

VISIT ROWAN COUNTY

SALISBURY, NORTH CAROLINA

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

Wednesday, November 17, 2021, Noon

MEETING AGENDA

- I. Call to Order
- II. Approval of Meeting Minutes
- III. Financial Report
 - A. Financial Summary Report
 - B. Hotel Market/Occupancy Report
- IV. Program of Work Report
 - A. COVID Relief Grant Program
 - B. Destination Marketing
 - C. Tourism Capital Program
 1. Railwalk
 2. Gateway Building
 3. Wayfinding Signage
 4. Bell Tower Green
- V. Additional Business
- VI. Adjourn

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ROWAN COUNTY TOURISM BOARD OF DIRECTORS MEETING

Wednesday, October 20, 2021: 12:00 pm

BOARD MEETING MINUTES

Board Members Attending: Don Bringle, John Ketner, Stephen Kidd, Sada Troutman, Craig Pierce, Krista Osterweil, Michelle Patterson, Cyndi Greenwood, Karen Alexander

Not Attending: Vivian Hopkins

TDA Staff: James Meacham, Sarah Michalec, Tara Furr

RCTDA Call to Order

Osterweil called the RCTDA to order at 12:00pm. Meacham congratulated Sada Troutman on her new position with Downtown Salisbury Inc.

Approval of the Minutes

Motion: John Ketner made the motion for approval of the September 2021 minutes.

Second: Craig Pierce

Motion: Approved

Organizational & Financial Update

Meacham gave an organizational update wrapping up where the organization finished as of September 30, 2021. Meacham reported revenue on an accrual basis fiscal year to date from occupancy taxes equaled \$300,738 and was \$69,488 or 30% ahead of the 2021-22 budget projections. Additional occupancy tax revenues above budget are being placed in an operating reserve fund as adopted by the Board. August 2021 occupancy tax collections were 50% higher than August 2020 and were 14% higher than August 2019 and 18% ahead of budget projections. Meacham noted that substantial increases in consumer spending on travel and hospitality began in April and carried into May, June, July, August and into September. Travel slowed down some in late August and early September brought on by a return to school for families, and an increase in the spread of COVID but started back up again in the middle of September.

September 2021 will still come in well above budget, above 2020 and 2019. Meacham said the record increases witnessed in May, June, July, August, September and carrying into October do not appear sustainable in the long term, but are a positive for the time being. Concerns still rest around long-term sustainability of consumer demand for travel with business travel still down from pre-pandemic levels and

direct federal benefits to citizens waning in the last quarter of 2021. Rising fuel prices and inflation are creating concerns for future travel demand.

Meacham reported that fiscal Year to Date revenues are ahead of expenses by \$292,588. This is driven by the Board setting aside \$100,000 of ARP funds for reserves, increases in occupancy tax revenues and no disbursements as of 9-30-21 for the lodging, arts, and cultural ARP grants. Of the \$292,588, \$100,000 is dedicated to the ARP grants and the remaining \$192,588 is fund balance. Meacham reported that year to date ARP funds for 2021-22 were received and distributed as approved. The Railwalk Interlocal was paid to the County in August and is recorded on the statement of activities as budgeted for under Tourism Capital Projects.

Meacham reported Total Current Assets of \$592,593 an increase of \$46,468 from 8-31-2021. Accounts Receivables equaled \$196,278 consisting of August and September occupancy taxes. Cash on hand as of 9-30-21 equaled \$396,314 an increase of \$45,189 from 8-31-21 with Total assets of \$3,445,105 as of 9-30-21.

Meacham thank Commissioner Pierce and the Commissioners for the funding for the Covid Grant Relief funds and briefly summarized the online grant application for the lodging, arts, and cultural support grant program. Meacham thanked staff for assisting to get the information out quickly to community partners. The application deadline is October 22, 2021, and staff should be able to have funds to recipients in November.

Destination Marketing Report

Meacham reported that Airbnb and VRBO properties within the county continue to show a great deal of growth. These properties make up about 12% of the local market. Meacham said the marketing team does a great job of making sure visitors get the information they need to utilize these properties in the various packages offered. Meacham expressed excitement regarding the revision of the digital infrastructure taking place.

