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

Wednesday, September 20, 2023, Noon

MEETING AGENDA

- | | | |
|------|---|------------------------|
| I. | Call to Order | Krista Sullivan, Chair |
| | A. Welcome New Board Members | |
| II. | Approval of Meeting Minutes | Krista Sullivan, Chair |
| III. | Financial Report | James Meacham |
| | A. Tourism Market Update | |
| | B. Financial Report | |
| IV. | Tourism Program of Work Report | |
| | A. Destination Services, Sales, and Marketing | |
| | 1. Digital Program | Sarah Michalec |
| | 2. Trolley Program | Brooke Arrowood |
| | 3. Sales, Marketing and Communications | Tara Furr |
| | B. Tourism Development | Sarah Michalec |
| | 1. Wayfinding | |
| | 2. Railwalk | |
| | 3. Agritourism Development | |
| V. | Additional Business | |
| VI. | Adjourn | |



**ROWAN COUNTY TOURISM
BOARD OF DIRECTORS MEETING**

Wednesday, August 16, 2023, 12:00 pm

BOARD MEETING MINUTES

Board Members Attending: Sada Troutman, Craig Pierce, Therese Henderson, Krista Sullivan, Michelle Patterson (ZOOM), Richard Reinholz, John Ketner, Vivian Hopkins, Cyndi Greenwood (ZOOM)

Not Attending: Karen Alexander, Kimberly Morgan

TDA Staff: James Meacham, Tara Furr, Sarah Michalec, Brooke Arrowood

RCTDA Call to Order

Sullivan called RCTDA to order at 12:00pm.

Approval of the Minutes

Motion: Craig Pierce made the motion for approval of the June 2023 minutes.

Second: Sada Troutman

Motion: Approved

Organizational & Financial Update

Meacham gave a quick tourism market update stating that the local market has been on a high wave for a lengthy time but that is changing. Three new and distinct groups of leisure travel came out of the pandemic and those were people traveling with stimulus money, people traveling more domestically versus international and people that started traveling more as they valued travel higher having lost it during the pandemic. The first group is now out of money, the second group has once again returned to international travel and the third group has begun to pull back in late May and early June.

On the business front, some of the patterns are starting to return but have not totally returned to pre pandemic levels. Meacham reviewed the travel stats for the years 2019-2023, noting that based on the data, staff predicts 10% less in occupancy tax revenues. Staff have already revised the projected budget to account for this decrease. The new position in the budget will not be filled this fiscal year. Michalec reported that staff has also restructured the data and communications systems for \$12,000 in savings, and opted to not renew Datafy saving \$37,000. These revisions will meet the necessary decrease of \$140,000 from the budget without any substantial structural changes. Meacham reported that in addition, increasing revenues are a part of the solution. The trolleys were budgeted to bring in \$58,000 last year and brought in \$79,000, which was \$29,000 above budget. This fiscal year Trolleys are budgeted at \$60,000 and even if they come in flat at \$79,000 as

they did last year there will be \$19,000 in additional income above budget. In addition to that, the cash management strategy of utilizing the NC Capital Mgt Trust has brought will bring in an additional \$8,000 in interest this year in income. Finally, the staff is also bringing back in-house some of the services that have been contracted out of office for saving additional funds.

Meacham reported that as of 6.30.23, occupancy tax revenues for fiscal year 2022-23 on an accrual basis were \$1,425,020 and were 10% ahead of the same period last year. The April 2023 actuals for occupancy taxes were \$125,347 and 5.3% ahead of April 2022 and were an all-time high for April. Meacham reported May 2023 occupancy taxes were \$125,953 and approximately -0.3% less than May 2022. The June 2023 occupancy taxes were \$109,364 and -.5% less than June 2022. The year-to-date revenue on an accrual basis is expected to exceed expenses by \$89,186.

Meacham reported total current assets of \$490,643 which is down \$5,943 from the month ending May 31st. Accounts Receivables equaled \$228,214, a decrease of \$39,084 from the month ending May 31st. The decrease was driven by a small portion of May occupancy taxes received by June 30th and the increases in cash while decreasing receivables. The receivables consisted of 85% of May taxes and all of June's taxes which were received by the TDA on 8.8.23. Cash on hand as of 6.30.23 equaled \$262,429, an increase of \$33,142 from the month ending 5.31.23. The NCCMT account balance is around \$225,000.

Motion: Craig Pierce made the motion to approve the changes to the budget as outlined and approve the financials.

