



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

**Board Meeting
Thursday, April 22, 2021**

Members present: Tom Beddow, Tom Pashley, Andy Hofmann, Bonnie McPeake, Frank Quis, George Little, Kelly Miller, Matt, Hausser, Linda Parsons, Caroline Xiong

Not present: Pat Corso

Staff present: Phil Werz, Donna Garner, Beverly Stewart

The meeting was called to order at 4:04 p.m. by Chairman Beddow.

Chairman Beddow entertained a motion to approve the February 18, 2021 minutes. Member Little made the motion, Member McPeake seconded it, and the motion passed.

Financial Report-Secretary/Treasurer Miller

Room Tax Collections:

Occupancy Tax collections through February totaled \$1.1 million. This is down -9.7% to the previous fiscal year. Based on the forecast for the last four months of the FY, if we merely hit forecast, we will end up at almost \$1.7 million. Remember, we started the FY with a \$1.2 million operating budget and added \$300,000, in a budget amendment, due to a surplus.

However, the CVB expects to meet and exceed forecast for the last four months of the FY, with the potential to finish in June between \$1.8-\$1.9 million in collections. Our all-time record is \$1.88 million. The biggest factors in the rebound have been the national resurgence in golf, golf never closed in this destination, the USGA announcement last fall and the overall marketing of the destination.

Expenditures:

Through the first eight months of the 2020-21 FY (through February), we are in a positive financial position of +\$18,322 to budget. This position is more in line with the budget than the larger sum at our last meeting, due to heavy promotions and marketing in anticipation of spring and the pent-up demand, as we emerge from the pandemic.

In terms of the monthly collections forecast, we are currently at a surplus of about \$130,000. Our collections forecasts through the colder months of December-February were very accurate, despite having never been through a pandemic. Through those three months, our forecast was only off by \$10,000, and in our favor. Phil will address the current surplus in his report and have something for the board to consider.

Statement of Financial Position (Balance Sheet):

Also, you were provided a copy of the Balance Sheet/Statement of Financial Position as of April 1, 2021. This document showed slightly more than \$1 million in total assets, about \$509,000 in total liabilities, for a total fund balance of nearly \$492,000.

Member Miller entertained a motion to approve the Financial Report. Member McPeake made the motion, Member Little seconded it and the motion passed.

The FY 2021-22 proposed budget was sent to each member prior to today's meeting, and the Finance Committee met on April 12th to go over the budget in depth. Member Miller asked if anyone had any questions or comments about the budget. Phil stated that this is still a conservative budget based on collection numbers coming in for this current FY. Member Pashley asked what was the collection estimate for the upcoming FY and Phil stated it is \$1.77 million. Chairman Beddow asked for a motion, to approve the FY 2021-22 budget. Member Pashley made the motion, Member Parsons seconded it, and the motion passed.

President & CEO Report-Phil Werz

Phil started out by saying he had gone by the new Chamber building, and gave Member Parsons kudos for this impressive new facility.

The information Phil presented regarding room occupancy collections is very positive. Our forecast for March was \$122,000, and we are already at \$178,000, so we are \$55,000 above. To reiterate what Member Miller reported, our collections during the winter months were right on target, with collections coming in at \$10,000 over forecasted amounts. Through the month of February, we have collected \$433,490 over budgeted amounts for this FY, and with the \$300,000 budget amendment we did in December, we currently have a surplus of \$133,490. This along with the \$55,000 already collected as surplus for March, gives us \$188,490 over budgeted collections. And with the numbers trending, as they have so far this FY, we know we will add to that surplus during April, May and June.

This brings us to the next item on the agenda, which is the request of another budget amendment, from surplus collections, in the amount of \$200,000. This budget amendment will be split as follows: \$160,000 to digital marketing, \$15,000 to promotions, and \$25,000 to public relations. Chairman Beddow asked for a motion to approve the \$200,000 budget amendment. Member Miller made the motion, Member Quis seconded it, and the motion passed.

