

# VISIT ROWAN COUNTY

SALISBURY, NORTH CAROLINA

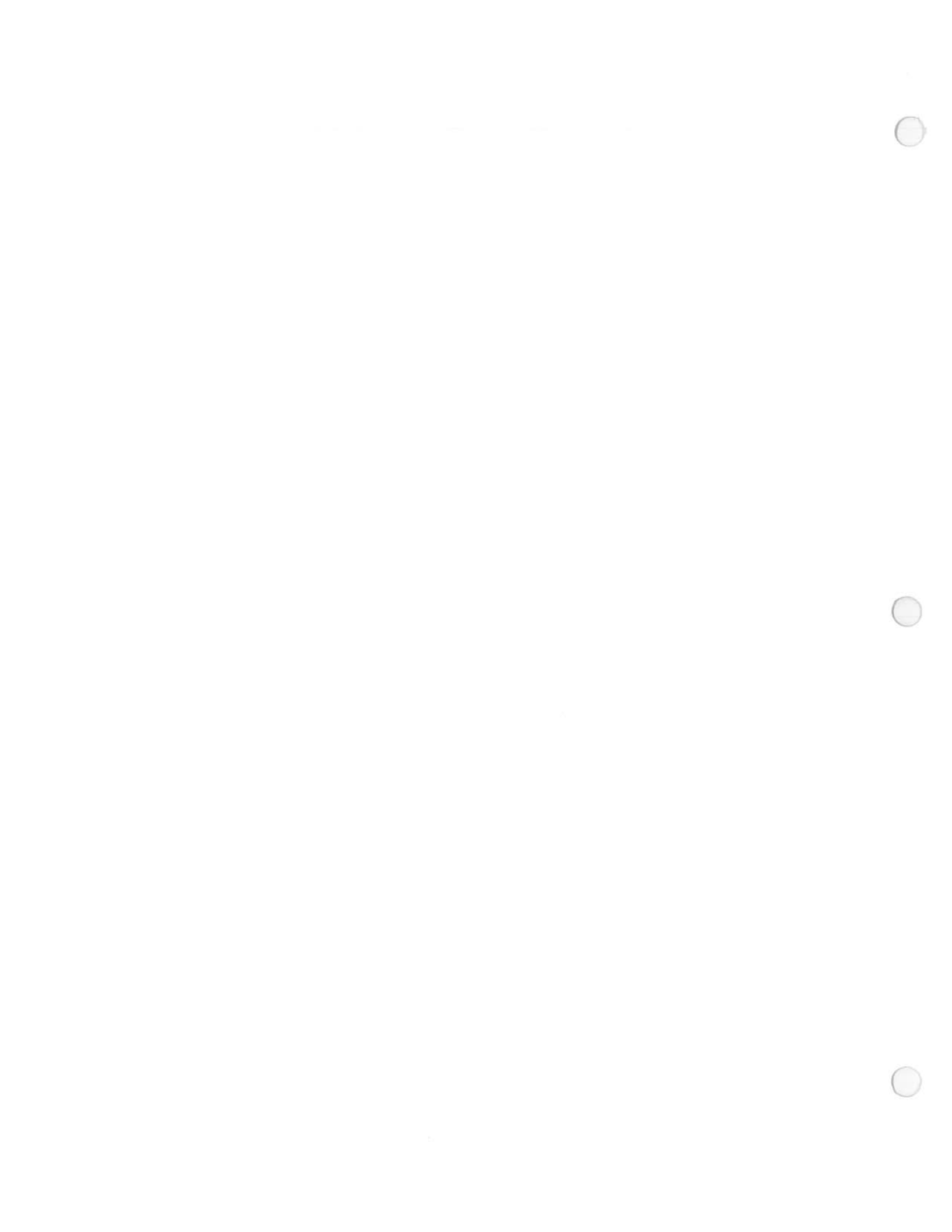
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## ROWAN COUNTY TOURISM DEVELOPMENT AUTHORITY BOARD OF DIRECTORS MEETING

