

MINUTES OF THE
PITT-GREENVILLE CONVENTION AND VISITORS AUTHORITY
Full Board Meeting

Wednesday, March 22, 2023

The Executive Committee of the Pitt-Greenville Convention and Visitors Authority held its February 2023 Executive Committee meeting on Thursday, February 16, 2023 at Julep restaurant inside the Hilton. CVA Chair Diane Taylor, CVA Vice-Chair Candace Hollingsworth, Assistant Secretary Bri Lester, Brett Morgan, Jay Bastardo, Christie Jahn, Aileen Peacock, Dr. Brenda Fairfax, Convention Center liaison Rhesa Tucker, City Council liaison Rick Smiley, County Commissioner liaison Mary Perkins Williams, and Executive Director Andrew Schmidt were in attendance. Secretary Kenneth Ross, Chamika White, Bob Sheck, and City Financial Services Director Byron Hayes, were unable to attend.

I. Call to order CVA Chairwoman Diane Taylor called the meeting to order at 12:02pm. CVA Executive Director Andrew Schmidt qualified that a quorum was present to start the meeting.

II. Approval of Minutes CVB Executive Director Andrew Schmidt reviewed the meeting minutes from the January 19, 2023 CVA Executive Committee meeting. Dr. Brenda Fairfax asked for a correction in the title for Diane Taylor to be named Chairwoman. She has also asked for some clarifications on a few items in the minutes with Executive Director Schmidt addressed. After reviewing, CVA Convention Center liaison Rhesa Tucker made a motion to approve the minutes as amended. CVA Vice-Chair Candace Hollingsworth seconded the motion. The vote was taken and passed unanimously.

III. 2023-2024 Proposed Budget Discussion Executive Director Andrew Schmidt provided details on his 2023-2024 proposed budget. Schmidt stated the he met with City Finance Director Byron Hayes on January 31st to review his proposed plan. Hayes stated that he felt comfortable with the numbers presented and was happy that occupancy taxes have rebounded and that no fund balance would be utilized in next year's budget. Budget details are as follows:

The proposed 2023-2024 fiscal year budget is based on an 11% increase in occupancy tax revenue from the past year. As a result of the continued recovery from the pandemic and an influx of ARPA funds, the 2023-2024 fiscal year budget is 5% higher than our last pre-pandemic budget. (2018-2019) This increase in funding will allow us to capitalize on additional marketing opportunities within the leisure, meetings, and sports tourism markets. We will also be starting a tourism grant program.

Revenues have rebounded for a variety of reasons. Despite double digit levels of inflation, leisure travel along with sports tourism travel has remained very strong. Convention and meeting business has also increased along with corporate travel. High demand has allowed our hotels to increase occupancy and average daily rates resulting in higher occupancy tax collections. According to the United States Travel Association, these trends are expected to continue with an even higher rise in the amount of corporate travel during the 2023 calendar year.

1. The CVA and Sports Commission's budgets will continue to be combined for the 2023-2024 fiscal year. Budget expenditures will still be separated and reported utilizing the city's Power BI software. All expenditures spent with APRA funds will be placed in separate line items to insure proper tracking.
2. The 2023-2024 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 2023-2024 budget includes \$240,000 of American Rescue Plan Act funds provided from the county. The CVB is receiving \$150,000 each fiscal year, starting with the 2022-2023 fiscal year. As the initial payment will be received in March of 2023, there will be not time to expend all funds on approved projects, thus \$90,000 will be carried over to the 2023-2024 fiscal year.
4. The CVA does not plan to utilize any of its fund balance during the 2023-2024 fiscal year. Schmidt stated that this will certainly help replenish the balance that was utilized to help get through the two pandemic year.
5. Salary line item. The salary line item is \$40,000 higher than the current fiscal year. The adjustment leaves an option to potentially expand the CVB staff during the middle of the fiscal year (entry level) and a 4% salary adjustment for current employees. Benefit calculations have been adjusted to account for the change in salary levels and the possibility of an additional staff member if the need arises. This line item also supports two title changes. Rachel Whitten to be promoted to VP of Sales and Services and Ce'Nedra Dillard to be promoted to Sports Sales Manager.