The Smith Travel Research (STR) report shows that our occupancy went from 45.3% in February to 67.8% in March. This is well over the national average and the southeast average. Our ADR is continuing to be driven by leisure travel versus business/meeting travel due to restrictions still in place from the pandemic.

Phil gave some information from the VisitNC 365 online conference that shows travel trends indicate domestic travel will continue to be higher than international travel on into 2023 and it will be into 2024 before the two begin to resume pre-pandemic numbers. Leisure travel will continue to fuel the recovery. It is projected that leisure travel will be back to 2019 levels in 2022 and business nearly back in 2024. The travel industry has been hit hardest by the pandemic, with the largest percentage of lost jobs in leisure and hospitality.

Phil stated that last year we had engaged Chris Cavanaugh to work on a strategic marketing plan for us, and then it was put on hold when the pandemic hit. We want to have Mr. Cavanaugh to resume working on this for us, with the board's approval. Chairman Beddow asked for a motion to authorize Phil to have Mr. Cavanaugh finish our strategic marketing plan. Member Little made the motion, Member McPeake seconded it, and the motion passed.

Phil then updated the board on the vacant Social Media Manager position. This position has been vacant since last February. Due to Covid, Phil opted to assume the social media duties and has been doing it himself for over a year. We have money in the current year's budget and have allocated money in next year's budget to fill this position. He has advertised on several platforms and identified an individual, that he thinks will be the right fit, for this position, and is seeking approval from the board to move forward with hiring him. Due to this individual not having given notice at his current employer, Phil did not disclose his name to the board. Chairman Beddow asked the board for a motion to approve filling the Social Media Manager position. Member Miller made the motion, Member Hofmann seconded it, and the motion passed.

Beverly Stewart Executive Vice President – Activities Update:

- 2024 US Open - Area room blocks
 - Met with Cindy Reed and the USGA legal team to review the proposed contract for room blocks. Contract approved.
 - Scheduled meetings with area hotels for me and Cindy to go over room block needs, present contract, and answer questions.
 - Met with/Meeting with the following area hotels: 1 - 2 hours for each meeting.
 - Springhill Suites by Marriott 4/6
 - Residence inn by Marriott 4/7
 - McPeake Hotels 4/7
 - Comfort Inn 4/8
 - Little River 4/13
 - Country Club of Whispering Pines 4/13
 - Pine Crest Inn 4/14
 - Quality Inn 5/4
 - Homewood Suites by Hilton 5/4
 - Microtel 5/5
 - Holiday Inn Express 5/5
 - Talamore/MidSouth 5/11
 - Econo Lodge TBD
 - Pine Needles/Mid Pines TBD
 - Legacy TBD
 - As soon as Moore County hotel blocks are established, I will set up meetings with Lee County, Cumberland County, Richmond County, Robeson, Wake etc. to discuss USGA room blocks and spectator rates. The spectator rates will be linked to each area's website with a link from the homeofgolf.com site.
- Association Executives of NC (AENC)
 - Sponsoring and attending the AENC Meeting at Pinehurst on May 6th. The CVB will have podium time and has provided a video for the meeting, as well as promo items for attendee packets.

- US Teens and US Kids World Championships:
 - Area room rates secured and the link from US Kids World Championships to homeofgolf.com is complete.
 - Working with Peter Stilwell on maps for the Teens/Kids showing location of courses and area hotels.
- Provided area hotel rates for the NC Tennis Association's - 70s State Tournament April 21-23, 2021. Also provided Welcome Packets for participants.
- Provided area hotel rates for the Sandhills Motoring Festival May 27-30 and will provide Welcome Packets for the participants.
- Attended the grand opening ribbon cutting for the new Moore County Sports Complex on March 18, 2021. Billy Ransom mentioned that we would be assisting them to secure tournaments for the facility including volleyball, basketball, pickle ball as well as baseball and softball.
- Assisting Moore County Parks & Recreation and Keep Moore County Beautiful with their golf tournament. Providing sponsorship and items for their welcome bags.
- Attended the Sandhills Wedding Association meeting on April 20th at Ironwood Café. More to come on the new website for this group.

