MONROE TOURISM DEVELOPMENT AUTHORITY
REGULAR MEETING

City Hall Conference Room
300 W. Crowell Street
Monroe, NC 28112
Thursday, April 8, 2021 - 8:30 AM

AGENDA

1. Approval of Minutes of Monroe Tourism Development Regular Meeting of March 11, 2021
2. Finance/Occupancy Report
3. Budget Amendment to Adjust Debt Service Expense
4. Fiscal Year 2021-2022 Budget

   Public Hearing

   Action – Resolution and Budget Ordinance to Adopt FY 2021-2022 Budget
5. Science Center Update
6. Dowd Center Theatre Update
7. Other

MONROE TOURISM DEVELOPMENT AUTHORITY

REGULAR MEETING

CONFERENCE ROOM

300 W. CROWELL STREET, MONROE, NC 28112

MARCH 11, 2021 – 8:30 A.M.

MINUTES

Present: Vice Chairwoman Sheila Crunkleton, Pat Kahle, Ron Brown, Gina Day, and Lorayn DeLuca

Absent: Chairman Bobby Kilgore

Staff Present: Communications and Tourism Officer Pete Hovanec, Finance Director Lisa Strickland, Communications and Tourism Assistant Alison Nichols

Staff Absent: Assistant City Manager/Director of Downtown Brian Borne, City Manager Larry Faison, Accounting Manager Ashley Ivey, Assistant City Attorney Ashley Duncan Britt

Visitors: Sean Burns, Fairfield Inn Director of Sales, Accounting Analyst Amy Austin (arr. 9:27 a.m.)

Vice Chairwoman Crunkleton called the Monroe Tourism Development Authority Regular Meeting of March 11, 2021 to order at 8:30 a.m.

Item No. 1 Approval of Minutes of Monroe Tourism Development Authority Meeting of February 11, 2021 Ms. Kahle made a motion to approve the Minutes of the Monroe Tourism Development Authority Regular Meeting of February 11, 2021. Mr. Brown seconded the motion, which passed unanimously with the following votes:

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

NAYS: None

Item No. 2 Finance/Occupancy Report Ms. Strickland said that occupancy tax numbers are starting to look better, but they are still down 44% year-to-date from FY2019 and 34% from FY2020. Staff is hopeful that summer rates will rebound. The operating fund balance is healthy, just short of $1 million, and the capital project fund balance is just over $400,000. Science center exhibits are being installed, and the money is already set aside for those.

Mr. Hovanec clarified that operating funds are in addition to capital funds.

Ms. Strickland confirmed and added that if funds from occupancy taxes run short, TDA would have to dip into those funds.

Ms. Day stated that the Fairfield Inn saw higher occupancy during February, and March is trending higher as well.

Mr. Brown noted that the stimulus checks and vaccines would promote travel.

Ms. Day said the hotel has been at 60% occupancy during the last two weeks with sports tournaments, weddings, etc.

Item No. 3 Budget Presentation and Call for Public Hearing Mr. Hovanec presented the line-item 2021-2022 budget, noting the numbers haven't changed much for the science center because budgeted money has not been used due to the center not being open. Mr. Hovanec emphasized that budget numbers are best estimations and are subject to adjustments as the year proceeds. Staff is hoping to hire the science center director on July 1 so the hiring coincides with the next fiscal year.

Mr. Hovanec said that this is basically the same budget as last year. The audit cost will go up about $2,000. In addition, this is an evaluation year for the *Tinker Belle*.

Mr. Hovanec went through the budget line by line.

Ms. DeLuca asked where the marketing is directed.

Mr. Hovanec answered that it is mainly directed out of town but mostly in state, sometimes out of state for the air show in targeted areas. Marketing is directed to areas 60-90 miles out of town to attract people who will stay overnight in Monroe hotels.

Mr. Hovanec noted that the theater and science center will have their own separate marketing/promotions budgets. There should be no new surprises; things are scaled back a bit, and TDA's projects seem to have weathered the storm. The science center and theater not being open has saved on the budget; while there has been no revenue from them, expenses have been way down.

