosion. They did not answer the question about the surfcoff. TERC will ask them to answer the question about the for profit entity, as well tell them that all funds have to go through the local committee.
- **York County:** Mrs. Jeter will make sure that a local committee member who is employed by the Chamber is not a conflict of interest.

Reviewed by Rod Swaim/Susie Surkamer

- **Dorchester County:** Previously, TERC had questioned the local accommodations tax committee cultural member's affiliation with Clemson Extension. Actually, she is also involved with the Heritage Corridor and ETV, so that is permitted.
- **St. George:** TERC reviewed a response concerning a questionable 05-06 expenditure regarding the Town's 30% monies. TERC had voted to withhold funds in its October 2007 meeting due to no response. However, a response arrived the afternoon of the meeting. Therefore, Rod Swaim made a motion to reverse TERC's original decision concerning withholding. Susie Surkamer seconded the motion, with TERC approving unanimously.

OTHER BUSINESS:

- **Legislation:** TERC discussed S. 876 authored by Sen Chip Campsen, which would re-define day visitors and allow travel outside of the "community or environment" regardless of the number of miles traveled. TERC discussed that this would skew the current definition of "tourist," however it is not something in which TERC needs to get involved.

The next meeting of TERC will be held February 25 at 10 a.m. at SCDOR.

There being no other business, the meeting adjourned.

Respectfully Submitted,

Damita S. Jeter

Damita S. Jeter, TERC Staff