



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

**Wednesday, August 17, 2022, Noon**

**MEETING AGENDA**

- |             |  |                                      |
|-------------|--|--------------------------------------|
| <b>I.</b>   | <b>Call to Order</b>                                 | <b>Krista Osterweil, Chair</b>       |
| <b>II.</b>  | <b>Approval of Meeting Minutes</b>                   | <b>Krista Osterweil, Chair</b>       |
| <b>III.</b> | <b>Financial Report</b>                              |                                      |
|             | <b>A. Tourism Financial Report and Market Update</b> | <b>James Meacham</b>                 |
| <b>III.</b> | <b>Program of Work Report</b>                        |                                      |
|             | <b>A. Destination Marketing Report</b>               | <b>Tara Furr and Sarah Michalec</b>  |
|             | <b>B. Product Development</b>                        | <b>James Meacham</b>                 |
| <b>V.</b>   | <b>Additional Business</b>                           |                                      |
|             | <b>A. Gateway Building</b>                           | <b>James Meacham and John Ketner</b> |
| <b>VI.</b>  | <b>Adjourn</b>                                       |                                      |



**ROWAN COUNTY TOURISM  
BOARD OF DIRECTORS MEETING**

Wednesday, June 15, 2022: 12:00 pm

**BOARD MEETING MINUTES**

**Board Members Attending:** Vivian Hopkins, Sada Troutman, Craig Pierce, Krista Osterweil, Stephen Kidd, John Ketner, Karen Alexander, Michelle Patterson, Cyndi Greenwood (Virtual)

**Not Attending:** Don Bringle

**TDA Staff:** James Meacham, Sarah Michalec, Brooke Arrowood

**RCTDA Call to Order**

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

**Approval of the Minutes**

Motion: Craig Pierce made the motion for approval of the May 2022 minutes.

Second: John Ketner

Motion: Approved

**Organizational & Financial Update**

Meacham reported that occupancy tax revenue as of 4-30-2022 for fiscal year 2021-22 on an accrual basis equaled \$1,153,520 through May 31, 2022, and is 33% ahead of the 2021-22 initial budget projections. April 2022 occupancy tax collections (with two properties outstanding) were 31% higher than April 2021 and were 22% higher than April 2019. April 2022 occupancy taxes were the highest monthly collection on record for the month of April, eclipsing the previous April record set in 2019.

Meacham said revenue is very sound and the May 2022 occupancy taxes are projected to come in at \$120,000. As of 6-10-22 fiscal year to date revenue is ahead of expenses by \$245,051. Meacham reported total current assets of \$598,086 an increase of \$55,950 since the last report. Accounts Receivables equaled \$237,784 consisting of April and May occ. taxes. The cash on hand as of 05-31-2022 equaled \$360,301 an increase of \$44,842 and unrestricted cash on hand has increased by \$193,197 since the start of the fiscal year. Total assets equaled \$3,358,496 as of 05-31-2022.

**Consideration of the 2022-23 RCTDA & SRCVB Budget**

The Board discussed the budget and thanked staff and the Finance Committee for their time and efforts putting together the 2022-23 budgets. There were no additional questions or discussion on the budgets that wasn't discussed or answered at the May budget session. No members of the public came by to review or request a copy of the budgets. The budgets were made available both in person and on the website. A public notice advertisement was also placed with the Salisbury Post.

Motion: Craig Pierce made a motion to open the public hearing for consideration of the 2022-23 Budgets.  
 Second: Stephen Kidd  
 Motion: Approved

Motion: Craig Pierce made a motion to close the public hearing for consideration of the 2022-23 Budgets.  
 Second: Stephen Kidd  
 Motion: Approved

Motion: Craig Pierce made a motion to adopt the 2022-23 Budgets as presented.  
 Second: Stephen Kidd  
 Motion: Approved

### **Resolution to retire CVB Branding Loan**

Meacham reported that at the end of this fiscal year there will be a balance of \$165,780 left on the branding loan. Meacham requested the board adopt a resolution motion to transfer excess revenues from the TDA to the CVB in the amount of the outstanding loan balance and retire the branding loan by the end of the fiscal year, June 30, 2022. Meacham reported there is no pre-payment penalty for paying off the loan early.

