



**SALISBURY TOURISM AUTHORITY
dba
SALISBURY TOURISM AND CULTURAL DEVELOPMENT COMMISSION**

Minutes

April 18, 2012

The Salisbury Tourism and Cultural Development Commission met at the Gateway Building, 204 East Innes Street, second floor, at 9 a.m. for their regular meeting and joint meeting of the Rowan County TDA and STCDC.

STCDC: Boris Bunich, Bill Burgin, Randy Hemann, Mark Lewis (Chair), Brian Miller, Krista Osterweil, Michelle Patterson, and David Redden

Staff representatives: James Meacham (RCCVB), Diana Moghrabi (STCDC Secretary), Joe Morris (City Staff Liaison), Lesley Pulliam (RCCVB), John Sofley (Assistant City Manager), and Gail Elder White (Salisbury Parks and Recreation)

Rowan County TDA: Raymond Coltrain, Millie Cress, Steve Hall, Brian Miller, Jeannie Moore, Michelle Patterson, Wes Thompson, Krista Osterweil, and Andrew Waters (absent: Kelly Alexander and Gretchen Witt)

Absent: Barbara Perry

Media: Emily Ford (*Salisbury Post*)

WELCOME AND OPENING REMARKS

Mark Lewis brought the STCDC meeting to order. At this point, both meetings of the Salisbury TDA and Rowan County TDA ran simultaneously.

Joint Marketing Committee

Krista Osterweil made a report on behalf of the Joint Marketing Committee.

Grants

Pops at the Post requested \$3,500 for their event. There was no marketing associated with the request, therefore, the request was denied. Pops at the Post was informed that the Committee would consider a grant for a marketing program.

Tilley's Biker Blues and BBQ Rally—At the March 29 Joint Marketing Grants Subcommittee meeting, Joe Morris made a MOTION to recommend to the Joint Marketing Committee a grant for The Tilley Harley-Davidson of Salisbury Biker Blues BBQ Rally and BBQ Classic up to \$2,500 based on a marketing plan negotiated by the RCCVB Executive Director. Christine seconded the motion with all members voting AYE.

The North Carolina Transportation Museum Foundation—At the March 29 Joint Marketing Grants Subcommittee meeting, Joe Morris made a MOTION to recommend to the Joint Marketing Committee the grant request for \$5,000 for marketing the 2-day event, Great Southeastern Rail Days Festival, to be held June 2 & 3, 2012. Christine Wilson seconded the motion with all members voting AYE.

The Joint Marketing Committee voted unanimously to approve the two grants as they came from the Grants Subcommittee.

Sponsorships

- The FCCA soccer tournament is this weekend. This will be a good group for overnight stays.
- Annual Crossroads Classic bicycle competition wants to hold a multi-day event in August.
- Speaking with Fishers of Men about hosting their 2013, 2014, or 2015 tournament at High Rock Lake. We hosted them in September 2011.

Marketing

- The cooperative marketing program with *Our State Magazine* was renewed. We will run ads in June and July of 2012. There will be two full-page ads, digital, and social marketing platforms and exposure on their Web site.
- Through a competitive bid process, the Joint Marketing Committee selected Front Row Communications in partnership with Reach Local to develop and launch the Salisbury / Rowan County integrated summer marketing program. It will run from June to August 2012 and uses a variety of platforms. It will expand local tourism to reach multiple digital and social platforms. They are a forward-thinking company.
- Announcement: We will be working with the Village of Gold Hill to develop a marketing plan.

Rowan Arts Council (RAC)

The RAC is functioning well. They have received some financial contributions from foundations. One unsolicited foundation donation just came in to show support of the recent changes.

- The RAC will be engaging with consultants from the NC Arts Council about setting a specific vision.
- Members from Salisbury recently attended an arts summit and heard positive comments about our trailblazing.
- The RAC is working hard and looking forward to Arts Night Out June 22 from 5-9.
- The Master Plan addresses the RAC structure and makes recommendations.

