VISIT ROWAN COUNTY

SALISBURY, NORTH CAROLINA

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ROWAN COUNTY TOURISM DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING

Wednesday, June 13, 2018, Noon, Gateway Building

MEETING AGENDA

I.	Rowan County TDA Call to Order	Krista Osterweil, Board Chair
II.	Approval of May 2018 TDA Meeting Minutes	Krista Osterweil, Board Chair
III.	Financial and Occupancy Tax Reports	James Meacham, TDA Staff
IV.	Fiscal Year 2018 -2019 Budget Final Review	James Meacham, TDA Staff
	A. Public Hearing for FY 2018-2019 Budget	Krista Osterweil, Board Chair
	B. Consider Approval of FY 2018-2019 Budget	
V.	Destination Marketing Report	Tara Furr, TDA Staff
VI.	Tourism Capital Committee	Whitney Wallace, Com. Chair
VII.	Staggered Board Terms	Krista Osterweil, Board Chair & James Meacham, TDA Staff
VIII.	Additional Business	Krista Osterweil, Board Chair
IX.	Adjourn	Krista Osterweil, Board Chair

VISIT ROWAN COUNTY

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ROWAN COUNTY TDA BOARD OF DIRECTORS MEETING

Wednesday, May 9, 2018: 12 Noon, Gateway Building

CALLED MEETING MINUTES

Board Members Attending: Steve Hall, Krista Osterweil, Amie Baudoin, Whitney Wallace, Edward Norvell, Kelly Alexander, Brian Miller, Tony Shaw,

Not Attending: Shannon Stewart-Hill, Craig Pierce, Krista Osterweil, Darrell Blackwelder

TDA Staff: James Meacham, Lesley Pullium, Tara Furr

I. RCTDA Call to Order

Kelly Alexander called the RCTDA to order at 12:04pm.

Approval of the Minutes

Motion: Edward Norvell made the motion for approval of the RCTDA March 2018 minutes with the amendment to the Capital Report section of "The committee approved the structure of a long term funding agreement *in the amount of $250,000* for the park $25,000 per year over 10 years".
Second: Steve Hall
Motion: Approved

Financial Report

The TDA Board of Directors reviewed the year-to-date financial statements and year-to-date occupancy tax revenues. Meacham stated that the balance sheet for the month of April shows a little over $150,000 in current assets, $70,000 in cash and $84,000 in occupancy taxes from March. No changes in fixed or pension assets. Meacham noted that expenses are always one month ahead of revenue. Final fiscal year revenue from June 2018 will be received in the middle of August and final accruals for the revenue will occur in August or September of 2018 for the year-end 2017-18 budget.

Meacham reported that occupancy revenue was ahead of budget and was up 19.6% for the month of March 2018 vs March 2017. Meacham said this is a substantial jump because the Holiday Inn Express opened Feb 2017 and the Express was fully up and running in March 2017. March of 2018 offered the first full year to year comparison including the new property. The 19.6% is pure organic market growth across the entire market segment. Another area where there has been substantial growth is with Airbnb properties. Total occupancy for fiscal year 2017-18 will probably end around $970,000 to $975,000. That is about a $150,000 increase.

Proposed 2018-19 RCTDA Budget

Meacham presented the proposed RCTDA 2018-19 budget and stated this was the most exciting budget that he has put together for the TDA. Ten years ago, the budget was a little over $237,000. The proposed 2018-19 budget is $1.2 million. Meacham reviewed each line item of the proposed budget for FY 2018-2019 in detail.

Meacham also reviewed the process for approval of the budget for the public authority. A budget notification has been posted in the newspaper noting the budget is available for review at the Visitor Center and a public hearing will be held in June.

Motion: Brian Miller made the motion to set the public hearing for June 13th at noon.
Second: Edward Norvell
Motion: Approved

Destination Marketing Report

Tara Furr said she was glad to be back from maternity leave and gave the marketing report. Furr noted that the Trolleys were very busy with year-to-date ridership of 1,223. Saturday tours resumed in April, several weddings and groups are scheduled for May and June.

The Arts & Ag program is underway and the Visitor Center staff have stocked all of the 22 kiosks around the county with Visitor Guides, event calendars and Art & Ag brochures. Furr noted that the Norfolk Southern Group will be in Salisbury next week and are staying at the Courtyard Marriott. Staff has been working with the NC Main Street group for the 2019 event. The three main venues are already booked and are being provided by sponsorships (F&M, PPT, and Salisbury Depot). Furr is also currently working with the Senior Lawyers group that is coming in late summer.

