

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
February 8, 2010
SC Department of Revenue
10 a.m.**

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman; Rod Swaim, Edward Riggs, Kevin Yokim, Mark Williams, 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. Riggs motioned to approve the minutes from the January 11, 2010 meeting, Mr. Williams 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 voted to come out of executive session.

Mr. Williams made a motion that TERC pursue a declaratory judgment action for an interpretation of the S.C. Code Ann. Section 6-4-10(4)(b) in regard to whether it permits a disbursement of all accommodations tax funds to the City of Myrtle Beach general fund for police, fire and public parks personnel expenditures in circumstances where the funds are not used to provide services beyond those normally provided by that City. Mr. Cajka seconded, and the Committee unanimously approved.

A second motion was made by Mr. Swaim to withhold from the City of Myrtle Beach the amount of funds that the City of Myrtle Beach put into their General Fund, and subsequently disbursed to outside entities or organizations in its fiscal year 2008-2009. Mr. Riggs seconded, and Mr. Yokim and Mr. Williams voted against the decision. The motion was passed.

4. Legislative Update: Chairman Mustert updated the Committee on the Tax Review Advisory Committee (TRAC). Mr. Mustert stated that the Committee Chairman, Bernie Maybank is in favor of overhauling the Statute as it pertains to TERC, and that he would personally be coordinating the issue.

5. Miscellaneous Issues:

A question was submitted by Pickens County asking about eligibility of funding a project to work with an engineer/landscape architecture firm to design an amphitheatre park on Main St. Pickens in the 5 acre lot that was recently purchased with hospitality funds. TERC was of the opinion that this

would not qualify for atax funding, due to the fact that this is a local project, and would not it would not promote or advertise for tourism in the area.

Anderson County: Ms. Sponseller stated that she found where TERC approved funding for 2 projects for Town of Hilton Head and Greenville County relating to recreational complexes. Mr. Mustert asked Ms. Sponseller to research these two projects to see if Town of Hilton Head actually used the funds for their project (upgrades on tennis courts) and Greenville County (bond passed by the County's Council). Mr. Cajka asked that TERC follow up with the County to ask that they provide results on the project to see what the impact on tourists actually has been. The issue with withholding funds from Anderson County has been tabled until these issues are answered by Town of Hilton Head and Greenville County.

Ms. Sponseller made the Committee aware of the Statement of Economic Interest forms are due April 15, 2010, and will send out emailed instructions on how to fill this form out.

6. Review New of FY 08-09 Reports-

Susan/Ed-

City of Anderson- okay

Anderson County- okay

City of Clemson- okay

Town of Ridgeland- okay

Kevin/Lanneau-

Georgetown County- TERC asked that the County submit additional information on the disbursement of the prior year awards (\$155,501.00) that the County shows on their detail form, but does not provide any additional information. TERC also questioned disbursements on several projects and events where there was a difference in the amount recommended by the local advisory committee and the County Council. Specifically, what is the reason for disbursing different amounts to these groups than was recommended by the advisory committee?

Mark/Andy/John-

Town of Duncan- Table review of the Town's FY 08-09 report until questions are answered regarding Shipwreck Cove on FY 07-08 Report

Horry County- TERC asked that coding be added to items where funds were returned to the County. TERC also asked how funds are being spent that are returned to the County (Proceeds for sale of assets purchased by atax funds, Arcadian/Shore Drive Assn., and Garden City Comm. Assn.)

City of Sumter- ok

Sumter County- Report not balanced; request that the County re-examine their numbers.

Rod/Harriett-

Charleston County- Needs to report interest.

Dillon County- Needs to report interest. Requested more information on funding to SCPRT for the Little Pee Dee State Park Project for a rain collection barrel - specifically, what is the percentage of tourists that benefit from this program, and back-up information is also requested. Also, questioned advisory committee member Charles McLaurin, and his relation to the hospitality industry.

Town of Edisto Beach- "Total Accommodations Tax Revenue for Fiscal Year Ending" on line 1 differs from the amount reported to us by the SC State Treasurer's office as disbursed to the Town; request that the Town re-examine their numbers. TERC questioned the number of disbursements (3 separate expenditures in the amount of \$9,256.00, \$365.00 and \$10,013.34) to Town of Edisto Beach for beach wheel chairs, as well as what is the percentage of tourists vs. residents that benefit from this program, and back-up information is also requested.

