



**MONROE TOURISM DEVELOPMENT AUTHORITY
REGULAR MEETING**

Member: Mayor Bobby Kilgore

Monroe Science Center
318 E. Franklin Street
Monroe, NC 28112
November 12, 2020 – 8:30 a.m.

AGENDA

1. Approval of Minutes of Monroe Tourism Development Regular Meeting of September 10, 2020
2. Finance/Occupancy Report
3. Presentation of the Fiscal Year 2020 Audit Report
4. Air Show Update
5. Dowd Center Theatre Update
6. Science Center Update and Walk Through
7. Other

MONROE TOURISM DEVELOPMENT AUTHORITY

REGULAR MEETING

CONFERENCE ROOM

300 W. CROWELL STREET, MONROE, NC 28112

SEPTEMBER 10, 2020 – 8:30 A.M.

MINUTES

Present: Chairman Bobby Kilgore, Vice Chair Sheila Crunkleton, Pat Kahle, Ron Brown, Lorayn DeLuca, Dan Shive

Absent: Chris Redfern, Brandon Derrick

Staff Present: Communications and Tourism Officer Pete Hovanec, Accounting Manager Ashley Ivey, City Manager Larry Faison (arr. 8:37 a.m.), Communications and Tourism Assistant Alison Nichols, Finance Director Lisa Strickland

Staff Present via Zoom: Assistant City Manager/Director of Downtown Brian Borne, City Attorney Mujeeb Shah-Khan

Staff Absent:

Visitors: Cierra Fitzgerald (arr. 8:45 a.m.)

Chairman Kilgore called the Monroe Tourism Development Authority Regular Meeting of September 10, 2020 to order at 8:30 a.m.

Item No. 1 Approval of Minutes of Monroe Tourism Development Authority Meeting of July 9, 2020 Vice Chairwoman Crunkleton made a motion to approve the Minutes of the Monroe Tourism Development Authority Regular Meeting of July 9, 2020. Ms. DeLuca seconded the motion, which passed unanimously with the following votes:

AYES: Crunkleton, Brown, Kahle, Shive, and DeLuca

NAYS: None

Item No. 2 Finance/Occupancy Report Ms. Ivey stated that July occupancy tax collections were \$36,361, which is down significantly from last year; however, there has been a slight uptick in collections over the past few months. The auditors are finishing up, and the preliminary fund balance is \$958,045, which is an increase of \$162,000.

Mr. Hovanec noted that the Fairfield Inn & Suites opened the second week in August, so occupancy tax collections should increase as a result. Mr. Hovanec said that he had met with their management and invited them to apply to join the board. Chris Redfern is no longer with the Hampton Inn, so Mr. Hovanec also invited the new people there to apply for the board. Brandon Derrick was with the Holiday Inn Express; he has quit that job but will be paid through October and will have to come off the board as a

hotel rep at that time. He will be eligible to apply for a restaurant or at-large position if any are available; staff will need to consult with the attorney regarding the rules.

Mr. Shah-Khan stated that Mr. Derrick will no longer be eligible for the hotel spot but would not need to take a break before applying for any other vacancies on the board.

Item No. 3 Science Center Update and Design Consultant Extension/Budget Amendment Mr.

Hovanec said that the Science Center is in the home stretch. The outside colored metal is being installed. Mr. Hovanec showed recent pictures of the Science Center to the group. The inside of the building is done; there is still work remaining on the fence and the colored metal sections. There will be a significant punch list. Staff has posted the job for Science Center director and has received about 80 applications.

Mr. Hovanec stated that staff is asking for a budget amendment to keep the Verner Johnson consultants, who are working with staff to secure exhibits. They were being paid \$8,000 per month; however, staff asked for a discount, and Verner Johnson has reduced its price to \$7,200 per month. Staff is asking for \$48,000 to carry them for six more months.

Ms. DeLuca asked why Verner Johnson is being paid monthly and not in a lump sum for the project as a whole. She stated that we are paying monthly, and the project continues to be delayed month by month, raising our expenses.

Mr. Faison answered that the Verner Johnson service contract is not tied into the construction contract, which is the area of delay.

Mr. Hovanec added that a monthly payment plan makes it easier for staff to extend the contract month by month as needed.