Wednesday, February 14, 2018, Noon, Gateway Building

### MEETING AGENDA

- |       |  |                                  |
|-------|--|----------------------------------|
| I.    | Rowan County TDA Call to Order               | Krista Osterweil, Board Chair    |
| II.   | Approval of January 2018 TDA Meeting Minutes | Krista Osterweil, Board Chair    |
| III.  | Financial and Occupancy Tax Reports          | James Meacham, TDA Staff         |
| IV.   | Destination Marketing Report                 | James Meacham, TDA Staff         |
| V.    | Tourism Capital Committee                    | Whitney Wallace, Committee Chair |
| VI.   | Local Tourism Industry Update                | James Meacham, TDA Staff         |
| VII.  | Additional Business                          | Krista Osterweil, Board Chair    |
| VIII. | Adjourn                                      |                                  |



**VISIT  
ROWAN COUNTY**  


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**SALISBURY, NORTH CAROLINA**  


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**ROWAN COUNTY TDA BOARD OF DIRECTORS MEETING**

Wednesday, January 10, 2018: 12 Noon, Gateway Building

**CALLED MEETING MINUTES**

**Board Members Attending:** Krista Osterweil, Edward Norvell, Craig Pierce, Amie Baudoin, Steve Hall, Kelly Alexander, Brian Miller

**Guests:** Eddie Carrick, Tony Brewer

**Not Attending:** Shannon Stewart-Hill, Darrell Blackwelder, Tony Shaw, Whitney Wallace

**TDA Staff:** James Meacham, Lesley Pullium, Allyson Teague

**I. RCTDA Call to Order**

Krista Osterweil called the RCTDA to order at 12:00pm.

**Approval of the Minutes**

**Motion:** Craig Pierce made the motion for approval of the RCTDA December 2017 minutes.

**Second:** Kelly Alexander

**Motion:** Approved

**Financial & Occupancy Tax Report**

James Meacham shared the financial report with the group. As of December 31<sup>st</sup> the cash on hand is just over \$90,000 and accounts receivable totaled a little over \$84,000. Current assets were \$182,000 with total assets around \$2.7 million.

Year-to-date, occupancy taxes are \$318,000 and total revenue is just over \$430,000. A little more than 50% of the staff budget has been expended due to extra employee hours for Day out with Thomas and Polar Express. However, staffing expenses will decrease in the upcoming months since the Visitor Center will be closed on Saturdays and additional staff volume for handling packages will go down as well.

Occupancy tax revenue was up 26.8% from November 2016 to November 2017. About 10% is related to new hotel product. The additional 16% is mainly market related, especially with Polar Express during November and December.

## Annual Audit Report

Eddie Carrick presented the RCTDA audit report. The management discussion analysis covers where the TDA is currently and where it will be going in the future. The occupancy tax totaled \$416,000 compared to \$396,000 from last year. In 2016 there was a little trolley income and expenses shown, but that was transferred back to the SRCVB.

Tony Brewer presented the SRCVB audit report. The occupancy tax revenue was slightly down about \$9,200 from 2016 to 2017 and the trolley revenue was down \$28,000 from 2016 to 2017. The decrease in trolley revenue is a result of the Scrooge trolley tour going back to Lee Street Theatre. In addition, the partnership support revenue was up \$32,000 from 2016 to 2017.

All total, the revenue was only down \$3,200 from the previous year. Total expenditures were down about \$352,000, which were associated with destination marketing, trolley expenses, tourism development, and the branding initiative. The balance sheet shows \$128,000 of purchased assets, which include \$40,000 worth of land, \$31,000 for Railwalk construction, \$23,000 for website, and \$34,000 for trademark. Net assets have decreased \$34,000, which was financed with \$72,000 of loan advances for the branding project. The total loan commitment has been satisfied. Also, the SRCVB still has \$29,000 of restricted funds remaining as of 6-30-17.

## Destination Marketing Report

Meacham shared the current destination marketing report. The Polar Express incentive package has generated over 750 packages, with a total of 1,062 room nights from packages with around 1,500 room nights for the entire event. Kelly Alexander stated the growth of Polar Express has been tremendous and thanked the TDA for their partnership and hard work. Over 53,000 tickets were sold, with two school day trips being added. Planning and preparations for next year's Polar Express is already well underway.

Wine about Winter is the current incentive package being offered, with the event taking place on February 2<sup>nd</sup>. 13 room nights have been generated for Wine about Winter as of December 31<sup>st</sup>.

Meacham informed the group the website continues to be successful with substantial growth of visitors each month. For the year, there were just under 110,000 visitors to the website. Most visitors are experiencing the website through mobile platforms, at 68%. There is around a 2% growth each month of visitors signing up for the e-newsletter. Social media engagement is continuing to grow as well, including Facebook, Twitter and Instagram.

