



**Convention & Visitors Bureau
Pinehurst, Southern Pines, Aberdeen Area**

**Special Zoom
Board Meeting
Monday, April 27, 2020**

Members on the call: Tom Beddow, Tom Pashley, Kelly Miller, Bonnie McPeake, Andy Hofmann, Bobbie Rollins, Frank Quis, Linda Parsons, Caroline Xiong, Pat Corso, George Little

Not on the call: Wayne Vest

Staff on the call: Phil Werz, Donna Garner

The meeting was called to order at 11:05 am by Chairman Beddow.

Chairman Beddow welcomed everyone and opened the meeting by stating that the topic of today's meeting is to adopt a reasonable budget based on much lowered revenues, which is a result of Covid 19. He stated Phil had been working hard to come up with the two proposed budget documents presented to the Board. One for \$1,254,000 and another for \$1,150,780 which would eliminate the CVB office. Before the budget discussion began, he asked if anyone had anything to add to the agenda for the meeting. Member Miller asked about including discussion of the topic of increasing the Room Occupancy Tax rate to 6%. Chairman Beddow agreed that this was needed discussion and would be included, after the budget discussion/adoption was concluded. He turned the meeting over to Phil to brief the Board on the budget presentation.

Phil started off by stating there are two proposed budget documents. The difference between the two is about \$100,000. However, in regards to the money allotted for marketing the destination, the true difference is only around \$40,000. If the office were to close, there would still be expenses such as housing the server, storing office furnishings, and a business account at Staples for printing needs. He asked if the Board wanted him to go through each line of the budget or if there were any specific questions. One item he did mention was that in the FY 20-21 budget, we have to fulfill the second year of our agreement with the Golf Channel and pay them the \$100,000 we still owe them. With paying that obligation, it only leaves around \$375,000 for marketing.

One thing Phil mentioned to the Board is that Visit NC is planning to appeal to the legislature, asking for \$20 million. Of that, \$7 million would be divided up among county CVB's and DMO's, to help offset lost revenue due to the pandemic. He stated there was a possibility we could get somewhere between \$70,000-\$100,000 which would help lost revenues in our budget tremendously and get us back on track to market the destination.

Discussion ensued and there were a few questions regarding the revenue estimates. Chairman Beddow asked for Member Miller to give the Finance Committee's recommendation on the budget. Member Miller stated that the Finance Committee voted to recommend the \$1,254,000 budget and he made a motion for the Board to approve it. Member Parsons seconded the motion and the motion passed.

Chairman Beddow then introduced the topic of raising the Room Occupancy tax rate to 6%, to help supplement the marketing dollars in the FY 20-21 budget. He stated he was putting this topic out for further discussion, as he feels it's an issue that needs immediate attention due to the impact of the Covid 19 pandemic. In past discussions regarding raising the tax rate, it was recommended to form a Tourism Product Development Fund (TPDF), in which part of the 6% tax would go into and be used for projects related to tourism. Due to the financial impact of Covid 19, it is being recommended that the CVB Board formally request the Board of Commissioners to raise the tax rate to 6% immediately. If approved, the full 6% tax would be used to market the destination, and later on, the CVB Board would set up the TPDF, as originally planned.

Discussion ensued and questions were raised regarding a timeframe or specific guidelines for setting up the TPDF. Member McPeake stated she would only support raising the tax, if guidelines were put in place for setting up the TPDF. Member Quis spoke of an economic development initiative that is highly confidential and being discussed among leaders of the county, as well as political representatives of the state, which would have a tremendous impact on the county. Due to this information, he stated he would have to vote no on the matter of requesting the commissioners raise the room occupancy tax rate. Member McPeake stated she thought Member Quis should abstain from voting, since he is on the Board of Commissioners and it would be a conflict of interest.

There was further discussion on what guidelines should be put in place, as to when the TPDF would be formed. Member Miller made a motion to support increasing the room tax rate from 3% to 6%, with all money being used for marketing, for one year or until revenues reach \$1.8 million. Then the TPDF would be formed. Member Pashley seconded the motion. The motion passed 8-1.

With no further business, the meeting was adjourned at 12:08 pm.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Kelly R. Miller".

Kelly Miller, Secretary/Treasurer