

# VISIT ROWAN COUNTY

SALISBURY, NORTH CAROLINA

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## ROWAN COUNTY TOURISM BOARD OF DIRECTORS MEETING

Wednesday, June 10, 2020: 12:00 pm, Via GoToMeeting

### BOARD MEETING MINUTES

**Board Members Attending:** Craig Pierce, Stephen Kidd, Amie Baudoin, Krista Osterweil, Kelly Alexander, Don Bringle, Cyndi Greenwood, John Ketner, Whitney Wallace, Karen Alexander, Kelly Alexander

**TDA Staff:** James Meacham, Tara Furr

#### Call to Order

Krista Osterweil called the RCTDA to order at 12:00pm and welcomed everyone to the meeting.

#### Approval of the Minutes

**Motion:** Craig Pierce made a motion for approval of the May 2020 meeting minutes.

**Second:** Stephen Kidd

**Motion:** Approved

#### Financial Report

Meacham and the Board reviewed the financials as of May 31 and the financial report and forecast information submitted in the Board packet.

#### Fiscal Year 2020-2021 Public Hearing for Approval of Budgets

The Board opened the public hearing, there were no comments from the public via the meeting platform or submitted electronically.

**Motion:** Craig Pierce made a motion to close the public hearing.

**Second:** Whitney Wallace

**Motion:** Approved

#### Fiscal Year 2020-2021 TDA and CVB Budgets

The Board reviewed line item by line item the 2020-21 TDA and CVB budgets as they were submitted by staff. The Board explored all the changes in the budget from the current fiscal year brought on by the impacts of

COVID-19 and discussed towards the end of the calendar year looking at the budget again to determine if additional measures are required and/or amendments.

The Board thanked Meacham and staff for working to get a budget in place. Without further discussions the Board Chair called for a motion to approve both budgets as presented:

**Motion:** John Ketner made a motion for approval of the May 2020 meeting minutes.

**Second:** Amie Baudoin

**Motion:** Approved

#### **Tourism Program Update:**

- Efforts are still currently focused on providing, gathering, collecting and distributing critical information on worker and business support resources across Rowan County. With an increase in local based marketing campaigns utilizing the Be an original brand
- Continuation of central resource partnership with EDC and Chamber, housed on tourism's website and community updates distributed by tourism.
- Continuation of regular communication with County Emergency Management leadership regarding changes in Executive orders and their impacts on businesses
- Continue efforts with Chamber, EDC, Business, Community and Government leaders on economic recovery strategies.
- Pivoted from primary focus on worker and business resources to a dual focus of resources and messaging that supports local commerce and local businesses in a method that adheres to all requirements for health, safety and regulations while in preparation for phase 1, 2 and 3 in North Carolina, will see this trend of focus form Tourism
- Visit, Shop, and Eat Local Campaign is going very well and has been greatly appreciated
- Strong focus on social and digital remains centered around activities that are authorized
- Expense reductions remain in place including furloughs, wage reductions, reductions in staff.
  - Mary Scott and front desk staff still released.
  - Trolleys are still closed
  - No meeting in Gateway Building
  - Look to reopen visitor center in July

The meeting adjourned at 12:45pm

Respectfully submitted by: James Meacham, Rowan Tourism

# VISIT ROWAN COUNTY

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Tourism Operations and Forecast: July 1 to October 1

June 9, 2020

## Current Projections:

- March 2020 market lodging revenues were down approximately 34% from 2019 and were 49% below March trend and pre COVID forecast
- April 2020 was the bottom, lodging revenues for the market were down approximately 60% from 2019 and 72% below pre COVID forecasts
- May 2020 final figures will be available the end of June, initial market wide projection appears to be down 35% collectively, with late May performing better than early May.
- June is initially trending up from May, projecting a market wide decrease of 25% from June 2019
- July projection is for a 15 to 20% decrease
- August and September projections are for 15% decreases (If RNC were to take place at full capacity would project August flat to down 5% from 2019)