Motion: Craig Pierce made the motion to transfer excess revenues from the TDA to the CVB to retire the branding loan by the end of the fiscal year, June 30, 2022.  
 Second: Stephen Kidd  
 Motion: Approved

Meacham directed members to review the lodging market data sheet. Staff is monitoring the data on a week-to-week basis and the report is about seven days behind the actual market. Meacham noted that staff first started seeing some demand softening in May when the occupancy percentage went down 1.1%. May and June 2021 were the first months of travel after the Covid-19 shut down. Meacham said that demand started down a little in May 2022 and is down in June 2022 as compared to the same months in 2019. However, room rates are substantially higher.

Occupancy rates have gone from a high of 79% down to 68% which is still a healthy number when combined with an average daily rate that is up 19% from \$87 to \$104. Rates can also impact demand, so properties are working on finding the "sweet spot" for pricing balancing both price and demand.

Meacham reported that through the first eleven days of June, revenue compared to the previous year is up 3% and June 2021 was a record month. There is a great deal of market changes currently underway and many unknown variables. Staff is monitoring all the reports and staying on top of the data. The 2022-23 budget is very sound and has a sizable amount of cushion of unallocated funds. Meacham noted that group business is strong for the fall for the destination and there is a little bit of a move back to healthier business and leisure travel patterns. Staff will continue to be cautiously optimistic going forward.

Meacham presented and the Board reviewed the Fiscal Year 2021-2022 Audit Contract and Management agreement.

Motion: Craig Pierce made a motion for approval of the audit contract with Carrick, CPA as presented for FY2021-22

Second: Stephen Kidd

Motion: Approved

### **Destination Marketing Report**

Michalec reported that the new e-Newsletter template went out in May and staff saw a jump from a 24% open rate in April to 38.11% open rate in May. The new visitrowancountync.com website is doing well and still being fine-tuned daily. Stats for May 2022 show 28,900 page views compared to May 2019 of 24,000. Year to date page views of just over 122,000. Top landing pages for May 2022 were Day Out with Thomas (DOWT) Package, the homepage, and the individual events page. This depicts that the new site is moving people to spend money, explore new things and to learn more about our story. The Root Rez application for package booking is working wonderful. Michalec reported year to date, 85 room nights booked with revenue just over \$12,000.

Social media in May was largely dominated by the Cheerwine Festival. There were 10,000 engagements in May with 36,800 total engagements year to date. Twitter impressions were 6,000 and Instagram impressions were 25,000. The Cheerwine blog received 2500 views. The total digital impact was just under 170,000 which is a 29% increase over May of 2021. Total digital reach was just over 2 million.

Trolleys continue to be busy, and Brooke is doing well with handling the increase in bookings. Meacham reported that a market adjustment and increase in pay was granted to the Trolley CDL drivers as well as an increase in price for trolley rentals. There have been no negative reactions to the increase in trolley rental fees from customers.

Michalec reported 49 packages and 70 room nights for DOWT as opposed to 22 packages booked in May of 2019. This is a very good comeback from 2019 and 2020. Polar Express Packages started last week with 15 packages and 23 room nights.

Meacham reported that with tourism support there have been 173 room nights supported, and everything is right on track with the coming events of Little League, Smoke-out and RPCA. Meacham said that summer heading into 4<sup>th</sup> of July will see a great deal of marketing emphasis on Thomas and Polar package sales, the Little League World Series, pushing the local food and beverage spots, and the Cannon Ballers.

Staff is finishing up the summer photoshoots at the local vineyards, NCTM, parks, Cheerwine, Patterson Farm etc... featuring people and families. The photos are already being incorporated into the website and marketing pieces. Next week photos will be taken at Gold Hill, Dan Nicholas, Kannapolis, and Tiger World.

Michalec reported that Arrowood has completed over 50 visits to sites, attractions, restaurants, etc...to build relationships with community partners. The goal of the visits is to extend a branch of support to the partners as well as gather content and photos for use in blogs and other marketing placement.