The DMC Committee approved 2 tourism support requests, including funding for Salisbury Pride Fest and the Cheerwine Festival. The Pints & Flights package produced 20 room nights and continues to grow each year. The DOWT packages are selling well and Polar Express packages with go on sale in early July.

The number of unique visitors accessing the website continues to be up from last year. There was also increase from last month in the e-newsletters. In addition, social media continues to grow as spring events and Arts & Ag picks up. New Sarum's new strawberry IPA was a polar media post as was the Salisbury Symphony Concert. Also, Arts & Ag has been heavily pushed and has gained a good deal of PR coverage. UNCTV recently completed a television shoot in downtown Salisbury, which will air in late May 2018.

Arts & Ag

Furr updated the group on the Arts & Ag Initiative. Unfortunately, due to the weather, the Beer Festival at Gold Hill on April 7th had to be cancelled. A positive outcome from that was that a good deal of the activities/vendors were moved to the April 14th Tractors & Trains Festival at the NC Transportation Museum. Staff is working with Gold Hill to support the Founder's Day event in September since the Beer Fest event had to be canceled.

The Farms & Barns tour was sold out. The Riot at Walnut Hill, sponsored by the Bread Riot, takes place on May 20th, and Pops at the Post on June 2nd. This weekend (May12th) is the Farm-to-Table event at Patterson Farm with a five course meal and a performance by the Salisbury Symphony. Ticket sales are going well and the weather is supposed to be hot but gorgeous. Morgan Ridge will be catering, the breweries and wineries will be on hand. It looks to be a great event weekend.

Meacham said that the proceeds from the Farm-to-Table event will go to the Rowan Arts Council and the local high school FFA programs.

Meacham reported that the Cheerwine Festival is taking place on May 19th in Downtown Salisbury. There is a call out for volunteers for the event so if anyone knows of volunteers they can refer them to the City. Meacham stated that at the request of the City and DSI, the TDA staff has met with the City leadership team to offer assistance. There was a request to the TDA to consider allocating some of the DSI marketing funds for this event and DSI leadership agreed. Meacham said the funds were used to target the Raleigh/Durham area as requested by Cheerwine as well as hospitality funds for bands. TDA staff will be on hand at the Cheerwine Festival promoting the area and the Arts & Ag events.

Meacham said that staff will also be at Speed Street in Charlotte over Memorial Day weekend with Kelly Alexander's staff promoting NCTM and Rowan County. This is three full days with the opportunity to increase awareness of NCTM and all that Rowan County has to offer.

Capital Committee

Whitney Wallace stated the Capital Committee did not meet this month. Meacham gave a brief update on the Kerr Street project, stating that the project should start next week. Meacham thanked Brian Miller and City Council for giving the project a $60,000 variance on storm water. This allows the project to move quicker and keeps the costs down. The project will substantially improve what is there now including replacement of the old pipe etc. Meacham said the final COA's with the Historical Preservation (HPC) have been completed and the county has approved the plans. The contract is with Bob Glover, R & L Enterprises and construction should begin next week. Mickey Black has also given his permission for right of way through his property during the project. There is tree that will have to be removed due to the construction and hope that HPC will approve the removal. Kerr Street (between Depot & Lee Street) will be closed during the construction. There will be city signage letting people know the street is closed and the detour. Project completion is estimated for late summer, early fall.

Meacham noted that at the March meeting, Wallace presented that the Committee had approved a funding agreement for the Bell Tower Green Park of $250,000 over a 10-year period funds go from TDA to Robertson Foundation that being subject to an agreement in place that defines how the park will be maintained and programmed. That aspect being left for the Bell Tower Green Foundation to work out.

Edward Norvell said that Bell Tower Green is looking at the Hurley Park model, which if this is the case, it will be a City appointed board, with the Non-profit responsible for fund-raising. The park foundation will pay half the cost and the City will pay half of the maintenance. Norvell said $6.2 million has been raised already. In addition, the foundation has applied for grant funds and is still working on fund-raising. The foundation is also talking with NCDOT about bricking the streets and have received favorable response. Brian Miller said that there is money in the City budget (that has not been approved yet) for a landscape plan that would align the surrounding blocks with the park area and offer a consistent look downtown.