Second: John Ketner

Motion: Approved

Tourism Program of Work

Michalec reported that the email newsletter open rate year to date is at 35% with 4,948 subscribers. This week staff will begin a series of emails focusing on individual stay and play packages. These emails will cover all of the various packages throughout the fall. Michalec said that last week she and Arrowood met with the website SEO analysts noting year over year organic traffic was up 10.5% for the visitrowancountync.com site, far above the industry standard.

Michalec noted there was tremendous traffic from the Cheerwine festival and all of the related blogs, social posts etc... generating 16,000 individual clicks. The website had a total of 233,000 page views and 120,000 users year-to-date. Michalec reported that using the RootRez/RIPE platform year to date there are 196 reservations and 245 room nights and 90% of room nights are related to packages.

Michalec reports that looking at social media, there were 20,000 engagements over the summer with a reach of 300,000 on Facebook alone, 484 Instagram followers were gained, and Polar Express was the top topic on Facebook. The NCTM's Firetruck festival was the top topic on Twitter. The Father's Day blog post rundown was the top post on Instagram. Michalec reminded the board that TiKTok was added to the report in June with the addition of the various influencers. Brooke is making some original TiKTok content as well and that is being monitored to see if it is worth the time or if staff should continue to simply reshare content from other TiKTok material.

The year to date following for TiKTok is 33,822 with total engagement 56,633. The blog is doing great this year with 7,000 views in June and July and year to date a total of 23,000. The most popular blog this year has been the 4th of July events blog post with 1,800.

Michalec reported that the influencers have been doing very well with Jenna creating great content generating over 2 million views on TiKTok and 381,000 on Instagram. In June, the House of Henson promoted Polar Express and Dan Nicholas Park generating 245,000 views. House of Henson will also do a fall promotional

post of all the fall packages. In July, Magnolia Megan visited Tiger World generating 324,000 on TiKTok and 231 on Instagram. Magnolia Megan will be attending OctTour and House of Henson is currently working on a promotional post for Thomas. Charlotte Momma will be going to Patterson Farm in the fall and a new influencer, Jenson Savannah will be going to Brewfest. Total digital impact was 655,000 engagements and a reach of 5 million.

Arrowood reported that year to date trolley bookings for 2023 are at 122, bookings through 2024 are at 136 and there are 36 bookings occurring in the next 90 days. Revenue for the calendar year to date is a little over \$30,000. New bookings are slowing down some for the fall, however most of the fall weekends are already booked. 2024 bookings are continuing to increase. There is a verbal commitment from Lee Street Theatre for their Time Warp and Scrooge Tours and the staff hopes to get signed contracts soon. The trolley rental system has shifted over to an online booking system with online payment options easily accessible.

Furr reported that paid marketing placements year to date were at 314 with most focused through social media and Cannon Baller partnerships. The Cannon Baller partnership for this year is concluding in September 2023.

Furr that reported the Stay and play packages DOWT and Polar Express are both available and are both continuing to be successful. DOWT package sales are down a bit from last year. Polar Express is up from last year. The Bell Tower Brewfest package is now on sale as well.

Furr reported that the Southeastern Little League Tournament wrapped up last month and was a great success. Room nights were down slightly from last year. However, Rowan is the largest little league tournament venue besides the World Series event in Williamsport and continues to be very popular with all teams. Furr said she will continue to work with the Smoke Out group for their event in September. Tourism support has been approved for the Chamber of Commerce's Military attraction event and the Bell Tower Brewfest.

Furr said fall is a super busy time and there are new packages coming up including Patterson Farms and a generic overnight package which will incentive guests to stay overnight on soft nights. Arrowood will be doing a spring wedding trolley promotion and Furr will be attending the NC in state media mission.

Furr reported that the decrease of southbound Amtrak stops in Salisbury could negatively impact our visitors ability to take day trips and would impact some of the signature events. Staff are currently working with the City of Salisbury to speak with NCDOT about ways to increase exposure to train travel.

Furr reported that staff are always working on partner engagement and Arrowood has completed 30 site visits this year and staff is also reaching out to our partners in advance of marketing coming out so that partners can help staff to promote any marketing coming out. In addition, Furr works to promote Rowan County as a place to host partner's conferences or events. In September, the CVB will be a sponsor for the Business After Hours Chamber of Commerce event at the NC Transportation Museum.