Ms. Sponseller reported that Kershaw County is the only entity that has not reported for FY 08-09. Mr. Williams made a motion to uphold TERC's decision to continue to withhold funds from the County in the amount of \$500.00 per month until the report is received. Mr. Cajka seconded, and the motion was unanimously passed.

7. Review Responses of 08-09 Reports-

Susan/Ed-

City of Aiken- TERC approved information provided regarding the City's disbursement to the Aiken Center for the Arts.

Aiken County- TERC approved the breakdown of coding for Aiken County Visitors Center.

Beaufort County- TERC approved changes made in coding, and also approved the information submitted regarding the County's reasons for not reporting any interest.

Town of Bluffton- TERC approved changes made to the Town's local advisory committee.

City of Easley- TERC approved changes made to the City's numbers in order to balance their form. TERC also approved changes in coding made, as well as to their advisory committee. Mr. Riggs made a motion to withhold funds in the amount of \$129.00 from the City for their expenditure on advertising for taxes under their 30% disbursements. Mr. Swaim seconded, and Mr. Williams voted against the decision. The motion was passed.

City of Greenville- TERC reviewed information provided by the City, as well as the County regarding Scottish Games, and asks that the event organizer give information on the event so that the City and the County's information matches up- specifically, looking for information on room nights, revenue and economic impact of the event. TERC reviewed information regarding Downtown Trolley, and asks that the City verify the percentage of tourists that are impacted by this service. TERC approved information submitted regarding future disbursements for Medalists Sports.

Greenville County- TERC reviewed information provided by the County, as well as the City regarding Scottish Games, and asks that the event organizer give information on the event so that the City and the County's information matches up- specifically, looking for information on room nights, revenue and economic impact of the event. TERC approved information submitted regarding future disbursements for Medalists Sports. TERC also approved change in coding for the Children's Museum. TERC reviewed information submitted regarding the disbursement to Mauldin Fest, and asks that the County provide additional information on out of market advertising- specifically receipts for out of market advertising, as well as back-up information on what market (region) this advertising reached. TERC also noted that future disbursements for Freedom Weekend Aloft should be limited to funding for out of market advertising, and not operation of the event or acting as a pass through to charitable organizations.

Greenwood County- TERC approved information provided regarding the County's disbursement to Little River Ministerial Wives.

Newberry County- TERC approved information provided regarding disbursement to Newberry County Historical & Museum, as well as the County's information regarding interest not being included. TERC noted that the County will work to fill vacancies on their advisory committee, and asks that the County keep them updated on when these vacancies are filled.

Oconee County- TERC reviewed additional information that the County provided regarding advertising for the SC Apple Festival. The total amount of the Festival's advertising budget was \$23,324.00, and the County disbursed \$18,000.00 for this event. Mr. Riggs made a motion to withhold funds for advertising above the total amount of tourist served, which the County explained was 22% of the total attendance. Mr. Yokim seconded, and the motion was unanimously passed. 22% of the total amount would be \$5,131.28. Therefore, TERC will direct the SC State Treasurer's Office to withhold \$12,868.72 from future disbursements.

City of Seneca- TERC approved changes made to the City's numbers in order to balance their form, as well as the recipient of 30% disbursement.

City of Simpsonville- TERC reviewed additional information regarding Freedom Weekend Aloft and South Greenville Fair. TERC noted that future disbursements for Freedom Weekend Aloft should be

limited to funding for out of market advertising, and not operation of the event or acting as a pass through to charitable organizations.

Kevin/Lanneau-

Berkeley County- TERC approved information submitted by the County regarding newly appointed members to the local advisory committee, which therefore makes the committee in compliance.

City of Cayce- TERC approved changes made to the City's numbers in order to balance their form, as well as change in coding of the Cayce Historical Museum.

Cherokee County Council- TERC approved information provided by the County regarding tourists that utilize the park, and recognized that information that was provided is limited because the park is still in process of being built. TERC will continue to monitor the project if funded in the future to ensure that the money is being well spent.

Chester County- TERC approved information submitted in regards to change in coding on the Historical Society Museum.

Clarendon County- TERC approved information provided by the County in relation to Clarendon County Government and Clarendon County Chamber of Commerce. TERC noted that the County will work to fill vacancy on their advisory committee, and asks that the County keep them updated on when this is filled.

City of Columbia- TERC approved changes made to the City's numbers in order to balance their form, as well as additional information provided on funding the following projects: Columbia Music Festival, Columbia Regional Sports Council and Hoopology.

City of Gaffney- TERC approved information provided regarding number of visitors in relation to funding of the Little Theatre for building repairs.