Master Plan

The master plan is expected to arrive in May 2012. Everyone will receive the plan in advance and attend an in-depth presentation. Potentially, adoption will take place in advance of next year's budgets.

Economic Development Master Plan Strategies

Mark Lewis informed both Tourism Boards, that it is important that we set the stage for the conversation that we can have and the vote that might be taken. The Organizational Committee for the STCDC and the Executive Committee for the Rowan County TDA have met and have recommendations.

The economy has changed with many manufacturing jobs leaving. We are becoming more of a service-based economy. Community leaders are concerned about the future of the economy.

We are now focusing on a creative economy, which is based on cultural assets, creative people, and small businesses focused on arts, culture and technology.

The role of economic development in our community has changed over the last 15 years. We have organizations operating under models that have proven successful in the past, but are those models for the future? How do we engage financial support for the next generation?

Anytime we can eliminate duplicated efforts it is a win for everybody. With the RAC and RCCVB partnership, even with fewer resources, overhead was eliminated and more funds were deployed into the community.

A pending Master Plan goal tells us we should focus on downtown Salisbury and make it a flagship by the year 2016. Arts and culture are key drivers to the flagship.

Mark recognizes economic development groups supporting this community: Downtown Salisbury, Inc., the two Tourism Development Authorities, and the Economic Development Commission. Mark described the focus of these entities and the challenges they are facing.

It makes sense to move the marketing and promotion function out of DSI to the TDA. That allows DSI to continue to focus on economic redevelopment in our Municipal Service District (MSD). This discussion has been taking place since October 2011. James provided a chart to show what it would look like.

The proposal suggests that, July 1, part of the responsibility of promoting downtown Salisbury would transfer to the TDA. DSI employee Betz McKeown, who has a background in arts and culture, would join the TDA. Currently, DSI's annual promotions budget is around \$88,000, which covers advertising, events, merchant relations and McKeown's compensation. DSI raises around \$25,000 annually in sponsorship revenues that would transfer, effective July 1, to the combined tourism operation. This position will serve in a dual role of the downtown and the arts council portion of the TDA staff. This fits a need to be more efficient.

DSI, through its organizational committee and board of directors, reviewed this recommendation and voted unanimously to move forward with transferring the promotion and marketing function from DSI to the TDAs.

DSI has a promotions committee and appoints that committee; they focus primarily on downtown marketing and promotions. DSI will remain the appointing body for this committee. However, they will work with the TDAs.

James addressed the sound relationship between the two TDAs. This group is handling all of the promotions in our community. Michelle Patterson said, "In the last three years the theme has been to collaborate, communicate, and cooperate—to work effectively and efficiently to market the destination—always keeping the visitor in mind."

Millie Cress made a MOTION from the RCTDA. "I would like to make a MOTION to ~~realign~~ accept the Downtown Salisbury Marketing and Events Management within the combined operation of the Salisbury and Rowan Tourism Authorities. Brian Miller seconded the Motion. Raymond Coltrain amended the motion replacing the word realign with accept. Michelle Patterson reread the motion with the amendment.

Brian Miller added that RCCVB/RCTDA is getting a staff person with a relationship with the flagship, with experience and capabilities to help with arts and culture piece, and a funding stream.

Andrew Waters requested clarification. "It is my understanding that the Rowan Arts Council function will be folded in to the function of Betz's job description."

James responded that the MOU between the RAC and RCTDA says that the RCTDA is responsible for providing staff support (administration, programming, etc.). This would fulfill that responsibility and give some flexibility. It would not be the sole responsibility of the new position, but would provide additional support.

A document needs to be developed that spells out the rules associated with this acceptance or realignment of this process. The structure should outlast the personalities. We should be able to have a document in two months.

Raymond Coltrain asked, "How much of the funding for this position is going to be coming from DSI? Randy Hemann answered, "Twenty-five thousand would be coming with it." The TDAs will be covering one-half of the salary.

