

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
January 12, 2009
Room 2D21, SCDOR
10 a.m.**

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman; Lanneau Siegling, Kevin Yokim, Mark Williams, Rod Swaim, Edward Riggs, Andy Cajka and Toni Nance.

Staff in Attendance: Lauren Sponseller, TERC Staff.

Guests in Attendance: John Hoefler, TERC Counsel.

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

- 1. Introduction of New TERC Member, Andy Cajka:** Chairman Mustert introduced Mr. Cajka, who was appointed to the Committee at the recommendation of SC Travel and Tourism Coalition.
- 2. Travel Vouchers:** The Committee remitted travel vouchers to Mrs. Sponseller.
- 3. Minutes Approval:** The Committee motioned to approve the minutes from the November 12, 2008 meeting.
- 4. October and November Budgets:** Chairman Mustert asked the Committee to review monthly budgets, and asked for any questions. Mr. Siegling asked for a more detailed description of the expenditures to Willoughby and Hoefler, TERC's legal counsel, and Ms. Sponseller said that she would prepare a breakout for the next meeting.

TERC voted to go into executive session to discuss confidential matters with its counsel, John Hoefler, Willoughby and Hoefler.

The Committee voted to come out of executive session.

- 5. Governor's Conference:** Ms. Nance asked that TERC members who plan to attend the TERC workshop should fill out the registration form and give to her. Ms. Sponseller gave the Committee a list of questions from previous conference workshops, and Chairman Mustert asked for questions from the Committee based on questions that have been asked throughout the year. The following issues were brought to the table: signage, dredging of harbors, non-profit status/issues. Mr. Mustert asked that all TERC members who will be attending the Conference meet for breakfast to discuss questions at 7:30 am. Chairman Mustert asked Ms. Sponseller to set up Audio/Visual equipment for the workshop.
- 6. Vacancy on TERC Committee:** Chairman Mustert stated that TERC is still awaiting approval from the Governor for John Munroe from Sea Pines Plantation, who was nominated by the SC Association of CVBs. Ms. Sponseller was asked to check on TERC Members whose terms for service end in 2009: Ms. Surkamer, Mr. Siegling, Mr. Cajka, Mr. Yokim, and Mr. Riggs. Mr. Swaim's term ended in 2005, and this will be checked as well.

7. Review of FY 07-08 Reporting Forms-

Susan and Ed-

Beaufort County: okay

City of Clemson: questioned FCA event – asked for documentation for this event.

Hardeeville: okay
Jasper County: okay

Mr. Riggs asked that a letter be sent to Hilton Head Island regarding TERC expenditures relating to museums, concerts and symphonies, and not on promotion and advertising. While funding for these events and projects is allowable, it goes against the true stance of what TERC money should be spent on. The Committee agreed and approved the request to send a letter to Hilton Head regarding this issue.

Kevin/Lanneau –

City of Spartanburg: It was noted by the City that their 30% disbursement was off, and that they will reimburse this amount so that the report for next year is accurate, and reflects this. TERC will write letter to City of Spartanburg to make sure that they will follow through with making sure that next year's report reflects the changes that need to be made. TERC questioned expenditures to the following events: the City of Spartanburg- International Festival, Panthers Party, Spring Fling, and Shamrocks on the Square. While the funds for these events were all used for out of market advertising (for-profit), the funds were spent by the City. Also questioned Spartanburg County Historical Association- Living Green at the Seay House: How does this work with tourism?

Chester County: No coding on expenditures- will need to re-submit report with coding. Not spending enough money- carried over more money than they spent in 07-08. No interest reflected.

Georgetown County: Not spending enough money- carried over more money than they are spent in 07-08.

Town of Lexington- Report not balanced. Balance carried forward amount should be \$35,536.38.

Susie/ Rod –

Dillon County: okay.

8. Review of Responses to Questions Regarding FY 07-08 Reporting Forms-

Susan and Ed–

City of Aiken- TERC recommended that coding be changed on several projects from a "2" to a "1", and since funds were used for advertising. TERC accepted the information on the non-profit status of the organizations that was requested.

City of Greenville- TERC recommended that the coding be changed on Greenville HBCU Classics, Inc. and Carolina First project to a "1", and the City agreed that a "1" is the most appropriate code, since these projects used the funds for marketing.

City of Greenwood- A letter was attached to the City's report regarding the City's reasoning that their disbursements were vastly different from the amounts suggested to be disbursed by the City's Atax Advisory Committee. The Atax Committee Chairman used a methodology of funding projects that brought people into the area, and stayed overnight in local accommodations. Mr. Riggs made the motion that TERC write a letter commending his methodology, Mr. Siegling seconded, and the Committee unanimously agreed.

TERC voted to go into executive session to discuss confidential matters with its counsel, John Hoefler, Willoughby and Hoefler.

