

**TOURISM EXPENDITURE REVIEW COMMITTEE  
MEETING MINUTES  
April 21, 2008  
Room 2D21, SCDOR  
10 a.m.**

**ATTENDANCE:**

**Committee Members in Attendance via Phone:** Frans Mustert, Chairman; John Curry, Toni Nance, Ed Riggs, Rod Swaim, Kevin Yokim and Susan Cruse. **Committee Members in Attendance in Room 2D21:** Mark Williams, Lanneau Siegling.

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

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

- **Minutes Approval:** The Committee motioned to approve the minutes from the February 25, 2008 and February 28, 2008 meetings.
- **Travel Vouchers:** Mark Williams and Lanneau Siegling remitted travel vouchers to Mrs. Jeter.
- **Cleanup Language:** Chairman Mustert asked both Mark Williams (representing the Municipal Association of SC) and Kevin Yokim (representing the SC Association of Counties) about conversations each had with the aforementioned organizations regarding cleanup language. Both stated that the associations would not approve the language as it did mean changes to the current law. Mr. Curry stated that he could see how some of it would be a “pandora’s box” in that it could open the door to other changes. Mr. Mustert said he would put together a list of specific cleanup items (such as changing the name from the accommodations tax oversight committee to the Tourism Expenditure Review Committee) and forward it to Mr. Williams and Mr. Yokim to see if specific cleanup would be condoned by the associations.
- **Resignation of Lisa Martin:** Mrs. Jeter received an email from the SC Travel and Tourism Committee regarding a replacement for Lisa Martin, who resigned in February. The organization has a couple of people in mind to recommend to the Governor. They are Paul Aughtry and Andy Cajka, both from Greenville. Many TERC members thought it was a good idea to get someone from the upstate on the Committee. Mrs. Jeter said she would continue to converse with the SC Travel and Tourism Committee regarding this issue.
- **Governor’s Conference:** Mrs. Nance said evaluation results were not yet available, but she would forward them as soon as she had them.

**QUESTIONS FOR COMMITTEE:**

City of Georgetown asked whether or not it would be appropriate to use state accommodations tax funds to pay for temporary docks for its Wooden Boat Show. The City stated that the show is an exhibition and parade of wooden boats that bring many visitors into the area. After discussion,

TERC decided it would be an appropriate use of funds according to Section 6-4-10 of the SC Code of Laws.

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**

- **Beaufort County:** TERC will change coding internally and notify the County that it has done so.
- **Greenwood County:** This is the first year that the County has reported in several years. Their report lacked detail and TERC will ask them to re-send their report with detail.

**Reviewed by Kevin Yokim/Ed Riggs/Lanneau Siegling**

- **None reviewed this month.**

**Reviewed by Mark Williams/John Curry**

- **None reviewed this month.**

**Reviewed by Rod Swaim/Susie Surkamer**

- **City of Goose Creek:** okay
- **St. George:** okay

**RESPONSES TO OCTOBER LETTERS:**

**The following entities responded to questions generated by TERC as a result of December'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**

- **City of Greenville:** TERC had previously voted to withhold funds in the amount of \$20,000 for the City funding the Gold Wing Riders, which appeared to be a for profit organization with questionable tourism impact. However, upon receipt of additional information, it was proven that the association was non profit and the event is a tourism draw in accordance to Section 6-4-10. Mrs. Susan Cruse motioned to reverse TERC's previous decision to withhold funds, with Mr. Ed Riggs seconding. TERC passed the motion unanimously. Additionally, TERC had previously questioned the Greenville Historically Black College and the Greenville Cultural Exchange Center. Both of these expenditures are appropriate.

- **Newberry County:** The original report lacked detail. Additionally, it appeared that the County needed to expend more 30% funds. It sent in the detail TERC needed and explained the 30% discrepancy. TERC will encourage the County in the future to send in the detail form or report more information on its reporting form.

