

VISIT ROWAN COUNTY

SALISBURY, NORTH CAROLINA

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

Wednesday, September 15, 2021, Noon

MEETING AGENDA

- I. Call to Order
- II. Approval of August 2021 Meeting Minutes
- III. Financial Report
 - A. Financial Summary Report
 - B. Hotel Market/Occupancy Report
- IV. Program of Work Report
 - A. Destination Marketing
 - B. Gateway Building
 - C. Tourism Capital Program
- V. Additional Business
- VI. Adjourn

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ROWAN COUNTY TOURISM BOARD OF DIRECTORS MEETING In Person and Virtual Wednesday, August 18, 2021: 12:00 pm

BOARD MEETING MINUTES

Board Members Attending: Don Bringle, John Ketner, Stephen Kidd, Sada Troutman, Craig Pierce, Vivian Hopkins, Krista Osterweil, Michelle Patterson, Karen Alexander,

Not Attending: Cyndi Greenwood

TDA Staff: James Meacham, Sarah Michalec, Tara Furr

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 June 2021 minutes.

Second: Sada Troutman

Motion: Approved

Organizational & Financial Update

Meacham gave an organizational update wrapping up where the organization finished on June 30, 2021. Meacham noted that going into the 2020-21 fiscal year revenue projection was around \$800,000 in occupancy taxes and based that off FY2016-17 and the impacts of COVID.

Total occupancy taxes for 2020-21 came in at \$882,284 which is 10.2% ahead of budget projections. May 2021 occupancy tax collections were up 92% and June 2021 tax collections were up 83% from the previous year. Total revenue loss to date since the onset of Covid-19 equaled (\$423,000) through April 30, 2021.

Meacham said that substantial growth increases in consumer spending relating to travel began in April and carried into May and June 2021. Growth has expanded into July and in the first week of August outpacing the record for 2019. Concerns still rest around long-term sustainability of consumer demand and business travel is still down from pre-pandemic levels. Meacham reported that fiscal year to date, revenues finished ahead of expenses by \$74,975.

Meacham reported total current assets with the TDA are \$280,031 which is an increase of \$44,513 from June 30, 2020. The cash position in the NC Capital Management Trust has increased each month to provide for

additional reserve funds and equaled \$75,000 at the end of the fiscal year, the equivalent of the occupancy taxes that came in above budget. Total assets equaled \$3,132,542 at the close of fiscal year 2020-21. Meacham noted that from an audit perspective the organization has moved into a better financial position during the latter part of the fiscal year due to being conservative, good management and expense control from staff and saving any revenue that came in over budget projections.

Meacham reviewed the monthly occupancy tax revenue chart noting that May, June, and July 2021 were record revenue months. June 2021 was the second highest revenue month ever for the organization and that is not normal for June. Revenues that came in above the projected budget were deposited into the North Carolina Capital Management Trust (NCCMT) account. These are not restricted funds, just a saving account. The NCCMT account balance on July 31, 2021, is \$130,000. Meacham reported that July 2021 occupancy tax will be around \$104,000 and August is projected around \$106,000 which would be \$61,000 over the budget projections.

Presenting information from Smith Travel on the actual hotel market noting that the numbers/revenues for July and August are well ahead of the normal. Meacham and Osterweil both stated that they do not feel this trend is sustainable. Meacham proposed to the board that the organization continue the strategy of saving any revenue that comes in over budget projections in preparation for what might or might not occur during the rest of fiscal year 2021-22 as long-term business visibility is minimal.

Meacham reported that Rowan County Tourism received \$595,000 from American Rescue Plan (ARP) funds for Fiscal Year 2021- 2022 that were approved by the Rowan County Board of Commissioners in compliance with ARP funding guidelines. A proposal for allocation of the ARP funds was submitted to the board for consideration. Of the \$595,000 distributed to Rowan Tourism, \$410,000 was to reimburse for lost revenues from March 2020 through April 2021, \$85,000 to reimburse Rowan Tourism for COVID-19 related expenses and \$100,000 to administer a program to support Rowan County lodging businesses and arts, culture and historic organizations financially impacted by COVID-19. Of the \$595,000 the \$495,000 for lost revenues and COVID expenses is available for general fund use and the remaining \$100,000 for lodging, arts and cultural support needs to be designated by the Board to adhere to ARP requirements.

