

VISIT ROWAN COUNTY

SALISBURY, NORTH CAROLINA

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ROWAN COUNTY TOURISM DEVELOPMENT AUTHORITY BOARD OF DIRECTORS MEETING

Wednesday, May 9, 2018, Noon, Gateway Building

MEETING AGENDA

- | | | |
|-------|--|-----------------------------|
| I. | Rowan County TDA Call to Order | Kelly Alexander, Vice Chair |
| II. | Approval of March 2018 TDA Meeting Minutes | Kelly Alexander, Vice Chair |
| III. | Financial and Occupancy Tax Reports | James Meacham, TDA Staff |
| IV. | Fiscal Year 2018 -2019 Budget | James Meacham, TDA Staff |
| V. | Destination Marketing Report | Tara Furr, TDA Staff |
| VI. | Tourism Capital Committee | Whitney Wallace, Com. Chair |
| VII. | Local Tourism Industry Update | James Meacham, TDA Staff |
| VIII. | Additional Business | Kelly Alexander, Vice Chair |
| IX. | Adjourn | Kelly Alexander, Vice Chair |



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ROWAN COUNTY TDA BOARD OF DIRECTORS MEETING

Wednesday, March 14, 2018: 12 Noon, Gateway Building

CALLED MEETING MINUTES

Board Members Attending: Steve Hall, Craig Pierce, Krista Osterweil, Amie Baudoin, Whitney Wallace, Edward Norvell, Darrell Blackwelder, Kelly Alexander

Not Attending: Brian Miller, Tony Shaw, Shannon Stewart-Hill

TDA Staff: James Meacham, Lesley Pullium

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 February 2018 minutes.

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...

Destination Marketing Report

Meacham shared that Tara Furr will be returning from maternity leave on April 3rd and will help with the restructuring of marketing staff.

With regard to tourism support investments, 2700 room nights were generated. The NC Fine Arts Conference was a big success in February, with a little over 150 room nights for the event. In addition, Destination Magazine published an ad for the Arts & Ag events, including the Tractors & Trains event at the NC Transportation Museum on April 14th.

The Wine about Winter event sold over 1,000 tickets with 21 room nights associated. There are several incentive packages being offered throughout April, including NC Beer Month, Earth Day Jam, and Day out with Thomas.

The number of visitors accessing the new website is up 15% from last year. In addition, social media continues to grow as spring events and Arts & Ag picks up. Also, UNCTV recently completed a television shoot in downtown Salisbury, which will air later in spring 2018.

The TDA was working with the Land Trust to secure a sports-tourism group in October, but the logistics didn't work out. In addition, the location was moved from High Rock Lake to Badin Lake. However, just two weeks ago the TDA signed with the NC Department of Commerce to host the NC Main Street Managers Conference in March of 2019. It will be a mid-week event and around 500 room nights are expected. Bids will be sent out to hotels soon to secure room blocks. The TDA will manage the logistics of the conference while DSI and the City will manage the conference engagement.

The DMC Committee approved 5 tourism support requests, including funding for the Boer Goat Association annual event, Hurley YMCA Pickelball Tournament, Piedmont Players, Happy Roots, and the Public Art Committee. These requests will total around 230 room nights.

Arts & Ag

Meacham updated the group on the Arts & Ag Initiative. The Beer Festival at Gold Hill on April 7th will be the kick off and is a free event to the public. On April 14th the Tractors & Trains Festival will take place at the NC Transportation Museum. The Farms & Barns tour, during the last weekend of April, is already sold out. On May 12th Patterson Farm will host a Farm-to-Table event with a five course meal and a performance by the Salisbury Symphony. This will be a ticketed event at \$75 per person or \$125 per couple. The Riot at Walnut Hill, sponsored by the Bread Riot, will also be ticketed on May 20th, and Pops at the Post will take place shortly after during the first weekend of June.

All the marketing platforms are focused on Arts & Ag at this time, including the website, newsletters, and social media. There will be five billboards spread out at each corridor of the county to reach a broader audience. Other Arts & Ag branding efforts will include 12 foot tall banners, posters, kiosk flyers, as well as TV and radio spots. In addition, an Arts & Ag tent will be set up at each event and staffed by the TDA to greet visitors, hand out materials, and answer questions.

