



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

**Board Meeting  
Thursday, March 24, 2022**

Members present: Tom Pashley, Andy Hofmann, George Little, Matt Hausser, Linda Parsons, Bonnie McPeake, Warren Lewis, Caroline Xiong

Not present: Kelly Miller, Frank Quis, Wayne Vest, Natalie Dean-Hawkins

Staff present: Phil Werz, Donna Garner

The meeting was called to order at 4:08 p.m. by Chairman Pashley.

Chairman Pashley entertained a motion to approve the January 20, 2022, minutes. Member Parsons made the motion, Member McPeake seconded it, and the motion passed.

**Financial Report-Secretary/Treasurer Hofmann**

**Room Tax Collections:**

After the first seven months of the fiscal year (July-January), \$1.5 million in occupancy tax has been collected. All seven months each set an all-time record. We are now 56% ahead of pace from the record-breaking fiscal year of 2020-21. Currently, we are on pace for a minimum of a \$2.8 million year in collections on a budget of \$2.3 million (originally \$1.7 million prior to \$525,000 in budget amendments).

**Expenditures:**

We ended the month of January in a positive and strong financial position of +\$50,461 to budget. Please note, the last financial statement available was for November and did not reflect the \$325,000 budget amendment approved in December. The majority, of those expenditures was dedicated to digital marketing, as approved by the CVB board, at our last meeting.

**Statement of Financial Position (Balance Sheet):**

Also, you were provided a copy of the Balance Sheet/Statement of Financial Position as of March 3, 2022. The balance sheet showed slightly more than \$1.6 million in total assets, \$615,000 in total liabilities, for a total fund balance of a little more than \$1 million.

Discussion ensued regarding short term rentals and their effect on our occupancy collections and economy. Chairman Pashley entertained a motion to approve the Financial Report. Member Lewis made the motion, Member McPeake seconded it, and the motion passed.

### **President & CEO Report-Phil Werz**

Phil opened with presentation of the proposed fiscal year 22-23 budget, for approval by the board. He handed out copies of the proposed budget, which was approved by the Finance Committee on March 7<sup>th</sup>. He pointed out that there were a couple of small changes to the Health Insurance lines and the other income line, from what had been approved at the Finance Committee meeting. In the other income line, under revenues section, he included additional revenue, from anticipated video production, for outside clients. And per County budget preparation, the Health Insurance lines, in both administration and marketing, increased by \$500 per person. He pointed out that money is included, in this budget, for 2 vacant full-time positions. He also stated that with this being a conservative budget of just over 2.4 million, he feels like this is a good place to start. We can always do a budget amendment next year, to bring additional funds into the budget, from excess room tax collections, if we feel we need to. He also handed out a breakdown of how the money will be spent in the digital marketing line. Chairman Pashley asked if there were any questions on the proposed budget. Member Xiong asked if the Budget Ordinance has been updated, and if the fee, for the sale of the Donald Ross coin, was included? Phil told her that yes it was. Chairman Pashley then entertained a motion to approve the FY 22-23 Budget and Budget Ordinance. Member McPeake made the motion, Member Hausser seconded it, and the motion passed.

Next Phil explained that, since we have already begun selling the Donald Ross Commemorative Coins, we need to update our current fiscal year Budget Ordinance, and this needs the Boards approval. A line has been added to the Budget Ordinance stating that we are charging \$25 per coin and applicable sales tax is included. Chairman Pashley entertained a motion to approve this change to the current fiscal year Budget Ordinance. Member Parsons made the motion, Member Lewis seconded it and the motion passed.

The next item on the agenda is formal board approval of a new audit firm, which the County is also using, and did the necessary contract preparation with. The name of the new audit firm is Mauldin and Jenkins, LLC. The cost for the audit for the current fiscal year will be \$7,000, and it will incrementally increase by \$500 over the next 2 years. Chairman Pashley entertained a motion to accept the contract with Mauldin and Jenkins LLC, to perform the annual audit for the CVB. Member Hofmann made the motion, Member Lewis seconded it, and the motion passed.