Ms. Kahle agreed, noting that a monthly payment would prevent any padding of a lump sum payment.

Ms. Kahle asked if the Science Center would be done by the end of the year.

Mr. Hovanec said that staff thinks it will be complete by January and we can take possession and move everything in. The timing of the delay with the pandemic has not been the worst thing; however, it is frustrating that the project is 422 days overdue.

Ms. DeLuca asked why the project is that behind.

Mr. Hovanec answered that weather and a complication with a storm water line can account for some of it, but not nearly all of it. Overall the construction company's practices have not been acceptable, and staff cannot understand why the company is not pushing to complete the project. They will be facing liquidated damages.

Vice Chairwoman Crunkleton noted that at this point Verner Johnson's consulting services are needed more than ever.

Mr. Hovanec agreed and stated that there are already many exhibits currently on order and in hand from companies around the world. The City has already had to pay the architect some extra fees due to the project running behind.

Chairman Kilgore stated that the City will have to pay hundreds of thousands of dollars in delay fees.

Mr. Hovanec said that those fees will be included and covered by the liquidated damages.

Mr. Brown made a motion to adopt Budget Amendment BA-2020-02. Ms. Kahle seconded the motion, which passed unanimously with the following votes:

AYES: Crunkleton, Brown, Kahle, Shive, and DeLuca

NAYS: None

Item No. 4 Dowd Center Theatre Update Mr. Hovanec reported that the leaks in the theater have been fixed, and the sound and AV systems are all fine-tuned. The theater now has the capability to show movies. Staff ran two practice events last month with a band and the symphony, and the sound is phenomenal. Currently staff is trying to decipher governor's orders to determine what is allowed. Movies are not allowed, but performing arts are. Staff may hold an art show in the lobby next month but wants to make sure it can be done safely. Any opening will be gradual with an attempt to find balance. Mr. Borne has negotiated with cleaning crews for additional sanitizing measures. Staff is looking toward the start of the new year to start over and rebuild concert bookings. Union County held a branding meeting in the theater, and the September 11 Patriot Day Ceremony will be filmed in the theater and released to the public virtually.

Item No. 5 Air Show Update Mr. Hovanec said that staff continues to move forward with plans to hold the air show on November 7 & 8 and will make a final decision on October 1. There will be some costs incurred for contract deposits if it is cancelled. Airfield construction is complete, and there has been lots of positive feedback from the public about having the air show. Staff is looking at ways to broadcast it online the day after the show for those who don't feel comfortable coming in person.

Chairman Kilgore asked if masks would be required at the air show.

Mr. Hovanec answered that staff has not discussed that yet. The UCPS buses will require masks for anyone who rides, but it would be difficult to enforce outdoors. There is a smaller lineup of performers in place; some cannot come because they've cancelled their insurance for the year. There are a couple drive-in airshows scheduled for October, but we do not have the capacity to do that. This has been very challenging to organize in the face of so much uncertainty.

Mr. Hovanec took a moment to introduce Cierra Fitzgerald, Sales Manager at the Hampton Inn.

Item No. 6 Other The group discussed the Union County branding campaign.

Ms. Kahle announced that Nancy McCoy Duncan is retiring after 15 years at the Chamber of Commerce. Make It Union County week will still be held virtually the week of September 28, and the October 28 golf tournament is sold out.

Mr. Hovanec gave each board member tickets to the Carolina Corn Fest, which is still going forward.

Mr. Hovanec said that City of Monroe events are mostly cancelled; staff is looking at a virtual or drive-through Halloween Happenings. Staff is also preparing to open the MAFC in the next couple weeks.

The group discussed the site of the new police station and senior center.

The meeting adjourned at 9:11 a.m.

