



**MONROE TOURISM DEVELOPMENT AUTHORITY
REGULAR MEETING**

City Hall Conference Room
300 W. Crowell Street
Monroe, NC 28112
Thursday, April 10, 2025 - 8:30 AM

AGENDA

1. Approval of Minutes of Monroe Tourism Development Authority Meeting of March 13, 2025
2. Finance/Occupancy Report
3. Fiscal Year 2025-2026 Budget
 - Public Hearing
 - Action - Resolution and Budget Ordinance to Adopt FY 2025-2026 Budget
4. Science Center Update
5. Dowd Center Theatre Update
6. Occupancy Tax Increase

MONROE TOURISM DEVELOPMENT AUTHORITY

REGULAR MEETING

CONFERENCE ROOM

300 W. CROWELL STREET, MONROE, NC 28112

MARCH 13, 2025 – 8:30 A.M.

MINUTES

Present: Chairman Robert Burns, Vice Chairwoman Pat Kahle, MaryAnn Rasberry, Sheila Crunkleton, Gina Day, and Arpan Bhakta

Absent: Joyce Rentschler and Ron Hinson

Staff Present: Parks & Recreation and Tourism Director Pete Hovanec, Finance Director Lisa Strickland, Accounting Manager Ashley Ivey, Parks & Recreation and Tourism Administrative Services Supervisor Alison Nichols, Communications Specialist Bradley Lucore, Senior Staff Attorney Terry Sholar, Angela Duncan, Senior Budget Analyst, Camden Baucom, Budget Analyst, and Assistant City Manager Lisa Hollowell (arr 8:36 a.m.)

Staff Absent:

Visitors: William Heisner and Lisa Peebles

Chairman Burns called the Monroe Tourism Development Authority Regular Meeting of March 13, 2025 to order at 8:32 a.m.

Item No. 1 Approval of Minutes of Monroe Tourism Development Authority Regular Meeting of

February 13, 2025 Ms. Crunkleton made a motion to approve the Minutes of Monroe Tourism Development Authority Regular Meeting of February 13, 2025. Ms. Rasberry seconded the motion, which passed unanimously with the following votes:

AYES: Day, Bhakta, Kahle, Rasberry, and Crunkleton

NAYS: None

Item No. 2 Finance/Occupancy Report Ms. Ivey presented the finance report. January collections were \$68,625. Collections are trending higher each month and for the year overall. The operating fund balance is \$925,443. The capital project fund has \$13,525 available. The special revenue fund and science center operating funds have nothing out of the ordinary. Mr. Hovanec asked if the TDA is in good shape with the budget, and Ms. Ivey confirmed that it is.

Item No. 3 Fiscal Year 2025 Audit Contract for the Monroe Tourism Development Authority Ms.

Ivey stated that this is an annual request to approve the audit contract. This is the second year of a five-year contract, and this year's cost will be \$8,000. Each year the cost will increase by \$500. Mr. Hovanec noted that the cost of the audit contract jumped considerably last year because they now include the Science Center, which involves a lot more controls.

Ms. Raspberry made a motion to approve the audit contract with Martin Starnes & Associates, CPA's, P.A. for \$8,000. Vice Chairwoman Kahle seconded the motion, which passed unanimously with the following votes:

AYES: Day, Bhakta, Kahle, Raspberry, and Crunkleton

NAYS: None

Item No. 4 Budget Amendment – GASB 87 Leases & GASB 96 Subscription-Based Information Technology Agreements

Ms. Ivey explained that this is an accounting budget amendment that is needed to accommodate new accounting standards for capital leases and agreements and subscriptions for online software. Accounting standards now require staff to treat them as assets and depreciate them and book payments made as debt payments. This is the budget amendment to designate funds for the related capital outlay, debt proceeds, and debt service expenditures for compliance with GASB 87 and 96. Staff recommends the Board approve this budget amendment.

