

VISIT ROWAN COUNTY

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ROWAN COUNTY TOURISM BOARD OF DIRECTORS MEETING TOURISM DEVELOPMENT AUTHORITY CONVENTION & VISITORS BUREAU

Wednesday, January 17, 2024, Noon
MEETING AGENDA

- | | | |
|------|---|------------------------|
| I. | Call to Order | Krista Sullivan, Chair |
| II. | Approval of Meeting Minutes | Krista Sullivan, Chair |
| III. | Financial Report | James Meacham |
| | A. Tourism Market Update | |
| | B. Financial Report | |
| | C. FY 2022-23 TDA and CVB Audit Reports | Eddie Carrick, Auditor |
| IV. | Tourism Program of Work Report | |
| | A. Destination Services, Sales, and Marketing | |
| | 1. Digital Program | Sarah Michalec |
| | 2. Trolley Program | Brooke Arrowood |
| | 3. Sales, Marketing and Communications | Tara Furr |
| | B. Tourism Development | Sarah Michalec |
| | 1. Wayfinding | |
| | 2. Railwalk | |
| | 3. Agritourism | |
| V. | Additional Business | |
| VI. | Adjourn | |



**ROWAN COUNTY TOURISM
BOARD OF DIRECTORS MEETING**

Wednesday, November 15, 2023, 12:00 pm

BOARD MEETING MINUTES

Board Members Attending: Craig Pierce, Krista Sullivan, Richard Reinholz, Vivian Hopkins, Kimberly Morgan, Stephen Kidd, Karen Alexander, April Sailor, Andy Maben, Sada Troutman, Therese Henderson

TDA Staff: James Meacham, Tara Furr, Sarah Michalec, Brooke Arrowood

RCTDA Call to Order

Sullivan called RCTDA to order at 12:02pm. Meacham welcomed two new board members. April Sailor, general manager of the Holiday Inn Express and Andy Maben from the New Sarum Brewing company.

Approval of the Minutes

Motion: Craig Pierce made the motion for approval of the September 2023 minutes.

Second: Sada Troutman

Motion: Approved

Organizational & Financial Update

Meacham gave a quick tourism market update stating that he was reviewing two months of data as there was no October TDA board meeting. Meacham explained to new board members that the monthly Marketing Report provides lodging market data obtained from Smith Travel (STR) each month. STR offers a report on several key local tourism revenue measurements including occupancy rate, ADR, and Rev PAR. Meacham briefly explained those indicators for new board members. Meacham reported that October 2023 was up from last year and November 2023 looks to be up in the first 10 days of the month. The overall lodging market is doing slightly better than the hotel market due to an increase in short-term rental revenue. This reflects how the destination is doing well and seeing continued growth especially from short term rentals from properties on platforms such as VRBO and Airbnb.

Meacham reported that the financing for the Town Place Suites, according to the ownership company, is nearing completion. The hope of the company is to break ground in quarter one of 2024 with 94 rooms and an opening in 2026.

Meacham reported occupancy tax revenues as of 10-31-23 for fiscal year 2023-24 on an accrual basis equaled \$460,187 and are approximately 4.1% behind FY22-23 and are 5.9% better than revised budget expectations. September 2023 occupancy taxes were \$114,690 and approximately 4.1% less than September 2022, 28%

ahead of pre-pandemic 2019 levels and 13% ahead of September 2021. The year-to-date revenues on an accrual basis through four months of the fiscal year are \$57,293 ahead of expenses.

Meacham reviewed the balance sheet for October 31, 2023, stating that total Current Assets equaled \$541,606 and were \$15,762 higher than the month ending 9-30-23. Accounts Receivables equaled \$243,715 which includes September and October outstanding occupancy tax revenues. Meacham reported cash on hand as of 10-31-23 at \$297,890 which was \$10,606 higher than the month ending 9-30-23. The TDA has started deploying a sweep strategy with its cash on hand utilizing the NC Capital Management Trust to earn additional interest on cash deposits. The Trust currently pays an annual interest rate of 5.25%, compounded daily.

Tourism Program of Work

Michalec reported that the email newsletter open rate year to date is 33.82% with 4,920 subscribers. The email sent in October was about fall events and Polar Express Stay and play packages.

The website is doing very well. Staff will be doing some test pages and small tweaks in the new year. In mid-November the site will switch to holiday features. Year to date the site has 436,000 page views and 193,000 users. RIPE (online hotel booking platform) is still performing great with 450 reservations and 563 room nights. 92% of the bookings are from packages.