ATTEST:

Bobby Kilgore, Chairman

Alison H. Nichols

MTDA/9-10-20

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

Month	Collections																			Total from Inception
	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021		
July	\$ -	\$24,556.89	\$27,208.12	\$29,286.12	\$28,559.50	\$32,087.46	\$24,549.05	\$27,790.74	\$27,818.09	\$29,545.33	\$28,654.11	\$43,035.55	\$50,935.50	\$57,757.87	\$49,237.75	\$52,555.67	\$50,502.69	\$36,361.82		
August	-	25,022.32	30,345.70	30,787.10	30,115.11	32,033.40	25,786.36	28,032.25	29,928.88	29,019.70	30,116.04	36,977.80	48,845.23	56,430.47	53,328.43	53,326.15	56,119.30	33,717.52		
September	-	23,650.32	25,663.34	27,638.59	26,326.66	30,674.71	24,355.49	25,216.46	29,075.25	34,306.54	26,188.56	36,170.00	43,971.63	52,501.28	49,280.40	57,322.54	54,601.79	36,333.99		
October	23,898.98	25,473.20	27,055.75	28,562.74	31,670.44	30,657.74	26,223.58	28,169.20	27,991.73	30,332.49	32,977.87	39,730.02	50,450.31	62,852.14	54,883.77	61,478.56	58,676.63	-		
November	22,494.05	21,146.42	22,983.34	25,543.85	28,526.48	24,889.11	21,999.34	24,475.06	27,316.22	23,851.33	28,593.65	36,201.55	44,935.28	53,718.49	52,159.03	52,344.58	44,677.93	-		
December	16,840.00	18,153.54	19,603.53	22,332.76	23,850.96	22,574.32	17,584.24	19,915.52	21,837.96	20,589.31	24,367.81	29,698.95	37,857.15	42,905.99	43,020.41	41,248.49	35,855.88	-		
January	20,665.34	20,582.21	22,515.21	23,357.77	28,635.44	23,883.63	19,615.02	21,103.77	23,391.38	24,429.80	28,568.49	33,174.57	47,446.36	49,314.76	44,917.89	45,790.70	37,998.34	-		
February	21,943.99	21,854.75	22,916.93	26,649.30	32,343.36	23,992.82	26,678.68	22,835.19	27,762.95	26,817.63	31,618.26	43,506.47	49,690.07	50,786.19	49,090.46	50,174.09	41,074.64	-		
March	23,020.95	27,654.43	28,608.28	31,187.99	35,210.37	27,000.53	24,336.17	28,069.68	31,538.28	32,723.61	35,351.64	45,588.42	54,238.06	58,370.59	58,151.91	55,628.08	44,213.52	-		
April	23,655.79	24,442.11	25,763.12	28,374.34	34,877.90	29,873.15	25,712.31	26,000.83	27,103.36	31,967.58	33,561.95	44,006.59	56,185.32	54,463.65	55,541.22	52,298.83	24,603.84	-		
May	24,877.18	29,180.42	30,325.62	31,500.43	34,667.79	30,725.91	27,459.38	27,747.78	29,612.56	30,685.57	33,436.34	46,174.97	55,415.35	59,183.07	56,465.45	58,606.08	30,748.09	-		
June	22,969.04	26,509.85	28,506.59	30,525.80	34,605.93	27,755.05	28,609.00	29,627.13	28,256.66	30,805.02	37,334.32	46,835.97	56,036.83	53,968.10	56,273.88	54,481.57	36,285.75	-		
Penalties/Interest	2,275.37	502.50		2,852.82	2,245.44		1,028.71		25.20	22.50	2.00	130.10	40.29							
Total Collections	\$202,640.69	\$288,728.96	\$311,495.53	\$338,599.61	\$371,635.38	\$336,147.83	\$293,937.33	\$308,983.61	\$331,658.52	\$345,096.41	\$370,771.04	\$481,230.96	\$596,047.38	\$652,252.60	\$622,350.60	\$635,255.34	\$515,258.40	\$106,413.33		
Distribution of Collections																				
Administrative Fee	\$30,396.11	\$43,309.34	\$46,724.33	\$50,789.96	\$55,745.30	\$10,084.43	\$8,818.12	\$9,269.51	\$9,949.76	\$10,352.89	\$11,123.13	\$14,436.93	\$17,881.42	\$16,522.53	\$16,415.73	\$16,352.55	\$15,152.58	\$3,192.40	\$386,517.02	
Operating (2/3)	\$57,414.86	\$81,806.54	\$88,257.07	\$95,936.54	\$105,296.68	\$108,687.80	\$85,039.73	\$99,904.70	\$107,236.25	\$111,581.17	\$119,882.64	\$273,630.07	\$385,443.97	\$423,820.05	\$403,956.58	\$412,601.86	\$333,403.88	\$68,813.95	\$3,372,714.34	
Capital (1/3)	\$114,829.72	\$163,613.08	\$176,514.13	\$191,873.11	\$210,593.38	\$217,375.60	\$190,079.48	\$199,809.39	\$214,472.51	\$223,162.35	\$239,765.27	\$193,163.96	\$192,721.99	\$211,910.02	\$201,978.29	\$206,300.93	\$166,701.94	\$34,406.98	\$3,349,272.12	
	\$202,640.69	\$288,728.96	\$311,495.53	\$338,599.61	\$371,635.36	\$336,147.83	\$293,937.33	\$308,983.60	\$331,658.52	\$345,096.41	\$370,771.04	\$481,230.96	\$596,047.38	\$652,252.60	\$622,350.60	\$635,255.34	\$515,258.40	\$106,413.33	\$7,108,503.49	