### **Gateway Building**

Meacham reported that the gateway tenants met and agreed to a lease increase for the building starting with the new fiscal year. A new HVAC unit was just purchased and installed this spring. The building has four units in total. Additional lease increases and reserve allocations will need to be considered moving forward as the Gateway is now over 20 years old and will be scheduled or need additional replacements and maintenance.

**Additional Business**

At the May meeting the Board tasked Meacham with continuing to look at new mechanisms or programs to keep compensation for all employees competitive, consistent with the market, similar positions and supportive of staff growth. Meacham presented a longevity compensation plan, inline with Rowan County governments plan as model for implementation at Rowan Tourism.

The board reviewed the plan and through unanimous consent approved the adoption of a longevity compensation plan for CVB and TDA staff starting in FY2022-23.and gave the CEO the authority to amend the plan as he deemed necessary to support and retain talent and remain competitive with the market place..

The meeting adjourned at 1:04 pm.

Respectfully submitted.

Lesley Pullium

SRCVB



## FINANCIAL SUMMARY REPORT AS OF 6-30-2022

Report Date: August 15, 2022

**\*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 2021-2022 Statement of Activities: Highlights as of 06-30-2022

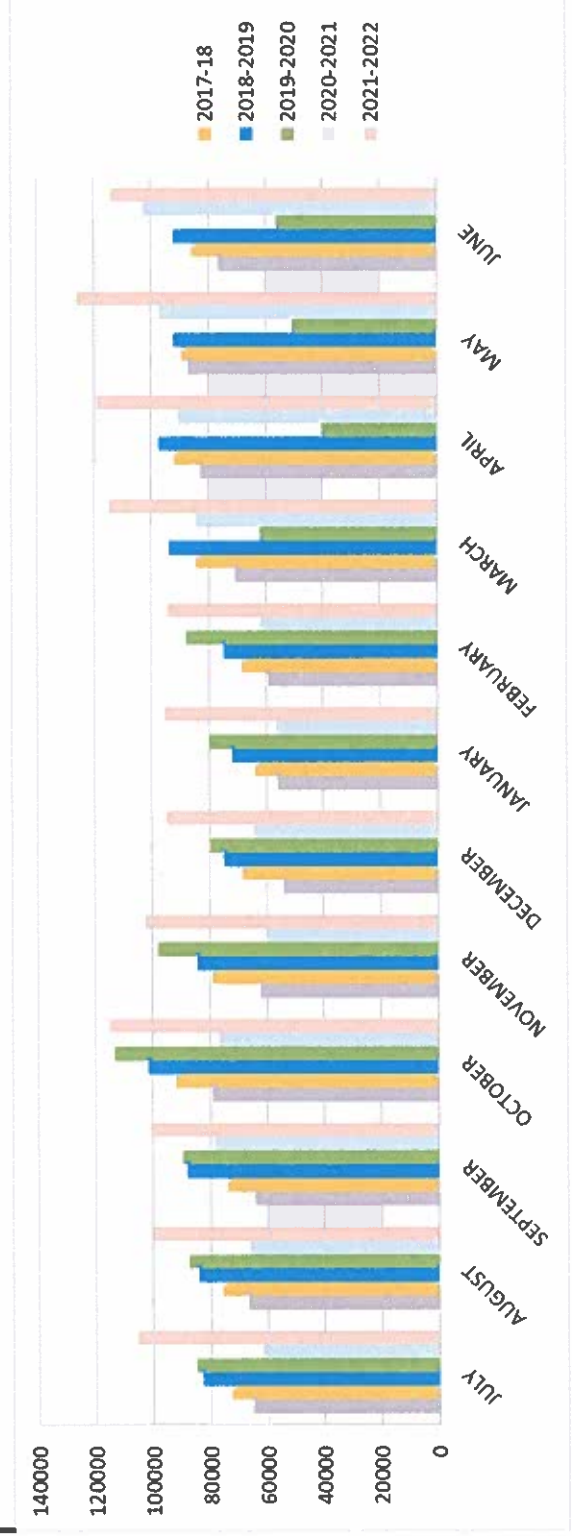
- Occupancy tax revenues as of 6-30-2022 for fiscal year 2021-22 on an accrual basis equaled \$1,273,444 and were 42.5% ahead of fiscal year 2020-21.
  - May 2022 occupancy taxes were \$126,185: 29.6% ahead of May 2021
  - June 2022 occupancy taxes were \$114,033: 11% ahead of June 2021
- Initial fiscal year revenue on an accrual basis exceeded expenses by \$131,687