Joe Morris said, "The Cultural Action Plan called for a hired position to organize and manage arts organizations in this community." "The whole point of the Salisbury occupancy tax was to maximize marketing for our community."

The Rowan Arts Council receives an allocation from the NC Arts Council that adjusts each year. This year it is about \$32,000. That amount used to go to administrative costs for the RAC. We are not going to use the money for RAC administration. It will continue to go directly to the arts organizations.

Rowan Motion

Millie, "I would like make a MOTION to move forward with the acceptance of the Downtown Salisbury Marketing and Events Management within the combined Rowan County/Salisbury Tourism operations subject to a formal agreement. Jeannie Moore seconded the Motion. All members voted AYE.

Salisbury Motion

Krista Osterweil made a MOTION to move forward with the acceptance of Downtown Salisbury Marketing and Event Management within the combined operations with Rowan County/Salisbury Tourism Development Authority subject to a formal agreement. The Motion was seconded with all members voting AYE. (Mark Lewis and Randy Hemann recused themselves.)

Rowan County TDA adjourned.

STCDC BUSINESS

Minutes of March 14, 2012, meeting were adopted by consensus.

Financials

John Sofley provided the financial report which was received as presented. A copy of the full report is attached.

The Quality Inn (8-10 percent of the market) is 120 days behind in their payments. They communicated to the County Attorney that April 23 they will make a payment. The tax has been collected from the visitors.

REPORTS

A. Destination Development Committee Report

- Barbara Perry is in Washington, DC with Lynn Raker and Mayor Paul Woodson to receive an award for the BlockWork project.
- The Downtown Salisbury Holiday Decorations Committee is setting up a demonstration project for wreaths that will be placed in the 200 block of South Main Street for a few nights. The STCDC will be advised when they are up.
- Joe Morris reported that, based on some of the adjustments that were recommended to us from NCDOT, they want a second inventory of what we are calling consolidated signage—signs that would come down because of our signs going up.

Joe did the inventory and it significantly diminished the number of signs we had hoped to take down. We had originally hoped to remove about 88 signs, but it looks as though we are only going to be able to eliminate about 25-30. It is due, in large part, to a number of hospital signs.

Even though we do not have permission to proceed, it is encouraging that the review is being conducted.

- Based on a good recommendation, a small group (James Meacham, Jake Sterling (city mechanic) and Mark Slusser, (trolley driver) will be traveling to New York State for a day to see a trolley that is almost identical to the ones we intend to have built.

The bid, it turns out, is good for 120 days.

B. The Organizational Committee

The two standing committees were tasked with putting together a 5-year capital plan.

The fiscal year ends June 30. The total annual budgeted receipts were estimates submitted by James Meacham. They reflect conservative growth with the coming of the Marriot Hotel.

There are five items of consideration that receive consideration for this capital expenditure budget. Holiday Decorations probably needs no explanation. The fourth one is public art.

Mark Lewis recapped, “There was discussion in the Destination Development Committee and even on this board level about the Salisbury Sculpture Show and the ability to be able to start adding hard assets to our downtown through our Destination Development funds. That is the primary driver for that. Recognizing that the Sculpture Show may not go on forever, but our PAC and public art in general needs some sort of support from these funds. So, we basically pigeon holed \$5,000 a year for the purchase of public art.”

“Public Restrooms could say ‘support a master plan.’ We suspect that there will be a calling out for some sort of infrastructure support from the destination development funds in support of something. Public restrooms are clearly something that is on our radar as a community and needed downtown. This is a placeholder for those funds in support of our master plan.”

“Trolley System FY 2012-13 shows zero—put \$58,000 in that column. The reason we put \$58,000 under the trolley system is because there is a consideration for the marketing committee to be able to fund the first years as their contribution towards this project. That has not been allocated yet, but we will be asking for it. The Joint Marketing Committee will make their consideration. If the committee approves this, then the \$58,000 will be wiped out in 2012-13. (Proposing a 5-year payback to the City Capital)”

Under public art beginning with 2013-14, change \$5,000 to \$10,000 and the three years after that to \$10,000 as well. You cannot get much for \$5,000. Since we are coming to the end of this year and starting next year—we have not bought any sculpture—those two \$5,000 together will be the \$10,000.”