Meacham reviewed the proposed allocation of the ARP Funds which puts \$495,000 to the general fund, \$100,000 set aside for the cultural grants program. \$350,000 from general funds will be used to pay off the RailWalk interlocal agreement, \$45,000 to upfit the digital infrastructure and tourism support staff and put the \$100,000 into operating reserves. Details of the grant program for tourism partners was presented for the boards review.

An amended 2021-2022 RCTDA budget was presented for consideration with the proposed ARP budget included which takes the budget up to \$1.6 million.

Motion: Craig Pierce made the motion for approval of the amendment to the 2021-22 RCTDA Budget including the allocation of ARP funds as presented.

Second: Stephen Kidd

Motion: Approved

Meacham stated that if revenues hold and the organization can continue to save revenue each month over budget, staff proposes at the end of the fiscal year (June 2022) to retire the branding loan. The balance at the end of June 2022 would be about \$167,000.

Destination Marketing Report

Michalec reported that June and July e-newsletters focused on packages and events. During July gained 50 subscribers. The website showed an increase in 75,000 page views since May with most activity on the

package information and the blogs. Several videos have been added to the YouTube page and those have done very well. Social Media focused on events, the Cannon Ballers ticket giveaway, and the packages. There was steady growth across all platforms but the most on Instagram which can be attributed to the popular Cannon Baller ticket giveaway. Instagram engagement doubled over the summer. The NC Farm app continues to do well with 7066 total view and 1815 views for Rowan-Cabarrus assets.

Michalec pointed out the new section on the marketing report for: Total Digital Impact, which shows total engagement is just over 300,000 and reach is just over 2 million for the year. Furr reported that Tourism's partnership with the Cannon Ballers is in place and going well. The partnership has doubled our social media engagement. There are several aspects to that partnership including seven "Where is Boomer" videos, home game ticket giveaways and special signage at the stadium. The Boomer videos have been a big hit with good feedback from fans at the games as well as the increased engagement online. Furr said that staff is working on enhancing the partnership further for next year and are in discussion with the Cannon Baller staff. Furr reported that 108 tickets were given out in June & July 2021 and the return on investment for that project has been great.

Furr reported the stay and play packages have started back again. The packages (Polar Express & Thomas) are doing very well. Polar Express package sales are a little bit ahead of pace of last year. Tickets did go on sale later than they did in 2019. Day Out with Thomas package sales are behind slightly with 28 packages and 46 room nights. August ticket sales are always very robust according to our historic data.

Furr said there is an upcoming package with Three Rivers LandTrust on an outdoor challenge event in late September. Furr reports that Trolleys continue to run and year to date bookings are at 55. Lee Street will not offer a Scrooge Trolley tour this holiday season.

Furr reported that staff is excited to restart the direct overnight marketing support with the NC Transportation Museum since they are hosting events. In addition, tourism support funds applications have started to come in once again as events start up. The Rowan Chamber of Commerce, Cheerwine Festival, The Bell Tower Green, Historic Salisbury Foundation and Three Rivers LandTrust have all applied and received funds for upcoming events. Staff has been strategically planning for the next fiscal year and will be doing a little brand refresh. Michalec will be looking at upgrading and refreshing the website. An RFP has been sent out for video and photography to be used for the refresh. In addition, Furr reports that staff has been working on ways to make the package process more consumer friendly and efficient and is working with a company to implement this new technology into our package process. This new e-commerce platform will help to grow the package program. Staff will present more detail on this process at the next meeting.