The NC Main Street Conference was held on December 6<sup>th</sup> & 7<sup>th</sup> and participants stayed overnight at the Comfort Suites. This event generated 42 room nights. The Husqvarna sales meeting will be hosted by the TDA in the Gateway Building from January 29<sup>th</sup> to January 31<sup>st</sup>. In addition, an undisclosed sports-tourism group is looking to partner with the RCTDA in October - November of 2018 to bring in around 760 room nights. Bids are in from hoteliers and the group will select an option soon. Planning for the Little League World Series in July is also underway.

Year-to-date, the trolley program finished at just over \$35,000 in revenue. There were around 300 room nights associated with various groups and activities related to the trolleys. In December the ridership is high and the revenue is low due to the trolleys being leased out by Lee Street Theatre for the Scrooge trolley tours.

### **Capital Committee**

On January 17<sup>th</sup> there will be a meeting to finalize the city and county wayfinding signage project, which will include Railwalk signs. The full price tag to finish the project will be presented to the Capital Committee at their next meeting.

With regard to the Fisher Thompson Building at the Railwalk, the TDA has been instructed to install bathrooms because there is potential for assembly during events. Even though there are restroom facilities within 500 feet, Bill Burgin will be going to a meeting with North Carolina officials to address this issue.

### **Local Tourism Industry**

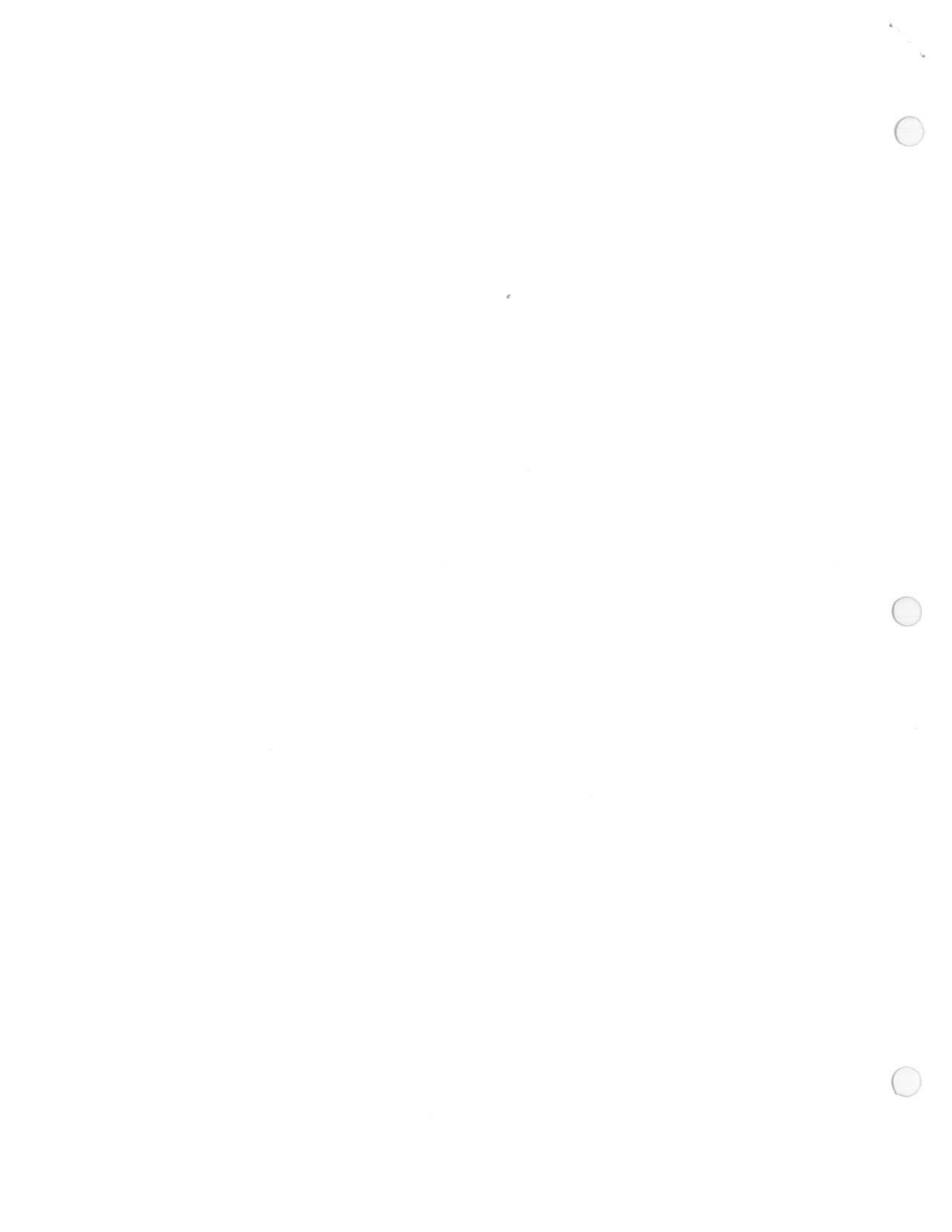
The Rowan Original Service Awards ceremony will take place at the gala on January 11<sup>th</sup>. Awards will be presented to 1<sup>st</sup> place, 2<sup>nd</sup> place, and there was a 4-way tie for 3<sup>rd</sup> place. These awards are a great way to show appreciation to the front-line, hardworking employees in Rowan County.