There will be several incentive packages available during Arts & Ag. April is NC Beer Month and visitors will receive 1 beer flight and 1 pint glass from New Sarum and Morgan Ridge, as well as a \$25 Visa gift card, for staying one night in Rowan County. Along with general packages, specific Arts & Ag packages will be offered for ticketed events.

Three sculptures were selected from the 2018 Sculpture Show specifically for Arts & Ag. One has already been installed at Morgan Ridge Vineyards. The remaining two will be installed at Sloan Park and Patterson Farm on April 6th.

Capital Committee

Whitney Wallace stated the recent Capital Committee meeting included a presentation by Edward Norvell, Mary Heather Steinman, and Jason Walsler to address the multipurpose park to be created across from the Rowan Public Library. The park would include a lot of green space, a children's area, a covered venue for entertainment, arbors, and public restrooms. The committee approved the structure of a long term funding agreement for the park for 10 years, under the condition there are certified programming and maintenance agreements in place. The funding would begin fiscal year 2019-2020 pending the aforementioned agreements.

Meacham shared there are two key parameters that would need to be met in order for funding support to be realized. One is an agreed upon maintenance agreement with the City of Salisbury or other third party to ensure there is appropriate upkeep of the park. In addition, a programming agreement needs to be in place so

there is a steady flow of activities and programs being offered. One of the reasons Village Park in Kannapolis is a success is due to a successful programming effort with staff in place to support daily activities within the park. The potential name for the park is "Bell Tower Green".

Wallace stated the Capital Committee is continuing to work on securing the final funding structure for the Railwalk Pavilion project. Meacham shared that these funds are focused on the redevelopment of the Railwalk Pavilion to support the TDA's long term goal for the Railwalk district.

The Pavilion will serve as a tourism development project for the destination. Currently all aspects of the project have been approved by the appropriate agencies. There is an estimated 4 to 6 month timeframe on the construction and 8 different contracting companies attended the pre-bid meeting. Bids for the project are due March 20, 2018.

The funding concept focuses on the TDA requesting the County provide the initial funding for the project and the TDA through an inter-local agreement would pay back the funds over a 5 year period. The estimated cost is around \$350,000.

Wallace reported that the Capital Committee voted to move forward with the TDA approaching the County for the inter-local agreement to receive advanced funding for the Railwalk Pavilion and asked the Board to approve as well. The motion comes from the Capital Committee to the Board. Craig Pierce and Amie Baudoin recused themselves from the vote. With no further discussion, the Board approved the motion and second as presented.

Local Tourism Update

Meacham stated the feasibility studies for additional hotels in Rowan County are moving quickly. There are a lot of inquiries coming in as the interstate widens and water/sewer becomes available. The north side of Lane Street has a lot of long term development opportunities, especially with the growth of Kannapolis and the new Intimidators stadium going up in Downtown Kannapolis. Lane Street is a dividing line between Rowan County and Cabarrus County.

II. Adjourn

Krista Osterweil thanked the members for attending today and the meeting adjourned at 1:15 pm.

Respectfully submitted by: Allyson Teague, RCTDA

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FINANCIAL SUMMARY REPORT AS OF March 31, 2018

Report Date: April 11, 2018

The Tourism Authority utilizes accrual based accounting

Balance Sheet: Highlights as of 3-31-2018

- Cash on Hand with the TDA equaled \$120,848.87, an increase of \$26,170.91 from Fed. 2018
- Total Current Assets with the TDA equaled \$128,007.21
- Total Assets with the TDA equaled \$2,696,041.05 assets.

