

TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
November 14, 2011
SC Department of Revenue
Conference Room 2D21
10 a.m.

ATTENDANCE:

Committee Members in Attendance: Andy Cajka, Edward Riggs, Kevin Yokim, Mark Williams, Harriett Green, Glen Williams, Doug McFarland, David McMillan and Toni Nance.

Guests in Attendance: John Hoefler, TERC Counsel; Philip Robey, Justin Powell, Kristina Junker – City of Greenville.

Staff in Attendance: Damita Jeter, TERC Staff.

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

1. **Call to Order:** The Meeting was called to order by Interim Chairman Ed Riggs.
2. **TERC then heard from** representatives from the City of Greenville who were there to present new information to TERC regarding a recent \$15,900 withholding from the State Treasurers Office for an expenditure that TERC deemed non-compliant because of lack of information. The expenditure was for the downtown trolley in Greenville. Unfortunately, because of the schedule of the trolley, there is no tourism data taken. Representatives from the City showed TERC the schedule of the trolley, stating that the trolley does not run on a business schedule, but rather on weekends and during times that the tourism would be peak. TERC members said that the City could partner with various organizations such as the Greenville Drive or the CVB to help collect the tourism data. Mr. Robey said that Greenville's tourism is relatively new phenomenon and that plans were in place to not fund the trolley from accommodations in the future. After some discussion, Mark Williams motioned to rescind TERC's vote and direct the State Treasurer's Office to return the \$15,900 to the City. The motion was seconded by Kevin Yokim and passed unanimously; however, TERC would like Mrs. Jeter to draft a letter saying future disbursements for the trolley must substantiate tourism.
3. **Election of Chair:** Mark Williams made a motion that Ed Riggs, who had been serving as interim chair, continue as chairman of the Committee. The motion was seconded by Kevin Yokim and approved unanimously by the Committee.
4. **Minutes Approval:** Kevin Yokim voted to approve the minutes from the June 20,2011 meeting with the following changes: Page one, change the misspelling of Aflot to Aloft. Mr. Yokim motioned to approve the September 22 conference call minutes with the change of the end time from 9:14 to 10:14 a.m. and Mr. Yokim voted to approve the September 2 conference call minutes with no changes. Mark Williams voted to approve the minutes with changes as needed. The committee agreed unanimously.
5. **Executive Session:** Harriet Green made a motion to go into executive session to discuss confidential matters with TERC's attorney, Mr. John Hoefler. The motion was seconded by Mark Williams. Upon ending executive session, Mark Williams made a motion to come out of it, followed by a second from Doug McFarland. After some discussion, TERC agreed unanimously to drop the two older cases that TERC had with the City of Myrtle Beach (fireworks and non profit) and concentrate solely on a current case, which was the issue that TERC has of City of Myrtle Beach putting all of its funds (including accommodations taxes) into the general fund. A

motion was made by Kevin Yokim to petition for the re-hearing of the case. The motion was seconded by Doug McFarland, with Mark Williams voting no. The motion passed.

- 6. Town of Lexington:** TERC was provided more information in writing regarding the Town of Lexington and the \$16,158 expenditure that the State Treasurer's Office had withheld for noncompliance. The expenditure was for the Town's effort to market the Lexington Wine Walk, which was a project of the Lexington Beautification Foundation. In its information, the Town assures TERC that the project, in the future, would be marketed appropriately and all funds would go towards out of market advertising. Mark Williams voted to rescind the withholding, with Kevin Yokim seconding the motion. Harriet Green, Andy Cajka and Glen Williams voted no. The motion passed. Mrs. Jeter will write a letter stating that in the future all funds for this purpose MUST go towards appropriate expenditures as outlined in Section 6-4-10. Although the funds did go towards advertising, it was questionable that it was out of market advertising. This should be corrected for the future.

7. Updates/Review/Discussion:

Town of Hilton Head: TERC questioned an arts and cultural expenditure on its 09-10 reporting form. The issue is explained in the 16-page letter they sent. After review, TERC deemed the expenditure appropriate. Mrs. Jeter will write a letter explaining such and thanking them for their documentation.

Town of Edisto Beach: The Town had requested TERC discuss the appropriateness of using accommodations tax funds in the Town to construct a stage at a local park, which they say will be used for plays, etc. and serve tourists. After looking over the information, TERC would advise them that the construction of this stage cannot be fully funded by accommodations taxes. It stands to reason that a portion of those served by the stage would be locals, therefore, ataxes could only be used in the proportion that they estimate tourists would benefit from the construction of the stage. A letter will be drafted telling them this.