Tourism Development

Meacham noted that in June by .02% the short-term rentals almost became the largest producer of occupancy taxes in Rowan County. The Expedia platforms, VRBO, Airbnb, and Homeaway.com are at 16.5% of occupancy tax revenues.

Michalec reported on the countywide wayfinding stating that she is very close to completing the proposal. She is in the final steps with one last municipality and should have that ready for NCDOT in September.

Michalec reported that staff and attorneys met with RailWalk property owners in late July and there was a general agreement to allow tourism to take ownership of the properties between the buildings for development. Staff will go before HPC on September 14th for their approval.

Michalec reports that staff is in the middle of an RFP process for the development of an Agri-tourism adventure product. Michalec reported staff hopes to select the designated firm by the week of September 11th.

Tourism Policy & Board

Meacham reported three members will be rotating off the TDA Board on August 31st. Cyndi Greenwood, Michelle Patterson, and John Ketner. Meacham expressed appreciation to all three members for their dedication and service. Meacham reported that two new members have been applied to serve on the board pending approval by the Commissioners, Stephen Kidd and Andy Maben (New Sarum). The third member will be identified from the Hotel community to fill Greenwood's seat.

The meeting adjourned at 12:58 pm.

Respectfully submitted.

Lesley Pullium

SRCVB



FINANCIAL SUMMARY REPORT AS OF 8-31-2023

Report Date: September 20, 2023

***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 2023-24 Statement of Activities: Highlights as of 8-31-23.

- Occupancy tax revenues as of 8-31-23 for fiscal year 2023-24 on an accrual basis equaled \$208,409 and are approximately 10% behind FY22-23 and inline with revised budget expectations.
 - July 2023 occupancy taxes were \$108,732 and 9.4% behind July 2022
 - August 2023 occupancy are projected to come in at \$105,000 and approximately 8.5% less than August 2022
- Year to date revenue on an accrual basis through the first two months is \$13,280 less than expenses primarily due to early fiscal year budgeted expenses for the Little League World Series and a three-payroll month in August.

Balance Sheet: Summary as of 8-31-23

- Total Current Assets equaled \$461,606 through the first two months of the fiscal year.
- Accounts Receivables equaled \$208,658 which includes July and August outstanding occupancy tax revenues.
- Cash on hand as of 8-31-23 equaled \$252,947.

Rowan County Tourism Development Authority

Balance Sheet

As of August 31, 2023

09/19/23

Accrual Basis

	<u>Aug 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
1052 · F&M Bank-Operating 9224	55,100.74
1020 · Petty cash	16.83
1050 · First Bank checking #0436	3,650.13
1065 · NC Capital Mgmt Trust	184,175.68
1070 · First Bank MM account-4509	10,004.43
Total Checking/Savings	<u>252,947.81</u>
Accounts Receivable	
1201 · Accounts Receivable	208,658.49
Total Accounts Receivable	<u>208,658.49</u>
Total Current Assets	<u>461,606.30</u>
Fixed Assets	
1503 · RAILWALK PAVILION	506,594.36
1502 · Construction in Progress	4,888.03
1501 · Land	250,604.00
1500 · Building	2,176,919.00
1505 · Computers	13,223.52
1510 · Furniture & fixtures	64,529.00
1515 · Office equipment	23,278.13
1516 · Trolley cars	319,880.00
1990 · Accumulated depreciation	-608,921.81
Total Fixed Assets	<u>2,750,994.23</u>
Other Assets	
1900 · Pension Asset	14,380.00
Total Other Assets	<u>14,380.00</u>
TOTAL ASSETS	<u><u>3,226,980.53</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2039 · United Way	-800.00
2033 · State withholding payable	434.00
2100 · Payroll Liabilities	1,029.33
Total Other Current Liabilities	<u>663.33</u>
Total Current Liabilities	663.33
Long Term Liabilities	
2700 · Pension Deferrals	21,349.00
Total Long Term Liabilities	<u>21,349.00</u>
Total Liabilities	22,012.33
Equity	
3050 · Investment in fixed assets	2,750,994.00
3105 · Restricted Fund Balance	195,399.00
3900 · Retained Earnings	271,855.80
Net Income	-13,280.60
Total Equity	<u>3,204,968.20</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,226,980.53</u></u>