Meacham stated Lloyd Harding, current Gateway Building Manager, will be leaving the TDA on January 18<sup>th</sup> to pursue a passion for working in disaster relief and serving others internationally.

### **II. Adjourn**

Krista Osterweil thanked the members for attending today and the meeting adjourned at 12:45 pm.

Respectfully submitted by: Allyson Teague, RCTDA



# VISIT ROWAN COUNTY

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## FINANCIAL SUMMARY REPORT AS OF Jan. 31, 2018

Report Date: February 12, 2018

The Tourism Authority utilizes accrual based accounting

### Balance Sheet: Highlights as of 1-31-2018

- Cash on Hand with the TDA equaled \$74,007.10 a decrease of \$16,925.63 from Dec. 2017
- Accounts receivables equaled \$67,898.41 in occupancy taxes from December 2017.
- Total Current Assets with the TDA equaled \$152,682.01 an decrease of \$29,619.62 from the previous month
- Decrease in cash on hand and current assets was based on an increase in budgeted marketing expenditures (holiday marketing expenditures), three payroll periods in January and one time disbursements of accrued payroll liabilities (earned vacation time) paid out to departing employees.
  - Marketing expenses paid in January for services provided in December equaled \$41,279.39.
- Total Assets with the TDA equaled \$2,720,715.48, with \$74,007.10 in cash as of 1-31-18, \$67,898.41 in receivables, \$10,776.50 in Other Current Assets, \$2,553,185 in fixed assets.

### Year to Date Statement of Activities: Highlights as of 12-31-2017

- Revenue year to date from occupancy taxes equals \$386,301.10
- Year to date Trolley revenues equaled \$14,523 and expenses equaled \$2,269.75, not including labor costs for drivers
- Gateway Building revenues year to date equal \$40,463.11 with expenses of \$35,414.42
- Marketing and Visitor Services Year to Date are the primary expenses at \$297,544.48
  - Tourism staff costs increased in September, October, November, December as additional short term staff was brought on to handle the market demands related to special events (Day out with Thomas. Scrooge Trolley and Polar Express) in addition to covering extra duties with two full time team members on maternity leave.
- Year to date Expenses from Administration equal \$96,401.61





**Rowan County Tourism Development Authority**  
**Statement of Financial Position**

Accrual Basis

As of January 31, 2018

	Jan 31, 18
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1052 · F&M Bank-Operating 9224	21,506.04
1020 · Petty cash	50.00
1050 · First Bank checking account	37,445.40
1065 · NC Capital Mgmt Trust	5.26
1070 · First Bank MM account-4509	15,000.40
	74,007.10
<b>Accounts Receivable</b>	
1201 · Accounts Receivable	67,898.41
	67,898.41
<b>Other Current Assets</b>	
1600 · Due from SRCVB	10,776.50
	10,776.50
<b>Total Current Assets</b>	152,682.01
<b>Fixed Assets</b>	
1501 · Land	250,604.00
1500 · Building	2,086,536.00
1505 · Computers	13,223.52
1510 · Furniture & fixtures	48,068.00
1515 · Office equipment	23,278.13
1516 · Trolley cars	319,880.00
1990 · Accumulated depreciation	-188,404.81
	2,553,184.84
<b>Other Assets</b>	
1900 · Pension Asset	14,849.00
	14,849.00
<b>TOTAL ASSETS</b>	<b>2,720,715.85</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
2036 · 401-K withholding	10.00
2037 · Other withholdings	119.98
2100 · Payroll Liabilities	26.80
	156.78
<b>Total Other Current Liabilities</b>	156.78
<b>Total Current Liabilities</b>	156.78
<b>Long Term Liabilities</b>	
2700 · Pension Deferrals	29,086.00

