

VISIT ROWAN COUNTY

NORTH CAROLINA

Be an original.[®]

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

Wednesday, May 18, 2022, Noon

MEETING AGENDA

- | | | |
|------|---|------------------------------------|
| I. | Call to Order | Krista Osterweil, Chair |
| II. | Approval of Meeting Minutes | Krista Osterweil, Chair |
| III. | Program of Work Report | |
| | A. Destination Marketing Report | Tara Furr, Chief Marketing Officer |
| | B. Destination Development | James Meacham, CEO |
| III. | Financial Report | |
| | A. Tourism Financial Report and Market Update | James Meacham, CEO |
| | B. FY 2022-23 Budget Overview | Stephen Kidd and John Ketner |
| | C. FY 2022-23 Budget Presentation | James Meacham, CEO |
| | D. Schedule Public Hearing, FY2022-23 Budget, 6/15/22, Noon | Krista Osterweil, Chair |
| V. | Additional Business | |
| VI. | Adjourn | |



**ROWAN COUNTY TOURISM
BOARD OF DIRECTORS MEETING**

Wednesday, April 20, 2022: 12:00 pm

BOARD MEETING MINUTES

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

Guest: Chris Cavanaugh

TDA Staff: James Meacham, Sarah Michalec, Tara Furr, 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 March 2022 minutes.

Second: Stephen Kidd

Motion: Approved

Organizational & Financial Update

Meacham gave an organizational update through March 31, 2022. Meacham reported revenue on an accrual basis fiscal year to date from occupancy taxes equals \$912,058 and are 35% ahead of initial 2021-22 budget projections. Meacham reported that through February 2022 collections were 52.3% higher than February 2021. February 2022 occupancy tax collections were the highest monthly collection on record for the month of February eclipsing the previous February record set in 2020. March occupancy taxes are projected to come in at \$110,000.

Meacham reported total current assets of \$504,061, a decrease of \$10,741 since the last report. Accounts receivables were \$203,585 consisting of February and March occupancy taxes. Cash on hand was on March 31, 2022, was \$300,476 a decrease of \$21,876 driving by increased marketing expenditures in March 2022. Unrestricted cash on hand has increased by \$133,372 since the start of the fiscal year. Total assets equaled \$3,356,572 as of March 31, 2022.

Destination Marketing Report

Meacham reported that hotel rates and occupancy rates continue to be very healthy through the month of March. Occupancy rates were 70% and average daily rate was \$98.40. Rev Par which distinguishes profitability shows a 54% increase year to date from the previous period. Performance continues to exceed the pre-pandemic year of 2018-19. So, more people staying overnight and paying more for the rooms.

Michalec reported that the e-Newsletter had a 31.84% open rate last month, up from 18% at the end of 2021. Michalec reported that the new visitrowancountync.com website launches later today. Staff will be spending the next several days perfecting every page of the site and will have a detailed tour for the board at the May meeting. The Root Rez online booking platform which has been live since the fall has worked well with Thomas the Train with twenty-seven room nights booked with \$4200 in revenue for those booking. This platform has been an efficiency saver for staff, hotels, and customers.

The social media big buzz this month has been centered around the Cannon Ballers ticket giveaway. This giveaway has been very popular. The total digital impact year to date places engagement at 97,000 visitors and reach at 1.6 million. Staff has started the Datafy set up process that was discussed last month with the development of the clusters that were presented to the Board. The main clusters include Lodging, communities, attractions, outdoor recreation, art, cultural and heritage, liquid tourism, dining, downtown Salisbury, colleges, annual events and countywide. Within each of those categories are dozens of points of interest across Rowan County.

Furr reported that were Trolley bookings year to date are at 33 and demand for group rentals is returning to pre-pandemic levels.

Furr said packages are back and sales are going well. Packages on sale now include Day Out with Thomas and Wine about Winter. The new package booking system as Michalec mentioned is in place and is working well. Furr thanked the hoteliers on the board for their assistance in getting the new booking platform working and the bugs worked out.