## Operational Items:

- Continue with reduced staff through July 31
  - Will evaluate the first of August
- Continue with wage reductions till July 31
  - Will evaluate the first of August
- Continue with reduced visitor center staff hours till July 31
- Will restructure the Director of Operations position Lesley held into a part time salaried position effective July 1 to support lower operating and labor expenses

## Financial Projections for Fiscal Year End June 30, 2020

- Projected Total Unrestricted Fund Balance to be \$120,000 starting July 1, 2020 with cash on hand for tourism of \$120,000
- Accrual Forecasts

○ July Projected Revenues	\$74,000
○ July Operating Expenses	\$66,750
▪ <i>Difference</i>	<i>\$7,250</i>
○ August Revenues	\$78,000
○ August Operating Expenses	\$75,000
▪ <i>Difference</i>	<i>\$3,000</i>
○ September Revenues	\$81,000
○ September Operating Expenses	\$79,000
▪ <i>Difference</i>	<i>\$2,000</i>

**Rowan County Tourism Development Authority**  
**Statement of Financial Position**  
**As of May 31, 2020**

Accrual Basis

	<u>May 31, 20</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1052 · F&M Bank-Operating 9224	1,076.27
1020 · Petty cash	16.83
1050 · First Bank checking #0436	9,219.64
1065 · NC Capital Mgmt Trust	5.44
1070 · First Bank MM account-4509	<u>60,811.06</u>
<b>Total Checking/Savings</b>	71,129.24
<b>Accounts Receivable</b>	
1201 · Accounts Receivable	<u>89,220.00</u>
<b>Total Accounts Receivable</b>	<u>89,220.00</u>
<b>Total Current Assets</b>	160,349.24
<b>Fixed Assets</b>	
1503 · RAILWALK PAVILION	475,886.36
1501 · Land	250,604.00
1500 · Building	2,098,436.00
1505 · Computers	13,223.52
1510 · Furniture & fixtures	51,529.00
1515 · Office equipment	23,278.13
1516 · Trolley cars	319,880.00
1990 · Accumulated depreciation	<u>-334,536.81</u>
<b>Total Fixed Assets</b>	2,898,300.20
<b>Other Assets</b>	
1900 · Pension Asset	<u>15,848.00</u>
<b>Total Other Assets</b>	<u>15,848.00</u>
<b>TOTAL ASSETS</b>	<u><u>3,074,497.44</u></u>

**Rowan County Tourism Development Authority**  
**Statement of Financial Position**  
**As of May 31, 2020**

Accrual Basis

	<u>May 31, 20</u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
2039 · United Way	40.00
2040 · HSA	-100.00
2033 · State withholding payable	167.00
2035 · Retirement withholding	289.80
2036 · 401-K withholding	-100.00
2037 · Other withholdings	0.16
2100 · Payroll Liabilities	<u>1,332.74</u>
<b>Total Other Current Liabilities</b>	<u>1,629.70</u>
<b>Total Current Liabilities</b>	1,629.70
<b>Long Term Liabilities</b>	
2105 · Interlocal Payable	350,000.00
2700 · Pension Deferrals	15,500.00
2500 · Compensated Absences	<u>8,995.00</u>
<b>Total Long Term Liabilities</b>	<u>374,495.00</u>
<b>Total Liabilities</b>	376,124.70
<b>Equity</b>	
3075 · Current yr reclass Asset/Liab	94,275.36
3050 · Investment in fixed assets	2,454,025.00
3100 · Fund balance	58,440.93
3105 · Restricted Fund Balance	110,305.00
Net Income	<u>-18,673.55</u>
<b>Total Equity</b>	<u>2,698,372.74</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>3,074,497.44</u></u>