Furr reminded the board about a tourism week that was scheduled for April 2020 that of course was cancelled. Furr said that the "Tourism Week" is back on and is being planned for spring of 2022.

Meacham reported that the local schools have reached out to staff regarding tying into the brand with development of logos and brand with each of the local schools. Staff will be meeting with school staff about what they are looking to do and to assist them with a brand tie in.

Additional Business

Meacham reported that for the capital projects, there was \$70,000 allocated to capital with the budget amendment today to allocate the additional \$350,000 to capital for RailWalk. There is a large project that has been on the radar which is the countywide wayfinding project. The Federal Economic Development Administration has a pool of grant funds available for communities now that will help navigate travel in the future. Wayfinding is one of the items they are funding with applications due in March. Meacham would like to get the wayfinding designer back in to complete the wayfinding design so that it is complete to submit with the application in March.

The RailWalk Pavilion has worked well for the Farmer's Market and there have been more inquiries for the use of the facility. The Pavilion is hot during the summer months and large fans are being installed to assist with making the facility more accommodating. This project should be rapping up late summer/early fall.

In addition, Meacham reported that F&M Bank is remodeling the downstairs small conference room at the Gateway building in conjunction with the renaming of the building. Meacham said that in addition, there is some painting and flooring updates that are being done in the TDA offices as well as the VIC lobby to refresh the look of the building. All those items will be completed within the FY21-21 capital budget of \$70,000.

The Board discussed compensation considerations for the Tourism staff. Meacham proposed to the Board that since the staff hasn't received a compensation increase in over two years and given the current rate of inflation and Tourism financial position, they consider a one-time bonus payment and cost of living increases for all the staff, not including himself.

The Board discussed and agreed to a one-time bonus of 6% and a 3% increase in pay for staff not including the CEO, James Meacham.

Motion: Craig Pierce: Authorize 6% one-time bonus and 3% salary increases

Second: Karen Alexander

Discussion: The Board noted the great work of the team and asked Meacham to thank them again for their service and commitment.

Motion: Approved unanimously

The meeting adjourned at 1 pm.

Respectfully submitted.

Lesley Pullium

SRCVB

Rowan County Tourism Development Authority
2021-2022 Proposed Budget

Revenues				Budget Notes
	FY19-20	FY20-21	FY21-22	
Occupancy Tax Revenue	1,175,000	800,000	925,000	Projected increase of 15.6% from the 2020-21 budget as revenues to the market are returning from the impacts of COVID-19. FY21-22 is projected to be 21.2% less than pre pandemic budget levels for the 2019-20 budget.
Partner Services	33,000	57,000	57,000	Revenues from partners in the Gateway building specifically for shared services provided through the TDA and CVB in the Gateway Building. Services include phone, data, server and Gateway front desk staff support, no projected change
Holiday Caravan Parade	30,000	40,000	40,000	Revenues from the Holiday Caravan Parade. Rowan Tourism will continue to support the Parade by processing the parade's fiscal transactions. No occupancy tax revenues will be utilized for supporting the Parade, only Parade revenues and Parade funds to be used to cover Parade expenses
Misc. and Ticket Sales	3,000	600	1,000	Annually TDA averages \$1,000 to \$2,000 in misc. revenues and processing ticket sales for partners
Gateway Building	90,000	110,000	110,000	Revenues from office space leases and meeting space rentals in the TDA owned Gateway building
COVID Rescue Funds				Once final funds are determined TDA Board would be required to amend the budget based on timing and receipt of funds. Staff will present a supplemental budget for rescue funds.
Trolley	60,000	6,000	33,000	Revenues from trolley tours, rentals, sponsorships & ticketed events. Projecting revenues to be less than FY19-20 budget with an increase from 20-21 based on current booking schedule and a reduction in COVID restrictions.
Total Revenue	1,391,000	1,013,600	1,166,000	