Michalec reports that in social media, top posts were Polar Express Packages, Hall House Events, and Fall Back in Time. Total social media impact year to date is just under 35,400 and engagement 82,500. There were 32,500 blog views for the year, with the top blog in October being the guide to the Autumn Jubilee.

Michalec reported that influencer promotions continue doing very well this fall. Jenna attended Day Out with Thomas, Maze of Terror in October. She went to Polar Express last week, but those stats are not available yet. She continues to create great content generating over 2.5 million views on TikTok.

Michalec reports that in October there were two additional influencer placements including Magnolia Megan attending October Tour and Jenson Savannah attended Bell Tower Brewfest. In December House of Henson will be at the Festival of Lights and Wonderland Express in Kannapolis, Magnolia Megan will cover Wine about Winter and House of Henson will cover Easter Bunny Express. Total influencer year to date impact is just over 4.5 million with engagements of 391,000. Total digital impact for the year is 944,000 engagements and 6.6 million in reach.

Arrowood reported that year to date trolley bookings for 2023 are at 119, bookings through 2024 are at 142 and there are 40 bookings occurring in the next 90 days. Revenue for the year to date is a little over \$52,000. Bookings have been up in recent in week; some rentals are shifting. In addition to 11 weddings, Cheerwine Festival, October Tour have already booked for 2024, and DSI's downtown events are booked, Autumn Jubilee has booked and there has been discussion with Piedmont Players about producing the Scrooge Trolley Tours for 2024. Meacham noted that Arrowood has brought the booking process for trolleys entirely to an online platform which has been very successful.

Furr reported that paid marketing placements for October were 43 with the majority relating to the Polar Express event.

Furr that reported the DOWT package totals finished at 132 packages and 179 room nights. Currently, the Polar Express is at 359 packages and 470 room nights. Compared to last year, Polar Express finished at 350 packages and 495 room nights and staff anticipate ending close to those numbers this year. The VISA gift card package is still being offered.

Furr reported that this past month brought several organic media mentions including Day Out with Thomas, Autumn Jubilee, October Tour and Laser Show and Hot Air Balloon show at the Fairgrounds. Rowan Tourism staff are developing a sound relationship with WCCB's morning show and working with them on several live shots over the holiday season.

In group sales, Furr reports that the Bike Walk NC finished with 63 room nights supported by tourism creating a \$31,000 event related economic impact. The Little League tournament will return in 2024, Furr has been meeting with them and will have additional information on the event in the coming months.

Furr reported Rowan Tourism supported the Bell Tower Brewfest and the Autumn Jubilee in October. Total tourism support for the year was 800 room nights, \$31,000 investment and a \$6 million tourism related economic impact.

Furr noted that Rowan Tourism will be promoting all partner holiday events, stay & play packages, and creating content about Halloween and scary trails. Staff will be working on spring stay and play packages, updating the Walking Tour Guide and staff have several live holiday promotions coming up. Brooke is working on a spring wedding trolley promotion as well.

Tourism Development

Michalec reported that there is progress on the countywide wayfinding all be it slow. Staff submitted the proposal to NCDOT in early October. Michalec noted that NCDOT is proving to be complex and very thorough. Staff have received their initial feedback and are working to implement that feedback into the proposal. While this is occurring, staff are moving forward with the signage that is not on the NCDOT.

Meacham reviewed for the new board members the history of the RailWalk Pavilion and RailWalk alley projects as well as the initial investments in the Lee Street Theatre and Morgan Ridge Brewery. Meacham explained the progress made recently on the RailWalk plan and how the property owners agreed to work with the TDA on this project. Michalec is going to discuss the process and update of the survey related to this project. Michalec reported that there are 10 separate parcels and staff is hoping to have the completed survey by year end. Once completed the TDA attorney can get the transfer property completed and work on right of access agreements so that improvements can be made to the decking on properties that the TDA will not own.

Michalec reminded the Board that the firm selected was PGAV for the Agritourism project. That firm came to visit Patterson Farm for Fall Fun on the Farm. The group will come to Salisbury to meet with the TDA and Patterson Farm team the week prior in January. Meacham again gave a brief history of this project for new members explaining the public/private proposed project.

Additional Business: Meacham asked the group to keep the December meeting date on their calendar incase the board needs to meet for any considerations of approvals for the mentioned development projects.

The meeting adjourned at 12:55 pm.

Respectfully submitted.

