

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES**

May 6, 2009

SC Arts Commission Board Room

10 a.m.

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman; Lanneau Siegling, Rod Swaim, Edward Riggs, Suzette Surkamer, Mark Williams.

Staff in Attendance: Lauren Sponseller, TERC Staff.

Guests in Attendance: John Hoefler, TERC Counsel and Tom Sponseller, Hospitality Association of South Carolina.

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 Ms. Sponseller.
- 3. Minutes Approval:** Mr. Swaim motioned to approve the minutes from the March 16, 2009 meeting, Mr. Riggs seconded, and The Committee unanimously voted to approve the minutes.
- 4. Legislative Update:** Mr. Sponseller gave an update of current issues that affect TERC:
 - (1) S.304 (Leatherman) - working on an amendment to require proof for 50% out of market visitors from entities applying for ataxes. This would help to define tourists, and to keep atax funding to true tourism uses by defining that a tourist is considered someone from more than 50 miles away from their home.
 - (2) S332, H3335 (Sumter delegation) - Two years ago, TERC allowed local governments to use 20% of their ataxes for operational and maintenance of tourism-related buildings, and they now want up to 50% of atax funds
 - (3) There is a bill that being drafted that would allow appeals of TERC decisions against cities or counties to go to their local legislative delegation instead of going through the Administrative Law Judge Division.
 - (4) Travelocity case- relating to on-line third party hotel reservation services. There has been a recent court ruling in Georgia that Travelocity and other on-line hotel reservation services will be required to pay ataxes and sales taxes on their service fees. Travelocity is currently appealing this case as it could amount to millions of dollars to each reservation company.

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.

5. January, February and March Expenditures: Chairman Mustert asked the Committee to review monthly expenditures, and asked for any questions. The Committee unanimously approved the expenditures as submitted.

6. Governor's Conference Follow-Up: Ms. Sponseller presented information from the on-line survey given to workshop attendees. While the results that came back were positive, only eight surveys were returned. In order to get a true measure of opinions TERC made the decision to create a survey to hand out during the conference, and to collect the information before the attendees leave.

7. 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. As of July of 2009, Ms. Surkamer's term will expire. With her impending retirement, Ms. Surkamer will speak with the Chairman of the Arts Commission of South Carolina to determine if her term will be renewed. Ms. Sponseller will send letters by June 10 for all other TERC members who are up for renewal.

8. Miscellaneous Issues:

Oconee County: wishes to receive an informal opinion regarding an application received for ATAX funds. Can ATAX funds be requested to acquire website domains that will be used for marketing websites? There is an effort to promote the area surrounding Lake Hartwell in a marketing website. The Committee determined that this is an appropriate expenditure, as this is where more people are receiving their information currently.

Edisto Beach: wants to know if they can fund a project that has already taken place. The Chamber wanted funding for visitor's books, but by the time their atax committee approves of the project, the books will have already been paid for by the Chamber. TERC is of the opinion that this is appropriate, and that the funding for the project could apply under the two-year rule that TERC has in place.

Chester County: would like an informal opinion from TERC regarding an application for atax funding. The applicant is the theatre in Chester, and they do not have enough information to prove that they bring in enough tourists for events- no addresses or zip codes listed. After review of the list of names, the County notes that a large majority of participants are local. In view that there are not enough participants that are tourists, TERC would deny use of atax funds for this project.

9. Review of FY 07-08 Reporting Forms-

Mark/Andy-

City of Conway: okay

City of Sumter: Questioned where 30% funds are being disbursed. It was also noted that the amount listed in line 6 of their 65% expenditures is vastly different from what was reported as being disbursed by the local government.

Sumter County: okay

Susie/ Rod –

City of Goose Creek: okay

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

Susan and Ed–

City of Beaufort: TERC approved information regarding amount reported by the City vs. the amount that the SC State Treasurer's office reported.

Greenville County: TERC approved changes that were made by the County regarding miscalculation of line 10, addition of funding for Carolina Elite Soccer Academy and Northwood Baseball Complex, coding changes to American Legion Post, corrections to advisory committee, and the information given in regards to the County not having collected any interest.

Town of Hilton Head Island: TERC approved information submitted by the Town regarding coding changes to the Art League of Hilton Head and Hilton Head Concours d'Elegance, as well as information given in regards to local advisory committee member, Mr. John Diamond.

Newberry County: TERC approved information given regarding funding for The Newberry Visitors Center.

Oconee County: TERC approved information regarding amount reported by the City vs. the amount that the SC State Treasurer's office reported. The difference is due to funds that were withheld in the prior year.

Town of Simpsonville: 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 their report in order to balance their form.

Anderson County: TERC approved information submitted regarding the Bowie Old Farm Reunion, Honea Path Horseshoe Park, funds disbursed to Special Olympics. TERC requests that the County use funds from the hospitality tax to upgrade tennis courts, as this tax is specifically for sports facilities.