Vice Chairwoman Kahle made a motion to approve Budget Amendment BA-2025-01. Ms. Day seconded the motion, which passed unanimously with the following votes:

AYES: Day, Bhakta, Kahle, Raspberry, and Crunkleton

NAYS: None

Item No. 5 Budget Presentation and Call for Public Hearing Mr. Hovanec reminded the Board that this is budget season and presented a first look at the proposed 2026 Tourism budget alongside the current 2025 budget on the screen. Changes include:

- an increase in the Marketing & Promotions line to increase social media advertising and development, including promotional videos for Downtown and new software to track visitors;
- a decrease in the Printing line since so much is now done online;
- a decrease in the Travel line;
- a decrease in the Capital Motor Vehicle line as a new vehicle was purchased in 2025 and that line is no longer needed in 2026;
- an increase in the Financial Management line to reflect the increased cost of the annual audit;
- an increase of \$100,000 for a new Marketing & Communications position which would fill a need for creating marketing materials. The Finance department thinks that TDA is in a position to absorb this cost. Mr. Hovanec reminded the Board that Tourism also has an open administrative position for 20+ hours, which is already budgeted.

Mr. Hovanec stated that last year's budget was \$204,000, and this year's is \$270,000.

The Board discussed the future of the hangar rental and the air show, which could go away next year.

Mr. Hovanec encouraged the Board to review the proposed budget and contact staff over the next month with any suggestions or proposed changes. The TDA will hold a public hearing in April, and at that time the Board will be asked to adopt the budget.

The Board discussed the Latin Festival and the City's role in that. Ms. Day suggested that, in the absence of the air show in coming years, TDA would need to look for another initiative and the Latin Festival might be a good event to support.

The Board discussed the current political climate and its potential effect on turnout at the Latin Festival.

Mr. Hovanec presented the proposed 2026 Science Center budget on the screen, noting that everything is exactly the same as last year. Ms. Fike will be taking on a role as Tourism General Manager, but she will remain in charge of the Science Center. Staff will be posting the Center Theatre Supervisor position very soon.

Ms. Crunkleton made a motion to call for a public hearing for the 2025-2026 budget on April 10, 2025. Mr. Bhakta seconded the motion, which passed unanimously with the following votes:

AYES: Day, Bhakta, Kahle, Rasberry, and Crunkleton

NAYS: None

The Board discussed upcoming events at the theater and Science Center as well as the new golf simulators at the Country Club, the new pickleball courts at Dickerson Community Center, and the proposed skate park at Belk Tonawanda Park.

The Board also discussed the need for a civic/convention center in Monroe as there is no event space that can accommodate large groups.

Ms. Crunkleton made a motion to adjourn. Ms. Rasberry seconded the motion, which passed unanimously with the following votes:

AYES: Day, Bhakta, Kahle, Rasberry, and Crunkleton

NAYS: None

The meeting adjourned at 9:27 a.m.

ATTEST:

Robert Burns, Chairman

Alison H. Nichols

MTDA/3-13-25

**CITY OF MONROE, NORTH CAROLINA
HOTEL OCCUPANCY TAX COLLECTIONS HISTORY**

Month	Collections										Inception	
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024		
July	\$43,035.55	\$50,935.50	\$57,757.87	\$49,237.75	\$52,555.67	\$50,502.69	36,361.82	\$58,632.48	\$77,203.59	\$71,311.91	\$70,875.15	
August	36,977.80	48,845.23	56,430.47	53,328.43	53,326.15	56,119.30	33,717.52	\$57,897.52	\$72,112.89	\$70,250.44	\$76,578.66	
September	36,170.00	43,971.63	52,501.28	49,280.40	57,322.54	54,601.79	36,333.99	\$57,646.95	\$67,860.45	\$70,961.74	\$80,412.65	
October	39,730.02	50,450.31	62,852.14	54,883.77	61,478.56	58,576.63	47,918.88	\$60,324.82	\$72,465.20	\$78,388.15	\$90,971.64	
November	36,201.55	44,935.28	53,718.49	52,159.03	52,344.58	44,677.93	33,689.77	\$62,776.88	\$69,846.82	\$66,133.93	\$78,695.22	
December	29,698.95	37,857.15	42,905.99	43,020.41	41,248.49	35,855.88	30,608.58	\$55,627.44	\$58,041.30	\$61,688.92	\$62,565.29	
January	33,174.57	47,446.36	49,314.76	44,917.89	45,790.70	37,998.34	34,555.26	\$47,425.62	\$57,371.07	\$66,446.68	\$68,625.18	
February	43,506.47	49,690.07	50,786.19	49,090.46	50,174.09	41,074.64	35,790.58	\$55,074.93	\$64,640.72	\$62,730.49	\$53,143.41	
March	45,588.42	54,238.06	58,370.59	58,151.91	55,628.08	44,213.52	49,982.86	\$68,473.24	\$77,373.44	\$73,443.47	\$0.00	
April	44,006.59	56,185.32	54,463.65	55,541.22	52,298.83	24,603.84	54,315.36	\$72,023.49	\$69,155.17	\$68,463.29	\$0.00	
May	46,174.97	55,415.35	59,183.07	56,465.45	58,606.08	30,748.09	57,003.16	\$72,299.75	\$76,655.92	\$77,856.16	\$0.00	
June	46,835.97	56,036.83	53,968.10	56,273.88	54,481.57	36,285.75	57,435.41	\$72,729.08	\$74,197.82	\$80,517.94	\$0.00	
Penalties/Interest	130.10	40.29										
Total Collections	\$481,230.96	\$596,047.38	\$652,252.60	\$622,350.60	\$635,255.34	\$515,258.40	\$507,713.19	\$740,932.20	\$836,924.39	\$848,193.12	\$581,867.20	
Distribution of Collections												
Administrative Fee	\$14,436.93	\$17,881.42	\$16,522.53	\$16,415.73	\$16,352.55	\$15,152.58	\$15,077.13	\$17,409.32	\$17,296.09	\$18,481.93	\$15,818.67	\$467,407.77
Operating (2/3)	\$273,630.07	\$385,443.97	\$423,820.05	\$403,956.58	\$412,601.86	\$333,403.88	\$328,424.04	\$482,348.59	\$546,418.86	\$553,140.79	\$377,365.69	\$5,591,598.36
Capital (1/3)	\$193,163.96	\$192,721.99	\$211,910.02	\$201,978.29	\$206,300.93	\$166,701.94	\$164,212.02	\$241,174.29	\$273,209.43	\$276,570.40	\$188,682.84	\$4,458,714.13
	\$481,230.96	\$596,047.38	\$652,252.60	\$622,350.60	\$635,255.34	\$515,258.40	\$507,713.19	\$740,932.20	\$836,924.39	\$848,193.12	\$581,867.20	\$10,517,720.26

Operating Fund Activity:

Fiscal Year	Total Revenue*	Operating Expense	Capital Fund Transfer Out	Increase/(Decrease) in Net Assets	Fund Balance
2004	\$ 172,430	\$ 249	\$ 114,830	\$ 57,351	\$ 57,351
2005	245,420	49,354	163,613	32,453	89,804
2006	268,539	70,628	176,514	21,397	111,201
2007	292,730	69,590	191,873	31,267	142,468
2008	319,940	79,519	210,593	29,828	172,296
2009	327,232	85,108	217,376	24,748	197,044
2010	286,292	105,147	190,079	(8,934)	188,110
2011	306,323	141,300	199,809	(34,786)	153,324
2012	338,380	218,328	214,473	(94,421)	58,903
2013	366,349	157,025	223,162	(13,839)	45,064
2014	389,562	132,144	239,765	17,653	62,717
2015	505,323	229,769	193,164	82,390	145,107
2016	603,262	324,214	192,722	86,326	231,433
2017	677,786	243,750	211,910	222,126	453,559
2018	634,804	270,913	201,978	161,913	615,472
2019	643,745	257,345	206,301	180,099	795,571
2020	599,412	270,236	166,702	162,473	958,044
2021	501,615	385,603	164,212	(48,200)	909,844
2022	732,524	459,705	241,174	31,645	941,489
2023	973,580	720,369	273,209	(19,999)	921,490
2024	1,068,593	788,070	276,570	3,953	925,443

Fund Balance as of June 30, 2024

\$925,443

Capital Expense History:

Professional Fees for Civic Center	86,838
Monroe Park Master Plan and Site Assessment	23,058
Air Museum Advance Planning	19,240
Purchase of "The Tinker Belle"/Capital Upgrades	255,177
Storage Building	8,175
Tourism Study	7,500
Snow Machine	6,129
Center Theatre Property/Adjacent Property Purchase	508,770
Purchase of 318 E. Franklin Street Property for Science Center & Capital Improvements/Consulting/Fun	5,034,446
Capitalized Equipment/Exhibits - Science Center	786,625
Center Theatre Expansion	332,497
Branding Initiative/Website Design	33,830
NC DPCR Grant Capital Equipment Expenses - Science Center Exhibits	100,000

**Cash Balance of the Capital Project Fund
as of March 31, 2025**

Projects:	
Monroe Science Center Building	3,108.06
Science Center Exhibits	(3,194.21)
Rotary Picnic Shelter Project	(15,104.76)
	<u>\$ (15,190.91)</u>