Lesley Pullium

SRCVB

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FINANCIAL SUMMARY REPORT AS OF 12-31-2023

Report Date: January 16, 2024

***The Tourism Authority utilizes modified accrual-based accounting in accordance with GASB. Year to date expenses typically run about 6 weeks ahead of year-to-date revenues. ***

Fiscal Year 2023-24 Statement of Activities: Highlights as of 12-31-23.

- Occupancy tax revenues as of 12-31-23 for fiscal year 2023-24 on an accrual basis equaled \$669,496 and are approximately 4.3% behind FY22-23 and are 5.7% better than revised budget expectations.
 - October 2023 occupancy taxes were \$141,296 and approximately 10.3% ahead of September 2022 and 28% ahead of pre-pandemic 2019 levels and 13% ahead of September 2021.
 - November 2023 occupancy taxes were \$109,684 and approximately 5.9% less than November 2022 and 12% ahead of pre-pandemic 2019 levels and 7.4% ahead of November 2021.
- Year to date revenues on an accrual basis through the first half of the fiscal year are \$6,302 ahead of expenses.

Balance Sheet: Summary as of 12-31-23

- Total Current Assets equaled \$483,857 and were \$4,179 less than the month ending 11-30-23, due to a decrease in accounts receivables.
- Accounts Receivables equaled \$210,812.87 which includes November and December outstanding occupancy tax revenues.
- Cash on hand as of 12-31-23 equaled \$273,044 which was \$35,820 higher than the previous month.

Rowan County Tourism Development Authority
Statement of Financial Position
As of December 31, 2023

Accrual Basis

	<u>Dec 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
1052 · F&M Bank-Operating 9224	28,046.22
1020 · Petty cash	16.83
1050 · First Bank checking #0436	30,538.75
1065 · NC Capital Mgmt Trust	203,163.55
1070 · First Bank MM account-4509	11,279.32
	<hr/>
Total Checking/Savings	273,044.67
Accounts Receivable	
1201 · Accounts Receivable	210,812.87
	<hr/>
Total Accounts Receivable	210,812.87
	<hr/>
Total Current Assets	483,857.54
Fixed Assets	
1503 · RAILWALK PAVILION	506,594.36
1502 · Construction in Progress	4,888.03
1501 · Land	250,604.00
1500 · Building	2,176,919.00
1505 · Computers	13,223.52
1510 · Furniture & fixtures	64,529.00
1515 · Office equipment	23,278.13
1516 · Trolley cars	319,880.00
1990 · Accumulated depreciation	-608,921.81
	<hr/>
Total Fixed Assets	2,750,994.23
Other Assets	
1900 · Pension Asset	14,380.00
	<hr/>
Total Other Assets	14,380.00
	<hr/>
TOTAL ASSETS	<u><u>3,249,231.77</u></u>

Rowan County Tourism Development Authority
Statement of Financial Position
As of December 31, 2023

Accrual Basis

	<u>Dec 31, 23</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2039 · United Way	-800.00
2033 · State withholding payable	983.00
2100 · Payroll Liabilities	<u>3,148.33</u>
Total Other Current Liabilities	<u>3,331.33</u>
Total Current Liabilities	3,331.33
Long Term Liabilities	
2700 · Pension Deferrals	<u>21,349.00</u>
Total Long Term Liabilities	<u>21,349.00</u>
Total Liabilities	24,680.33
Equity	
3050 · Investment in fixed assets	2,750,994.00
3105 · Restricted Fund Balance	195,399.00
3900 · Retained Earnings	271,855.80
Net Income	<u>6,302.64</u>
Total Equity	<u>3,224,551.44</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,249,231.77</u></u>