### Balance Sheet: Summary as of 06-30-2022

- Total Current Assets equaled \$409,181, a decrease of \$188,905 from 5-31-22. The decrease was primarily driven by a one-time release of cash (approximately \$165,800) to retire the CVB branding loan at the end of the fiscal year and a decrease in accounts receivable based on future occupancy tax collections.
- Accounts Receivables equaled \$202,165, consisting of June and July occupancy taxes.
  - Combined June and July occupancy taxes will end up being closer to \$230,000 based on June's actual collections and market data from July.
- Cash on hand as of 06-30-2022 equaled \$205,170 a decrease of \$155,131 from 05-31-22. Driven by the one-time transfer to the CVB to retire the branding loan in the amount of \$165,800.

Rowan County Occupancy Tax Receipts Collected (GROSS)

MONTH	FY17-18	FY18-19	%CHNG	FY19-20	%CHNG	FY20-21	%CHNG	FY21-22	%CHNG
July	72,999.06	82,827.79	13.5%	85,062.04	2.7%	61,737.08	-27.4%	105,514.79	70.9%
August	76,010.73	84,227.53	10.8%	87,388.13	3.8%	66,399.96	-24.0%	99,851.17	50.4%
September	74,220.99	88,060.74	18.6%	89,694.58	1.9%	78,562.08	-12.4%	100,792.04	28.3%
<b>Quarter Total</b>	<b>223,230.78</b>	<b>255,116.06</b>	<b>14.3%</b>	<b>262,144.75</b>	<b>2.8%</b>	<b>206,699.12</b>	<b>-21.2%</b>	<b>306,158.00</b>	<b>48.1%</b>
October	92,286.61	101,229.40	9.7%	113,427.41	12.0%	76,794.51	-32.3%	115,324.55	50.2%
November	79,174.98	84,418.19	6.6%	97,848.24	15.9%	60,357.00	-38.3%	102,438.16	69.7%
December	68,584.25	74,894.47	9.2%	79,686.64	6.4%	64,749.41	-18.7%	95,874.73	48.1%
<b>Quarter Total</b>	<b>240,045.84</b>	<b>260,542.06</b>	<b>8.5%</b>	<b>290,962.29</b>	<b>11.7%</b>	<b>201,900.92</b>	<b>-30.6%</b>	<b>313,637.44</b>	<b>55.3%</b>
January	64,114.21	72,190.74	12.6%	80,100.88	11.0%	56,291.87	-29.7%	96,918.80	72.2%
February	68,703.79	74,900.88	9.0%	87,894.99	17.3%	62,049.03	-29.4%	94,530.61	52.3%
March	84,759.62	93,890.99	10.8%	62,149.01	-33.8%	84,372.26	35.8%	114,826.05	36%
<b>Quarter Total</b>	<b>217,577.62</b>	<b>240,982.61</b>	<b>10.8%</b>	<b>230,144.88</b>	<b>-4.5%</b>	<b>202,713.16</b>	<b>-11.9%</b>	<b>306,275.46</b>	<b>51.1%</b>
April	92,168.35	97,300.73	5.6%	39,870.97	-59.0%	90,628.43	127.3%	118,973.87	31.3%
May	89,394.40	92,104.89	3.0%	50,585.59	-45.1%	97,167.69	92.1%	126,185.96	29.9%
June	85,776.47	92,254.88	7.6%	56,142.85	-39.1%	102,792.30	83.1%	114,033.79	11%
<b>Quarter Total</b>	<b>267,339.22</b>	<b>281,660.50</b>	<b>5.4%</b>	<b>146,599.41</b>	<b>-48.0%</b>	<b>290,588.42</b>	<b>98.2%</b>	<b>359,193.62</b>	<b>23.6%</b>
Adjmts Penalties									
Penalties									
<b>Year Total</b>	<b>\$ 948,193.46</b>	<b>\$ 1,038,301.23</b>	<b>9.5%</b>	<b>\$ 929,851.33</b>	<b>-10.4%</b>	<b>\$ 901,901.62</b>	<b>-3.0%</b>	<b>\$ 1,285,264.52</b>	<b>42.5%</b>