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

Fund Balance as of June 30, 2020 \$958,044

* Includes total occupancy tax collection less administrative fee plus interest earnings and revenue for The Tinker Belle.

Capital Fund Activity:

Revenue	\$3,349,272.12
Proceeds from 2018B Limited Obligation Bonds - Science Center	\$3,651,935.65
Interest Earned Trustee Account for 2018B Limited Obligation Bonds	\$80,095.72
Investment Earnings	117,337.63
Donations/Sponsorships	292,823.25
Expenses:	
Professional Fees for Civic Center	86,838
Monroe Park Master Plan and Site Assessment	23,058
Air Museum Advance Planning	19,240
Purchase "The Tinker Belle"	150,000
Capital Improvement to interior of "The Tinker Belle"	18,500
Storage Building	8,175
Tourism Study	7,500
Snow Machine	6,129
Tinker Belle Navigational Equipment	1,480
Center Theater Property	248,273
Tinker Belle Engine Purchase	80,046
Tinker Belle Tail Wheel	5,151
Purchase of Property Adjacent to Center Theater	260,497
Purchase of 318 E. Franklin Street Property	449,875
Capital Improvements to Science Center Building	3,757,298
Architectural/Engineering Services/Exhibits Consulting - Science Center	668,067
Fund Raising Services - Science Center	100,439
Capitalized Equipment/Exhibits - Science Center	201,794
Center Theater Expansion - Consulting Services	62,000
Branding Initiative/Website Design	33,830
2018B Limited Obligation Bonds - Issuance Costs - Science Center	84,256
2018B Limited Obligation Bonds - Debt Service & Annual Admin Fees	397,421

**Cash Balance of the Capital Project Fund
as of October 27, 2020** \$821,596.71

Portion of Cash Balance Currently Committed in Projects:

Projects:	
Branding Initiative	\$ -
Monroe Science Center Building	118,407.47
Center Theatre Expansion	-
Science Center Exhibits	343,037.27
	<u>\$ 461,444.74</u>

Unreserved Cash Balance of the Capital Project Fund \$360,151.97

\$0.00

The Tinker Belle Operating Activity FY 2021

	<u>Budget</u>	<u>FYTD Actual</u>
Revenue:		
Show Appearance Fees	20,000	\$ -
Walk-Through/Merchandise Sales	10,000	-
Total	<u>30,000</u>	<u>-</u>
Expenses:		
Repair & Maintenance - Equipment	25,000	8,798
Travel	6,500	2,496
Fuel	20,000	1,230
Insurance	12,460	10,624
Contracted Services - Warriors & Warbirds	10,000	-
Merchandise for Resale	3,000	-
Marketing & Promotions	17,275	31
Printing	2,500	-
Total	<u>96,735</u>	<u>23,179</u>
Net Income (Loss)	<u>(66,735)</u>	<u>(23,179)</u>

Update and e-mail to Pete Hovanec, Mary Lou, Brian Borne, Lisa Strickland, Alison Nichols, Bethany H

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STAFF REPORT

TO: Tourism Development Authority

VIA: Bobby G. Kilgore, Chairman

DATE: November 12, 2020

FROM: Ashley Ivey, Accounting Manager

SUBJECT: Presentation of the Fiscal Year 2020 Audit Report

SUMMARY STATEMENT

The purpose of this report is to present to the Board the results of the fiscal year 2020 audit performed by Martin Starnes & Associates, CPAs, P.A.

