

MINUTES OF THE
PITT-GREENVILLE CONVENTION AND VISITORS AUTHORITY
Executive Committee Meeting

Tuesday, February 20, 2024

The Executive Committee of the Pitt-Greenville Convention and Visitors Authority held its February 2024 Executive Committee meeting on Tuesday, February 20, 2024, at Julep restaurant inside the Hilton. CVA Chair Diane Taylor, CVA Vice-Chair Candace Hollingsworth, Assistant Secretary Bri Lester, Convention Center liaison Rhesa Tucker, and Executive Director Andrew Schmidt were in attendance. Secretary Kenneth Ross, City Council liaison Matt Scully, County Commissioner liaison Chris Nunnally and City Financial Services Director Jacob Joyner were unable to attend.

I. Call to order CVA Chair Diane Taylor called the meeting to order at 12:13pm. CVA Executive Director Andrew Schmidt shared with the Executive Committee that this was a meeting to discuss the 2024-2025 proposed budget and that no other items were on the agenda for today.

II. Approval of Minutes CVB Executive Director Andrew Schmidt reviewed the meeting minutes from the August 17, 2023, CVA Executive Committee meeting. After reviewing, Convention Center liaison made a motion to approve the minutes. CVA Vice-Chair Candace Hollingsworth seconded the motion. The vote was taken and passed unanimously.

III. 2024-2025 Proposed Budget Discussion Executive Director Andrew Schmidt provided details on his 2024-2025 proposed budget. Schmidt stated that he met with City Finance Director Jacob Joyner on January 17th to review his proposed plan. Joyner stated that he felt comfortable with the numbers presented and currently does not have any concerns about revenues from the occupancy tax.

The proposed 2024-2025 fiscal year budget is based on a 3% increase in occupancy tax revenue from the past year. As a result of the increase in occupancy tax revenues, year three of ARPA funds, and the use of a small amount of fund balance, the 2024-2025 fiscal year budget is 7% higher than the current 2023-2024 budget. This increase in funding will allow us to capitalize on additional marketing opportunities within the leisure, meetings, and sports tourism markets and execute new opportunities that will be identified within the Tourism Master Plan.

According to the United States Travel Association, revenues are forecast to continue rising within the leisure and corporate sectors but at a slower pace than we saw during

2023. Sports tourism is expected to increase and international travel, which does not affect our hospitality market, is forecast to decrease slightly due to increasing wait times for visas. Locally, we have seen consistent convention and meeting business, which is expected to continue throughout the 2024-2025 fiscal year. Although sports tourism is expected to surge ahead of last year's numbers, it will not significantly benefit Greenville-Pitt County due to the lack of available facilities. Our destination should benefit from slight increases in corporate and leisure travel as we push our increasing outdoor amenity base and add to our cultural opportunities for visitors.

1. The CVA and Sports Commission's budgets will continue to be combined for the 2024-2025 fiscal year. Budget expenditures will still be separated and reported utilizing the city's Power BI software. All expenditures used with ARPA funds are tracked and reported quarterly to Pitt County. During the 2023-2024 fiscal year, the CVB reallocated all the ARPA funds to the marketing and advertising.
2. The 2024-2025 budget reflects the investment of \$300,000 from the CVA's Capital Reserve Account to support the Greenville-Pitt County Sports Commission's efforts to increase sports related travel to the area and support the Little League Softball World Series.
3. The 2024-2025 budget includes \$150,000 of American Rescue Plan Act funds provided from the county. The CVB is receiving \$150,000 each fiscal year, through the 2025-2026 fiscal year.
4. The CVA plans to utilize \$110,000 from the CVA's fund balance to be more aggressive in its advertising and marketing efforts. Currently, the CVA's Capital Reserve Account has approximately \$1,035,000. There is a strong possibility that revenues will come in over 3% for the year, which would reduce the amount of fund balance needed for the proposed budget.
5. Salary line item. The salary line item is \$20,000 higher than the current fiscal year. The adjustment allows the CVB to expand its staff (entry level...one at the beginning of the year and one in the middle of the year) and a 4% salary adjustment for current employees. Benefit calculations have been adjusted to account for the change in salary levels and additional staff.
6. Health/Dental Insurance. This year's budget has seen a significant reduction in allocations for health and dental insurance. This reflects the current make-up of the staff with more single individuals on staff that require insurance only for themselves.
7. Contracted services line item. There is an increase in the contracted services line item to cover the additional cost of a copier for the upstairs portion of the office.

8. Rent. With the CVB acquiring the upstairs portion of the office, rent will be higher, thus increasing that line item.

2024-2025 proposed CVA budget-\$2,055,831.86

2024-2025 proposed convention center marketing fund-\$498,415.99

2024-2025 CVA Net budget-\$1,557,415.87

Future Revenue Outlook

1. There will be two additional hotels scheduled to open during the 2024-2025 fiscal year. The Hilton Garden Inn, located in downtown Greenville, will be adding 102 rooms to Greenville-Pitt County's hotel inventory in the fall of 2024. The Staybridge Suites, located in the medical district, is also scheduled to open in the fall of 2024 with 104 extended stay guest rooms. As a result of 206 extra hotel rooms in the marketplace for 75% of the fiscal year, the City and CVB should see increased occupancy tax revenues.

At the end of January 2024, there were approximately 400 Airbnb's listed in Pitt County. This number fluctuates based on the time of year. All Airbnb's in Pitt County are required to pay occupancy tax.

Schmidt asked if there were any additional questions on the proposed budget. There were none. CVA Vice Chair Candace Hollingsworth made a motion to recommend the 2024-2025 proposed budget to the full board. Assistant Secretary Bri Lester seconded the motion and it passed unanimously.

New Office Space Lease Agreement

Executive Director Schmidt stated that since the increased rent was part of the new budget, that he would like the CVA Executive Committee to recommend approval of the new lease to the Full CVA Board. The financials for the lease will be as follows:

The new lease will begin May 1, 2024, and will be for a term of 5 years and two months.

The rent for the term will be as follows:

Year 1: \$6250 per month*

Year 2: \$6500 per month

Year 3: \$6700 per month

Year 4: \$6850 per month

Year 5: \$7000 per month

*14 months at \$6,250 per month.

Convention Center liaison Rhesa Tucker made a motion to recommend the new lease to the full CVA Board. Vice Chair Candace Hollingsworth seconded the motion and it passed unanimously.

VIII. Adjournment:

There being no further business, CVA Chair adjourned the meeting at 12:37pm.

Respectfully submitted

Ken Ross
CVA Secretary