

**TOURISM EXPENDITURE REVIEW COMMITTEE  
MEETING MINUTES  
January 11, 2010  
SC Department of Revenue  
10 a.m.**

**ATTENDANCE:**

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

**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. Yokim motioned to approve the minutes from the November 2, 2009 meeting, Mr. Siegling seconded, and The Committee unanimously voted to approve the minutes.
- 4. September and October Expenditures:** Chairman Mustert asked the Committee to review monthly expenditures, and asked for any questions. The Committee unanimously approved the expenditures as submitted.
- 5. Legislative Update:** Chairman Mustert updated the Committee on the Tax Review Advisory Committee (TRAC) that had a day dedicated to tourism taxes. Mr. Mustert stated that he, along with several others from the tourism industry, testified on the fair tax and property taxes in relation to hospitality taxes. Committee Chairman, Bernie Maybank, is in the process of creating an accommodations tax sub-committee to review and address the portion of the law that pertains to TERC.

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. Siegling made a motion that TERC continue to stay consistent with current situation as it stands, and to notify the City that TERC has reviewed the additional information submitted to the Committee. He also made a motion that TERC express their opinion to the City that TERC still does not agree on how funds are being spent on police, parks, fire and personnel, and that the City has not demonstrated to TERC that they are spending this amount above and beyond what is normally spent by the City. Mr. Siegling went on to make a motion that TERC not take action to direct the SC State Treasurers Office to withhold any funds until further jurisdiction takes place. Mr. Riggs seconded, and Mr. Yokim voted against the decision. The motion was passed.

Mr. Hoefler asked Ms. Sponseller to review all files from City of Myrtle Beach from FY 2001 to current to see when the City started disbursing funds in the current manner.

Mr. Swaim made a motion to direct TERC's attorney request City of Myrtle Beach's attorney to ask the City's Council to sit down and discuss issues that TERC has with how the City disburses funds without any attorneys from either party. Mr. Sielgling seconded, and the motion passed unanimously.

#### **6. Miscellaneous Issues:**

TERC received information from Town of Bluffton in regards to TERC's inquiry relating to their atax disbursements over the past several years. The Committee approved information submitted, and made the decision to send the Town a letter asking them to consider using funds on projects and events that promote and advertise for tourism so that the Town may include a broader base of recipients. TERC will also send a letter to the original constituent who placed the complaint with TERC stating their stance on the issue, along with a copy of the letter that it sends to Town of Bluffton.

#### **7. Presentations:**

**Anderson County-** Michael Forman, Anderson County Planner, presented TERC with more information regarding funds held from the County in regards to withholding funds for tennis court repairs for \$10,000 for FY 07-08. The Committee noted that while there is public interest in this tournament, and there appeared to be a good "Return on Investment" (3,000+ room nights), that their concern is that this is a tournament that only takes place once each year. Mr. Siegling made a motion that Ms. Sponseller research disbursements to sporting facilities have been granted and denied in the past by TERC. Ms. Green seconded, and the Committee moved to table the discussion until further research takes place.

**Orangeburg County-** Marion Lloyd, Orangeburg County, Sr. Deputy Administrator, Bill Addison, GIS Director, Orangeburg County, David Coleman, President, Orangeburg County Chamber of Commerce, and Ruth Van Faussien, Assistant to Orangeburg County Administrator Bill Clark presented TERC with more information in regards to their decision to withhold funds for \$11,828.52 for lighting of Industrial Park, as well as provide additional information on other expenditures made by the County. The County explained that County mistakenly reported (in their initial report) that funds were used for industrial lighting instead of for interstate lighting off of I-26 to welcome tourists. The representatives explained that the lighting is critical for atax collection, and that this intersection serves as the gateway welcoming tourists who utilize the 740+ hotel rooms. Mr. Siegling made a motion to approve the new information presented by the members from the County. Mr. Riggs seconded, and the motion passed unanimously. The Committee approved information submitted regarding the County's disbursement to Young Farmer.

**Pickens County-** Dale Powell, Pickens County Planner presented TERC with more information to questions that the Committee had regarding the County's disbursement to Carolina Chaos as well as vacancies on the County's local advisory committee. Mr. Riggs explained that TERC takes issue with the disbursement to Carolina Chaos due to the fact that the organization is an LLC, or a for-profit group, and made the motion that TERC direct the SC State Treasurers Office to withhold funds from the County for \$5,000 from future disbursements. Mr. Powell stated that the vacancies on the advisory committee are being filled. Other miscellaneous questions that Mr. Powell had were as follows:

(a) Is Tour Pickens County, the designated principal destination marketing organization for tourism operations of the county, eligible to apply for SCATAX (65% monies) funding even though they already receive the 30% monies as the designated non-profit agency? TERC's confirmed that this group is eligible to receive these funds.

(b) Tour Pickens County feels that the need for an Executive Director is paramount to achieving their goals. Is it possible to fund the Executive Director position from atax funds? More specifically, can we fund the fulltime position and benefits (about \$95K) for the first year from either Local Accommodations Tax Fee Funds or from State Accommodations Tax Fee funds? TERC responded that they would rather the County use local accommodation taxes to fund salaries, but that the County

could use state accommodation taxes to fund the percentage of the salary that is used for marketing and advertising.

**8. Review Responses of FY 07-08 Reports-**

**Susan/Ed-**

City of Anderson- TERC approved information submitted regarding Foothills Alliance, Shepherd's Guild Greek Festival and Special Olympics.

**Mark/Andy/John-**

Town of Duncan- TERC reviewed information provided by the Town, but is requesting more information on the amount spent on out of market advertising for the Shipwreck Waterpark. Horry County-TERC reviewed information provided by the County regarding Beach and Street Clean-Up, and notes that funding for this project will no longer be taken from state accommodation tax funds in the future. TERC also accepted information provided by the County regarding funding for Loris Bog Off and Aynor Harvest Hoedown, and has noted that the County will not be funding either of these events in the future. TERC still has an issue with re-granting of funds to Horry County Arts and Cultural Events.

City of Walterboro- TERC accepted information submitted regarding vacancies on their local advisory committee, but will ask the City to continue to work on filling the vacancy on their local advisory committee.

The next meeting of TERC will be held February 8, 2010 at 10 a.m. at SCDOR.

There being no other business, the meeting adjourned.

Respectfully Submitted,

*Lauren Sponseller*

**Lauren Sponseller, TERC Staff**