Expenses				Budget Notes
<u>Marketing & Visitor Services</u>				
	FY19-20	FY20-21	FY21-22	
CVB: Marketing, Branding/Visitors Services	900,000	700,000	865,000	Tourism funding to the CVB (501c6). Funding for marketing, communications, public relations, visitor services, tourism staff, branding, Trolley programming and CVB operations; per the TDA-CVB Memorandum of Understanding and operating structure since FY2016-17
Tourism Capital Projects	190,000	77,500	70,000	Capital budget Railwalk Interlocal to County
Holiday Caravan Parade	30,000	60,000	40,000	Expenses associated with the Holiday Caravan Parade, expenditures are approved by the Parade Committee/Organizers. Rowan Tourism will continue to support the Parade by processing the parade's fiscal transactions. No occupancy tax revenues will be utilized for supporting the Parade, only Parade revenues and funds to be used to cover Parade expenses
Gateway Building	80,000	80,000	90,000	Operational costs for Gateway (maintenance, janitorial, utilities, repairs, service agreements, property and liability insurance)
Partner Services	24,000	10,000	10,000	Expenses paid on behalf of partners in the Gateway building specifically for shared services provided just through the TDA (expenses coded to CVB are included in CVB operating budget)
Trolley	24,000	5,000	10,000	Trolley related expenses specific to ownership costs related to the Trolley (maintenance, repairs, tags, insurance)
Supplies & Equipment	6,500	4,000	4,000	Office supplies and materials for the TDA and copier usage
Miscellaneous	5,000	4,100	4,000	
Total Marketing & Visitor Services	1,259,500	940,600	1,093,000	

<u>Operations & Administration</u>				
	FY19-20	FY20-21	FY21-22	
Rowan County TDA Operations Staff	72,500	38,000	38,000	Funding for TDA staff, Tourism Services Coordinator position. TDA required to maintain an employee in the NCLGERS Pension system per initial membership.
Payroll Taxes	5,400	3,000	3,000	
TDA Employee Retirement	11,600	5,000	5,000	LGERS pension and NC457 contributions
NCACC Insurance	12,000	12,000	12,000	Annual insurance for TDA properties and liability insurances
Professional Services	30,000	15,000	15,000	Accounting, legal and audit services for TDA
Total Operations & Admin.	131,500	73,000	73,000	
Total Expenses	1,391,000	1,013,600	1,166,000	
Difference	0	0	0	

Rowan County CVB Fiscal Year 2021-22 Proposed Budget

Revenue				Budget Notes
	FY19-20	FY20-21	FY21-22	
Tourism Support, Marketing-Visitors Services	900,000.00	700,000.00	865,000.00	Tourism funding from Rowan County TDA (Public Authority) to the CVB (501c6). Funding for marketing, communications, public relations, visitor services, tourism staff, branding, Trolley programming and CVB operations; per the TDA-CVB Memorandum of Understanding
Cooperative Marketing Partnerships	57,000.00	0.00	0.00	Currently no plans for cooperative marketing programs due to budget constraints from COVID and impacts to partner budgets. Staff will explore opportunities as the fiscal year unfolds.
Misc.	1,000.00	0.00	1,200.00	
Total Revenue	958,000.00	700,000.00	866,200.00	

Marketing and Visitor Services

Marketing, Communications & Partner Services	360,000.00	184,000.00	267,000.00	Decrease from FY19-20 budget and pre pandemic levels with an increase in FY21-22 from FY20-21 as revenues have increased as the economic impacts of COVID have decreased. The Tourism Board prioritized marketing, partner services and support and returning staff to pre pandemic levels.
CVB Staff Wages	360,000.00	300,000.00	360,000.00	Staff hours and wages returned to pre pandemic levels after reductions were implemented at the end of FY19-20 and carried over into FY20-21.
Rowan County Branding/Dig. Inf. Loan	86,400.00	86,400.00	86,400.00	No changes from FY20-21, continuation of all scheduled payments.
Trolley	14,000.00	3,000.00	10,000.00	Decrease in expenses due to decrease in Trolley demand, ridership and usage compared to FY19-20 budget with an increase from FY20-21 based on current booking schedule and a reduction in COVID restrictions.
Visitor Center & Office Rent	27,000.00	27,000.00	19,200.00	Decrease in rent costs with the CVB relocating offices in the Gateway building to the second floor.
Professional Development	3,600.00	3,600.00	3,600.00	No changes from FY19-20 and FY20-21. Training and travel expenses for CVB staff and expenses for hosted CVB meetings
Miscellaneous	1,000.00	1,000.00	1,000.00	
Total Marketing & Visitor Services	852,000.00	606,000.00	747,200.00	