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

Accrual Basis

As of June 30, 2022

	Jun 30, 22
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1052 · F&M Bank-Operating 9224	52,210.75
1020 · Petty cash	16.83
1050 · First Bank checking #0436	25,526.27
1065 · NC Capital Mgmt Trust	25,005.44
1070 · First Bank MM account-4509	102,410.87
<b>Total Checking/Savings</b>	205,170.16
<b>Accounts Receivable</b>	
1201 · Accounts Receivable	202,165.41
<b>Total Accounts Receivable</b>	202,165.41
<b>Other Current Assets</b>	
1650 · Prepaid expenses	1,846.41
<b>Total Other Current Assets</b>	1,846.41
<b>Total Current Assets</b>	409,181.98
<b>Fixed Assets</b>	
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	-515,808.81
<b>Total Fixed Assets</b>	2,747,736.20
<b>Other Assets</b>	
1900 · Pension Asset	12,674.00
<b>Total Other Assets</b>	12,674.00
<b>TOTAL ASSETS</b>	<b>3,169,592.18</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
234 · 457b Withholdings	238.46
2039 · United Way	-800.00
2033 · State withholding payable	240.00
2035 · Retirement withholding	346.16
2100 · Payroll Liabilities	2,398.97
<b>Total Other Current Liabilities</b>	2,423.59
<b>Total Current Liabilities</b>	2,423.59



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

Accrual Basis

As of June 30, 2022

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	<u>Jun 30, 22</u>
<b>Long Term Liabilities</b>	
2700 · Pension Deferrals	20,011.00
<b>Total Long Term Liabilities</b>	<u>20,011.00</u>
<b>Total Liabilities</b>	22,434.59
<b>Equity</b>	
3075 · Current yr reclass Asset/Liab	350,000.00
3050 · Investment in fixed assets	2,397,736.00
3100 · Fund balance	154,914.16
3105 · Restricted Fund Balance	112,820.00
Net Income	<u>131,687.43</u>
<b>Total Equity</b>	<u>3,147,157.59</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>3,169,592.18</u></u>

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

Accrual Basis

June 2022

	Jun 22	Jul '21 - Jun 22
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
4350 · Tourism ARP Funding	0.00	627,466.33
4070 · Misc and Ticket Sales	21.30	223.04
4060 · Holiday Caravan Parade	0.00	63,903.78
4010 · Occupancy taxes	119,924.10	1,273,444.69
4000 · Trolley Operations	8,645.00	29,721.20
4300 · Gateway Building Revenue	5,694.00	99,986.78
4025 · Partner Services	1,698.85	75,896.44
<b>Total Income</b>	<b>135,983.25</b>	<b>2,170,642.26</b>
<b>Gross Profit</b>	<b>135,983.25</b>	<b>2,170,642.26</b>
<b>Expense</b>		
6001 · ARP Grants	0.00	152,483.32
6501 · Tourism Capital Projects	0.00	446,371.03
6510 · Holiday Caravan Parade Expense	0.00	54,728.78
60001 · Marketing & Visitor Services		
6135 · Salisbury-Rowan CVB	287,604.04	1,131,826.56
6140 · Destination Mktg Programs/Ser	0.00	3,500.00
6465 · Trolley	1,032.62	3,384.35
6165 · Marketing Supplies & Equipment	0.00	115.92
6070 · Miscellaneous	452.23	3,286.23
<b>Total 60001 · Marketing &amp; Visitor Services</b>	<b>289,088.89</b>	<b>1,142,113.06</b>
60002 · Operations & Administration		
6010 · RCTDA Operations Staff	3,922.83	43,028.96
6025 · Payroll taxes and unemployment	422.93	3,236.21
6030 · Retirement	834.06	6,696.77
6020 · Health Benefits	-67.62	3,041.42
6040 · Worker's comp Insurance	1,565.00	2,024.00
6105 · Professional Services	1,700.00	16,062.62
6600 · Gateway Building Expenses	27,921.48	169,168.66
<b>Total 60002 · Operations &amp; Administration</b>	<b>36,298.68</b>	<b>243,258.64</b>
<b>Total Expense</b>	<b>325,387.57</b>	<b>2,038,954.83</b>
<b>Net Ordinary Income</b>	<b>-189,404.32</b>	<b>131,687.43</b>
<b>Net Income</b>	<b>-189,404.32</b>	<b>131,687.43</b>