Mr. Hovanec announced that if there is anything board members want to propose adding to the budget, they should contact staff so it can be brought up at the next meeting.

Vice Chairwoman Crunkleton asked if TDA would be responsible for paying for a combined opening event for the science center and theater.

Mr. Hovanec responded that the science center and theater would pay out of their own marketing budgets, but TDA could add to it to make it bigger/better. Mr. Hovanec emphasized that the board wants to avoid not having money for things and having to do budget ordinances as the year progresses. As budget overages roll over, it is better to have money set aside and unused than not enough money set aside.

Ms. Kahle asked what events paid for by the special events budget are recurring events.

Mr. Hovanec answered that the Golf Pro-Am, the Corn Fest, and the Women's Leadership Conference are all recurring events, and there are other events that pop up. It is difficult to anticipate what will come up each year.

After a short discussion, the group requested to bump the special events budget up to $30,000.

Ms. Strickland noted that the administrative fee will need to be raised a bit to include new software.

Mr. Hovanec said that overall staff tries to keep the budget lean.

Vice Chairwoman Crunkleton agreed that this should be the year to evaluate the *Tinker Belle*. It is a wonderful attraction but has been bleeding money.

Mr. Hovanec mentioned that staff has taken over a hangar at the airport using a combination of air show, *Tinker Belle*, and general tourism funds to pay the rent.

Ms. Kahle made a motion to call for a public hearing for the 2021-2022 budget on April 8, 2021. Ms. DeLuca seconded the motion, which passed unanimously with the following votes:

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

NAYS: None

Item No. 4 Dowd Center Theatre Update Mr. Hovanec said that, with the latest governor's orders, the theater can now have 171 people inside and will start showing movies and opening for rentals that meet those numbers in mid-April. Signs at the theater were installed yesterday, and staff is considering collaborating with the Arts Council for some art shows and smaller musical events. Staff is being inundated with people wanting rental space. While there are a few things to fix/finish, simple events could be held at the theater right now. Staff will be advertising for an admin/box office person and for volunteers and part-time workers. Currently it is difficult to book acts, but that is beginning to clear up. Staff negotiated a ticketing contract with only a 4% markup, and it was approved by City Council. Once the governor increases numbers allowed in the theater, staff will plan an opening blowout.

Ms. Day asked what the maximum capacity of the theater is.

Mr. Hovanec answered that there are 571 seats in the theater; the lobby space is less.

Item No. 5 Science Center Update Mr. Hovanec said that 70% of the exhibits are in place at the science center. An airplane was moved down 74 last week and installed outdoors at the science center. JB Preslar and his company moved the plane and donated all services and fees. Staff has also secured a Mercury space capsule and miscellaneous items to be used as a temporary exhibit to honor Dr. Christine Darden. After about six months, the capsule will be moved to become an outdoor permanent exhibit.

Vice Chairwoman Crunkleton noted that there is a grassroots effort in the community to name the science center after Dr. Christine Darden.

Mr. Hovanec responded that that effort is a bit misguided. Dr. Darden's name will be prominent on the outdoor Mercury capsule exhibit and tied in to educational information there. Staff has had the media out to see and present to the public so they understand the full extent of the plan.

Ms. Kahle asked what the City's naming policy is.

Mr. Hovanec answered that City Council adopted a naming policy attached to financial contributions. Dowd paid $1 million to name the theater. Staff can't change the name of the Monroe Science Center on a whim with no financial contributions.

Ms. Kahle asked what would happen if someone brought money and asked for naming rights.

Mr. Hovanec responded that that would be an issue for City Council to determine.

Vice Chairwoman Crunkleton asked if there is a time limit on naming rights.

Mr. Hovanec answered that the Dowd naming right is permanent and that rights are for the life of the facility/exhibit sponsored. When an exhibit at the science center goes away/is retired, the naming rights go away with it.

Vice Chairwoman Crunkleton asked if board members could share with the public that the City is working on ways to honor Dr. Darden.