Local Tourism Update

Meacham stated both Rockwell and East Spencer have started the branding process and converting their brands. The Rowan Arts Council has just awarded the spring ACD grants. RAC hosted a grant writing workshop yesterday with NC Arts Council staff presenting. There was a turnout of over 20 local artists and arts organization staff.

II. Adjourn

Kelly Alexander thanked the members for attending today and the meeting adjourned at 1:02 pm.

Respectfully submitted by: Lesley Pullium, RCTDA

VISIT ROWAN COUNTY

SALISBURY, NORTH CAROLINA

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FINANCIAL SUMMARY REPORT AS OF May 31, 2018

Report Date: June 8, 2018

The Tourism Authority utilizes accrual based accounting

Balance Sheet: Highlights as of 5-31-2018

- Total Current Assets with the TDA equaled $150,320.93, a decrease of $4,483.20 from April 30, 2018.
- Cash on hand as of May 31, 2018 equaled $59,074.26
- Accounts Receivable for April occupancy taxes equaled $91,246.67
- Total Assets with the TDA equaled $2,718,354.97 assets.

Year to Date Statement of Activities: Highlights as of 5-31-2018

- Statement of Activities is based on 11 months expenses compared to 10 months revenue.
- Revenue year to date from occupancy taxes equals $692,949.61 through April occupancy taxes, with May and June Occupancy Taxes left for fiscal year.
    - Rowan TDA's 10 month occupancy tax revenue budget (Based on Changes in tax law effective 9-1-2017) is $760,000, final year end projections will be closer to $860,000 in occupancy tax revenue.
- Year to date Trolley revenues equaled $26,054.33 and expenses equaled $9,779.69 not including driver wages,
- Gateway Building revenues year to date equal $67,030.28, with expenses of $58,616.96
- Marketing and Visitor Services Year to Date are the primary expenses at $617,244
- Year to date Expenses from Administration equal $158,399.02

Rowan County Tourism Development Authority
Statement of Financial Position
Accrual Basis — As of May 31, 2018

	May 31, 18
ASSETS	
Current Assets	
Checking/Savings	
1052 · F&M Bank-Operating 9224	24,649.46
1020 · Petty cash	50.00
1050 · First Bank checking account	21,761.72
1065 · NC Capital Mgmt Trust	5.26
1070 · First Bank MM account-4509	12,607.82
Total Checking/Savings	59,074.26
Accounts Receivable	
1201 · Accounts Receivable	91,246.67
Total Accounts Receivable	91,246.67
Total Current Assets	150,320.93
Fixed Assets	
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
Total Fixed Assets	2,553,184.84
Other Assets	
1900 · Pension Asset	14,849.00
Total Other Assets	14,849.00
TOTAL ASSETS	**2,718,354.77**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2036 · 401-K withholding	10.00
2037 · Other withholdings	119.98
Total Other Current Liabilities	129.98
Total Current Liabilities	129.98
Long Term Liabilities	
2700 · Pension Deferrals	29,086.00
2500 · Compensated Absences	8,384.00
Total Long Term Liabilities	37,470.00
Total Liabilities	37,599.98
Equity	

See Accountants' Compilation Report

Rowan County Tourism Development Authority
Statement of Financial Position
Accrual Basis — **As of May 31, 2018**

	May 31, 18
3050 · Investment in fixed assets	2,553,185.00
3100 · Fund balance	-24,321.09
3105 · Restricted Fund Balance	38,487.00
Net Income	113,403.88
Total Equity	2,680,754.79
TOTAL LIABILITIES & EQUITY	2,718,354.77

See Accountants' Compilation Report

Rowan County Tourism Development Authority
Statement of Activities
Accrual Basis — **May 2018**