**Rowan County Tourism Development Authority
Statement of Activities Actual vs Budget**

Accrual Basis

December 2023

	<u>Dec 23</u>	<u>Budget</u>	<u>\$ Over Budg...</u>
Ordinary Income/Expense			
Income			
4350 · Tourism ARP Funding	0.00	41,666.67	-41,666.67
4070 · Misc and Ticket Sales	0.00	83.33	-83.33
4060 · Holiday Caravan Parade	3,000.00	4,166.67	-1,166.67
4100 · Fund Balance Interest	1,016.92	500.00	516.92
4010 · Occupancy taxes	93,496.29	116,666.67	-23,170.38
4000 · Trolley Operations			
4210 · Trolley - Rentals	2,693.49	0.00	2,693.49
4000 · Trolley Operations - Other	0.00	5,000.00	-5,000.00
Total 4000 · Trolley Operations	2,693.49	5,000.00	-2,306.51
4300 · Gateway Building Revenue	11,651.00	11,166.67	484.33
4025 · Partner Services	2,585.03	5,000.00	-2,414.97
Total Income	114,442.73	184,250.01	-69,807.28
Gross Profit	114,442.73	184,250.01	-69,807.28
Expense			
6510 · Holiday Caravan Parade Expen...	7,704.96	4,166.67	3,538.29
6511 · Partner Service Expense	0.00	2,083.33	-2,083.33
6500 · Destination Development	110.89	62,500.00	-62,389.11
60001 · Marketing & Visitor Services			
6135 · Salisbury-Rowan CVB	80,512.50	91,666.67	-11,154.17
6465 · Trolley	2,282.00	875.00	1,407.00
6070 · Miscellaneous	239.00	208.33	30.67
6110 · Service & Maint Contract	570.00		
Total 60001 · Marketing & Visitor Ser...	83,603.50	92,750.00	-9,146.50
60002 · Operations & Administration			
6010 · RCTDA Operations Staff	10,832.31	9,750.00	1,082.31
6185 · Supplies-Administration	41.80	333.33	-291.53
6025 · Payroll taxes and unemploy...	828.67	0.00	828.67
6030 · Retirement	1,112.31	0.00	1,112.31

**Rowan County Tourism Development Authority
Statement of Activities Actual vs Budget**

Accrual Basis

December 2023

	<u>Dec 23</u>	<u>Budget</u>	<u>\$ Over Budg...</u>
6040 · Worker's comp insurance	175.00	250.00	-75.00
6105 · Professional Services	2,000.00	1,250.00	750.00
6600 · Gateway Building Expenses	13,515.52	11,166.67	2,348.85
Total 60002 · Operations & Administr...	<u>28,505.61</u>	<u>22,750.00</u>	<u>5,755.61</u>
Total Expense	<u>119,924.96</u>	<u>184,250.00</u>	<u>-64,325.04</u>
Net Ordinary Income	<u>-5,482.23</u>	<u>0.01</u>	<u>-5,482.24</u>
Net Income	<u><u>-5,482.23</u></u>	<u><u>0.01</u></u>	<u><u>-5,482.24</u></u>

Rowan County Tourism Development Authority
Statement of Activities Actual vs Budget

Accrual Basis

July 2023 through June 2024

	<u>Jul '23 - Jun...</u>	<u>Budget</u>	<u>\$ Over Budg...</u>
Ordinary Income/Expense			
Income			
4350 · Tourism ARP Funding	0.00	500,000.00	-500,000.00
4070 · Misc and Ticket Sales	5,569.24	1,000.00	4,569.24
4060 · Holiday Caravan Parade	51,246.39	50,000.00	1,246.39
4100 · Fund Balance Interest	5,462.40	6,000.00	-537.60
4010 · Occupancy taxes	669,496.64	1,400,000.00	-730,503.36
4000 · Trolley Operations			
4210 · Trolley - Rentals	15,582.12	0.00	15,582.12
4000 · Trolley Operations - Other	26,909.01	60,000.00	-33,090.99
Total 4000 · Trolley Operations	42,491.13	60,000.00	-17,508.87
4300 · Gateway Building Revenue	64,106.14	134,000.00	-69,893.86
4025 · Partner Services	22,925.88	60,000.00	-37,074.12
Total Income	861,297.82	2,211,000.00	-1,349,702.18
Gross Profit	861,297.82	2,211,000.00	-1,349,702.18
Expense			
6510 · Holiday Caravan Parade Expen...	83,073.57	50,000.00	33,073.57
6511 · Partner Service Expense	9,431.20	25,000.00	-15,568.80
6500 · Destination Development	25,657.77	750,000.00	-724,342.23
60001 · Marketing & Visitor Services			
6135 · Salisbury-Rowan CVB	587,264.68	1,100,000.00	-512,735.32
6465 · Trolley	4,344.78	10,500.00	-6,155.22
6070 · Miscellaneous	2,290.29	2,500.00	-209.71
6110 · Service & Maint Contract	570.00		
Total 60001 · Marketing & Visitor Ser...	594,469.75	1,113,000.00	-518,530.25
60002 · Operations & Administration			
6010 · RCTDA Operations Staff	51,027.26	117,000.00	-65,972.74
6185 · Supplies-Administration	706.82	4,000.00	-3,293.18
6025 · Payroll taxes and unemploy...	4,961.61	0.00	4,961.61
6030 · Retirement	7,178.64	0.00	7,178.64