Furr reported that tourism support this month includes Earth Day Jam and the Cheerwine Festival. Furr said she is happy to see the group business returning to the area. Rail Passenger Car Conference is back on the books for 2023, the Smoke-out will be at the Fairgrounds this September, Little League Tournament in July, and Camp Elite at Catawba College this summer.

Looking ahead, Furr reported that the new website launch is today, the tourism hospitality appreciation event will take place on May 5th at the Cannon Ballers Atrium Health Stadium. Furr reminded the board they are all invited and to please RSVP using the email link to receive their free tickets. There will be giveaways, free refreshments, and fireworks at the events. Furr encouraged everyone to attend and bring their families.

Furr reported that the second photo shoot will take place next week. Sites will include Patterson Farms, NCTM, Dan Nicholas Park, Tiger World, Douglas Vineyards, New Sarum and others. Furr reviewed the outline of the spring and summer marketing ads and promotions. The PSA billboards will go up in May.

Meacham reported that Arrowood is getting out around the county meeting with community partners collecting information and meeting partners.

Tourism Capital Plan

Cavanaugh reviewed the detailed outline proposal for future capital tourism projects and a continuation of the efforts of Completion and Connection, Rowan County's 10-year Tourism Master Plan that launched 2012. Cavanaugh briefly reviewed some of the final steps from the Completion and Connection, Rowan County's 10-year Tourism Master Plan and noted that this presentation builds off the successes of the last 10 years.

This detailed outline includes a five-year calendar plan, three strategic imperatives of the plan, the role of the CVB, some budgeting principals, measuring success and the next steps.

Cavanaugh said staff will continue to utilize many of the guiding principles of the first plan

- Building upon destination strengths
- Be authentic to the destination
- Be strategic to the investment
- Support the Brand (new)
- Serve visitor needs
- Provide transparency
- Assess the impact

Cavanaugh reviewed the changes in external environment since Completion and Connection 2012 which include: development of the brand, consolidation of the TDA, growth in hotel rooms and short-term rentals, located between two high growth areas, completion of the widening of I85, substantial increases in construction costs, tremendous increases in outdoor recreation, rise of smartphones, integration of social media into daily life, uncertainty about business travel, and surge in working remote.

Success =

- Increased visitors
- Increased visitors spending
- Greater satisfaction with the destination
- Capitalization on small businesses

Cavanaugh stated that staff will build on the successful plan created in 2012 while developing products that enhance the destination while incorporating the external changes mentioned. Creation of new products that drive destination awareness organically will be important. Staff should identify and execute quick wins and focus the investment of resources. Finally, look at the investment in terms of how it builds the visitor economy.

Three strategic imperatives

- Facilitate visitor engagement
 - New website
 - County-wide Wayfinding
 - Define the role of the Gateway Lobby
 - Identify and address gaps in connectivity
- Enhance and expand the destination experience
 - Cheerwine (brand inversion) partnership
 - RailWalk (complimentary asset)
 - Making existing assets stronger
 - Development and investment in outdoor recreation

- Grow destination awareness organically
 - Development of a plan for social media organic marketing
 - Social media icons
 - Arts grant funds

Due to the uncertain economic conditions effecting building costs, staffing, business travel, supply chain issues Cavanaugh notes challenges for planning the costs of future projects. Any future capital projects will be taken on one at a time. Cavanaugh recommends planning for a target range of 15-25% allocation annually for updated initiatives which works out to \$180,000-\$300,000 at current budget levels. Cavanaugh suggests relaunch of the tourism related capital grant program in part to support many of the initiatives mentioned.

Several quick win capital projects over the next six to eighteen months include the County-wide wayfinding, Gateway Building lobby as the welcome mat, development of the social media Icon program, and identify matching grant opportunities for art related social media icons. Two of these projects are already in planning stages.

Measurements for Success

Look at what success looks like specifically for Rowan County. Certainly, utilize the Datafy program that staff mentioned earlier as well as develop some specific measurements over the next several months.

Cavanaugh said that over the next couple of months the plan will be put into a specific guide and implementation plan to bring the initiatives covered today to life with specific completion dates associated with each initiative.