Greenville County: - Outstanding Issue: We had given them the opportunity this summer to explain the questionable expenditure of Freedom Aloft and whether or not the County had used funds to re-grant to other organizations. Their office has responded that they are working on it.

8. Review of FY 10-11 Reports-

Glen/Andy-

City of Aiken –ok and ask the City for permission to post its expenditure report on TERC's website as an "example."

Aiken County- ok

City of Anderson- question balancing issues.

Anderson County- question equine study.

City of Beaufort-ok

Beaufort County- question Exchange Club, Main Street Beaufort and committee vacancy.

City of Greenville- question TD Center, Capital Improvement and MAC and its role. Scottish Games – tourism data? Budget, outside marketing, room nights, etc.

City of Greenwood- ok.

Greenwood County- Needs to report interest. Most of their expenditures are for advertising or they have the tourism data to back it up. However, last year they reported \$1 carry forward and now they report a negative \$209.

Town of Hilton Head Island- ok

City of Newberry- Needs to be balanced.

Newberry County – Needs to be balanced, question the appropriateness of the Prosperity Business Association, need backup... therefore question festivals.

Oconee County,- 10,000 difference in what they reported and what the STO reported.

Pickens County- Most of the request for tourism promotion and marketing from organizations were not funded, however, they gave \$26,000 to pave a road. Will question this. Also, will question renovations of Hagood Mauldin House and operations for pumpkin festival and a stone wall for a stage. Also, is the chair of their committee (Dale Powell) the same Dale Powell that is employed by the County and does the reports?

Town of Ridgeland – ok.

City of Simpsonville – Question Freedom Weekend Aloft and outside marketing.

Mark/Harriett-

Berkeley County-ok

City of Camden-balancing issues and question the nonprofit

City of Cayce – question bank charge and museum aid

City of Columbia- ok

City of Gaffney- balancing issue.

City of Georgetown- TERC is confused about the several years of incorrect figures. TERC would like an explanation of how it happened.

Georgetown County- fill vacancy and question street lighting.

Kershaw County- Need committee list and explanation of why no interest.

Town of Lexington – question the wine walk and explain that funds must be used in the future for true marketing. Also find out why advisory committee did not approve wine walk.

Lexington County,- Needs to break out Columbia Metro CVB expenditure

Richland County- Need to change quite a few of their codes from 2s and 3s to 1.. (marketing, advertising, promotion). This area is a high concentration of tourism so they can give funds to the museum operations. However, we will ask for a breakdown to make sure it is being done on percentage of tourism.

Spartanburg County- lodging sector of committee?

Town of Springdale- Need to breakout coding on west Metro and Columbia Metro Convention Center. Also, it looks like they funded two 30% agencies when they only have funds to support one? Did the other funding come from general fund?

City of West Columbia –okay.

David/Kevin-

Town of Blythewood- balancing issues.

City of Clinton-okay.

City of Conway- okay.

Darlington County- okay.

City of Dillon - Theater promotions is coded wrong

Town of Duncan- shipwreck cove

City of Hartsville- Coding issues. The SC Jr Golf Foundation expenditure looks operational in nature and therefore will be questioned.

Horry County- balancing issues and it looks like the County approved an expenditure without ever receiving and application or having a tax committee review it (Little River Chamber) . also it looks like the beach clean up program was just funded without ever going through the proper channels.

City of North Myrtle Beach- coding issues.

Orangeburg County- Question Great Southern Publishers, Santee Cooper Counties Marketing Plan.

Town of Pawleys Island- they report about \$14,000 less than what the STO says they should have and their carry forward amount is not correct.

City of Rock Hill- change coding.

City of Sumter, Sumter County – okay
Town of Surfside Beach- coding issues and mainspring will be questioned.
Town of Walterboro – question soccer club, Need their committee list and change coding.

Doug/Ed-

City of Charleston – ok
Chester County- Question why the Chester Historical Society museum is funded three times. Is this their entire operations budget? Also, question the Flop Eye Fish Festival and Rodeo.
Dorchester County- question Lourie Theater – Storage Room/Mechanical Lift
Town of Edisto- ok
City of Florence-ok
Florence County- ok
Town of Kiawah Island- Their carry forward amount is much more (about \$40,000) from what they reported last year.
Town of Moncks Corner- ok
City of N. Charleston - more than\$100,000 difference in what they report vs. state
Town of Santee- balancing issues
Town of Seabrook Island - ok
Town of St. George- coding and vendors need to be nonprofits so the recipient must be the Town.
Town of Summerville- ok

The next meeting of TERC February 6 at SCDOR at 10 a.m.

There being no other business, the meeting adjourned.

Respectfully Submitted,
Damita Jeter
Damita Jeter, TERC Staff