Occupancy Tax Special Revenue Fund Operating Activity FY 2025

	<u>Budget</u>	<u>FYTD Actual</u>
Revenue:		
Occupancy Tax	273,863	\$ 171,146
Sales of TinkerBelle	-	-
Investment Earnings	17,481	8,613
Appropriation of Fund Balance	-	-
Total	<u>291,344</u>	<u>179,759</u>
Expenses:		
Debt Service - Principal & Interest	253,973	29,086
Debt Service - Bond Admin Fees	1,056	1,056
Total	<u>255,029</u>	<u>30,142</u>
Net Income (Loss)	<u><u>36,315</u></u>	<u><u>149,617</u></u>

Fund Balance History of the Occupancy Tax Special Revenue Fund

<u>Fiscal Year</u>	<u>Total Revenue*</u>	<u>Debt Service Expense</u>	<u>Capital Fund Transfer In/(Out)</u>	<u>Increase/(Decrease) in Net Assets</u>	<u>Fund Balance</u>
2022	\$ 241,649	\$ 254,351	\$ 260,565	\$ 247,863	\$ 247,863
2023	278,051	258,403	-	19,648	267,511
2024	406,745	256,665	(70,000)	80,080	347,591

Monroe Science Center Operating Activity FY 2025

	<u>Budget</u>	<u>Current Year Actuals</u>	<u>Prior Year Actuals</u>
Revenue:			
Admission Fees	350,000	\$ 127,305	\$ 172,846
Gift Shop Sales	-	25,856	31,328
Birthday Party Packages	10,000	3,229	11,644
Misc Annual Membership	5,000	-	-
Rent Science Center Facility	10,000	-	-
Total	<u>375,000</u>	<u>156,390</u>	<u>215,819</u>
Expenses:			
Salaries & Benefits	412,645	280,738	340,411
Bank Service Charges	2,500	5,311	7,006
Technical Contracted Services	15,002	6,959	8,471
Repairs & Maintenance - Buildings & Equipment	9,186	3,951	4,574
Software License & Support	1,977	1,444	(5)
Repairs & Maintenance - Copiers	1,000	185	601
Property Damage/Wellness & Clinic Cost	3,871	3,871	3,248
Marketing & Promotions/Printing	29,875	16,473	16,627
Training and Travel Exp	4,535	1,751	1,591
General Supplies	3,000	5,745	7,470
Small Equipment	500	581	1,940
PC's Peripherals	6,229	6,139	-
Utilities & Telecommunications	31,960	19,176	26,332
Items for Resale - Giftshop	23,821	8,500	14,434
Organizational Dues	1,000	-	1,060
Subscriptions & Publications	550	858	517
Special Events	10,000	1,064	1,765
Other Operating Expense & Cost Allocations	5,638	5,157	5,613
Total	<u>563,289</u>	<u>367,902</u>	<u>441,655</u>
Net Income (Loss)	<u><u>(188,289)</u></u>	<u><u>(211,512)</u></u>	<u><u>(225,837)</u></u>

**MONROE TOURISM DEVELOPMENT AUTHORITY
RESOLUTION TO ADOPT AN ANNUAL
BALANCED BUDGET FOR FISCAL YEAR 2025-2026**

R-2025-01

WHEREAS, the Monroe Tourism Development Authority is required by the North Carolina Local Government Budget and Fiscal Control Act to adopt an annual balanced budget; and

WHEREAS, a balanced budget has been prepared for the Monroe Tourism Development Authority for fiscal year 2025-2026 under the provisions set forth in the above referenced legislation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Monroe Tourism Development authority adopts the following budget ordinance:

BUDGET ORDINANCE

BO-2025-01

BE IT ORDAINED by the Board of Directors of the Monroe Tourism Development Authority:

Section 1A The following amounts are hereby appropriated in the General Operating Fund for the operation of the Authority and its activities for the fiscal year beginning July 1, 2025, ending June 30, 2026:

Physical and Economic Development	\$ 875,650
Increase in Fund Balance	43
Distribution to Capital Project Fund	288,413
	<hr/>
	\$ 1,164,106

Section 1B It is estimated that the following revenues will be available in the General Operating Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Restrictive Intergovernmental	\$ 865,240
Sales and Services	279,375
Investment Earnings	18,991
Miscellaneous	500
Other Financing Sources	0
	<hr/>
	\$ 1,164,106

Section 2 A copy of this Budget Ordinance shall be furnished to the Director of Finance of the Authority to be kept on file for direction in the disbursement of funds.