The Board thanked Cavanaugh and staff for their continued efforts in developing a new tourism capital plan.

The meeting adjourned at 1:04 pm.

Respectfully submitted.

Lesley Pullium

SRCVB



FINANCIAL SUMMARY REPORT AS OF 4-30-2022

Report Date: May 12, 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 04-30-2022

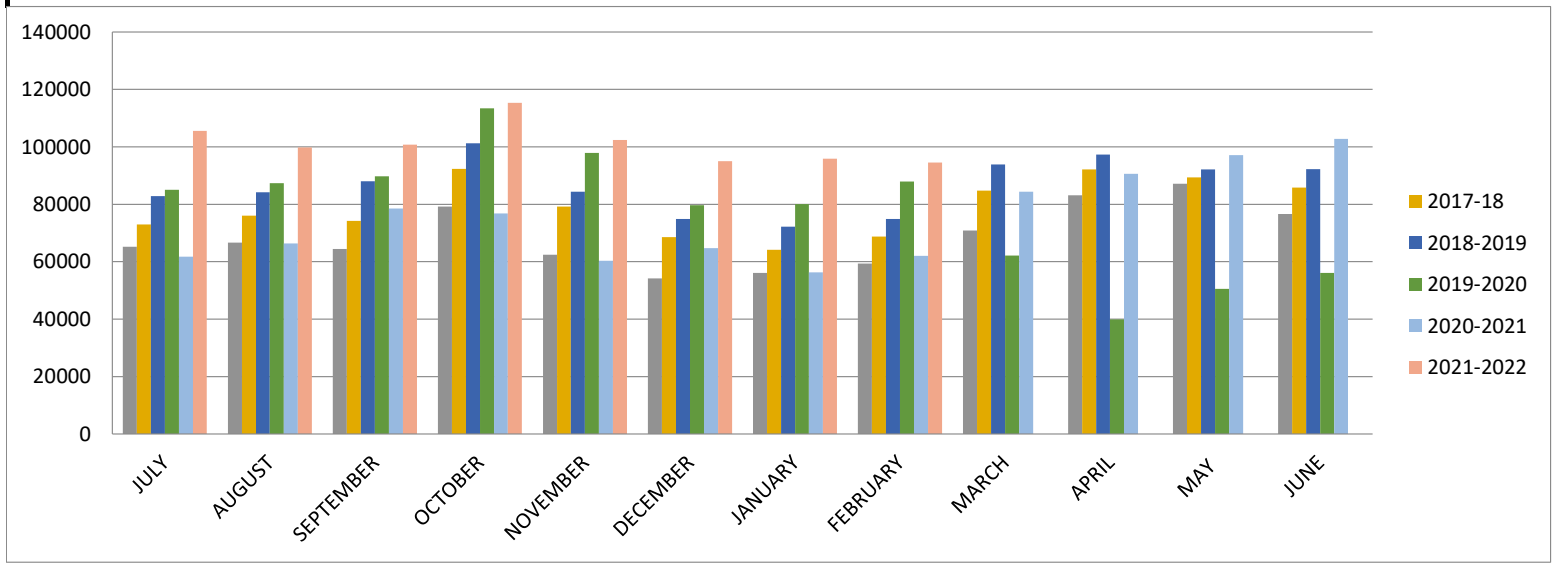
- Occupancy tax revenues as of 4-30-2022 for fiscal year 2021-22 equal \$1,028,736 through April 30, 2022 and are 33% ahead of the 2021-22 initial budget projections.
 - March 2022 occupancy tax collections were 36% higher than March 2021, were 22% higher than March 2019.
 - March 2022 occupancy taxes were the highest monthly collection on record for the month of March, eclipsing the previous March record set in 2019.
 - April occupancy taxes are projected to come in at \$116,000
- As of 5-4-22 fiscal year to date revenue is ahead of expenses by \$242,934

Balance Sheet: Summary as of 04-30-2022

- Total Current Assets equaled \$542,136 an increase of \$38,075 since the last report.
- Accounts Receivables equaled \$226,677 consisting of March and April occ. taxes.
- Cash on hand as of 04-30-2022 equaled \$315,459 an increase of \$14,983.
- Unrestricted cash on hand has increased by \$148,355 since the start of the fiscal year.
- Total assets equaled \$3,302,547 as of 03-31-2022.