City of Georgetown- TERC approved additional information submitted by the City relating to trash receptacles due to Georgetown being located in a high concentration area.

Lexington County- TERC approved changes made to the County's numbers in order to balance their form, as well as additional information submitted regarding the Midlands Golf Course Owner's Association.

Richland County- TERC reviewed information submitted by the County relating to coding breakouts, but asks that all coding needs to be broken down further where more than one code is listed per item.

City of Spartanburg- TERC reviewed information provided by the City, and approved 07-08 Carry Forward Amount that is recorded on their FY 08-09 Reporting Form. TERC also asks that the City submit a guest register to provide clarification of tourists who attended the Math in Daily Life event at Spartanburg Regional History Museum.

Spartanburg County- TERC approved information submitted by the County in relation to the advisory committee.

City of West Columbia- TERC approved changes made to the City's numbers in order to balance their form, and approved information regarding interest not being reported on the form due to no interest being earned.

Mark/Andy/John-

Town of Blythewood- TERC reaffirmed their position against funding BHS Booster Club for advertising with their 30% funds. TERC approved information provided regarding the Fairfield County Golf Tournament. TERC would like to know what the Town's intentions are for advertising and marketing this event in the future. TERC also approved the Wireless internet and webcam for Town of Blythewood, as this is used as a security component, and part of the Town is located in a high concentration area.

City of Conway- TERC approved information provided regarding changes in coding on all programs that were events.

Darlington County- TERC approved information provided regarding the expenditure to Carolina Alliance. TERC would like to know what type of account the County keeps their money in, and why no interest is reflected in the County's report, as they carry money forward yearly. TERC still requests that the County break down coding on the expenditure to Greater Darlington Chamber of Commerce.

Laurens County- TERC approved changes made to the County's numbers in order to balance their form, as well as list submitted with local advisory committee members and change in coding on Rosemont brochures. TERC wishes to receive more information regarding the County's methodologies for obtaining tourists for projects that were questioned in previous letter.

City of North Myrtle Beach- TERC approved information submitted regarding funding for the following projects: North Myrtle Beach Chamber of Commerce, North Myrtle Beach Rescue Squad and North Myrtle Beach Chamber of Commerce for Travel Channel Promotion.

Town of Pawley's Island- TERC approved changes made to the Town's numbers in order to balance their form, as well as information provided regarding the 30% disbursement to Pawley's Island Enhancement and Beautification, and information provided on advisory committee member Wendell Carter. TERC still requests that the Town break down coding on the expenditures to Georgetown County Habitat for Humanity and Pawley's Island Festival for Music and Art.

Town of Surfside Beach- TERC reviewed information provided regarding the Town's use of a different fiscal year, and noted that after this year, the Town will change to the July 1st through June 30th format.

Town of Walterboro- TERC noted that the Town will work to fill the vacancy on their advisory committee, and asks that the Town keep them updated on when this is filled. TERC also approved information provided regarding funding for Downtown Kiosk.

York County- TERC reviewed information provided on the County's difference in numbers, and advises that their numbers reported need to coincide with their fiscal year.

Rod/Harriett

Florence County- TERC approved changes in advisory committee members, and noted that the County will work to fill the vacancy on their advisory committee, and asks that the County keep them updated on when this is filled.

Town of Folly Beach- TERC approved information provided regarding Surfers Healing Team Charleston. Information was reviewed regarding Charleston Surfrider Foundation, and Mr. Swaim made a motion to withhold funds used for plastic cups in the amount of \$820.00 due to non-compliance. Ms. Green seconded, and Mr. Williams voted against the decision. The motion passed.

Town of Kiawah Island- TERC approved information provided regarding local advisory committee comprising of two members from the same lodging sector, due to lack of options within the Town.

Town of Mount Pleasant- TERC approved information submitted regarding funding for Blessing of the Fleet and funding to Town of Mount Pleasant for the sponsorship coordinator's salary.

Town of Seabrook Island- TERC approved information provided regarding funding for fireworks for Forth of July.

Town of St. George- TERC approved changes made to the Town's numbers in order to balance their form.

Town of Summerville- TERC approved back-up information on all projects funded by the town. TERC also approved information submitted regarding changes made to local advisory committee members, as well as additional information on advisory committee member, Cynthia Powell.

The next meeting of TERC will be held April 26, 2010 at 10 a.m. at SCDOR.

There being no other business, the meeting adjourned.

Respectfully Submitted,

Lauren Sponseller

Lauren Sponseller, TERC Staff