**Rowan County Tourism Development Authority**  
**Schedule II - Statement of Activities**  
 May 2020

Cash Basis

	<u>May 20</u>	<u>Jul '19 - May 20</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
4070 · Misc and Ticket Sales	0.00	10,621.12
4060 · Holiday Caravan Parade	0.00	51,124.50
4010 · Occupancy taxes	61,527.52	886,859.27
4000 · Trolley Operations		
4215 · Trolley - Ridership/Tours	0.00	100.00
4210 · Trolley - Rentals	0.00	2,195.92
4000 · Trolley Operations - Other	0.00	48,585.35
<b>Total 4000 · Trolley Operations</b>	<b>0.00</b>	<b>50,881.27</b>
4300 · Gateway Building Revenue	11,218.31	93,264.34
4025 · Partner Services	0.00	20,924.88
4045 · Other Revenue	4.52	205.88
<b>Total Income</b>	<b>72,750.35</b>	<b>1,113,881.26</b>
<b>Gross Profit</b>	<b>72,750.35</b>	<b>1,113,881.26</b>
<b>Expense</b>		
6501 · Tourism Captial Projects	0.00	130,886.36
6510 · Holiday Caravan Parade Expense	0.00	43,227.59
6511 · Partner Service Expense	0.00	27,172.64
60001 · Marketing & Visitor Services		
6135 · CVB Tourism Staff and Bran...	35,606.01	670,022.18
6140 · Destination Mktg Programs/S...	0.00	49,050.02
6465 · Trolley	0.00	1,880.88
6165 · Marketing Supplies & Equipm...	0.00	1,676.86
6070 · Miscellaneous	3,795.03	5,305.54
<b>Total 60001 · Marketing &amp; Visitor Servi...</b>	<b>39,401.04</b>	<b>727,935.48</b>
60002 · Operations & Administration		
6010 · RCTDA Operations Staff	0.00	52,861.48
6025 · Payroll taxes and unemploym...	307.36	4,578.17
6030 · Retirement	374.18	5,015.21
6020 · Health Benefits	6,048.10	27,409.21
6040 · Worker's comp insurance	0.00	1,361.00
6105 · Professional Services	36.31	7,631.35
6600 · Gateway Building Expenses	0.00	72,614.05

**Rowan County Tourism Development Authority**  
**Schedule II - Statement of Activities**  
May 2020

Cash Basis

	<u>May 20</u>	<u>Jul '19 - May 20</u>
6145 · Office Postage	0.00	400.00
Total 60002 · Operations & Administra...	6,765.95	171,870.47
6560 · Payroll Expenses	4,168.05	10,376.85
Total Expense	50,335.04	1,111,469.39
Net Ordinary Income	22,415.31	2,411.87
Net Income	<u>22,415.31</u>	<u>2,411.87</u>

**Rowan County Tourism Development Authority**  
**Statement of Activities Actual vs Budget**  
July 2019 through May 2020