Michalec reported for digital in September, the email newsletter focused on fall attractions and packages and saw a nice increase in subscribers. Website views are up dramatically from 2020 and are also up from 2019 about 2000. YouTube is featuring "where is Boomer videos" and is doing well. Facebook followers increased during September due to the Cannon Ballers contest and the fall events. The Farm App is seeing a good deal of new users with 2,269 total views for Rowan/Cabarrus thus far. Total digital impact year to date shows engagement of 396,161 and reach of 2,546,438.

Michalec reported that the redesign of the website is well underway, and the design is progressing nicely. The design is based on what the market is saying that people are looking for and will be very helpful to visitors and staff. Michalec stated that the new design will tell the narrative better for the visitor to assist in making smarter travel decisions when visiting the area.

The new package software (RootRez) is also going into place in the spring and will allow visitors to book their packages completely online. This will make the customer experience much simpler and reduce staff time and costs. The software will be in place prior to the large 2022 packages going on sale and will be tested on some of the smaller packages that are offered in spring and summer.

Meacham reviewed the totals for the stay and play packages. Package room nights were down this year (2021) for Day Out with Thomas. Polar Express numbers have fluctuated with the change in Covid policy at the NC Transportation Museum (NCTM). Meacham reported trolley rentals are up slightly. There has been no interest or inquiries regarding organized trolley tours so that segment of the trolleys is on hold.

Michalec reported that Facebook and Instagram are featuring a "Fall Back into Travel" campaign which focuses on a different travel event each week. There is a contest attached to the promotion that offers winners a Visa gift card.

Krista Osterweil reported that the Smoke-out Bike Rally is returning to Rowan County. Osterweil reported the group will be in town September 8-11, 2022. The event will take place at the Rowan Fairgrounds.

Additional Business

Meacham reported that a dozen applications have been received for Covid relief grant program. Meacham said that essentially all of the major lodging properties have applied for Covid relief funds. The deadline for application is October 22nd and an email reminder is going out to all community arts groups.

Meacham reported on the lobby refresh with the new paint and carpeting in the Visitor Center area as well as the TDA offices on the second floor. The remodeling of the downstairs small conference room in the Gateway building is coming along nicely. Staff is working on updating the technology in the Visitor Center and the lobby. The second-floor conference room is next on the list. Meacham is in conversation with Novant about assisting with those renovations.

Meacham has reengaged Buzz Bizzell to work on the countywide signage system design and cost estimates. In addition, the City Phase II of wayfinding is being discussed with the city. The Economic Development Administration has a large pool of grant funds available for communities now that will help navigate travel in the future. Meacham will be working with Bizzell on both wayfinding segments to be able to present the necessary information to both the City and County for approval prior to going on for approval with NCDOT. The goal for finalization of this package would be the end of this fiscal year so that the actual projects could move forward in 2022-23 and 2023-24.

The meeting adjourned at 1 pm.

Respectfully submitted.

Lesley Pullium

SRCVB

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FINANCIAL SUMMARY REPORT AS OF 9-30-2021