REVIEW

The fiscal year 2020 audit has been completed by Martin Starnes & Associates, CPAs, P.A. and Ashley Ivey, Accounting Manager, will be highlighting the results of the annual audit performed on the Authority's records. A printed copy of the audit report and financial statements will be provided to you at the meeting.

RECOMMENDATION

No action required. For information only.

Attachment(s):



STAFF REPORT

TO: Tourism Development Authority

VIA: Bobby G. Kilgore, Chairman

DATE: November 12, 2020

FROM: Peter Hovanec, Communications and Tourism Director

SUBJECT: Air Show Update

SUMMARY STATEMENT

The annual Warbirds Over Monroe Air Show was scheduled to take place on November 7-8 at the Charlotte- Monroe Executive Airport. The event is highly sponsored by the Monroe Tourism Development Authority and serves as the largest event in Union County, drawing upwards of 50,000 people over the duration of the event. However, Warbirds Over Monroe 2020 has been cancelled due to COVID-19.

REVIEW

In the hope that the governor's executive orders regarding mass gatherings would be relaxed enough or lifted entirely by the time of the air show, staff had been busy preparing and organizing air show details as usual in order to be ready for the event. However, the most recent orders from the governor did not allow for mass gathering numbers that would accommodate the crowd numbers at the air show, and it became clear that the air show would not be able to go on. Staff made the decision to cancel the air show on October 1. While the announcement has been met with some disappointment, the overall reaction of performers and guests alike has been supportive and positive.

RECOMMENDATION

No action is needed at this time.

Attachment(s):



STAFF REPORT

TO: Tourism Development Authority

VIA: Bobby G. Kilgore, Chairman

DATE: November 12, 2020

FROM: Peter Hovanec, Communications and Tourism Director

SUBJECT: Dowd Center Theatre Update

SUMMARY STATEMENT

The TDA will be presented an updated on events for the Dowd Center Theatre and how they are impacted by COVID 19.

REVIEW

The Dowd Center Theatre and the adjacent building have been purchased through hotel occupancy taxes, and the process of renovating the existing structure is moving forward. The feasibility and cost estimates were completed by Webb Management, and an RFQ contract was awarded to Clearscapes Architecture for the schematic design and construction documents. The theater is mostly completed, and we have a certificate of occupancy. The theatre has held two successful preliminary events. Due to the pandemic, the gala event is currently postponed until the first of the year, and events are cancelled through the rest of the year. The first public event is yet to be determined. Everything is in a holding pattern awaiting governor's orders. Staff is working on internal programming.

RECOMMENDATION

No action is needed at this time.

Attachment(s):



STAFF REPORT

TO: Tourism Development Authority

VIA: Bobby G. Kilgore, Chairman

DATE: November 12, 2020

FROM: Peter Hovanec, Communications and Tourism Director

SUBJECT: Monroe Science Center Update and Walk Through

SUMMARY STATEMENT

The TDA will be presented an update on construction and exhibit completion for the Monroe Science Center.

REVIEW

With construction is nearing completion, staff is working to develop the exhibit areas as well as the overall layout and design of the purchased exhibits and design of peripheral materials (directional signage, vinyl graphic panels, donor signage, etc.). Staff is contracting with Verner Johnson to continue with their exhibit consulting services. This professional service is needed to assist staff in the overall layout of the facility and will ensure exhibit placement meets ADA standards while maintaining the aesthetic intent of the design elements. It is anticipated that exhibit moving and construction should take roughly six months from time of construction completion. Nearly 20 exhibits have been secured, and the initial staffing process has begun. Verner Johnson has worked closely with the City staff as well as the Science Center architect, Morris-Berg, since the project's inception. Verner Johnson has not only been instrumental in securing the exhibits but also in ensuring that the construction and fabrication of the exhibits meet the size and design standards of the facility.

RECOMMENDATION

No action is needed at this time.

Attachment(s):