**Rowan County Tourism Development Authority
Statement of Activities Actual vs Budget**

Accrual Basis

July 2023 through June 2024

	<u>Jul '23 - Jun...</u>	<u>Budget</u>	<u>\$ Over Budg...</u>
6040 · Worker's comp insurance	7,459.00	3,000.00	4,459.00
6105 · Professional Services	17,365.00	15,000.00	2,365.00
6600 · Gateway Building Expenses	57,573.22	134,000.00	-76,426.78
Total 60002 · Operations & Administr...	<u>146,271.55</u>	<u>273,000.00</u>	<u>-126,728.45</u>
Total Expense	<u>858,903.84</u>	<u>2,211,000.00</u>	<u>-1,352,096.16</u>
Net Ordinary Income	<u>2,393.98</u>	<u>0.00</u>	<u>2,393.98</u>
Net Income	<u><u>2,393.98</u></u>	<u><u>0.00</u></u>	<u><u>2,393.98</u></u>

Occupancy Tax Monthly Revenues 2019-2021-2022-2023

	2019	2021	2022	2023	
January	\$80,100	\$56,292	\$96,919	\$115,064	
February	\$87,894	\$62,049	\$94,531	\$108,890	
March	\$93,891	\$84,372	\$114,826	\$125,057	
April	\$97,301	\$90,628	\$119,033	\$125,347	
May	\$92,105	\$97,168	\$126,307	\$125,954	
June	\$92,255	\$102,792	\$115,684	\$109,365	
July	\$85,062	\$105,515	\$120,021	\$108,732	
August	\$87,388	\$99,851	\$115,189	\$110,177	
September	\$89,695	\$100,792	\$119,443	\$114,690	
October	\$113,427	\$115,325	\$128,088	\$141,296	
November	\$97,848	\$102,438	\$116,523	\$109,684	
December	\$79,687	\$95,875	\$103,835	\$98,500	projected
Total	\$1,096,653	\$1,113,097	\$1,370,400	\$1,392,756	YTD

Rowan County Occupancy Tax Receipts Collected (GROSS)

MONTH	FY19-20	FY20-21	%CHNG	FY21-22	%CHNG	FY22-23	%CHNG	FY23-24	%CHNG
July	85,062.04	61,737.08	-27.4%	105,514.79	70.9%	120,021.34	12.1%	108,732.65	-9.4%
August	87,388.13	66,399.96	-24.0%	99,851.17	50.4%	115,189.06	13.3%	110,177.63	-4.4%
September	89,694.58	78,562.08	-12.4%	100,792.04	28.3%	119,443.37	15.6%	114,690.69	-4.1%
Quarter Total	262,144.75	206,699.12	-21.2%	306,158.00	48.1%	354,653.77	13.7%	333,600.97	-6.3%
October	113,427.41	76,794.51	-32.3%	115,324.55	50.2%	128,088.16	10.0%	141,296.02	10.3%
November	97,848.24	60,357.00	-38.3%	102,438.16	69.7%	116,523.19	12.1%	109,684.96	-5.9%
December	79,686.64	64,749.41	-18.7%	95,874.73	48.1%	103,834.94	7.7%		
Quarter Total	290,962.29	201,900.92	-30.6%	313,637.44	55.3%	348,446.29	10.0%		
January	80,100.88	56,291.87	-29.7%	96,918.80	72.2%	115,064.17	15.8%		
February	87,894.99	62,049.03	-29.4%	94,530.61	52.3%	108,890.30	13.2%		
March	62,149.01	84,372.26	35.8%	114,826.05	36.1%	125,056.96	8.2%		
Quarter Total	230,144.88	202,713.16	-11.9%	306,275.46	51.1%	349,011.43	12.2%		
April	39,870.97	90,628.43	127.3%	119,032.67	31.3%	125,347.11	5.0%		
May	50,585.59	97,167.69	92.1%	126,307.46	30.0%	125,953.79	-0.3%		
June	56,142.85	102,792.30	83.1%	115,684.25	12.5%	109,364.77	-5.8%		
Quarter Total	146,599.41	290,588.42	98.2%	361,024.38	24.2%	360,665.67	-0.1%		
Adjmts Penalties									
Penalties									
Year Total	\$ 929,851.33	\$ 901,901.62	-3.0%	\$ 1,287,095.28	42.7%	\$ 1,412,777.16	8.9%		