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

Accrual Basis

July through August 2023

	<u>Jul - Aug 23</u>	<u>Budget</u>	<u>\$ Over Budg...</u>
Ordinary Income/Expense			
Income			
4350 · Tourism ARP Funding	0.00	83,333.34	-83,333.34
4070 · Misc and Ticket Sales	1.70	166.66	-164.96
4060 · Holiday Caravan Parade	0.00	8,333.34	-8,333.34
4100 · Fund Balance Interest	1,469.83	1,000.00	469.83
4010 · Occupancy taxes	208,409.50	233,333.34	-24,923.84
4000 · Trolley Operations	8,901.96	10,000.00	-1,098.04
4300 · Gateway Building Revenue	26,108.38	22,333.34	3,775.04
4025 · Partner Services	11,538.63	10,000.00	1,538.63
Total Income	<u>256,430.00</u>	<u>368,500.02</u>	<u>-112,070.02</u>
Gross Profit	256,430.00	368,500.02	-112,070.02
Expense			
6501 · Tourism Capital Projects	12,689.59	0.00	12,689.59
6510 · Holiday Caravan Parade Expen...	3,411.24	8,333.34	-4,922.10
6511 · Partner Service Expense	1,042.76	4,166.66	-3,123.90
6500 · Destination Development	0.00	125,000.00	-125,000.00
60001 · Marketing & Visitor Services			
6135 · Salisbury-Rowan CVB	203,153.45	183,333.34	19,820.11
6465 · Trolley	1,060.78	1,750.00	-689.22
6180 · Dues and subscriptions	60.00	0.00	60.00
6070 · Miscellaneous	702.44	416.66	285.78
Total 60001 · Marketing & Visitor Ser...	<u>204,976.67</u>	<u>185,500.00</u>	<u>19,476.67</u>
60002 · Operations & Administration			
6010 · RCTDA Operations Staff	13,974.99	19,500.00	-5,525.01
6185 · Supplies-Administration	0.00	666.66	-666.66
6025 · Payroll taxes and unemploy...	1,076.13	0.00	1,076.13
6030 · Retirement	1,843.75	0.00	1,843.75
6040 · Worker's comp insurance	7,284.00	500.00	6,784.00