	May 18	Jul '17 - May 18
Ordinary Income/Expense		
Income		
4010 · Occupancy taxes	91,246.67	692,949.61
4000 · Trolley Operations	1,846.00	26,054.33
4300 · Gateway Building Revenue	5,358.36	67,030.28
4025 · Partner Services	3,185.39	98,478.71
4045 · Other Revenue	1,001.78	4,534.49
Total Income	102,638.20	889,047.42
Gross Profit	102,638.20	889,047.42
Expense		
60001 · Marketing & Visitor Services		
6135 · CVB Tourism Staff and Branding	31,769.70	343,268.67
6140 · Destination Mktg Programs/Ser	61,735.12	243,355.85
6050 · Destination Development	0.00	4,123.82
6465 · Trolley	60.00	9,779.69
6130 · Website & Telecommunications	0.00	1,129.59
6150 · Development, Travel & Training	198.39	3,722.15
6120 · Visitor Center	90.00	8,657.00
6165 · Marketing Supplies & Equipment	79.53	2,750.98
6070 · Miscellaneous	11.99	456.77
Total 60001 · Marketing & Visitor Services	93,944.73	617,244.52
60002 · Operations & Administration		
6010 · RCTDA Operations Staff	4,807.70	58,616.96
6185 · Supplies-Administration	0.00	221.34
6025 · Payroll taxes and unemployment	314.42	3,836.16
6030 · Retirement	364.90	4,378.82
6020 · Health Benefits	2,050.43	18,559.38
6105 · Professional Services	19.26	13,333.46
6600 · Gateway Building Expenses	5,699.94	58,947.18
6145 · Office Postage	50.00	505.72
Total 60002 · Operations & Administration	13,306.65	158,399.02
Total Expense	107,251.38	775,643.54
Net Ordinary Income	-4,613.18	113,403.88
Net Income	**-4,613.18**	**113,403.88**

See Accountants' Compilation Report

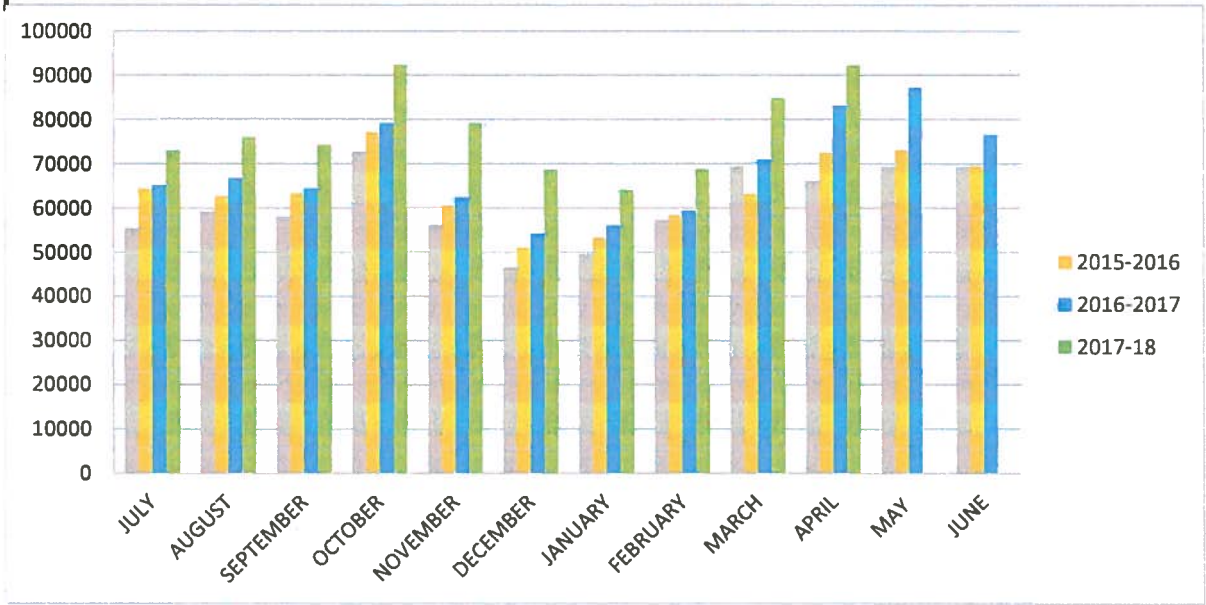
Rowan County Tourism Development Authority
Statement of Activities Actual vs. Budget
Accrual Basis — July 2017 through May 2018