Phil gave an update on upcoming videos, and showed a few of the latest ones that we have done, including: Seagrove Potters, Why Women Love Pinehurst, PGA Club Championship and Habitat for Humanity.

Allied Reports-Linda Parsons

Member Parsons stated they are settled into the new building and extended an invitation for everyone to come by and take a tour. She gave a synopsis of how well the collaborative space is being utilized over and above what they had envisioned. The feedback has been very positive, and she said the Chamber has gotten several new members from people coming in, to use this space. She also said there have been a flood of relocation packet requests coming in, from people leaving larger cities and coming here to live and work remotely.

Chairman's Report-Tom Beddow

Chairman Beddow stated that the Economic Development position is in transition as Member Corso is getting ready to retire. His replacement, Natalie Dean Hawkins, has been chosen, and notified of her most welcome position on the CVB Board of Directors. Next, Chairman Beddow stated that there are two members, whose terms expire on June 30th. One is his position, and he will not seek re-appointment. Anyone interested in filling the concerned citizen seat on the board should apply with the Clerk to the Board of Commissioners. Member McPeake's term also expires on June 30th, but being the 2nd largest hotelier, in the county, she has a permanent seat on the board, for herself, or whomever she wishes to appoint. She stated she will continue her membership on the board.

Unfinished Business-Occupancy Tax Increase

Chairman Beddow opened this topic of discussion by saying that, after the Commissioners work session, they want to hold a task force meeting, with the municipalities, to further discuss this issue. Member Miller will be the CVB representative for this task force meeting. Chairman Beddow went on to reference a letter that he sent out, stating the CVB's position is that we will not make any fixed allocation, to municipalities, from an increase in the occupancy tax rate. He stated that the law is very clear regarding this matter, and we will not purposely violate the law. He said once the tax increase is passed, we will be fair, transparent and do what is best for the entire county.

He then stated that the CVB is again asking that the Commissioners take it up and approve it. He and Phil then showed a couple of slides, on how the additional marketing money would be used. They also provided information on ideas that have been presented regarding use of the Destination Enhancement Fund that would be created from an increase in the occupancy tax rate. He stated that we do not want to delay any further in getting the rate increased. He then opened the floor, for further comments from the board.

Member Little asked where the Commissioners stood on the issue? Member Quis replied that they plan to get together this small group soon, to discuss ways to cooperate about use of the money. Member Little stated that, in his opinion, it was time to move forward and get this matter accomplished. Member Miller stated that he wasn't in favor of giving everyone "a piece of the pie", but that he wants to see the money used to fund great projects, that will benefit everyone.

Member McPeake asked Member Quis what exactly his position is, and what are his intentions on the issue? Member Quis responded that his intention is to listen to the people, ie... Triangle J Council members, citizens, council members from various towns, etc., and wants to try to find ways to utilize these funds, for a broader benefit. He said he wasn't in favor of giving money to the towns, just to fund some tourism related activities. Member McPeake asked him if he intended to raise the occupancy tax, and he replied not right now, and did not elaborate, as to the reason why, other than to say that the Commissioners were not ready to increase it. More discussion ensued. Member McPeake then commented that, in her opinion, he was out of line, as a sitting member of this board, to go against the majority of the board's wishes regarding immediately increasing the tax. There was additional discussion, but not substantive, or concrete to be determined or decided. Kelly Miller was appointed as the CVB representative, for the county's ad hoc committee, on occupancy tax.

With no new business, Chairman Beddow stated that the next meeting is scheduled for June 24, 2021. The meeting was adjourned at 5:41 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kelly Miller". The signature is fluid and cursive, written over a horizontal line.

Kelly Miller, Secretary/Treasurer