

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
November 12, 2008
Room 2D21, SCDOR
10 a.m.**

ATTENDANCE:

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

Staff in Attendance: Lauren Sponseller, TERC Staff.

Guests in Attendance: Tom Sponseller, Hospitality Association of South Carolina.

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

- 1. Passing of TERC Member Mr. John Curry:** Chairman Mustert asked for a moment of silence in memory of Mr. Curry.
- 2. Travel Vouchers:** The Committee remitted travel vouchers to Mrs. Sponseller.
- 3. Minutes Approval:** The Committee motioned to approve the minutes from the August 25, 2008 meeting.
- 4. Vacancy on TERC Committee:** Chairman Mustert stated that the SC Travel and Tourism Coalition nominated Andy Cajka, and that John Munroe from Sea Pines Plantation, who was nominated by the SC Association of CVBs. TERC is awaiting approval from the Governor for both of these positions.
5. Mr. Sponseller asked that the item 3 on the agenda be moved to item 1. The motion was approved.
- 6. City of Myrtle Beach:** TERC sent a letter to City of Myrtle Beach questioning their disbursement to Myrtle Beach Corporation for the Arts for the Rivoli Theatre for \$170,000. The City sent copies of the checks that had been disbursed, but there has been no work done on this project.
- 7. Wall Street Journal Article:** TERC reviewed all information regarding hotel online booking companies failure to collect and remit payment of local occupancy taxes. The Committee voted to not express any formal opinions to the SC Department of Revenue at this time.
- 8. City of Florence:** TERC questioned Juneteenth, and event that was supposed to be held in June of 2008. The event was eventually held in August of 2008, and funds that were disbursed to this event were spent in an appropriate manner.
- 9. Georgetown County:** The Committee received information to further explain the County's application process. TERC has asked that the letter from the County be forwarded on to the SC Watermedia Society.
- 10. Surfside Beach Pier Project:** TERC reviewed the response from Surfside Beach, and feels that their response was appropriate.
- 11. Hilton Head Dredging Project:** TERC unanimously decided that the proposed project would not be appropriate due to the fact that funds would be used for infrastructure, and for which maintenance normally would be provided by the municipality.
- 12. Oconee County:** Devils Fork State Park asked for an opinion regarding funding of new lantern holders and fencing in and around the campground at their state park. Mr. Williams motioned to approve the project, and Mr. Swaim seconded. The project was unanimously approved by TERC since the facility would provide for tourism.
- 13. City of Lake City:** Asked for opinion for use of atax funding for a project to establish a website to collect donated cultural information and object from past African Americans who lived in the area. Mr. Yokim motioned to approve the project, and Mr. Williams seconded. Ms. Cruse and Mr.

Seigling voted against the project. TERC approved the project since the funds would strictly be used to enhance a tourism attraction.

14. Legislative Updates/Concerns: Mr. Sponseller explained that the Travelocity issue will be an issue that will be covered this session.

15. July, August and September Budgets: Chairman Mustert asked the Committee to review monthly budgets, and asked for any questions. Mr. Siegling asked for a detailed description of the expenditures to Willoughby and Hoefler, TERC's legal counsel, and Ms. Sponseller said that she would send these out to the Committee within the week.

PRESENTATIONS

- **Chester County:** Richard Zhou (Chester County Finance Office), Jerry Baker (Finance Director), Linda Modlin (Grant Coordinator), Bessie Vastis (Chester ATAX Committee member) appeared in front of TERC to explain that the County has taken the appropriate steps to help explain and clarify both current and future reports. The Committee advised the County to only use future funds to advertise and promote for tourism; no operational expenses.

16. Review of FY 07-08 Reporting Forms-

Susan and Ed-

Aiken County: Form not balanced- Line 5 should read \$31,817.66; still have \$1,590.88 to spend in 30% funds, and Line 6 should read \$68,938.27; overspent \$1,590.88 in 65% funds. Clarification is needed on the expenditure to Sons of Confederate Veterans and Olde Towne Preservation Association. These funds were used for advertising, which should be coded as a "1", not a 2; There was no interest was reported.

Anderson County: Nonprofit status and tax id number requested for Bowie Old Farm Reunion; Clarification for Honea Path Merchants Association for Horseshoe Park- what type of park is this, and what were funds used for specifically; Questioned the use of funds that were given to the Special Olympics Fall Games, and how funding for travel to this event will promote tourism in the area. The Committee determined the expenditure of \$10,000.00 for upgrades to tennis courts is not compliant with Section 6-4-10 of the S.C. Code of Laws, which details appropriate state accommodations tax expenditures. Therefore, TERC voted to direct the State Treasurer's Office to withhold \$10,000.00 from future disbursements.