Administration

Office Supplies	4,000.00	4,000.00	4,000.00	Office supply expenses
Payroll Taxes	28,000.00	23,000.00	28,000.00	
Employee Retirement	12,000.00	5,000.00	12,000.00	(Matching contribution from the CVB for employees, budget based on full participation) Returning to plan to pre pandemic employer match level from FY19-20 budget).
Insurance (health, work comp,	60,000.00	46,000.00	60,000.00	(Includes health and ancillary benefit plan for CVB employees) Increase from FY20-21 budget due to reduction in force in FY20-21 from COVID-19 labor reductions.
Workers Comp, Liab. Ins.	2,000.00	2,000.00		Moved to insurance line item to consolidate line items
Professional Services	0.00	15,000.00	15,000.00	Accounting, legal and audit fees.
Total Operations	106,000.00	95,000.00	119,000.00	
Total Expenses	958,000.00	700,000.00	866,200.00	
Difference	0.00	0.00	0.00	

Rowan County Tourism
 Fiscal Year 2021-2022
 Destination Marketing Program Budget
 Appendix B

General Budget Allocation FY 2021-2022

		Budget Notes
Destination Marketing Program Funding	267,000.00	Appropriation from CVB General Budget

Program Revenue	267,000.00
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Expenses	Year to Date	Budget Notes (Expenses)
Direct Support Programs	100,500.00	Marketing funds to support for Day out With Thomas and Polar Express
Tourism Partner Support Funds	12,000.00	Tourism support funds allocated by the Destination Marketing Committee (DMC) for tourism partner support requests and sponsorships that adhere to and meet funding requirements for support funds as outlined and adopted by the DMC.
Tourism Digital Infrastructure/ Marketing	124,500.00	Includes unallocated funds for utilization of general digital marketing, including: updated website, updated photography and video, social media paid promotion, influencer program, PPC, GeoFencing. All digital Infrastructure, SimpleView (including: website, CMS, CRM, e-newsletters, blogs, database, server, cloud, server hosting cost, and data), telecommunication, Walser Technologies, and copier/postage
Tourism Marketing Programs	20,000.00	Unallocated funds for utilization by the Destination Marketing Committee and Tourism Staff for, but not limited to collateral production, brand marketing, community/partner engagement, fulfillment costs, trolley marketing and marketing supplies and production costs.
Marketing Reserves	10,000.00	Reserve funds for marketing opportunities and programs that may arise during FY 21-20 that were not initially identified at the start of the Fiscal Year and additional partner support requests
Total Marketing & Visitor Services	267,000.00	
Difference	0.00	