Year to Date Statement of Activities: Highlights as of 2-28-2018

- Revenue year to date from occupancy taxes equals \$517,790.92
- Year to date Trolley revenues equaled \$22,684 and expenses equaled \$5,553, not including labor costs for drivers
- Gateway Building revenues year to date equal \$54,329, with expenses of \$50,711
- Marketing and Visitor Services Year to Date are the primary expenses at \$436,561
 - 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
 - One time payouts for earned vacation time for two employees that left the TDA during the fiscal year also increase staff costs for the year.
 - 4th quarter marketing through the Holidays was up compared to last year due to the partnership with Downtown Salisbury for Destination Marketing
 - An increase in marketing for Arts and Ag also began in March
- Year to date Expenses from Administration equal \$132,779



Rowan County Tourism Development Authority
Schedule II-Statement of Activities

March 2018

Cash Basis

	Mar 18	Jul '17 - Mar 18
Ordinary Income/Expense		
Income		
4010 · Occupancy taxes	131,489.82	556,278.24
4000 · Trolley Operations	7,601.33	22,684.33
4300 · Gateway Building Revenue	5,037.28	54,329.79
4025 · Partner Services	12,130.55	82,921.94
4045 · Other Revenue	449.51	2,530.45
Total Income	156,708.49	718,744.75
Gross Profit	156,708.49	718,744.75
Expense		
60001 · Marketing & Visitor Services		
6135 · CVB Tourism Staff and Bran...	28,243.53	272,852.26
6140 · Destination Mktg Programs/...	74,248.17	163,709.46
6050 · Destination Development	1,411.82	1,423.82
6465 · Trolley	1,919.00	5,553.19
6130 · Website & Telecommunicatio...	0.00	1,129.59
6150 · Development, Travel & Trainl...	133.75	2,899.21
6120 · Visitor Center	2,115.25	6,396.75
6165 · Marketing Supplies & Equip...	293.82	2,319.95
6070 · Miscellaneous	0.00	145.11
Total 60001 - Marketing & Visitor Servi...	108,365.34	456,429.34
60002 · Operations & Administration		
6010 · RCTDA Operations Staff	7,211.55	49,001.56
6185 · Supplies-Administration	131.81	221.34
6025 · Payroll taxes and unemploym...	512.61	3,170.00
6030 · Retirement	547.36	3,649.02
6020 · Health Benefits	1,051.43	14,433.52
6105 · Professional Services	19.26	11,242.80
6600 · Gateway Building Expenses	12,388.26	54,711.83
6145 · Office Postage	0.00	350.00
Total 60002 · Operations & Administra...	21,862.28	136,780.07
Total Expense	130,227.62	593,209.41
Net Ordinary Income	26,480.87	125,535.34
Net Income	26,480.87	125,535.34

Rowan County Tourism Development Authority
Schedule II-Statement of Activities

Cash Basis

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Net Income	26,480.87	125,535.34



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

Accrual Basis

July 2017 through March 2018

	Jul '17 - Mar 18	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4010 · Occupancy taxes	517,790.92	760,000.00	-242,209.08
4000 · Trolley Operations	22,684.33	35,000.00	-12,315.67
4300 · Gateway Building Revenue	54,329.79	80,000.00	-25,670.21
4025 · Partner Services	82,921.94	75,000.00	7,921.94
4045 · Other Revenue	2,530.45	0.00	2,530.45
Total Income	680,257.43	950,000.00	-269,742.57
Gross Profit	680,257.43	950,000.00	-269,742.57
Expense			
60001 · Marketing & Visitor Services			
6135 · CVB Tourism Staff and Branding	272,852.26	330,000.00	-57,147.74
6140 · Destination Mktg Programs/Ser	163,709.46	264,000.00	-100,290.54
6050 · Destination Development	1,423.82	100,000.00	-98,576.18
6465 · Trolley	5,553.19	20,000.00	-14,446.81
6130 · Website & Telecommunications	1,129.59	0.00	1,129.59
6150 · Development, Travel & Training	2,899.21	5,000.00	-2,100.79
6120 · Visitor Center	6,396.75	22,000.00	-15,603.25
6165 · Marketing Supplies & Equipment	2,319.95	5,000.00	-2,680.05
6070 · Miscellaneous	145.11	1,500.00	-1,354.89
Total 60001 · Marketing & Visitor Services	456,429.34	747,500.00	-291,070.66
60002 · Operations & Administration			
6010 · RCTDA Operations Staff	49,001.56	70,000.00	-20,998.44
6185 · Supplies-Administration	221.34	0.00	221.34
6025 · Payroll taxes and unemployment	3,170.00	0.00	3,170.00
6030 · Retirement	3,649.02	0.00	3,649.02
6020 · Health Benefits	14,433.52	27,000.00	-12,566.48
6040 · Worker's comp insurance	0.00	2,500.00	-2,500.00
6105 · Professional Services	11,242.80	23,000.00	-11,757.20
6600 · Gateway Building Expenses	50,711.69	80,000.00	-29,288.31
6145 · Office Postage	350.00	0.00	350.00
Total 60002 · Operations & Administration	132,779.93	202,500.00	-69,720.07
Total Expense	589,209.27	950,000.00	-360,790.73
Net Ordinary Income	91,048.16	0.00	91,048.16
Net Income	91,048.16	0.00	91,048.16