City of Aiken: Nonprofit status and tax id number requested for Aiken Corporation, funding for Aiken Polo Festival Marketing Campaign, Aiken Polo Club, Hitchcock Foundation. Coding questioned on the following: Aiken Downtown Development Association, Aiken Bluegrass Festival, Aiken Center for the Arts, Aiken County Open Land Trust, Aiken Polo Club, Aiken Soccer Club, Aiken Steeplechase, Barnard E Bee Camp, Hitchcock Foundation. These should all be coded as a 1, not a 2.

City of Anderson: Expenditure to the Foothills Alliance is not compliant. Therefore, TERC voted to direct the State Treasurer's Office to withhold \$250.00 from future disbursements; No interest was reported; Questioned the use of funds that were given to the Special Olympics Fall Games, and how funding for travel to this event will promote tourism in the area; Also requesting more information on funding for the Shepherd's Guild Greek Festival- specifically, who is this group, and what were these funds used for.

City of Beaufort: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the (city/county).

City of Greenville: Funding for Greenville HBCU Classics, Inc. and Carolina First Building - description states these funds were used for marketing, and TERC feels that this qualifies as a "1".

City of Greenwood: Expenditure to the Arts Council of Greenwood County for maintenance is not compliant and TERC voted to withhold these funds; requested more information on the

Interdenominational Minister's Wives and Widow Alliance of Greenwood; clarification needed on the expenditure to The South Carolina Festival of Flowers- description states that these funds were used for promotion, which should be coded as a "1", not a 2.

City of Seneca: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the City; Reporting form is not balanced- line 10 should read \$6,478.61; Also questioned the disbursement of the 30% Tourism and Promotion funds, as it was not noted what entity received these funds.

Simpsonville: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the City; Reporting form is not balanced- 65% expenditures listed on Side A of your reporting form (\$30,884.00) does not match the 65% expenditures on Side B (\$46,500.00); No interest was reported.

Greenville County: Form is not balanced: Line "10" should be \$0.00, and not \$6,507.00; Carolina Elite Soccer Academy and Northwood Baseball Complex are not listed on the report, but are listed on the detail pages in their packet- need clarification on whether or not this was funded by the County; Clarification needed on the expenditure to American Legion Post- description for these funds were coded as a "3", but TERC feels that this qualifies as a "7" since the funds were used for "operational support"; advisory committee is non compliant; No interest was reported.

Greenwood County: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the County. Clarification needed on the following expenditures:

- The Town of Ninety Six- description of these funds were used to "assist with the newly constructed Historic 96 Visitors Center", which should be coded as a "3 or 7", not a 2.
- The Town of Ware Shoals for the Annual Cat-Fish Festival for "promotion"- should be changed to a "1" and not a "2".

Newberry County: Clarification needed on the expenditure to The Newberry Visitors Center. It also appears that in the cover letter to TERC, that "no activity" took place in the 07-08 year, but according to the report, \$34,209.45 was expended.

Oconee County: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the County.

Pickens County: Expenditure to disburse accommodations tax funds to the Greenville Pickens Speedway is not compliant. Therefore, TERC voted to direct the State Treasurer's Office to withhold \$5,000.00 from future disbursements; Also questioned the disbursement of the 30% Tourism and Promotion funds, as it was not noted what entity received these funds.

Bluffton: Heyward House Historic Center- these funds were coded as a "1 & 3", but TERC feels that this qualifies as a "7"; The advisory committee composition is non compliant.

Hilton Head: Clarification needed- for the following: The Art League of Hilton Head Island and Hilton Head Island Concours d'Elegance- funds for these two projects were used for "advertising, promotion and/or marketing", which should be coded as a "1", not a 2; Questioned advisory committee member John Diamond, and his relation to the cultural community.

City of Newberry: okay

Ridgeland: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the City.

Kevin/Lanneau –

Berkeley County: No interest reported.

Cherokee County: No interest reported.

City of Camden: Requested more information the Camden Jr. Welfare League Candlelight Tour of Homes; No interest reported.

City of Cayce: Requested more information on the Museum Aide; No interest reported.