Accrual Basis

	<u>Jul '19 - May...</u>	<u>Budget</u>	<u>\$ Over Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4070 · Misc and Ticket Sales	10,621.12	3,000.00	7,621.12
4060 · Holiday Caravan Parade	51,124.50	30,000.00	21,124.50
4010 · Occupancy taxes	865,773.85	1,120,000.00	-254,226.15
4000 · Trolley Operations			
4215 · Trolley - Ridership/Tours	100.00	0.00	100.00
4210 · Trolley - Rentals	2,195.92	0.00	2,195.92
4000 · Trolley Operations - Other	48,585.35	50,000.00	-1,414.65
<b>Total 4000 · Trolley Operations</b>	<b>50,881.27</b>	<b>50,000.00</b>	<b>881.27</b>
4300 · Gateway Building Revenue	93,264.34	90,000.00	3,264.34
4025 · Partner Services	20,924.88	33,000.00	-12,075.12
4045 · Other Revenue	205.88	0.00	205.88
<b>Total Income</b>	<b>1,092,795.84</b>	<b>1,326,000.00</b>	<b>-233,204.16</b>
<b>Gross Profit</b>	<b>1,092,795.84</b>	<b>1,326,000.00</b>	<b>-233,204.16</b>
<b>Expense</b>			
6501 · Tourism Captial Projects	130,886.36	220,000.00	-89,113.64
6510 · Holiday Caravan Parade Expense	43,227.59	30,000.00	13,227.59
6511 · Partner Service Expense	27,172.64	33,000.00	-5,827.36
60001 · Marketing & Visitor Services			
6135 · CVB Tourism Staff and Bran...	670,022.18	830,000.00	-159,977.82
6140 · Destination Mktg Programs/S...	49,050.02	0.00	49,050.02
6465 · Trolley	1,880.88	12,000.00	-10,119.12
6165 · Marketing Supplies & Equipm...	1,676.86	2,300.00	-623.14
6070 · Miscellaneous	5,305.54	3,000.00	2,305.54
<b>Total 60001 · Marketing &amp; Visitor Servi...</b>	<b>727,935.48</b>	<b>847,300.00</b>	<b>-119,364.52</b>
60002 · Operations & Administration			
6010 · RCTDA Operations Staff	63,238.33	71,750.00	-8,511.67
6025 · Payroll taxes and unemploym...	4,578.17	5,500.00	-921.83
6030 · Retirement	5,015.21	6,500.00	-1,484.79
6020 · Health Benefits	27,409.21	10,350.00	17,059.21
6040 · Worker's comp insurance	1,361.00	1,600.00	-239.00
6105 · Professional Services	7,631.35	10,000.00	-2,368.65
6600 · Gateway Building Expenses	72,614.05	90,000.00	-17,385.95



**Rowan County Tourism Development Authority  
2020-2021 Proposed Budget**

Revenues	Budget Notes (Revenues)		
	FY19-20	FY20-21	
Occupancy Tax Revenue	1,120,000	800,000	Projected decrease of 28.5% from the previous budget year based on current trends and in line with County's 2020-21 budget projection for occupancy tax revenues
Partner Services	33,000	30,000	Revenues from partners in the Gateway building specifically for shared services provided through the TDA in the Gateway Building. Services include phone, data, server and Gateway front desk staff support
Holiday Caravan Parade	30,000	30,000	Revenues from the Holiday Caravan Parade. Rowan Tourism will continue to support the Parade by processing the parade's fiscal transactions. No occupancy tax revenues will be utilized for supporting the Parade, only Parade revenues to be used to cover Parade expenses
Misc. and Ticket Sales	3,000	0	
Gateway Building	90,000	80,000	Revenues from office space leases and meeting space rentals in the TDA owned Gateway building
Trolley	50,000	20,000	Revenues from trolley tours, rentals, sponsorships & ticketed events
<b>Total Revenue</b>	<b>1,326,000</b>	<b>960,000</b>	

Expenses	Budget Notes (Expenses)		
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**Marketing & Visitor Services**

Marketing, Branding/Visitors Services CVB	755,050	680,000	Tourism funding to the CVB (501c6). Funding for marketing, communications, public relations, visitor services, tourism staff, branding, Trolley programming and CVB operations; per the TDA-CVB Memorandum of Understanding:
Tourism Capital Projects	189,000	70,000	Railwalk Interlocal Agreement Payment to Rowan County
Holiday Caravan Parade	30,000	30,000	Expenses associated with the Holiday Caravan Parade, expenditures are approved by the Parade Committee/Organizers. Rowan Tourism will continue to support the Parade by processing the parade's fiscal transactions. No occupancy tax revenues will be utilized for supporting the Parade, only Parade revenues to be used to cover Parade expenses
Gateway Building	80,000	80,000	Operational costs for Gateway (maintenance, janitorial, utilities, repairs, service agreements, property and liability insurance)
Partner Services	24,000	30,000	Expenses paid on behalf of partners in the Gateway building specifically for shared services provided through the TDA in the Gateway Building. Services include phone, data, server and Gateway front desk staff support. Expenses paid from partner services revenue
Trolley	24,000	10,000	Trolley related expenses specific to ownership costs related to the Trolley (maintenance, repairs, tags, insurance)
Supplies & Equipment	6,500	4,000	Office supplies and materials for the TDA and copier usage
COVID-19 Contingency	0	30,000	Allocation of unforeseen budgeted expenses in preparation for potential impacts of COVID impacts
Miscellaneous	3,500	2,000	
<b>Total Marketing &amp; Visitor Services</b>	<b>1,112,050</b>	<b>936,000</b>	