Phil then turned everyone's attention to the slideshow he prepared. He talked about the record breaking collections we're seeing and from preliminary numbers, February is going to be another record month. Occupancy trends continue to be up as well.

Next Phil updated the Board on the Sandhill Pour Tour Passport incentive. He passed around a passport to everyone. The passport program launches April 1<sup>st</sup>. People can pick up a passport at the CVB or any of the featured establishments in the passport, make a purchase at all 7, get 7 stamps and bring the completed passport to the CVB to get a mug and Donald Ross coin. They will also be entered into a contest to win a 2-night stay in the destination. We have begun promoting the program, and have gotten positive feedback, and a lot of interest so far. The board had no questions or concerns, about this program, and overall felt it was a great social program for promoting the area, especially with links to shopping, dining, transportation, golf and events.

In addition to giving away the Donald Ross coins as part of the passport program, we are also selling them. We have sold several so far. The funds raised will be donated to the Tufts Archives. Phil took some to the VisitNC 365 conference, and they were a big hit.

Phil attended the VisitNC 365 Conference earlier in the week and showed a video that WRAL did about the face of tourism in the future. With the number of electric vehicles increasing all the time, especially with millennials, destinations that invest in building charging stations will be a big demand, in the future.

Longwood International says that as far as travel trends, people say that gas prices will greatly impact their travel and the percentage went up significantly from March 2<sup>nd</sup> to March 16<sup>th</sup>. One third say they will reduce the number of trips they take, and one third say they will stay closer to home. Only 21% say their travel is impacted by Covid. North Carolina is almost back to where we were pre-pandemic and some other states around us are down significantly. There are multiple incoming media, bloggers, golf writers that will be here, in the next couple of months.

The partnership marketing program with Shady Rays sunglasses is proving to be very successful. In just over 10 days that the program has been running we have gotten over 11,000 entries. We will collect their emails to add to our database. The program is set to run until April 14<sup>th</sup> and we hope to collect 20,000-30,000 emails, which will allow us to market to them later.

We are working closely with the USGA to market the US Women's Open in June. Ticket sales are going well. Hotel availability is proving to be limited, so outlying areas will be utilized to accommodate people coming to the Open. Several upcoming events will be promoted soon. We have a USWO Landing Page on our website.

#### **Allied Reports-Linda Parsons**

Member Parsons thanked the CVB, for the video, we did of their new collaborative workspace. It will Align, with the launch, of the new website, for the space, which will be in May. The space has done very well for the first quarter of the year. The workforce development committee is finalizing the survey to be distributed to local employers. There was a roundtable discussion held at Sandhills Community College, with about 70 people in attendance, to discuss strategies of how to help employers retain their workforce, during this trying time. Another problem is staffing childcare facilities, with infants being the hardest to find coverage for. They have also had a lot of veterans, that want to transition into the local workforce and are finding it difficult.

#### **New Business**

Chairman Pashley introduced an idea of maybe using some of the excess collections, in the current FY, for a Product Development purpose, that will increase tourism in the County. One idea of this purpose would be to give money to help put Astro Turf on the football field at Pinecrest. In doing this it will greatly increase the number and type of events that can be held on the field. This could be great for increasing quality of life for our community. It's his belief that the purpose of the Product Development Fund should be to use the money, for things that will benefit local citizens, as well as make the destination more attractive to visitors. He is suggesting going to the group raising the funds for the athletic field at Pinecrest and ask them to put together some talking points, as to how this could benefit tourism, such as hosting tournaments and band concerts, in which out of town guests would stay overnight. Perhaps if this takes off and is successful, we will eventually revisit the issue of raising the occupancy tax rate. Phil was tasked with putting together some ideas, of how we can use the excess funds for opportunities, in the community, to promote tourism, before the next board meeting.

With no further business, Vice Chairman Miller stated that the next meeting is tentatively scheduled for May 12, 2022, location TBD. The meeting was adjourned at 5:39 p.m.

Respectfully submitted,

Andy Hofmann, Secretary/Treasurer