“The last column—June 30, 2011 we had \$120,000 reserved capital expenditure funds for the destination development. In 2011 and 2012 you see the annual receipts of \$110,000. The expectation is we will actually fund the first phase of the wayfinding signage before the end of June. It was important to plug that in because that is the most eminent expenditure that this group has.”

Under Wayfinding Signage, there is a consideration for maintenance and other phases.

The Destination Development Committee brings this 5-year capital budget as a MOTION. Brian Miller seconded the amended motion with all members voting AYE.

Brian asked if the STCDC set a cash balance target for reserves. James responded that we have unrestricted reserves of \$34,678. This is above the 8 percent state mandate, which for the Salisbury TDA is \$24,000.

Ordinance Amendment

Staff took the recommendation from the Organizational Committee to the City Council to create membership terms and the appointment of next year’s chair (Bill Burgin) and vice chair (Barbara Perry) which City Council approved. A copy of the Ordinance Amendment was included in the packet.

ADJOURNMENT

The STCDC meeting adjourned at 10:30 a.m. The next full committee meeting is Wednesday, May 9, 2012, at 11:30 a.m. in the Gateway Building, 204 E Innes Street, Salisbury.

Respectfully submitted,

Diana Moghrabi

Salisbury Tourism and Cultural Development Commission

Balance Sheet

April 17, 2012

ASSETS

Cash and investments	\$	245,812
Accrued interest		<u>1,057</u>
Total assets	\$	<u><u>246,869</u></u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$	<u>-</u>
------------------	----	----------

FUND EQUITY

Fund balance:		
Reserved for Capital	\$	212,191
Unreserved		<u>34,678</u>
Total fund equity	\$	<u><u>246,869</u></u>

Total Liabilities and Fund Equity	\$	<u><u>246,869</u></u>
-----------------------------------	----	-----------------------

Salisbury Tourism and Cultural Development Commission

Statement of Revenues and Expenditures and Change in Fund Balance

For the Year to Date Period Ending April 17, 2012

	<u>Actual</u>	<u>Budget</u>	Variance with Budget Positive (Negative)
REVENUES:			
Occupancy Tax Receipts	\$ 235,367	\$ 298,000	\$ (62,633)
Interest Income	1,021	2,000	(979)
Total revenues	<u>\$ 235,367</u>	<u>\$ 300,000</u>	<u>\$ (63,612)</u>
OTHER FINANCING SOURCES:			
Appropriated fund balance	<u>\$ -</u>	<u>\$ 79,000</u>	<u>\$ (79,000)</u>
Total revenues and other financing sources	<u>\$ 235,367</u>	<u>\$ 379,000</u>	<u>\$ (142,612)</u>
EXPENDITURES:			
Marketing	\$ 190,861	\$ 258,000	\$ 67,139
Capital	7,613	112,000	104,387
Administrative Fee	<u>7,061</u>	<u>9,000</u>	<u>1,939</u>
Total expenditures	<u>\$ 205,535</u>	<u>\$ 379,000</u>	<u>\$ 173,465</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ 29,832</u>	<u>\$ -</u>	<u>\$ 30,853</u>
FUND BALANCE, JULY 1, 2011	<u>\$ 217,037</u>		
FUND BALANCE, APRIL 17, 2012	<u><u>\$ 246,869</u></u>		

Salisbury Tourism and Cultural Development Commission
Collection Summary Report for FY2012 as of April 17, 2012

Total Receipts Previously Reported	\$ 199,688.24
Total Receipts March 13 – April 17	<u>35,678.96</u>
 Total Gross Receipts Received	 <u>\$ 235,367.20</u>