**Operations & Administration**

Rowan County TDA Operations Staff	70,000		No more TDA employees
Payroll Taxes and Unemployment Taxes	5,000		No more TDA employees
TDA Employee Retirement	5,000		No more TDA employees
Health Benefits	30,000		No more TDA employees health benefits for Tourism staff through the CVB
NCACC Insurance	2,450	12,000	Annual insurance for TDA properties and liability insurances
Professional Services	34,500	12,000	Accounting, legal and audit services

<b>Total Operations &amp; Admin.</b>	<b>146,950</b>	<b>24,000</b>
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<b>Total Expenses</b>	<b>1,259,000</b>	<b>960,000</b>
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<b>Difference</b>	<b>0</b>
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**Rowan County CVB Fiscal Year 2020-2021 Proposed Budget**

Revenue			Budget Notes
	FY19-20	FY20-21	
Tourism Support, Marketing-Visitors Services:TDA	830,000.00	680,000.00	Tourism funding from Rowan County TDA (Public Authority) to the CVB (501c6). Funding for marketing, communications, public relations, visitor services, tourism staff, branding, Trolley programming and CVB operations; per the TDA-CVB Memorandum of Understanding
Cooperative Marketing Partnerships	40,000.00	0.00	Currently no plans for cooperative marketing programs due to budget constraints from COVID and impacts to partner budgets
Misc.	1,000.00	0.00	
<b>Total Revenue</b>	<b>871,000.00</b>	<b>680,000.00</b>	

**Marketing and Visitor Services**

Destination Marketing and Communications	340,000.00	178,000.00	Decrease from FY19-20 due to decreases in tourism funding set on by COVID-19 and decreases in economic activity that generate tourism revenues. See tab Des. Mkt Budget for details
CVB Staff Wages	332,000.00	300,000.00	Decrease in wages from FY19-20 due to furloughs, wage reductions and reduced hours
Rowan County Branding/Dig. Inf. Loan	86,400.00	86,400.00	No changes from FY19-20, continuation of all scheduled payments
Trolley	14,000.00	6,000.00	Decrease in expenses due to decrease in Trolley demand, ridership and useage compared to FY19-20
Visitor Center & Office Rent	27,000.00	27,000.00	No changes from FY19-20. CVB rent paid for Gateway office space, operating expenses and visitor center
Professional Development	3,600.00	3,600.00	No changes from FY19-20. Training and travel expenses for CVB staff and expenses for hosted CVB meetings
Miscellaneous	1,000.00	1,000.00	
<b>Total Marketing &amp; Visitor Services</b>	<b>804,000.00</b>	<b>602,000.00</b>	

**Administration**

Office Supplies	1,200.00	4,000.00	Office supply expenses
Payroll Taxes and Unemployment Taxes	25,000.00	23,000.00	
Employee Retirement	5,000.00	5,000.00	(Matching contribution from the CVB
Health and Ancillary Benefits	24,000.00	32,000.00	(Includes health and ancillary benefit plan for CVB employees)
Workers Comp, Liab. Ins.	1,800.00	2,000.00	Worker comp and liability insurance premiums
Professional Services	10,000.00	12,000.00	Accounting, legal and audit fees.
<b>Total Operations</b>	<b>67,000.00</b>	<b>78,000.00</b>	
<b>Total Expenses</b>	<b>871,000.00</b>	<b>680,000.00</b>	
<b>Difference</b>	<b>0.00</b>	<b>0.00</b>	