

TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
August 20, 2012
Market Pointe Extension
Via conference call
10 a.m.

ATTENDANCE:

Committee Members in Attendance Via Telephone: Doug McFarland, Ed Riggs, Kevin Yokim, Toni Nance, Harriett Green, Glen Williams, Andy Cajka, Oliva Young, Tom Leath, David McMillan

Staff in Attendance: Damita Jeter, TERC Staff.

Guests in Attendance: Josh Gruber- Beaufort County Attorney; Paul Andres – Hilton Head Island Airport Director; Bill Stanley – Hardeeville Catfish Festival Director

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

1. **Call to Order:** The Meeting was called to order by Chairman Ed Riggs.
2. **Minutes Approval:** Doug McFarland made a motion to approve the July 16, 2012 meeting minutes with the correction of adding Glen Williams and Tom Leath to the Committee members in attendance, which was seconded by Kevin Yokim. The committee approved unanimously.
3. **Old Business –**

Beaufort County – Representatives from the County (Josh Gruber and Paul Andres) were on the call to discuss further its request to have TERC approve the expenditure of atax funds to provide additional police and fire protection at the Hilton Head Island Airport. The County believes that it has the authority to do so under Section 6-4-10 4b, but would like TERC to approve that request. After discussion, the County explained that it was federally mandated to provide fire and police at the airport since it offered commercial flights, and that if tourists were not utilizing its facilities then it would be a general aviation airport and have no need for it. TERC questioned whether or not the tourists were indeed tourists or if they were nonresidents with second homes on the island, which did not help to generate additional accommodations tax revenue. TERC decided to let its counsel review the documentation and initial request and give an opinion before it gave an answer to the County.

City of Hardeeville – Bill Stanley, a volunteer with the Catfish Festival, was on the call to explain questions TERC had of why ataxes had been used to fund t-shirts, fireworks and amusements at the festival. After previously reviewing budget information, TERC questioned whether or not this was a purely local event. Mr. Stanley said the Festival Committee believed t-shirts were a great way to advertise. Additionally, fireworks and amusements were being provided so that the festival would have something to lure tourists to it. After some discussion, Mr. Stanley said that the Festival Committee currently does not record tourism data. Olivia Young motioned to approve the City of Hardeeville's expenditures for the Catfish Festival. However, TERC would request in writing that the City begins immediately to track tourism data concerning the festival. Additionally, it needs to make sure that any future t-shirts reference a website and/or phone number for the Chamber of Commerce and Visitors Center as a means of advertising. Glen Williams seconded the motion and TERC approved unanimously.

City of Spartanburg – TERC had voted to table its discussion of certain expenditures so that Harriett Green could have a chance to review. TERC discussed whether or not the expenditures for the Corey Smith Concert were appropriate. After review of additional information that was sent, TERC determined that the expenditures were not appropriate due to the fact that it primarily served the local community. Harriett Green motioned to withhold funds according to Section 6-4-35 (B)(1)(a). The motion was seconded by Tom Leath and approved unanimously by TERC. Additionally, a motion was made by Tom Leath to withhold funds from the City based on Section 6-4-35 (B)(1)(a) for the expenditure of the Omega Mardi Gras. Again, this is an expenditure that is local in nature. Harriett Green seconded and it was approved unanimously by the Committee.

Charleston County: TERC had previously questioned why the County returned funds back to the SC Department of Revenue and did not report to TERC. Ed Riggs, Doug McFarland and Damita Jeter met with representatives from the County. Mrs. Jeter then met with representatives from the SC Department of Revenue, and will be discussing it with the State Treasurer’s office soon.

- 4. New Business** – Mrs. Jeter asked for input from the Committee after receiving several questions regarding placing atax funds in interest bearing accounts. When TERC was first formed it asked all local governments to place atax funds in separate, interest bearing accounts. Every year, reports come in that do not report interest and TERC questions it only to find that the funds are in a separate ledger but not in a separate account and it is not drawing interest. Kevin Yokim stated that the law makes no mention of funds needing to be in a separate account, but it does state that if interest IS earned then it must be reported. Before this year’s reporting cycle, Damita will send a note to local governments telling them this and asking them to note it on the form if no interest was reported and why.

Tom Leath discussed the matter of re-granting. TERC has a policy that no regranting is allowed according to the statute. However, several local governments have allowed it over the years, especially to arts organizations. TERC will ask its attorney to review this policy and then TERC will advise local governments on the matter.

The next meeting of TERC will be determined.

There being no other business, the meeting adjourned.

Respectfully Submitted,

Damita Jeter

Damita Jeter, TERC Staff