

SALISBURY ROWAN COUNTY

Convention & Visitors Bureau
North Carolina

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ROWAN COUNTY CVB BOARD OF DIRECTORS MEETING

Friday, June 30, 2017 11am, Gateway Building

CALLED MEETING MINUTES

Board Members Attending: Krista Osterweil, Amie Baudoin, Mark Lewis, Shannon Stewart-Hill, Craig Pierce, Karen Alexander, Darrell Blackwelder, Edward Norvell, Tony Shaw, Brian Miller, Whitney Wallace, Kelly Alexander

Not Attending: Barbara Perry, Vivian Hopkins,

Guests: Wade Furches, City of Salisbury

CVB Staff: James Meacham and Tara Furr

I. SRCVB, Rowan TDA and Salisbury TDA Call to Order

CVB Chair, Krista Osterweil called the SRCCVB and the RCTDA to order.

Mark Lewis called the Salisbury TDA to order at 12:07.

Board Chair Krista Osterweil instructed James Meacham to go over the changes and present the structural changes and votes the CVB and TDA's need to make to prepare for recent legislative changes adopted by the NC General Assembly.

Meacham reported that the North Carolina General Assembly approved S552 via Conference Committee, which includes changes to Rowan County's occupancy tax laws and its enabling legislation. A copy of the changes were presented to all board members. Meacham reviewed in detail the legislative changes that were enacted and they reflect the changes requested by the CVB in March 2017.

The highlights included:

- Authorized the Rowan County Board of Commissioners to enact a 6% occupancy tax across all of Rowan County
- Occupancy tax funds to be remitted to the Rowan TDA. TDA shall spend at least 2/3 on marketing and the costs associated with marketing and running the Tourism Authority and may (but not required to) spend up to 1/3 on tourism-related expenditures
- Upon enacting a 6% County tax the legislation eliminates the Salisbury City Occupancy Tax and the Salisbury TDA by repealing the City occupancy tax once the Board of Commissioners establishes the start of the new tax
- Changes were made to the Rowan TDA Board's 11 members:
 - (1) A county commissioner or his or her designee.
 - (2) A member of the Salisbury City Council or his or her designee.
 - (3) ~~Two~~ Four owners, operators, or representatives of hotels, motels, or other taxable tourist accommodations. Two shall be appointed by the Rowan County Board of Commissioners and two shall be appointed by the Salisbury City Council.

(4) Two individuals to represent all bona fide Rowan County sites and attractions, to be selected from those sites and attractions. One individual shall be appointed by the Rowan County Board of Commissioners and one individual shall be appointed by the Salisbury City Council.

(5) One individual to represent the Rowan County Chamber of Commerce, either the chair of the board or the chair's designee. designee, assigned for appointment by the Rowan County Board of Commissioners.

(6) ~~Four~~ Two individuals who have an interest in tourism development and do not own or operate hotels, motels, or other taxable tourist accommodations. One individual shall be appointed by the Rowan County Board of Commissioners and one individual shall be appointed by the Salisbury City Council.

The CVB Board discussed the changes and thanked Meacham for his efforts in working with State Representative Carl Ford to present the changes requested infamously by the CVB.

Meacham presented a series of actions that the Board needed to undertake regarding the changes in legislation.

The Board discussed and requested that the occupancy tax changes be placed on the next Board of Commissioners Agenda for adoption of the new protocols outlined in the legislation.

The Board discussed the changes in Board membership and configuration and presented the following slate of individuals for consideration by the Board of Commissioners and City Council.

County Appointments:

Seat Type

Amie Baudoin

Lodging

Steve Hall

Lodging

Kelly Alexander

Attraction

Darryl Blackwelder

At-large, interested in tourism

Craig Pierce

County Commissioner

City of Salisbury Appointments:

First Term Ends

Shannon Stewart-Hill

Lodging

Krista Osterweil

Lodging

Whitney Wallace

Attraction

Ed Norvell

At-large, interested in tourism

Karen Alexander

City Council

Chamber of Commerce

First Term Ends

Tony Shaw

Chamber of Commerce

Motion: Mark Lewis made the motion to submit the recommend Board Members on behalf of the CVB. Second: Brian Miller seconded.

Discussion: TDA staff was requested to bring back a staggered term appointment process for consideration by the new TDA Board and then submitted to the County Commission and the City Council.

Motion: Approved

The Board of Directors preceded to discuss requesting that the Board of Commissioners:

- Establish Rowan County's occupancy tax rate at a uniform 6% effective September 1, 2017 at 12:00am
- Set the repeal date for the City of Salisbury Occupancy Tax on August 31, 2017 at 11:59pm

Osterweil called for a motion to approve the request to the Board of Commissioners.

Motion: Steve Hall

Second: Ed Norvell

Discussion: Tourism staff and the Authority's attorney will coordinate communications with all lodging properties in Rowan County regarding changes in occupancy tax, collection and remittance procedures.

Motion: Approved

Meacham presented a series of structural and financial items that the CVB and Tourism Authority's need to consider regarding the consolidation of assets and resources.

Meacham presented a proposal for leaving the tourism staff and branding program within the CVB, 501c6, which is controlled by the TDA and that beginning in November 2017 the TDA would transfer to the CVB under contract with the TDA, the amount of funds needed to cover the cost of CVB staff and branding obligations on a monthly basis.

Motion: Brian Miller motion to approve monthly transfers to the CVB from the TDA for tourism staff and branding effective November 2017, with tourism staff and branding staying at the CVB.

Second: Shannon Stewart-Hill

Discussion: Lesley Pullium will remain a Rowan County TDA employee.

Motion: Approved

It was discussed that the first full 6% County wide occupancy tax will start being collected in September 2017 by Rowan County lodging businesses, but will not be remitted to the TDA until early November and it will be accrued back to the month of September 2017 for the Rowan TDA. The CVB Board discussed releasing all funds from any Board designated restrictions and planning to transfer all funds to the Rowan TDA by November 15th.

Motion: Craig Pierce made a motion to release all funds from restrictions and to remit all CVB funds, less funds needed for tourism staff and branding requirements to the Rowan TDA by November 15, 2017 and transfer all fixed assets of the CVB to the TDA by the close of Fiscal Year 2017-2018.

Second: Tony Shaw seconded.

Discussion: The Rowan TDA Board will adopt an amended budget at their first meeting in August 2017 and will no longer use designations and will budget for marketing, marketing costs and any capital expenditures on an annual basis. The Rowan TDA already legally owns the Gateway Building and Trolley, needs to own all fixed assets.

Motion: Approved

Salisbury TDA Board Chair Mark Lewis discussed closing down the Salisbury TDA and how any occupancy taxes held by the Salisbury TDA in reserves have to be remitted to the Rowan TDA as a similar organization and the only legal body in Rowan County able to expend occupancy taxes. The Salisbury TDA discussed

remitting its remaining fund balance to the Rowan TDA when it remits the final City occupancy taxes collected from the month of August. It was also discussed that legally the Salisbury TDA will still have to have an audit for FY16-17 and 17-18 since it is a Public Authority and will operate in both Fiscal Years.

Motion: Krista Osterweil made a motion to transfer all of the Salisbury TDA fund balance to the Rowan County TDA when August 2017 City occupancy taxes are remitted and that the Rowan TDA will pay for the Salisbury TDA's 2016-2017 and 2017-2018 audits.

Second: Ed Norvell

Discussion: TDA staff was requested to lead all the transfer processes

Motion: Approved

Osterweil adjourned the RCTDA and CVB. Lewis adjourned the Salisbury TDA.