	Jul '17 - May 18	Budget	$ Over Budget
Ordinary Income/Expense			
Income			
4010 · Occupancy taxes	692,949.61	760,000.00	-67,050.39
4000 · Trolley Operations	26,054.33	35,000.00	-8,945.67
4300 · Gateway Building Revenue	67,030.28	80,000.00	-12,969.72
4025 · Partner Services	98,478.71	95,000.00	3,478.71
4045 · Other Revenue	4,534.49	2,600.00	1,934.49
Total Income	889,047.42	972,600.00	-83,552.58
Gross Profit	889,047.42	972,600.00	-83,552.58
Expense			
60001 · Marketing & Visitor Services			
6135 · CVB Tourism Staff and Branding	343,268.67	363,000.00	-19,731.33
6140 · Destination Mktg Programs/Ser	243,355.85	264,000.00	-20,644.15
6050 · Destination Development	4,123.82	100,000.00	-95,876.18
6465 · Trolley	9,779.69	20,000.00	-10,220.31
6130 · Website & Telecommunications	1,129.59	0.00	1,129.59
6150 · Development, Travel & Training	3,722.15	5,000.00	-1,277.85
6120 · Visitor Center	8,657.00	14,600.00	-5,943.00
6165 · Marketing Supplies & Equipment	2,750.98	4,000.00	-1,249.02
6070 · Miscellaneous	456.77	1,500.00	-1,043.23
Total 60001 · Marketing & Visitor Services	617,244.52	772,100.00	-154,855.48
60002 · Operations & Administration			
6010 · RCTDA Operations Staff	58,616.96	70,000.00	-11,383.04
6185 · Supplies-Administration	221.34	300.00	-78.66
6025 · Payroll taxes and unemployment	3,836.16	1,200.00	2,636.16
6030 · Retirement	4,378.82	1,500.00	2,878.82
6020 · Health Benefits	18,559.38	22,000.00	-3,440.62
6040 · Worker's comp insurance	0.00	2,500.00	-2,500.00
6105 · Professional Services	13,333.46	23,000.00	-9,666.54
6600 · Gateway Building Expenses	58,947.18	80,000.00	-21,052.82
6145 · Office Postage	505.72	0.00	505.72
Total 60002 · Operations & Administration	158,399.02	200,500.00	-42,100.98
Total Expense	775,643.54	972,600.00	-196,956.46
Net Ordinary Income	113,403.88	0.00	113,403.88
Net Income	113,403.88	0.00	113,403.88

See Accountants' Compilation Report

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%
Quarter Total	**$ 172,548.74**	**$ 190,117.25**	**10.2%**	**196,339.27**	**3.3%**	**223,230.78**	**14%**
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%
Quarter Total	**$ 175,289.85**	**$ 188,537.33**	**7.6%**	**195,779.40**	**3.8%**	**240,045.84**	**22.6%**
January	$ 49,716.82	$ 53,223.53	7.1%	56,069.00	5.3%	64,114.21	14.3%
February	$ 57,271.04	$ 58,278.45	1.8%	59,387.76	1.9%	68,703.79	15.7%
March	$ 69,357.96	$ 63,177.91	-8.9%	70,895.99	12.2%	84,759.62	19.6%
Quarter Total	**$ 176,345.82**	**$ 174,679.89**	**-0.9%**	**186,352.75**	**6.7%**	**217,577.62**	**16.8%**
April	$ 66,099.93	$ 72,366.67	9.6%	83,161.39	14.9%	92,168.35	10.8%
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%		
Quarter Total	**$ 204,597.16**	**$ 214,859.30**	**5.0%**	**$ 246,951.03**	**14.9%**		
Adjmts Penalities							
Penalities							
Year Total	**$ 728,781.57**	**$ 768,193.77**	**5.4%**	**$ 825,422.45**	**7.4%**		



Rowan County Tourism Development Authority
2018-2019 Proposed Budget

Revenues	FY 2018-2019	Budget Notes (Revenues)
Occupancy Tax Revenue	1,060,000.00	Based on projection of minimal occupancy tax revenue growth based on Rowan County's FY18-19 Occupancy Tax Projection of $1,070,000, which includes the addition of Hilton Home 2 in first quarter of 2019 (combined FY2017-2018 final projection plus addition of new property)
Partner Services	62,000.00	Includes shared services in the Gateway, Co-Op program revenues, shared staff position with Gateway partners and fees for TDA services based on FY17-18 actuals and FY18-19 projections
Gateway Building	80,000.00	Revenue from lease payments and meeting room rentals
Tourism Capital Fund Balance	40,000.00	FY17-18 Capital Fund Balance for Railwalk
Trolley	38,000.00	Trolley revenue from sales, rentals, tours, programs, sponsorships and ticketed events.
Total Revenue	**1,280,000.00**	

