

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
September 30, 2009
SC Department of Revenue
10 a.m.**

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman; Lanneau Siegling, Rod Swaim, Edward Riggs, Susan Cruse, Kevin Yokim, Andy Cajka, John Munro.

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 Ms. Sponseller.
- 3. Minutes Approval:** Mr. Riggs motioned to approve the minutes from the May 6, 2009 meeting, Mr. Swaim seconded, and The Committee unanimously voted to approve the minutes.
- 4. Introduction of New TERC Member, John Munro:** Chairman Mustert introduced Mr. Munro, who was appointed to the Committee at the recommendation of SC Association of CVBs.
- 5. April, May and June Expenditures:** Chairman Mustert asked the Committee to review monthly expenditures, and asked for any questions. The Committee unanimously approved the expenditures as submitted.

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.

Mr. Mustert asked to be removed from any discussion regarding TERC's ongoing case against City of Myrtle Beach, and asked that Mr. Swaim take over as Chairman.

Mr. Riggs made a motion that TERC request the ALC to dismiss City of Myrtle Beach's petition for declaratory and injunctive relief, Mr. Cajka seconded, and the motion passed unanimously.

Mr. Swaim then turned the meeting back over to Chairman Mustert.

- 6. Legislative Updates:** Mr. Mustert gave an update on a Committee called TRAC (Tax Review Advisory Committee) that was put into place by the SC Legislature, whose goal is to review the entire SC Tax Code. Chairman of the Committee, Bernie Maybank, whose area of expertise is the hospitality industry, will be reviewing specifically all hotel and restaurant taxes, and the accommodations tax process as well. Updates on TRAC to follow.

7. Presentation from Town of Santee: Ms. Sponseller introduced Mr. Jason Purvis, Town of Santee's Administrator, who wished to speak with the Committee regarding funds that TERC voted to withhold in the amount of \$50,000 for law enforcement, due to this being a misuse of funds since the town is not in a high concentration area. Mr. Purvis felt that his interpretation of the law would allow for this expenditure. Mr. Swaim explained that the Town of Santee is not in a high concentration area, because they are not located within a county that collects at least \$900,000 in accommodations taxes. TERC stated that they would stand behind their original decision, and would withhold the funds in future disbursements from the Town of Santee. Mr. Purvis also asked if TERC would take issue with the Town of Santee selling their Conference Center that was funded by local accommodations tax money and local hospitality tax money. Chairman Mustert stated that TERC has no jurisdiction over projects that are funded with those funds.

8. TERC Newsletter: The Committee reviewed the newsletter created by Ms. Sponseller, and made corrections. Ms. Sponseller said that the Newsletter will go out once corrections are made.

9. License Tag Renewals: Ms. Sponseller reminded TERC members that renewal application and payment for TERC license tags are due to her on Friday, October 23, 2009.

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

Susan and Ed-

Greenwood County: TERC accepted corrected numbers and changes in coding that were made by the County.

City of Easley: TERC questioned the City's disbursement to fund banners, and the City states that they won't use funds on banners in the future.

City of Anderson: Foothills Alliance- TERC requests that based on their assessment that 20% of guests were tourist, that the City provide TERC with the results of their survey, purchasers and direct contact. Special Olympics- TERC asks the City to provide room night increases and meal cover increases as a result of the event. Shepherd's Guild Greek Festival- TERC requests that the City provide the advertising break down of the budget, occupancy increases, back-up information on the 50% of volunteers and 80% sponsors being from out of the area.

Mark/Andy-

Town of Duncan: TERC reviewed the marketing plan for Shipwreck Cove Waterpark. However, TERC is still requesting more information, specifically statistics related to the actual number of tourists that have visited the park thus far, along with back-up information.

Horry County: TERC accepted information regarding funds being escrowed in a separate account for the County's beach re-nourishment project.

City of Sumter: TERC accepted information submitted as to where the City's 30% funds are being disbursed.

Town of Walterboro: TERC reviewed the list of local advisory committee members, but noted that there is a vacancy on the committee, and asks that it be filled as quickly as possible.

Susie/ Rod -

Town of Edisto Beach: TERC accepted information submitted in regards to the Town's local advisory committee.

11. Miscellaneous Questions:

City of Conway: The City of Conway and The Conway Area Chamber requested TERC's opinion as to whether or not a "Radio Frequency Promotion" (ex. Signs that say "Tune to channel 1450 am for more information on The City of Conway) that would promote shopping, dining and staying in Conway, as well as providing information, for tourists driving thru Conway on the way to Myrtle

Beach that would promote Conway. Mr. Swaim made a motion that this would be an appropriate use of funds, if the City only used funding from the City of Conway, and not funds from the County. Mr. Yokim seconded, and the Committee unanimously agreed.

Funding of Project in City of Spartanburg: A group that wishes to receive funds from the City of Spartanburg would like TERC's opinion on funding for electrical repairs to the Simpsonville City Park. TERC does not feel that this is an appropriate use of funds, according to Section 6-4-10 (4) (b) of the SC Code of Laws.

City of Spartanburg: The City of Spartanburg has asked if they can fund a project out of 08-09 funds for a project that will take place in December of 2010, but the funds would be used for advertising that would need to take place in September prior to the event. TERC's informal opinion would be that funding from FY 08-09 would be appropriate due to time of disbursements.

City of Rock Hill: The City has found that they have approximately \$30,500 (line 10 - ATAX Reporting Form) to carry over - due partly because they require their applicants to expend funds that match what they receive as their grant amount. With the down-swing in the economy, some were unable to make that match this year, and therefore did not receive the full funding that would have been allowed to them...thus the excess. The City's question is this....to make it clean, easy and timely for reporting purposes, is it possible to place that \$30,500 in the City's (Rock Hill's) 30% fund? TERC was of the opinion that this is appropriate, as long as the funding goes through the appropriate channels to be approved- by their local advisory committee, as well as city council.

City of West Columbia: The City of West Columbia is preparing to file their initial report with TERC and has some questions:

- Can they use funds for advertising the City's Riverwalk within a 50 mile radius? TERC feels that this is an appropriate expenditure, if advertising is in the form of rack cards, brochures or some other form of print advertising.
- Can they use funds to control and repair erosion to sidewalks along the riverfront, for construction and upkeep of the park? To fund security cameras and/or gates? TERC does not feel that any of these are an appropriate use of funds.

The next meeting of TERC will be held November 2 at 10 a.m. at SCDOR.

There being no other business, the meeting adjourned.

Respectfully Submitted,
Lauren Sponseller

Lauren Sponseller, TERC Staff