Report Date: October 18, 2021

***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 End Statement of Activities: Highlights as of 9-30-2021

- Occupancy tax revenue on an accrual basis for the fiscal year to date equals \$300,738 and are \$69,488 or 30% ahead of the 2021-22 budget projections.
 - Additional occupancy tax revenues above budget are being placed in an operating reserve fund as adopted by the Board.
 - Year to date ARP funds for 2021-22 were received and distributed as approved.
 - The Railwalk Interlocal was paid to the County in August and is recorded on the statement of activities as budgeted for under Tourism Capital Projects.
 - August 2021 occupancy tax collections were 50% higher than August 2020 and were 14% higher than August 2019 and 18% ahead of budget projections.
 - Substantial increases in consumer spending on travel and hospitality began in April and carried into May, June, July, August and into September.
 - Travel slowed down some in late August and early September brought on by a return to school for families, and an increases in the spread of COVID but started back up again in the middle of September. September 2021 will still come in well above budget, above 2020 and 2019.
 - The record increases witnessed in May, June, July, August, September and carrying into October do not appear sustainable in the long term.
 - Concerns still rest around long-term sustainability of consumer demand for travel with business travel still down from pre-pandemic levels and direct federal benefits to citizens waning in the last quarter of 2021.
 - Rising fuel prices and inflation are creating concerns for future travel demand
- Fiscal Year to Date revenues are ahead of expenses by \$292,588. This is driven by the Board setting aside \$100,000 of ARP funds for reserves, increases in occupancy tax revenues and no disbursements as of 9-30-21 for the lodging, arts and cultural ARP grants. Of the \$292,588, \$100,000 is dedicated to the ARP grants and the remaining \$192,588 is fund balance.

Balance Sheet: Summary as of 9-30-2021

- Total Current Assets equaled \$592,593 an increase of \$46,468 from 8-31-2021
- Accounts Receivables equaled \$196,278 consisting of August and September occ. Taxes.
- Cash on hand as of 9-30-21 equaled \$396,314 an increase of \$45,189 from 8-31-21.
- Total assets equaled \$3,445,105 as of 9-30-21.

- Due to the pandemic, North Carolina's creative industries lost over 81,000 jobs and approximately \$3.4 billion in sales between April and July 2020.
- Many, if not all, cultural organizations, including arts, science, and history organizations as well as libraries, have been shuttered or operated at a limited capacity since March 2020.
- The Arts, Entertainment, and Recreation nonprofit sector is expected to take nearly 2.5 years to recover from the pandemic.

**Rowan County Tourism Development Authority
Statement of Activities**

Accrual Basis

September 2021

	<u>Sep 21</u>	<u>Jul - Sep 21</u>
Ordinary Income/Expense		
Income		
4350 · Tourism ARP Funding	0.00	595,000.00
4070 · Misc and Ticket Sales	15.46	41.04
4060 · Holiday Caravan Parade	10,750.00	11,250.00
4010 · Occupancy taxes	105,738.58	300,738.58
4000 · Trolley Operations	3,785.00	7,340.00
4300 · Gateway Building Revenue	9,012.75	28,441.17
Total Income	<u>129,301.79</u>	<u>942,810.79</u>
Gross Profit	129,301.79	942,810.79
Expense		
6501 · Tourism Capital Projects	0.00	357,887.50
60001 · Marketing & Visitor Services		
6135 · Salisbury-Rowan CVB	67,118.10	239,852.15
6465 · Trolley	0.00	13.60
6165 · Marketing Supplies & Equipment	115.92	115.92
6070 · Miscellaneous	239.00	707.00
Total 60001 · Marketing & Visitor Services	<u>67,473.02</u>	<u>240,688.67</u>
60002 · Operations & Administration		
6030 · Retirement	0.00	431.23
6040 · Worker's comp insurance	0.00	459.00
6105 · Professional Services	1,021.40	2,121.40
6600 · Gateway Building Expenses	13,918.54	24,652.34
Total 60002 · Operations & Administration	<u>14,939.94</u>	<u>27,663.97</u>
Total Expense	<u>82,412.96</u>	<u>626,240.14</u>
Net Ordinary Income	<u>46,888.83</u>	<u>316,570.65</u>
Net Income	<u><u>46,888.83</u></u>	<u><u>316,570.65</u></u>

Rowan County Tourism Development Authority
Statement of Financial Position
As of September 30, 2021

Accrual Basis

	<u>Sep 30, 21</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2039 · United Way	-800.00
2100 · Payroll Liabilities	<u>1,752.80</u>
Total Other Current Liabilities	<u>952.80</u>
Total Current Liabilities	952.80
Long Term Liabilities	
2700 · Pension Deferrals	16,932.00
2500 · Compensated Absences	<u>12,590.38</u>
Total Long Term Liabilities	<u>29,522.38</u>
Total Liabilities	30,475.18
Equity	
3075 · Current yr reclass Asset/Liab	350,000.00
3050 · Investment in fixed assets	2,488,174.00
3100 · Fund balance	180,436.14
3105 · Restricted Fund Balance	79,555.00
3900 · Retained Earnings	-105.92
Net Income	<u>316,570.65</u>
Total Equity	<u>3,414,629.87</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,445,105.05</u></u>