**Reviewed by Kevin Yokim/Ed Riggs/Lanneau Siegling**

- **Chester County:** TERC had previously voted to withhold funds on several expenditures due to lack of tourism. It appeared that the tourism impact was minimal compared to the amount of tourism funds spent. Representatives of the County met with Mrs. Jeter in March to discuss “percentage of tourism” and exactly how funds should be used. They will be incorporating this information into their application package to hopefully quantify their future funding. Additionally, the County sent in additional information and changed the number of tourists and the budget. After reviewing this, Mr. Mark Williams made a motion to reverse TERC’s original decision, with Mr. John Curry seconded the motion. Although the motion passed unanimously, TERC members also asked that the County clarify the reason for the dramatic changes in tourism data.
- **Richland County:** TERC had previously questioned the County’s expenditure of funds for the Auntie Karen Foundation and the Columbia Regional Sports Authority’s 2 Hot 4 Ice event. In the report, the 2Hot 4 Ice event was cancelled and the funds were diverted to another event – the Capital Chevrolet Golf Classic. TERC approved the expenditure of the Auntie Karen Foundation. However in regards to the golfing event, it appears that although the applicant is the same (Columbia Regional Sports), the event is different, therefore, a new application needed to be generated, which then needed to go to the local advisory committee for their input before going to full Council. The fact that the applicant contacted two council members regarding its plans and not the full council is also in violation of Section 6-4-25. Therefore, Mr. Ed Riggs made a motion to direct the State Treasurer’s office to withhold \$2,500 from future disbursements, with Mrs. Susan Cruse seconding. The motion passed unanimously.
- **Spartanburg County:** TERC had previously questioned four expenditures – Mighty Moo Festival, Cross Cultural Institute – Taste of Africa, Chesnee Spring Fest and the Foothills Antique Power Association. Although the information provided by the County proved that all expenditures (with the exception of the Foothills Antique Power Association) are acceptable, it had no information regarding the Foothills Antique Power Association. Therefore, without adequate information, TERC could not make a determination of the tourism value and applicability to Section 6-4-10 of the SC Code of Laws. Therefore, Mr. Ed Riggs made a motion that until such information was sent, TERC would direct the state treasurer’s office to withhold \$1,000 from future disbursements to the County. The motion was seconded by Lanneau Siegling and passed unanimously by TERC.

**Reviewed by Mark Williams/John Curry**

- **Town of Blythewood:** carryover amount corrected. Okay.
- **Horry County:** TERC had previously questioned the County's funding of \$55,000 for the Horry County's Arts and Cultural Director's salary. In FY 05-06, the full amount was funded and at that time, TERC stated that it could only be funded to the amount that the director spent directly associated with tourists or tourism. Additionally, the burden must be shared with incorporated areas of the County and not just the County itself. The County once again funded the full amount and stated that it would take two years to get the organization to a point where they could fund his salary. The local committee only recommended funding \$20,000 with the rest coming from incorporated areas. The County stated that promotion of the arts and cultural events is a fundable expense and therefore, because he spends his time working on promotion, it should be fundable. After some discussion, Mr. Lanneau Siegling motioned to direct the State Treasurer's office to withhold \$35,000 from future disbursements – the amount recommended by the local committee to come from other sources. Mr. John Curry seconded the motion, with Mr. Mark Williams casting a dissenting vote. After more discussion, Mr. Siegling withdrew his motion and TERC will further question the funding of the entire salary and exactly how it can be deemed a "promotion of the arts and cultural events."
- **N. Myrtle Beach:** Questioned funds spent on the Long Bay Symphony. The City stated these funds were used for advertising, albeit some advertising was local. TERC accepted this use of funds but will caution the city to limit local advertising.
- **City of Walterboro:** TERC questioned the use of funds for the Downtown Walterboro Criterium (bicycle race). After review, it was proven that most funds went to advertising and promotion. Additionally, TERC will ask the City to keep TERC in the loop on its search for new committee members.
- **Town of Surfside Beach:** It was unclear whether or not the Guy Daniels Surf off was a nonprofit organization. After review of additional information, it was proven that it was nonprofit.

**Reviewed by Rod Swaim/Susie Surkamer**

- **Town of Edisto Beach:** Previously, TERC had questioned the use of funds for the tomato festival and whether or not the festival was local. After review of additional information, it appears that the festival attracts tourists and the funds were used primarily for advertising and promotion.
- **Town of Summerville:** The local committee is lacking a member; however, the Town is advertising for this in the local newspaper and will continue to keep TERC updated on its progress.

The next regularly scheduled meeting of TERC will be held June 16 at 10 a.m. at SCDOR or via conference call.

There being no other business, the meeting adjourned.

Respectfully Submitted,

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