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%
Quarter Total	223,230.78	255,116.06	14.3%	262,144.75	2.8%	206,699.12	-21.2%	306,158.00	48.1%
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%
Quarter Total	240,045.84	260,542.06	8.5%	290,962.29	11.7%	201,900.92	-30.6%	313,637.44	55.3%
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%
Quarter Total	217,577.62	240,982.61	10.8%	230,144.88	-4.5%	202,713.16	-11.9%	306,275.46	51.1%
April	92,168.35	97,300.73	5.6%	39,870.97	-59.0%	90,628.43	127.3%		
May	89,394.40	92,104.89	3.0%	50,585.59	-45.1%	97,167.69	92.1%		
June	85,776.47	92,254.88	7.6%	56,142.85	-39.1%	102,792.30	83.1%		
Quarter Total	267,339.22	281,660.50	5.4%	146,599.41	-48.0%	290,588.42	98.2%		
Adjmts Penalties									
Penalties									
Year Total	\$ 948,193.46	\$ 1,038,301.23	9.5%	\$ 929,851.33	-10.4%	\$ 901,901.62	-3.0%	\$ 926,070.90	



Rowan County Tourism Development Authority
Statement of Financial Position
As of April 30, 2022

Accrual Basis

	<u>Apr 30, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
1052 · F&M Bank-Operating 9224	27,677.79
1020 · Petty cash	16.83
1050 · First Bank checking #0436	37,602.12
1065 · NC Capital Mgmt Trust	25,005.44
1070 · First Bank MM account-4509	225,156.89
Total Checking/Savings	<u>315,459.07</u>
Accounts Receivable	
1201 · Accounts Receivable	226,677.79
Total Accounts Receivable	<u>226,677.79</u>
Total Current Assets	542,136.86
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	-515,808.81
Total Fixed Assets	<u>2,747,736.20</u>
Other Assets	
1900 · Pension Asset	12,674.00
Total Other Assets	<u>12,674.00</u>
TOTAL ASSETS	<u><u>3,302,547.06</u></u>

Rowan County Tourism Development Authority
Statement of Financial Position
As of April 30, 2022

Accrual Basis

	<u>Apr 30, 22</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
234 · 457b Withholdings	238.46
2039 · United Way	-800.00
2033 · State withholding payable	190.00
2035 · Retirement withholding	286.16
2100 · Payroll Liabilities	<u>2,008.67</u>
Total Other Current Liabilities	<u>1,923.29</u>
Total Current Liabilities	1,923.29
Long Term Liabilities	
2700 · Pension Deferrals	<u>20,011.00</u>
Total Long Term Liabilities	<u>20,011.00</u>
Total Liabilities	21,934.29
Equity	
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>265,142.61</u>
Total Equity	<u>3,280,612.77</u>
TOTAL LIABILITIES & EQUITY	<u>3,302,547.06</u>