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

Accrual Basis

July 2021 through June 2022

	<u>Jul '21 - Jun...</u>	<u>Budget</u>	<u>\$ Over Budg...</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4350 · Tourism ARP Funding	627,466.33	627,475.00	-8.67
4070 · Misc and Ticket Sales	223.04	1,000.14	-777.10
4060 · Holiday Caravan Parade	63,903.78	64,000.00	-96.22
4010 · Occupancy taxes	1,273,444.69	1,210,000.00	63,444.69
4000 · Trolley Operations	29,721.20	33,000.00	-3,278.80
4300 · Gateway Building Revenue	99,986.78	109,999.86	-10,013.08
4025 · Partner Services	75,896.44	75,000.00	896.44
<b>Total Income</b>	<u>2,170,642.26</u>	<u>2,120,475.00</u>	<u>50,167.26</u>
<b>Gross Profit</b>	2,170,642.26	2,120,475.00	50,167.26
<b>Expense</b>			
6002 · Operating Reserves	0.00	100,000.00	-100,000.00
6001 · ARP Grants	152,483.32	152,500.00	-16.68
6501 · Tourism Capital Projects	446,371.03	452,035.00	-5,663.97
6510 · Holiday Caravan Parade Expen...	54,728.78	54,740.00	-11.22
6511 · Partner Service Expense	0.00	2,000.00	-2,000.00
60001 · Marketing & Visitor Services			
6135 · Salisbury-Rowan CVB	1,131,826.56	1,108,500.00	23,326.56
6140 · Destination Mktg Programs/...	3,500.00	3,500.00	0.00
6465 · Trolley	3,384.35	3,500.00	-115.65
6165 · Marketing Supplies & Equip...	115.92	500.00	-384.08
6070 · Miscellaneous	3,286.23	3,500.00	-213.77
<b>Total 60001 · Marketing &amp; Visitor Ser...</b>	<u>1,142,113.06</u>	<u>1,119,500.00</u>	<u>22,613.06</u>
60002 · Operations & Administration			
6010 · RCTDA Operations Staff	43,028.96	47,400.00	-4,371.04
6025 · Payroll taxes and unemploy...	3,236.21	3,000.00	236.21
6030 · Retirement	6,696.77	8,000.00	-1,303.23
6020 · Health Benefits	3,041.42	3,800.00	-758.58

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

Accrual Basis

July 2021 through June 2022

	<u>Jul '21 - Jun...</u>	<u>Budget</u>	<u>\$ Over Budg...</u>
6040 · Worker's comp insurance	2,024.00	1,000.00	1,024.00
6105 · Professional Services	16,062.62	16,500.00	-437.38
6600 · Gateway Building Expenses	169,168.66	160,000.00	9,168.66
<b>Total 60002 · Operations &amp; Administr...</b>	<u>243,258.64</u>	<u>239,700.00</u>	<u>3,558.64</u>
<b>Total Expense</b>	<u>2,038,954.83</u>	<u>2,120,475.00</u>	<u>-81,520.17</u>
<b>Net Ordinary Income</b>	<u>131,687.43</u>	<u>0.00</u>	<u>131,687.43</u>
<b>Net Income</b>	<u><u>131,687.43</u></u>	<u><u>0.00</u></u>	<u><u>131,687.43</u></u>