**Rowan County Tourism Development Authority**  
**Statement of Financial Position**  
As of January 31, 2018

Accrual Basis

	<u>Jan 31, 18</u>
2500 · Compensated Absences	8,384.00
Total Long Term Liabilities	<u>37,470.00</u>
Total Liabilities	37,626.78
Equity	
3050 · Investment in fixed assets	2,553,185.00
3100 · Fund balance	-24,321.09
3105 · Restricted Fund Balance	38,487.00
Net Income	<u>115,738.16</u>
Total Equity	<u>2,683,089.07</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>2,720,715.85</u></b>

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

Cash Basis

January 2018

	Jan 18	Jul '17 - Jan 18
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
4010 · Occupancy taxes	78,383.23	356,890.01
4000 · Trolley Operations	4,550.00	14,523.00
4300 · Gateway Building Revenue	8,284.86	40,463.11
4025 · Partner Services	3,367.74	66,917.32
4045 · Other Revenue	0.40	1,479.73
<b>Total income</b>	<u>94,586.23</u>	<u>480,273.17</u>
<b>Gross Profit</b>	94,586.23	480,273.17
<b>Expense</b>		
60001 · Marketing & Visitor Services		
6135 · CVB Tourism Staff and Bran...	45,699.53	215,337.22
6140 · Destination Mktg Programs/...	41,279.39	72,483.22
6050 · Destination Development	0.00	12.00
6465 · Trolley	1,256.50	2,269.75
6130 · Website & Telecommunicatio...	1,129.59	1,129.59
6150 · Development, Travel & Traini...	1,662.76	2,486.39
6120 · Visitor Center	1,818.25	2,166.25
6165 · Marketing Supplies & Equip...	590.11	1,514.96
6070 · Miscellaneous	68.42	145.11
<b>Total 60001 · Marketing &amp; Visitor Servi...</b>	<u>93,504.55</u>	<u>297,544.49</u>
60002 · Operations & Administration		
6010 · RCTDA Operations Staff	4,807.70	36,982.31
6185 · Supplies-Administration	89.53	89.53
6025 · Payroll taxes and unemploym...	368.54	2,289.43
6030 · Retirement	364.90	2,736.76
6020 · Health Benefits	4,125.53	10,223.16
6105 · Professional Services	256.00	8,666.00
6600 · Gateway Building Expenses	4,469.15	39,414.56
<b>Total 60002 · Operations &amp; Administra...</b>	<u>14,481.35</u>	<u>100,401.75</u>
<b>Total Expense</b>	<u>107,985.90</u>	<u>397,946.24</u>
<b>Net Ordinary Income</b>	<u>-13,399.67</u>	<u>82,326.93</u>
<b>Net Income</b>	<u><u>-13,399.67</u></u>	<u><u>82,326.93</u></u>

**Rowan County Tourism Development Authority**  
**Statement of Activities Actual vs. Budget**  
 July 2017 through January 2018