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

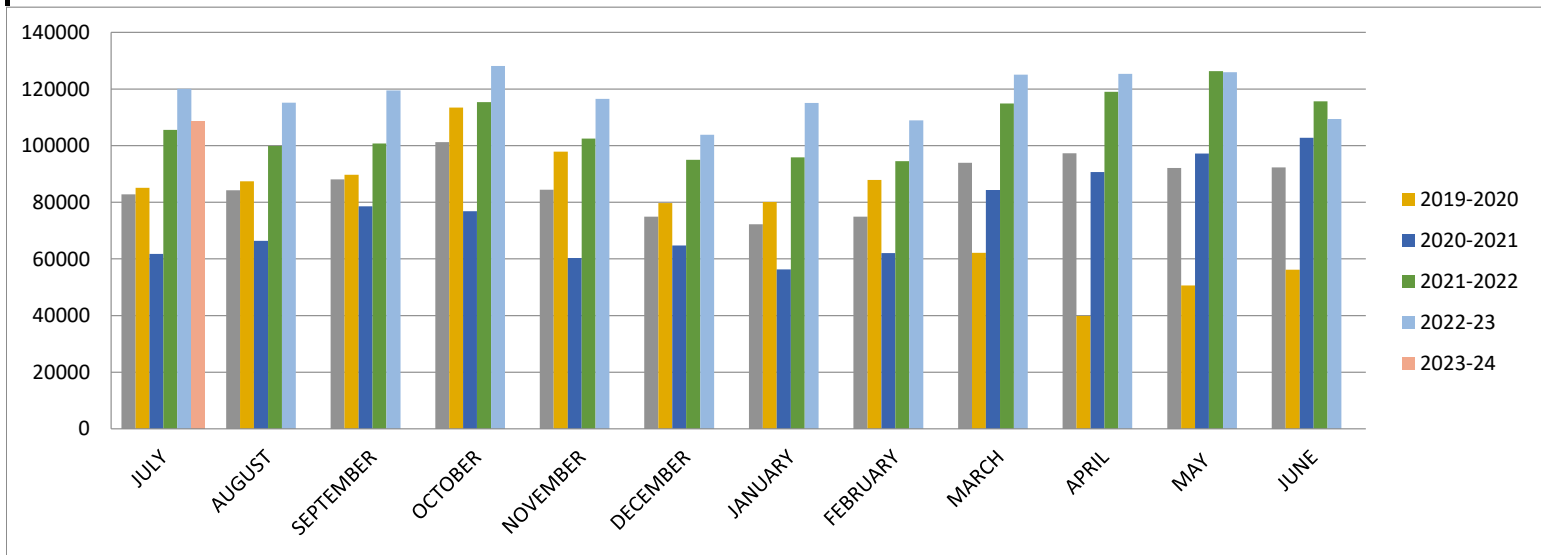
Accrual Basis

July through August 2023

	<u>Jul - Aug 23</u>	<u>Budget</u>	<u>\$ Over Budg...</u>
6105 · Professional Services	4,513.00	2,500.00	2,013.00
6600 · Gateway Building Expenses	18,898.47	22,333.34	-3,434.87
Total 60002 · Operations & Administr...	<u>47,590.34</u>	<u>45,500.00</u>	<u>2,090.34</u>
Total Expense	<u>269,710.60</u>	<u>368,500.00</u>	<u>-98,789.40</u>
Net Ordinary Income	<u>-13,280.60</u>	<u>0.02</u>	<u>-13,280.62</u>
Net Income	<u><u>-13,280.60</u></u>	<u><u>0.02</u></u>	<u><u>-13,280.62</u></u>

Rowan County Occupancy Tax Receipts Collected (GROSS)

MONTH	FY19-20	FY20-21	%CHNG	FY21-22	%CHNG	FY22-23	%CHNG	FY23-24	%CHNG
July	85,062.04	61,737.08	-27.4%	105,514.79	70.9%	120,021.34	70.9%	108,732.65	-9.4%
August	87,388.13	66,399.96	-24.0%	99,851.17	50.4%	115,189.06	50.4%		
September	89,694.58	78,562.08	-12.4%	100,792.04	28.3%	119,443.37	28.3%		
Quarter Total	262,144.75	206,699.12	-21.2%	306,158.00	48.1%	354,653.77	48.1%		
October	113,427.41	76,794.51	-32.3%	115,324.55	50.2%	128,088.16	50.2%		
November	97,848.24	60,357.00	-38.3%	102,438.16	69.7%	116,523.19	69.7%		
December	79,686.64	64,749.41	-18.7%	95,874.73	48.1%	103,834.94	48.1%		
Quarter Total	290,962.29	201,900.92	-30.6%	313,637.44	55.3%	348,446.29	55.3%		
January	80,100.88	56,291.87	-29.7%	96,918.80	72.2%	115,064.17	72.2%		
February	87,894.99	62,049.03	-29.4%	94,530.61	52.3%	108,890.30	52.3%		
March	62,149.01	84,372.26	35.8%	114,826.05	36.1%	125,056.96	36.1%		
Quarter Total	230,144.88	202,713.16	-11.9%	306,275.46	51.1%	349,011.43	51.1%		
April	39,870.97	90,628.43	127.3%	119,032.67	31.3%	125,347.11	31.3%		
May	50,585.59	97,167.69	92.1%	126,307.46	30.0%	125,953.79	30.0%		
June	56,142.85	102,792.30	83.1%	115,684.25	12.5%	109,364.77	12.5%		
Quarter Total	146,599.41	290,588.42	98.2%	361,024.38	24.2%	360,665.67	24.2%		
Adjmts Penalties									
Penalties									
Year Total	\$ 929,851.33	\$ 901,901.62	-3.0%	\$ 1,287,095.28	42.7%	\$ 1,412,777.16	42.7%		



Occupancy Tax Monthly Revenues 2019-2021-2022-2023

	2019	2021	2022	2023	
January	\$80,100	\$56,292	\$96,919	\$115,064	
February	\$87,894	\$62,049	\$94,531	\$108,890	
March	\$93,891	\$84,372	\$114,826	\$125,057	
April	\$97,301	\$90,628	\$119,033	\$125,347	
May	\$92,105	\$97,168	\$126,307	\$125,954	
June	\$92,255	\$102,792	\$115,684	\$109,365	
July	\$85,062	\$105,515	\$120,021	\$108,732	
August	\$87,388	\$99,851	\$115,189	\$105,000	projected
September	\$89,695	\$100,792	\$119,443	\$110,000	trending
October	\$113,427	\$115,325	\$128,088		
November	\$97,848	\$102,438	\$116,523		
December	\$79,687	\$95,875	\$103,835		
Total	\$1,096,653	\$1,113,097	\$1,370,400	\$1,033,409	YTD