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

Accrual Basis

March 2018

	Mar 18	Jul '17 - Mar 18
Ordinary Income/Expense		
Income		
4010 · Occupancy taxes	68,016.75	517,790.92
4000 · Trolley Operations	6,441.33	22,684.33
4300 · Gateway Building Revenue	5,037.28	54,329.79
4025 · Partner Services	3,380.55	82,921.94
4045 · Other Revenue	449.51	2,530.45
Total Income	83,325.42	680,257.43
Gross Profit	83,325.42	680,257.43
Expense		
60001 · Marketing & Visitor Services		
6135 · CVB Tourism Staff and Branding	28,243.53	272,852.26
6140 · Destination Mktg Programs/Ser	74,248.17	163,709.46
6050 · Destination Development	1,411.82	1,423.82
6465 · Trolley	1,919.00	5,553.19
6130 · Website & Telecommunications	0.00	1,129.59
6150 · Development, Travel & Training	133.75	2,899.21
6120 · Visitor Center	2,115.25	6,396.75
6165 · Marketing Supplies & Equipment	293.82	2,319.95
6070 · Miscellaneous	0.00	145.11
Total 60001 · Marketing & Visitor Services	108,365.34	456,429.34
60002 · Operations & Administration		
6010 · RCTDA Operations Staff	7,211.55	49,001.56
6185 · Supplies-Administration	131.81	221.34
6025 · Payroll taxes and unemployment	512.61	3,170.00
6030 · Retirement	547.36	3,649.02
6020 · Health Benefits	1,051.43	14,433.52
6105 · Professional Services	19.26	11,242.80
6600 · Gateway Building Expenses	12,388.26	50,711.69
6145 · Office Postage	0.00	350.00
Total 60002 · Operations & Administration	21,862.28	132,779.93
Total Expense	130,227.62	589,209.27
Net Ordinary Income	-46,902.20	91,048.16
Net Income	-46,902.20	91,048.16



Rowan County Tourism Development Authority
Statement of Financial Position

Accrual Basis

As of March 31, 2018

	<u>Mar 31, 18</u>
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	91,048.16
Total Equity	<u>2,658,399.07</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,696,041.05</u></u>



Rowan County Tourism Development Authority
Statement of Financial Position

Accrual Basis

As of March 31, 2018

	Mar 31, 18
ASSETS	
Current Assets	
Checking/Savings	
1052 · F&M Bank-Operating 9224	20,590.17
1020 · Petty cash	50.00
1050 · First Bank checking account	74,599.26
1065 · NC Capital Mgmt Trust	5.26
1070 · First Bank MM account-4509	25,603.78
Total Checking/Savings	120,848.47
Other Current Assets	
1600 · Due from SRCVB	7,158.74
Total Other Current Assets	7,158.74
Total Current Assets	128,007.21
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	2,696,041.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2036 · 401-K withholding	10.00
2037 · Other withholdings	119.98
2100 · Payroll Liabilities	42.00
Total Other Current Liabilities	171.98
Total Current Liabilities	171.98
Long Term Liabilities	
2700 · Pension Deferrals	29,086.00
2500 · Compensated Absences	8,384.00
Total Long Term Liabilities	37,470.00
Total Liabilities	37,641.98

**Rowan County Tourism Development Authority
2018-2019 Proposed Budget**

Revenues

Budget Notes (Revenues)

	FY 2018-2019	
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 \$8,000, \$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