2022-2023 proposed CVA budget-\$1,894,316.64

2022-2023 proposed convention center marketing fund-\$451,244.26

2022-2023 CVA Net budget-\$1,443,072.28

There will be an additional hotel operating during the 2023-2024 fiscal year. The Homewood Suites is scheduled to open in April of 2023, adding 122 rooms to Greenville-Pitt County's hotel inventory. The Hilton Garden Inn (101 rooms) located on S. Evans Street in the downtown district is scheduled to be open during the last quarter of the 2023-2024 fiscal year. Other hotel projects in the planning process include the Staybridge Suites and the Ficklen Hotel. The Staybridge Suites has just broken ground. There is not a date confirmed in which the Ficklen is expected to do so. There are currently 379 Air Bnb's listed in Pitt County. Air Bnb's are required to pay occupancy tax.

Executive Director Schmidt explained why the retirement line item has been increased by approximately \$16,000. Schmidt stated that the previous retirement percentage per employee paycheck was 6.75%. For the next fiscal year, this will increase to 11%. Schmidt shared that the state of North Carolina is being pro-active in ensuring that their retirement fund is solvent for the long term. Schmidt continued that it is also a way for the government sector to compete a bit better against the private sector.

Lastly, Schmidt summarized revenue projections for the current fiscal year which fund the next fiscal year's operations. At this time, the occupancy tax collections are \$35,152.78 higher than what is being projected. Schmidt said he wanted to share this to confirm that there will be enough funds available to support the proposed budget.

Schmidt asked if there were any additional questions on the proposed budget. There were none. CVA Assistant Secretary Bri Lester made a motion to approve the 2023-2024 proposed budget to the full board. Aileen Peacock seconded the motion and it passed unanimously.

IV. GCC 2023-2024 Proposed Budget

Rhesa Tucker, Executive Director for the Greenville Convention Center shared her proposed budget for the 2023-2024 fiscal year. Tucker stated that this year's budget was set at \$451,244 which is one third of the projected occupancy tax revenues. Tucker said that there are modest increases in personnel wages and benefits over last year and that there is substantial investment for internet upgrades for the building and a re-design of the website. Chairwoman Taylor asked what the difference was between this year's budget and the current budget. Tucker replied that it was approximately a \$50,000 increase from the year before due to the higher occupancy tax collections. Tucker asked if there were any additional questions and there were none. Christie Jahn made a motion to approve the GCC proposed budget as submitted. Dr. Brenda Fairfax seconded the motion and it passed unanimously.

V. New Business

In new business, Dr. Brenda Fairfax asked to be updated on the progress of the African American Cultural Trail. Schmidt replied that on February 20, 2023 he presented to the

Pitt County Board of Commissioners summarizing three new stops that will be added to the trail. The stops include Brownhill Cemetery, early black landowners in the Simpson area, and Greenwreath in Falkland. In addition, Schmidt gave a short synopsis of the AACT's strategic planning meeting that took place on February 27th at City Hall. Dr. Fairfax also asked about the black owned business directory. Schmidt said that DeDe Carney was chair of the committee. Fairfax offered her services to help with tours or any other aspect of the trail. Schmidt said that he would send her the notes from the strategic plan and that he would love for her to be involved.

Pitt County Commissioner Mary Perkins Williams shared that the county is holding an economic development workshop on June 21st at the Ag Center. Commissioner Williams shared that she is particularly interested in a perform arts or events center that all people can have access to. She mentioned that many in her district leave the City of Greenville and go elsewhere for their entertainment options which is bad economically for our area. In addition, Williams felt that it took away from our goal to be a statewide leader and leader in the eastern region of North Carolina. Executive Director Schmidt asked Williams to keep him informed and that he would be happy to participate in the event.

In the last piece of new business, Executive Director Schmidt announced that the CVB will be holding its National Travel and Tourism Week luncheon on Tuesday, May 9th at the Martinsborough in Uptown Greenville. Schmidt shared that there will be two speakers. One is Chris Cavanaugh, owner of Magellan Strategies to talk about the importance of creating a tourism master plan and the other is Palmer McIntyre with the Piedmont Land Conservancy. McIntyre will talk about 2023 as the Year of the Trail. Schmidt stated that an Eventbrite invitation should be out by the beginning of next week.

VI. Adjournment

There being no further business, CVA Convention Center liaison Rhesa Tucker made a motion to adjourn the meeting at 12:49pm. Dr. Brenda Fairfax seconded the seconded the motion which passed unanimously.

Respectfully submitted

Ken Ross
CVA Secretary