Rowan County Tourism Development Authority
Statement of Activities
April 2022

Accrual Basis

	<u>Apr 22</u>	<u>Jul '21 - Apr 22</u>
Ordinary Income/Expense		
Income		
4350 · Tourism ARP Funding	0.00	627,466.33
4070 · Misc and Ticket Sales	19.55	181.50
4060 · Holiday Caravan Parade	0.00	63,903.78
4010 · Occupancy taxes	116,677.79	1,028,736.46
4000 · Trolley Operations	750.00	20,476.20
4300 · Gateway Building Revenue	15,782.94	86,625.78
4025 · Partner Services	6,112.40	53,524.81
4045 · Other Revenue	12,625.08	12,625.08
Total Income	<u>151,967.76</u>	<u>1,893,539.94</u>
Gross Profit	151,967.76	1,893,539.94
Expense		
6001 · ARP Grants	0.00	152,483.32
6501 · Tourism Capital Projects	4,887.50	434,371.03
6510 · Holiday Caravan Parade Expense	0.00	54,728.78
60001 · Marketing & Visitor Services		
6135 · Salisbury-Rowan CVB	66,229.58	782,021.36
6140 · Destination Mktg Programs/Ser	0.00	3,500.00
6465 · Trolley	0.00	2,351.73
6165 · Marketing Supplies & Equipment	0.00	115.92
6070 · Miscellaneous	239.00	2,695.00
Total 60001 · Marketing & Visitor Services	<u>66,468.58</u>	<u>790,684.01</u>
60002 · Operations & Administration		
6010 · RCTDA Operations Staff	4,769.24	34,336.89
6025 · Payroll taxes and unemployment	337.78	2,475.50
6030 · Retirement	784.06	5,078.65
6020 · Health Benefits	-67.62	3,176.66
6040 · Worker's comp insurance	0.00	459.00
6105 · Professional Services	2,250.00	13,862.62
6600 · Gateway Building Expenses	34,758.71	136,740.87
Total 60002 · Operations & Administration	<u>42,832.17</u>	<u>196,130.19</u>
Total Expense	<u>114,188.25</u>	<u>1,628,397.33</u>
Net Ordinary Income	<u>37,779.51</u>	<u>265,142.61</u>
Net Income	<u><u>37,779.51</u></u>	<u><u>265,142.61</u></u>

This reflects activity thru 5/1/22

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

Jul '21 - Jun '22

Budget

Annual

Jul '21 - Jun '22

Ordinary Income/Expense	Jul '21 - Jun '22	Budget	Annual	Jul '21 - Jun '22
Income				
4350 - Tourism ARP Funding	627,466.33		627,475.00	627,466.33
4070 - Misc and Ticket Sales	161.50		1,000.14	161.50
4060 - Holiday Caravan Parade	63,903.78		64,000.00	63,903.78
4010 - Occupancy Taxes	1,028,736.46		995,625.00	1,028,736.46
4000 - Trolley Operations	20,475.20		33,000.00	20,475.20
4300 - Gateway Building Revenue	88,625.78		109,998.86	88,625.78
4025 - Partner Services	53,824.81		57,000.00	53,824.81
4045 - Other Revenue	12,825.08			12,825.08
Total Income	1,893,539.94		1,898,000.00	1,893,539.94
Expenses				
6002 - Operating Reserves	0.00		100,000.00	0.00
6001 - ARP Grants	152,483.32		152,600.00	152,483.32
6501 - Tourism Capital Projects	434,371.03		449,460.00	434,371.03
6510 - Holiday Caravan Parade Expense	54,728.78		54,740.00	54,728.78
6511 - Partner Service Expense	0.00		2,000.00	0.00
6000 - Covid-19 Contingency				
6135 - Salisbury-Rowan CVB				
6148 - Destination Mktg Programs/Star				
6058 - Destination Development				
6465 - Trolley				
6165 - Marketing Supplies & Equipment				
6070 - Miscellaneous				
60001 - Marketing & Visitor Services - Other				
Total 60001 - Marketing & Visitor Services - Other	0.00	925,000.00	0.00	0.00
60001 - Marketing & Visitor Services	787,011.73			787,011.73
60002 - Operations & Administration	3,500.00		3,500.00	3,500.00
6010 - RCTDA Operations Staff	0.00		0.00	0.00
6025 - Payroll taxes and unemployment	2,351.73		6,500.00	2,351.73
6030 - Retirement	115.92		1,000.00	115.92
6020 - Health Benefits	2,695.00		4,000.02	2,695.00
6048 - Worker's comp Insurance	0.00		0.00	0.00
6168 - Professional Services				
6000 - Gateway Building Expenses				
Total 60002 - Operations & Administration	805,674.38	940,000.02	940,000.02	805,674.38
Total Expense	805,674.38	940,000.02	1,888,000.02	805,674.38
Net Ordinary Income	203,347.49	1,898,000.00	1,898,000.02	203,347.49
Net Income	242,934.94	-0.02	-0.02	242,934.94