The Committee voted to come out of executive session, and the following motions were made:

- Mr. Seigling motioned to proceed with appeal in TERC's case versus City of Myrtle Beach regarding TERC's stance on disbursement of atax funds for non-for profit organizations. Mr. Riggs seconded. The Committee unanimously approved to proceed with the appeal.

TERC voted to go into executive session to discuss confidential matters with its counsel, John Hoefler, Willoughby and Hoefler.

The Committee voted to come out of executive session, and the following motions were made:

- Mr. Seigling motioned that TERC asks counsel to send a letter to City of Myrtle Beach questioning their 07-08 report in regards to the procedure on how they approve their accommodations tax fund expenditures. Mr. Riggs seconded the motion, and TERC unanimously agreed.

Seneca- TERC approved information regarding amount reported by the City vs. the amount that the SC State Treasurer's office reported. TERC also approved changes made to the reporting form in order to balance their form.

City of Bluffton- TERC recommended that coding be changed on the Heyward House Historic Center to a "7", and since funds were used for operation of a visitors information center.

Ridgeland- TERC approved the Town's reason as to why no interest was reflected in their report. The Town stated that there is never more than a few dollars collected in interest, and they leave this in the account in order to leave it open.

Kevin/Lanneau –

Berkeley County- TERC approved the County's reason as to why no interest was reflected in their report. The County stated that they spend it as soon as they receive it, therefore they do not earn any interest.

Cherokee County- TERC approved the County's reason as to why no interest was reflected in their report. The County stated that they spend it as soon as they receive it, therefore they do not earn any interest.

City of Camden- TERC approved information that was submitted regarding the City's Candlelight Tour of Homes. TERC approved the City's response that no interest had been reported on 07-08 Report, and notes that the City will have to report their 07-08 interest on the 08-09 report.

City of Cayce- TERC previously requested more information on funding for a museum aid, but would like more information on how many tourists visit the museum itself. TERC approved the City's reason as to why no interest is reflected in the report. The City stated that they deposit all funds into a non-interest bearing account.

City of Columbia- TERC approved the four questionable event expenditures: SC Hispanic Outreach for Main Street Latin Festival, Beach Music Association for Beach Music Day, SC Indian Affairs Commission for Unity Gathering, and Capitol Senior Center- Shaggin' at Pavilion & Coconut Grove. TERC also approved numbers that the City inadvertently transposed for Capital City Lake Murray event. TERC approved the City's response that no interest had been reported on 07-08 Report, and notes that the City will have to report their 07-08 interest on the 08-09 report.

Clarendon County- TERC questioned their composition of Atax Committee. The County states that they are aware of the vacancy, and that they are in the process of fixing the issue.

Richland County- TERC approved the County's response regarding the difference in the amount that the County reported vs. the State Treasurer's amount listed in the report. The reason is that the County had money that was withheld, and thus, the difference in the two numbers. TERC stands behind their original response to withhold \$151.00 from future disbursements in regards to the County's funding for administrative costs.

Spartanburg County- TERC questioned their composition of Atax Committee. The County states that they are aware of the vacancy, and that they are in the process of fixing the issue. TERC also approved numbers that the County incidentally transposed for Stump Jump event. TERC approved the County's reason as to why no interest was reflected in their report. The County stated that they spend it as soon as they receive it, therefore they do not earn any interest.

Susie/ Rod –

City of Charleston- TERC approved the City's response regarding the difference in the amount that the City reported vs. the State Treasurer's amount listed in the report. The reason is that the City follows a calendar year instead of a fiscal year, thus creating a difference in the amount that is reported.

City of North Charleston- TERC approved the City's response regarding the difference in the amount that the City reported vs. the State Treasurer's amount listed in the report. The City states that the reason that the difference is because their July payment is reported on the future year's report due to when it is received (after the report is filed and due).

Dorchester County- TERC approved the County's reason as to why no interest was reflected in their report. The County stated that they spend it as soon as they receive it, therefore they do not earn any interest.

Town of Mount Pleasant- TERC approved all coding that the Town added to their forms.

Ms. Sponseller then gave an update on the overall reporting status: 6 Municipalities have not sent in reports: Goose Creek (follows a fiscal year that ends in March, and should be filing soon), St. George, Sumter County, Charleston County, Chesterfield County and Easley (all asked for extension until March 1). Mr. Riggs made the motion to withhold \$500 per month, and Mr. Siegling seconded. The Committee unanimously voted to send letters to these entities to make them aware of penalties for withholding at \$500 per month starting in March..

The next regularly scheduled meeting of TERC will be Monday, March 16, 2009.

There being no other business, the meeting adjourned.

Respectfully Submitted,

Lauren Sponseller

Lauren Sponseller, TERC Staff