City of Greenville: TERC approved coding changes to the Greenville HBCU Classic and the Carolina First Center.

City of Greenwood: TERC reviewed information submitted by the City regarding funds disbursed to the Arts Council of Greenwood County for \$3,000. Mr. Riggs made a motion to reverse the original decision, and Mr. Williams seconded. The Committee unanimously agreed. TERC approved information submitted regarding the Interdenominational Minister's Wives and Widow Alliance, as well as coding changes to The SC Festival of Flowers disbursement.

Town of Ridgeland: TERC approved the Town's response regarding no interest reported on their FY 07-08 form.

City of Clemson: TERC approved information submitted regarding disbursement to Clemson Area FCA.

Kevin/Lanneau –

City of Cayce: TERC approved information and back-up given in regards to the Museum Aide, as well as the City's response regarding the funds being placed into an interest bearing account.

Chester County: TERC approved information regarding amount reported by the County vs. the amount that the SC State Treasurer's office reported. TERC also approved information given regarding interest on their form.

Georgetown County: TERC approved information regarding compliance with the two-year limitation for expenditure of atax funds.

Town of Lexington: TERC approved corrections submitted in regards to a miscalculation of interest on their form.

City of Spartanburg: TERC approved information submitted in regards to the International Festival, Panthers Party, Spring Fling, Shamrocks on the Square and Living Green at the Seay House, based on answers provided.

Town of Springdale: TERC approved appointments made to the Town's atax advisory committee, as well as information submitted in regards to funds disbursed to Lexington County Recreation and Aging Commission.

Mark/Andy-

Town of Duncan: TERC questioned the validity of the expenditure for the Shipwreck Cove Waterpark, and the Town provided information. However, TERC would like more information, specifically a marketing plan.

Town of Hartsville: TERC approved information regarding amount reported by the Town vs. the amount that the SC State Treasurer's office reported, due to disbursing funds on a calendar year.

Horry County: TERC question funding for Beach & Street Clean-Up, and the Committee made a motion that they continue to feel that this is not an appropriate use of funds. Ms. Surkamer voted against this decision. The Committee made the decision to send the County a letter stating that they are of the opinion that this is not the best use of funds. TERC made the decision to approve funding for Aynor Area Chamber of Commerce for \$3,800 for promotion only, and warns the County that \$6,200 should not be used to fund the operation of their event in the future. TERC approved funding for Bluegrass on the Waccamaw and Loris Chamber of Commerce Bog Off. The Committee was of the opinion that funding of Billboards for Long Bay Symphony was not a fundable expenditure. TERC requests an update on what the County did with funds that were originally approved for Horry County Arts & Cultural Events.

Laurens County: TERC approved information given regarding their interest on their form.

City of North Myrtle Beach: TERC accepts the information submitted by the City in regards to Long Bay Symphony, City of North Myrtle Beach- Public Works for Beach Cleaning and Personnel Costs for

Special Events, and Parks & Grounds Christmas Decorations, as well as information submitted to clarify the affiliation of advisory committee member, Norfleet Jones.

Orangeburg County: TERC accepts the information submitted by the County in regards to funding for Maize Days Festival.

Town of Pawley's Island: TERC approved the revised report and additional information that was submitted by the Town.

City of Rock Hill: TERC approved information regarding amount reported by the City vs. the amount that the SC State Treasurer's office reported. The difference is due to funds being reported on a calendar year vs. fiscal year.

Town of Surfside Beach: TERC approved information regarding amount reported by the Town vs. the amount that the SC State Treasurer's office reported. The difference is due to funds being reported on a calendar year vs. fiscal year, and the town noted that they are changing their calendar to reflect a fiscal year.

Town of Walterboro: TERC accepts corrections in numbers made to the Town's report regarding The Welcome Center, information submitted regarding no interest being reported, but will ask for a list of local advisory committee members, as this was not included in their response, but was noted on the letter as being included.

York County: TERC accepts corrections made to the County's report in order to include interest in their reporting form.

Horry County: TERC requests that the County submit proof that funds are being escrowed in a separate account for their beach re-nourishment project.

Susie/ Rod –

Town of Edisto Beach: TERC reviewed information submitted in regards to the Town's local advisory committee, and asks that the Town review and rearrange their committee in order to be compliant, according to the SC Code of Laws.

Town of Seabrook: TERC accepts the additional information submitted in regards to the Town's local advisory committee.

Town of St. George: TERC accepts information submitted by the Town in regards to disbursement to AllSouth for lighting, and will do so in the future as well.

There being no other business, the meeting adjourned.

Respectfully Submitted,

Lauren Sponseller

Lauren Sponseller, TERC Staff