Expenses		Budget Notes (Expenses)
Marketing & Visitor Services		
CVB: Tourism, Brand & Marketing Services	455,050.00	Rowan County branding fees and services in addition to CVB staff (4 FT, Gateway Shared Position, and 3 PT visitor center staff)
Destination Marketing Programs	360,000.00	Group and Tourism Support, Digital Marketing and Infrastructure, Tourism Marketing, Cooperative Destination and Brand marketing, Rowan Arts and Ag
Destination Development	190,000.00	Final year of Trolley Funding Payment to City of Salisbury, includes first year of funding agreement payment to the County for Railwalk, Bell Tower Green and appropriation of FY17-18 fund
Visitor Center	26,000.00	Rent and operational costs for visitor center (i.e. printing flyers and information, distributing brochures, visitor center only maintenance)
Gateway Building	80,000.00	Operational costs for Gateway (maintenance, janitorial, utilities, repairs, service agreements)
Development, Training and Travel	6,000.00	Professional development, educational events, travel, staff training, board and committee meetings
Trolley	24,000.00	Trolley operations (programming expenses, labor, operations, fuel, maintenance, marketing)
Marketing Supplies & Equipment	5,000.00	Office supplies and materials
Miscellaneous	2,500.00	
Total Marketing & Visitor Services	**1,148,550.00**	
Operations & Administration		
Rowan County TDA Operations Staff	65,000.00	TDA employees
Payroll Taxes and Unemployment Taxes	5,000.00	TDA Payroll and Unemployment
TDA LGERS	5,000.00	Local Gov. Employee Retirement System, TDA contribution
Health Benefits	24,000.00	(Includes health, life,a&d, dental and HSA)
Workers Comp, Liab.. Prop Ins.	2,450.00	Annual amount for all TDA and CVB staff
Professional Services	30,000.00	(Annual audit, professional accounting fees, attorney fees)
Total Operations & Admin.	**131,450.00**	
Total Expenses	**1,280,000.00**	
Difference	**0.00**	

Rowan County Tourism Development Authority
Fiscal Year 2018-2019
Destination Marketing Program Budget

General Budget Allocation	FY 2018-2019	Budget Notes
Destination Marketing Programs	360,000.00	Appropriation from General Budget
Program Revenue	**360,000.00**	

Expenses		Budget Notes (Expenses)
Group & Tourism Support Programs	150,000.00	Program funds to support group sales, recruitment, & tourism support funds for packages, lodging support & hospitality. Based on FY17-18 programs in addition to new events already secured for FY18-19. NC Trans Partnership projected at $105,000, Little League World Series $15,000, NC Main Street $6,000, $14,000 projected repeat event support and $10,000 unallocated
Digital Marketing/Infrastructure	75,000.00	This includes all general digital marketing, digital infrastructure, website, CMS, CRM, e-news, database, server, cloud, hosting cost, SimpleView, server hosting, data, and telecommunications.
Tourism Marketing Programs	75,000.00	Destination marketing funds for marketing & communications and research. Includes, Arts & Ag 2018-2019, public relations, visitor services, graphic design work and tourism collateral programs (kiosks, maps, visitor guides, trolley collateral) and visitor data.
Brand-Cooperative Destination Marketing	24,000.00	Funds to develop and launch a cooperative destination marketing campaign promoting Rowan County that promotes multiple visitor assets in the County and provides opportunities for partners to participate at various levels.
Downtown Salisbury Digital Marketing Partnership	24,000.00	Digital Marketing partnership between the TDA and Downtown Salisbury for the TDA to manage Downtown Salisbury's digital marketing platforms, communications and social media channels for marketing and communications targeted towards visitors. Jointly funded.
Marketing Reserves	12,000.00	Uncommitted funds available for marketing, digital marketing, communications, and group sales that arise
Total Marketing & Visitor Services	**360,000.00**	

Rowan County Tourism Capital Program Budget

Budget Year	Projected Budget Appropriations		Trolley	Railwalk	Bell Tower Green	Program Totals	Projected Balance
2017-2018	100,000		52,000	8,000		60,000	40,000
2018-2019	190,000		52,000	102,000	25,000	179,000	11,000
2019-2020	160,000			70,000	25,000	95,000	65,000
2020-2021	170,000			70,000	25,000	95,000	140,000
2021-2022	180,000			70,000	25,000	95,000	225,000
2022-2023	190,000			70,000	25,000	95,000	320,000
2023-2024	200,000				25,000	25,000	495,000

*Railwalk is 102,000 in FY18-19 because it includes 70,000 paid to the County and $32,000 to the Contractor