City of Columbia: Requested more information on the following events:

- SC Hispanic Outreach for Main Street Latin Festival
- Beach Music Association for Beach Music Day

- SC Indian Affairs Commission for Unity Gathering
- Capital Senior Center- Shaggin' at Pavilion & Coconut Grove

Asked to review numbers submitted for Capital City Lake Murray- the total number of tourists was higher than the total attendance; No interest reported.

City of Gaffney: okay

City of Georgetown: okay

Clarendon County: Advisory committee non compliant

Colleton County: okay

Kershaw County: Balancing errors; No interest reported

Lexington County: okay

Richland County: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the County; The expenditure for administrative costs is not compliant and directed the State Treasurer's Office to withhold \$151.00 from future disbursements.

Spartanburg County: Questioned advisory committee members Mr. Gustafson and Mr. Lee, and their relation to the lodging and cultural community; Asked to review attendee numbers submitted for Stump Jump event; No interest reported

Town of Springdale: Notified City that the make up of the advisory committee is non compliant; The amount carried forward in line 10 of the form is in excess of the annual disbursement, which states that all funds must be spent within two years of receipt by the City; Requesting information on who received the City's 30% disbursement.

Mark/ Andy-

City of Hartsville: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the City.

City of North Myrtle Beach: Questioned the following expenditures: Long Bay Symphony, City of Myrtle Beach- Public Works for Beach Cleaning, City of Myrtle Beach- Public Works for Personnel Costs for Special Events- Sanitation, City of Myrtle Beach- Parks & Grounds- Christmas Decorating- while funds were disbursed for these projects, the Advisory Committee recommended different/no funds be disbursed. There is a full page of expenditures in the report that have no explanations for what the funds were used for. It also appears that the advisory committee's recommendation was different on many of your projects from the Councils final allocation; Questioned advisory committee member Norfleet Jones, and her relation to the hospitality industry.

City of Orangeburg: okay

City of Rock Hill: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the City; Form is not balanced; The "Balance Carried Forward" (Line 10) should read \$12,817.45; the City did not file "Side B" of the reporting form

Horry County: Questioned the following expenditures:

- Beach & Street Clean Up, Aynor Area Chamber of Commerce
- Bluegrass on the Waccamaw
- Little River Chamber of Commerce
- Long Bay Symphony
- Loris Chamber of Commerce

While funds were disbursed for these projects, the Advisory Committee recommended different/no funds be disbursed; Questioned Horry County Arts & Cultural Events disbursement to grant funds to artists and art organizations

Laurens County: Form is not balanced- 65% expenditures on "Side A" does not match "Side B"; No interest reported.

Orangeburg County: Questioned the validity of the expenditure to the Town of Santee for the Maize Days Festival

Town of Duncan: Questioned the validity of the expenditure for the Shipwreck Cove Waterpark.

Town of Pawley's Island: Requested to receive an updated letter on the circumstances listed in their six year old letter; No interest reported

Town of Surfside Beach: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the Town.

Town of Walterboro: Questioned additional funding from 65% funds (above the 30% already given) to Walterboro Area Tourism Commission to fund the Welcome Center; additionally, the amount that was given by local government differs greatly from the amount that was recommended by the advisory committee; No interest reported; No local advisory committee list submitted

York County: No interest reported

Susie/ Rod –

City of Charleston: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the City.

City of Dillon- okay

City of Florence- okay

City of Folly Beach- okay

City of Lake City-okay

City of North Charleston: "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the City.

Dorchester County: No interest reported

Florence County: Questioned advisory committee member Mr. Byrd, and his relation to the lodging industry.

Town of Edisto Beach: Advisory committee not compliant

Town of Isle of Palms- okay

Town of Kiawah- okay

Town of Moncks Corner: Form is not balanced- asked for further clarification on numbers listed below Line 10, where \$8,479.49 was "added" to equal \$45,288.64; Also noted that the Town's 30% funds have not been disbursed to date

Town of Mount Pleasant: Left off coding on several events

Town of Santee: Form not balanced; Expenditure for law enforcement services is not compliant. Therefore, TERC voted to direct the State Treasurer's Office to withhold \$50,000.00 from future disbursements.

Town of Seabrook Island: Advisory Committee is not compliant. Further information regarding affiliation was requested on several members of the committee.

Town of Summerville: No interest reported

The next regularly scheduled meeting of TERC will be Monday, January 12, 2009.

There being no other business, the meeting adjourned.

Respectfully Submitted,

Lauren Sponseller

Lauren Sponseller, TERC Staff