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

Accrual Basis

August 2021

	<u>Aug 21</u>	<u>Jul - Aug 21</u>
Ordinary Income/Expense		
Income		
4350 · Tourism ARP Funding	595,000.00	595,000.00
4070 · Misc and Ticket Sales	22.29	25.58
4060 · Holiday Caravan Parade	500.00	500.00
4010 · Occupancy taxes	97,000.00	185,000.00
4000 · Trolley Operations	2,380.00	3,555.00
4300 · Gateway Building Revenue	12,690.91	19,428.42
Total Income	<u>707,593.20</u>	<u>813,509.00</u>
Gross Profit	707,593.20	813,509.00
Expense		
6501 · Tourism Capital Projects	350,000.00	357,887.50
60001 · Marketing & Visitor Services		
6135 · Salisbury-Rowan CVB	127,976.90	172,734.05
6465 · Trolley	13.60	13.60
6070 · Miscellaneous	169.00	468.00
Total 60001 · Marketing & Visitor Services	<u>128,159.50</u>	<u>173,215.65</u>
60002 · Operations & Administration		
6030 · Retirement	0.00	431.23
6040 · Worker's comp insurance	459.00	459.00
6105 · Professional Services	1,100.00	1,100.00
6600 · Gateway Building Expenses	10,084.54	10,733.80
Total 60002 · Operations & Administration	<u>11,643.54</u>	<u>12,724.03</u>
Total Expense	<u>489,803.04</u>	<u>543,827.18</u>
Net Ordinary Income	<u>217,790.16</u>	<u>269,681.82</u>
Net Income	<u><u>217,790.16</u></u>	<u><u>269,681.82</u></u>

Rowan County Tourism Development Authority

Profit & Loss Budget Performance

July 2021 through June 2022

09/08/21

	Jul '21 - Jun 22	Budget	Jul '21 - Jun 22
Ordinary Income/Expense			
Income			
4350 · Tourism ARP Funding	595,000.00	595,000.00	595,000.00
4070 · Misc and Ticket Sales	25.58	1,000.00	25.58
4060 · Holiday Caravan Parade	3,500.00	40,000.00	3,500.00
4010 · Occupancy taxes	201,459.64	925,000.00	201,459.64
4000 · Trolley Operations	3,555.00	33,000.00	3,555.00
4300 · Gateway Building Revenue	19,707.25	110,000.00	19,707.25
4025 · Partner Services	0.00	57,000.00	0.00
Total Income	<u>823,247.47</u>	<u>1,761,000.00</u>	<u>823,247.47</u>
Gross Profit	<u>823,247.47</u>	<u>1,761,000.00</u>	<u>823,247.47</u>
Expense			
6002 · Operating Reserves	0.00	100,000.00	0.00
6001 · ARP Grants	0.00	100,000.00	0.00
6501 · Tourism Capital Projects	357,887.50	420,000.00	357,887.50
6510 · Holiday Caravan Parade Expense	0.00	40,000.00	0.00
6511 · Partner Service Expense	0.00	10,000.00	0.00
60001 · Marketing & Visitor Services	0.00	0.00	0.00
6000 · Covid-19 Contingency	177,775.30	910,000.00	177,775.30
6135 · Satsbury-Rowan CVB	0.00	0.00	0.00
6060 · Destination Development	0.00	0.00	0.00
6465 · Trolley	13.60	10,000.00	13.60
6165 · Marketing Supplies & Equipment	0.00	4,000.00	0.00
6070 · Miscellaneous	468.00	4,000.00	468.00
60001 · Marketing & Visitor Services - Other	0.00	0.00	0.00
Total 60001 · Marketing & Visitor Services	<u>178,256.90</u>	<u>928,000.00</u>	<u>178,256.90</u>
60002 · Operations & Administration	0.00	38,000.00	0.00
6010 · RCTDA Operations Staff	0.00	3,000.00	0.00
6025 · Payroll taxes and unemployment	431.23	5,000.00	431.23
6030 · Retirement	459.00	12,000.00	459.00
6040 · Worker's comp insurance	1,100.00	15,000.00	1,100.00
6105 · Professional Services	12,724.84	90,000.00	12,724.84
6560 · Gateway Building Expenses	14,715.07	163,000.00	14,715.07
Total 60002 · Operations & Administration	<u>14,715.07</u>	<u>163,000.00</u>	<u>14,715.07</u>
Total Expense	<u>550,859.47</u>	<u>1,761,000.00</u>	<u>550,859.47</u>
Net Ordinary Income	<u>272,388.00</u>	<u>0.00</u>	<u>272,388.00</u>
Net Income	<u>272,388.00</u>	<u>0.00</u>	<u>272,388.00</u>

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