Adopted this 10th day of April, 2025.

Robert Burns, Chairman

ATTEST:

Alison Nichols, Clerk

R-2025-01 BO-2025-01



STAFF REPORT

TO: Tourism Development Authority
VIA: Mark Watson, City Manager
DATE: April 10, 2025
FROM: Peter Hovanec, Parks & Recreation and Tourism Director
PREPARED BY: Lauren Fike, Monroe Science Center Supervisor
SUBJECT: Science Center Update

SUMMARY STATEMENT

The TDA will be presented an update on science center attendance numbers and programming.

REVIEW

The Motion Mania traveling exhibit opened on April 2, 2025 and will be open through August 31, 2025. Staff has been busy with spring school groups and community events.

RECOMMENDATION

No action is needed at this time.

Attachment(s):



STAFF REPORT

TO: Tourism Development Authority
VIA: Mark Watson, City Manager
DATE: April 10, 2025
FROM: Pete Hovanec, Parks & Recreation and Tourism Director
PREPARED BY: Lauren Fike, Monroe Science Center Supervisor
SUBJECT: Dowd Center Theatre Update

SUMMARY STATEMENT

The TDA will be presented an update on events for the Dowd Center Theatre.

REVIEW

Staff has been working on updating operational procedures. We have had successful shows in March. In April we will have many partnership/community events and three shows in May: two cover bands and a kids show.

RECOMMENDATION

No action is needed at this time.



STAFF REPORT

TO: Tourism Development Authority
VIA: Mark Watson, City Manager
DATE: April 10, 2025
FROM: Peter Hovanec, Parks & Recreation and Tourism Director
PREPARED BY: Peter Hovanec, Parks & Recreation and Tourism Director
SUBJECT: Occupancy Tax Increase

SUMMARY STATEMENT

The City of Monroe has an occupancy tax of 5%; Staff has been discussing a request to the Legislature to adjust the occupancy tax to 6% effective passage of a law.

REVIEW

Staff will discuss the recent City Council actions regarding the City's desire to increase the hotel occupancy tax.

RECOMMENDATION

No action needed at this time; for informational purposes only.

Attachment(s): Occupancy Tax Discussion Staff Report



STAFF REPORT

TO: General Services

VIA: Mark Watson, City Manager

DATE: April 3, 2025

FROM: Lisa Hollowell, Assistant City Manager

PREPARED BY: Lisa Hollowell, Assistant City Manager

SUBJECT: Occupancy Tax Discussion

SUMMARY STATEMENT

The City of Monroe has an occupancy tax of 5%; Staff is asking General Services to consider a request to the Legislature to adjust the occupancy tax to 6% effective passage of a law.

REVIEW

The authority for local governments to collect an occupancy tax comes from the North Carolina General Assembly. SL 2001-439 authorized the City of Monroe to collect 5% on the gross receipts from the rental of any room, lodging, or accommodation by a hotel, motel, inn, etc. within the City. The law directed proceeds to be used at 2/3rds for tourism related activities, 1/3rd for promotion of travel and tourism for the first 10 years. Thereafter, the funds are to be used 2/3rds for promotion and 1/3rd for tourism-related activities. Additionally, funds may be used for administration and accounting by the Finance Department at 3% of the first \$500k and 1% above this level.

The City of Monroe has used the funds for the acquisition of property for the Science Center and exhibits, Dowd Theatre renovations, purchase of “Tinker Belle” a C-46 Military Aircraft (bought in 2011 and sold in 2023), providing operating funds for the Science Center and funds for the promotion of travel and tourism.

The anticipated fiscal impact of increasing the rate from 5% to 6% is an additional \$184,500 in revenue, as each 1% generates \$184,500 in the current fiscal year. The City of Monroe collected \$848,193.12 in FY 2023-24 and is projected to collect around \$922,000 in FY 2024-25, reflecting an 8.75% growth over the previous year. Additional funds are needed to support the City's promotional efforts and sustain the operations of the Science Center as it works towards achieving full revenue self-sufficiency.

RECOMMENDATION

The City Manager is seeking direction from the General Services Committee on whether to request Council to seek an adjustment of the occupancy tax to 5%.