Accrual Basis

	Jul '17 - Jan 18	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4010 · Occupancy taxes	386,301.10	760,000.00	-373,698.90
4000 · Trolley Operations	14,523.00	35,000.00	-20,477.00
4300 · Gateway Building Revenue	40,463.11	80,000.00	-39,536.89
4025 · Partner Services	66,917.32	75,000.00	-8,082.68
4045 · Other Revenue	1,479.73	0.00	1,479.73
<b>Total Income</b>	<b>509,684.26</b>	<b>950,000.00</b>	<b>-440,315.74</b>
<b>Gross Profit</b>	<b>509,684.26</b>	<b>950,000.00</b>	<b>-440,315.74</b>
<b>Expense</b>			
60001 · Marketing & Visitor Services			
6135 · CVB Tourism Staff and Branding	215,337.22	330,000.00	-114,662.78
6140 · Destination Mktg Programs/Ser	72,483.22	264,000.00	-191,516.78
6050 · Destination Development	12.00	100,000.00	-99,988.00
6465 · Trolley	2,269.75	20,000.00	-17,730.25
6130 · Website & Telecommunications	1,129.59	0.00	1,129.59
6160 · Development, Travel & Training	2,486.39	5,000.00	-2,513.61
6120 · Visitor Center	2,166.25	22,000.00	-19,833.75
6165 · Marketing Supplies & Equipment	1,514.96	5,000.00	-3,485.04
6070 · Miscellaneous	145.11	1,500.00	-1,354.89
<b>Total 60001 · Marketing &amp; Visitor Services</b>	<b>297,544.49</b>	<b>747,500.00</b>	<b>-449,955.51</b>
60002 · Operations & Administration			
6010 · RCTDA Operations Staff	36,982.31	70,000.00	-33,017.69
6185 · Supplies-Administration	89.53	0.00	89.53
6025 · Payroll taxes and unemployment	2,289.43	0.00	2,289.43
6030 · Retirement	2,736.76	0.00	2,736.76
6020 · Health Benefits	10,223.16	27,000.00	-16,776.84
6040 · Worker's comp insurance	0.00	2,500.00	-2,500.00
6105 · Professional Services	8,666.00	23,000.00	-14,334.00
6600 · Gateway Building Expenses	35,414.42	80,000.00	-44,585.58
<b>Total 60002 · Operations &amp; Administration</b>	<b>96,401.61</b>	<b>202,500.00</b>	<b>-106,098.39</b>
<b>Total Expense</b>	<b>393,946.10</b>	<b>950,000.00</b>	<b>-556,053.90</b>
<b>Net Ordinary Income</b>	<b>115,738.16</b>	<b>0.00</b>	<b>115,738.16</b>
<b>Net Income</b>	<b>115,738.16</b>	<b>0.00</b>	<b>115,738.16</b>

**Rowan County Occupancy Tax Receipts (GROSS)**

MONTH	FY14-15	FY15-16	%CHNG	FY16-17	%CHNG	FY17-18	%CHNG
July	\$ 55,340.87	\$ 64,271.42	16.1%	65,208.17	1.5%	72,999.06	11.9%
August	\$ 59,192.57	\$ 62,590.56	5.7%	66,663.57	6.5%	76,010.73	14.0%
September	\$ 58,015.30	\$ 63,255.27	9.0%	64,467.53	1.9%	74,220.99	15.1%
<b>Quarter Total</b>	<b>\$ 172,548.74</b>	<b>\$ 190,117.25</b>	<b>10.2%</b>	<b>196,339.27</b>	<b>3.3%</b>	<b>223,230.78</b>	<b>14%</b>
October	\$ 72,744.38	\$ 77,003.85	5.9%	79,169.16	2.8%	92,286.61	16.6%
November	\$ 56,057.25	\$ 60,532.12	8.0%	62,445.01	3.2%	79,174.98	26.8%
December	\$ 46,488.22	\$ 51,001.36	9.7%	54,165.23	6.2%	68,584.25	26.6%
<b>Quarter Total</b>	<b>\$ 175,289.85</b>	<b>\$ 188,537.33</b>	<b>7.6%</b>	<b>195,779.40</b>	<b>3.8%</b>	<b>240,045.84</b>	<b>22.6%</b>
January	\$ 49,716.82	\$ 53,223.53	7.1%	56,069.00	5.3%		
February	\$ 57,271.04	\$ 58,278.45	1.8%	59,387.76	1.9%		
March	\$ 69,357.96	\$ 63,177.91	-8.9%	70,895.99	12.2%		
<b>Quarter Total</b>	<b>\$ 176,345.82</b>	<b>\$ 174,679.89</b>	<b>-0.9%</b>	<b>186,352.75</b>	<b>6.7%</b>		
April	\$ 66,099.93	\$ 72,366.67	9.5%	83,161.39	14.9%		
May	\$ 69,296.42	\$ 73,046.32	5.4%	87,164.78	19.3%		
June	\$ 69,200.81	\$ 69,446.31	0.4%	76,624.86	10.3%		
<b>Quarter Total</b>	<b>\$ 204,597.16</b>	<b>\$ 214,859.30</b>	<b>5.0%</b>	<b>\$ 246,951.03</b>	<b>14.9%</b>		
<b>Adjmts Penalties</b>							
<b>Penalties</b>							
<b>Year Total</b>	<b>\$ 728,781.57</b>	<b>\$ 768,193.77</b>	<b>5.4%</b>	<b>\$ 825,422.45</b>	<b>7.4%</b>		

