

**TOURISM EXPENDITURE REVIEW COMMITTEE  
MEETING MINUTES  
March 16, 2009  
Room 2D21, SCDOR  
10 a.m.**

**ATTENDANCE:**

**Committee Members in Attendance:** Frans Mustert, Chairman; Lanneau Siegling, Kevin Yokim, Rod Swaim, Edward Riggs and Suzette Surkamer.

**Staff in Attendance:** Lauren Sponseller, TERC Staff.

**Guests in Attendance:** John Hoefler, TERC Counsel.

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

- 1. Call to Order:** The Meeting was called to order by Chairman Mustert.
- 2. Travel Vouchers:** The Committee remitted travel vouchers to Mrs. Sponseller.
- 3. Minutes Approval:** Mr. Swaim motioned to approve the minutes from the January 12, 2009 meeting, Mr. Siegling seconded, and The Committee unanimously voted to approve the minutes.

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

The Committee came out of executive session.

Ms. Surkamer made a motion to continue TERC's litigation currently in process with City of Myrtle Beach as to how accommodation tax funds are disbursed out of the City's general fund, and whether these decisions are subject to the local advisory committee's recommendations. A letter will be written to make the City aware of the fact that, while TERC approved FY 06-07 report, with disbursements reported in this manner, the Committee is reviewing the legality on the previous issue regarding the City's system of disbursing funds, in that the amount suggested by the local advisory committee is vastly different from the amount that the City actually disburses. Mr. Swain seconded the motion, and the Committee unanimously approved.

Mr. Swaim motioned to hold TERC's 2006 case (regarding City of Myrtle Beach's disbursement of atax funds to for-profit organizations for fireworks) in abeyance pending the Court of Appeals' determination of TERC's 2005 case (same issue). Mr. Seigling seconded, and the Committee voted unanimously in favor.

**PRESENTATION:**

Ms. Sponseller introduced Mr. Dale Powell, Parks and Recreation Director for Pickens County, who wanted to speak to the Committee regarding TERC's decision to withhold atax funding to Greenville Pickens Speedway for \$5,000 because the funds were disbursed to a for-profit organization. Mr. Powell stated that he understood TERC's reasoning to withhold funds, and wanted to TERC to affirm that should the current court case that TERC has with City of Myrtle Beach (regarding for-profit entities receiving funds) rule in favor of City of Myrtle Beach, TERC would reconsider their current stance of the issue with Pickens County. He also asked for the Committee's advice on funding Greenville Pickens Speedway for the current year. The Chairman suggested that the County not fund the event again until a decision has been made in the Court of Law. Mr. Powell wanted to clarify

that funds that were disbursed to the Speedway were being used to promote and advertise for the event itself, and Mr. Swaim restated that funds disbursed need to go to a non-profit entity in order to advertise *the town*, and to adhere to TERC's guidelines. Mr. Yokim gave an example of how Florence County gave proper funding to a non-profit group in order to advertise for a similar event in his area.

**4. December Budget:** Chairman Mustert asked the Committee to review monthly budget, and asked for any questions. The Committee unanimously approved the budget as submitted.

**5. Question from Chester County:** An email was sent in requesting the Committee's opinion regarding the County overriding the local advisory committee's recommendation, as well as can the County roll over all disbursements for 2009-2010 and hold all money until 2010-2011. The Committee stated that yes, the County does have the right to override the advisory committee's decision should the County disagree with the legality of the disbursement. However, the Committee wishes to ask for specifics on what exactly it is that the County wants to override and for what reason.

**6. Governor's Conference Follow-Up:** Ms. Sponseller stated that on-line surveys results should be given to her soon, and she will share with the Committee as soon as possible.

**7. Statement of Economic Interest:** Chairman Mustert reminded all Committee members to complete the mandatory on-line survey for all TERC members. He also advised Committee members that those who do not file will be fined. Ms. Sponseller said that she will follow up with the State Ethics Commission to see who has not filed.

**8. 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.

**10. Georgetown County Response:** A response was sent to TERC from the County regarding the complaint that was placed by the SC Watermedia Society. The complaint was in regards to the exclusion of festivals receiving funds from the County. The County sent in a copy of their guidelines, and stated that they do not feel that they have excluded anyone from their funding process. Mr. Siegling suggested that a copy of these guidelines be disseminated to all counties and municipalities as a sample of guidelines.

**11. Horry County Beach Re-Nourishment Extension:** Horry County sent in a request to extend their beach re-nourishment for an additional three years. Mr. Swaim motioned that the Committee approve the extension provided that proof is submitted annually that these funds are actually escrowed in the special account, Mr. Seigling seconded the motion, and the Committee unanimously approved.

**12. Review of FY 07-08 Reporting Forms-  
Susan and Ed-**

**City of Easley:** TERC questioned placement of banner promoting Big League World Series, Spring Fling, July 4<sup>th</sup> Celebration, fall antique festival, annual Christmas tree lighting and parade.

**Chesterfield County:** okay

**Susie/ Rod -**

**Town of St. George:** TERC questioned funding for lighting- disbursement went to All South, which is a for-profit organization. TERC does not question the use of these funds, but rather where the funds are being disbursed.

**Charleston County:** okay

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

### **Susan and Ed-**

**Aiken County:** TERC approved information in regards to errors made by the County on numbers that they originally reported, as well as coding changes.

### **Kevin/Lanneau –**

**Kershaw County:** TERC approved corrections that were made in their report related to balancing their numbers. TERC also approved information submitted by the County regarding no interest reflected on their report, and notes that the County will retroactively apply interest to their FY 08-09 report.

**Town of Springdale:** TERC questioned their composition of their Atax Committee, and the Town states that they are aware of the vacancy, and are in the process of fixing the issue. TERC warned the Town that they were not spending enough of their 65% balance. The Town has already spent about half of their balance, and TERC approved their additional 65% expenditures. Upon this review, TERC requested more information on the Town's 30% expenditure to Lexington County Recreation Commission.

### **Susie/ Rod –**

**Florence County:** TERC approved information in regards to the County's vacancy on their local advisory committee. The County states that they are working to fill the vacancy as quickly as possible.

**Edisto Beach:** TERC received additional information from the Town in regards to members on their advisory committee. However, clarification is still needed on how Robert Ashley Fontaine, with Edisto Seafood and Fontaine Charters is related to the *lodging sector* of the hospitality industry, and how Donald Hartman falls under the *cultural affiliation* category.

**Town of Monck's Corner:** TERC approved changes that were made to the Town's reporting form that reflect where 30% funds were disbursed, and therefore, made their report balance.

**Town of Santee:** TERC received additional information from the Town, however the Committee does not feel that the information was sufficient, and requested clarification on the issue.

**Town of Summerville:** TERC approved information submitted by the Town in regards to no interest reflected on their report, and notes that the Town will carry forward the interest and will include this amount on the Town's FY 08-09 report.

The next regularly scheduled meeting of TERC will be Wednesday, May 6, 2009.

There being no other business, the meeting adjourned.

Respectfully Submitted,

*Lauren Sponseller*

**Lauren Sponseller, TERC Staff**