Rowan County Tourism Development Authority
Statement of Financial Position
As of September 30, 2021

Accrual Basis

	<u>Sep 30, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
1052 · F&M Bank-Operating 9224	24,673.15
1020 · Petty cash	16.83
1050 · First Bank checking #0436	16,344.19
1065 · NC Capital Mgmt Trust	25,005.44
1070 · First Bank MM account-4509	<u>330,275.30</u>
Total Checking/Savings	396,314.91
Accounts Receivable	
1201 · Accounts Receivable	<u>196,278.94</u>
Total Accounts Receivable	<u>196,278.94</u>
Total Current Assets	592,593.85
Fixed Assets	
1503 · RAILWALK PAVILION	506,594.36
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>-425,370.81</u>
Total Fixed Assets	2,838,174.20
Other Assets	
1900 · Pension Asset	<u>14,337.00</u>
Total Other Assets	<u>14,337.00</u>
TOTAL ASSETS	<u><u>3,445,105.05</u></u>

*This report reflects
Activity thru 10/13/21*

Rowan County Tourism Development Authority
Profit & Loss Budget Performance
July 2021 through June 2022

10/13/21

	Jul '21 - Jun 22	Annual Budget	Jul '21 - Jun 22
Ordinary Income/Expense			
Income			
4350 · Tourism ARP Funding	595,000.00	595,000.00	595,000.00
4070 · Misc and Ticket Sales	41.04	1,000.00	41.04
4080 · Holiday Caravan Parade	11,250.00	40,000.00	11,250.00
4010 · Occupancy taxes	300,738.58	925,000.14	300,738.58
4000 · Trolley Operations	7,340.00	33,000.00	7,340.00
4300 · Gateway Building Revenue	28,441.17	110,000.00	28,441.17
4025 · Partner Services	0.00	57,000.00	0.00
Total Income	942,810.79	1,761,000.14	942,810.79
Gross Profit	942,810.79	1,761,000.14	942,810.79
Expense			
6002 · Operating Reserves	0.00	100,000.00	0.00
6001 · ARP Grants	0.00	100,000.00	0.00
6501 · Tourism Capital Projects	367,887.50	420,000.00	367,887.50
6510 · Holiday Caravan Parade Expense	1,291.97	40,000.00	1,291.97
6511 · Partner Service Expense	0.00	10,000.00	0.00
60001 · Marketing & Visitor Services			
6000 · Covid-19 Contingency	0.00	0.00	0.00
6135 · Salisbury-Rowan CVB	239,852.15	910,000.00	239,852.15
6050 · Destination Development	0.00	0.00	0.00
6465 · Trolley	13.60	10,000.00	13.60
6165 · Marketing Supplies & Equipment	115.92	4,000.00	115.92
6070 · Miscellaneous	707.00	4,000.00	707.00
60001 · Marketing & Visitor Services - Other	0.00	0.00	0.00
Total 60001 · Marketing & Visitor Services	240,688.67	928,000.00	240,688.67
60002 · Operations & Administration			
6010 · RCTDA Operations Staff	0.00	38,000.00	0.00
6025 · Payroll taxes and unemployment	0.00	3,000.00	0.00
6030 · Retirement	431.23	5,000.00	431.23
6040 · Worker's comp insurance	459.00	12,000.00	459.00
6105 · Professional Services	2,121.40	15,000.00	2,121.40
6600 · Gateway Building Expenses	37,342.34	90,000.00	37,342.34
Total 60002 · Operations & Administration	40,353.97	163,000.00	40,353.97
Total Expense	650,222.11	1,761,000.00	650,222.11
Net Ordinary Income	292,588.68	0.14	292,588.68
Net Income	292,588.68	0.14	292,588.68