Mr. Hovanec responded, yes, let the public know the City will do the right thing.

Item No. 6 Other Mr. Hovanec said that there is a lot of new development coming to Monroe, including a couple thousand new residences and some big mixed-use projects. Indian Trail is building a hotel near Carolina Courts. The City is moving forward with Music on Main and Car Cruise-Ins for the summer and the air show for the fall.

Vice Chairwoman Crunkleton declared a recess at 9:14 a.m. for the board to travel to the Monroe Science Center.

Item No. 7 Tour of Science Center Vice Chairwoman Crunkleton resumed the meeting at 9:22 a.m. at the Monroe Science Center.

Mr. Hovanec toured TDA members through the Monroe Science Center, demonstrating each exhibit.

The meeting adjourned at 9:59 a.m.

ATTEST: Bobby Kilgore, Chairman

Alison H. Nichols

MTDA/3-11-21

CITY OF MONROE, NORTH CAROLINA
HOTEL OCCUPANCY TAX COLLECTIONS HISTORY

	Collections																	Total from
Month	**FY2004**	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**Inception**
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	58,576.63	47,918.88	
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	33,689.77	
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	30,608.58	
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	34,555.26	
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	35,790.58	
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	$288,976.40	
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	$8,669.29	$391,993.91
Operating (2/3)	$57,414.86	$81,806.54	$88,257.07	$95,936.54	$105,296.68	$108,687.80	$95,039.73	$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	$186,871.41	$3,490,771.80
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	$93,435.70	$3,408,300.85
	$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	$288,976.40	$7,291,066.56

Operating Fund Activity:

Fiscal	Total	Operating	Capital Fund	Increase/(Decrease)	Fund
Year	Revenue*	Expense	Transfer Out	in Net Assets	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 adminstrative fee plus interest earnings and revenue for The Tinker Belle.

Capital Fund Activity:

Revenue	$3,408,300.85
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	117,461.54
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	3,760,632
Architectural/Engineering Services/Exhibits Consulting - Science Center	668,067
Fund Raising Services - Science Center	100,439
Capitalized Equipment/Exhibits - Science Center	306,649
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	398,301
ERP Project	3,220
Cash Balance of the Capital Project Fund as of March 25, 2021	$768,461.31

Portion of Cash Balance Currently Committed in Projects:

Projects:		
Branding Initiative	$ -	
Monroe Science Center Building	115,074.06	
Center Theatre Expansion	-	
Science Center Exhibits	238,182.64	
	$ 353,256.70	
Unreserved Cash Balance of the Capital Project Fund	$415,204.61	*($0.00)*

The Tinker Belle Operating Activity FY 2021	**Budget**	**FYTD Actual**
Revenue:		
Show Appearance Fees	20,000	$ -
Walk-Through/Merchandise Sales	10,000	-
Total	30,000	-
Expenses:		
Repair & Maintenance - Equipment	30,000	23,127
Travel	6,500	2,496
Fuel	20,000	7,115
Insurance	12,460	10,624
Contracted Services - Warriors & Warbirds	10,000	-
Merchandise for Resale	3,000	-
Marketing & Promotions	12,275	2,032
Printing	2,500	-
Total	96,735	45,395
Net Income (Loss)	(66,735)	(45,395)

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

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City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: Monroe Tourism Development Authority Board

VIA: E.L. Faison, City Manager

DATE: April 8, 2021

FROM: Lisa Strickland, Finance Director

PREPARED BY: Ashley Ivey, Accounting Manager

SUBJECT: Budget Amendment to Adjust Debt Service Expense

SUMMARY STATEMENT

The Tourism Development Authority is requested to approve a budget amendment of $5,472 to adjust debt service and administrative expense budgets. Debt was originally budgeted in the Tourism Development Authority for its share of new financial software, but according to state statute, debt cannot be held by the Authority.

REVIEW

The budget amendment of $5,472 to adjust debt service and administrative expense budgets will allow the Tourism Development Authority to reimburse the City's General fund for their share of new financial software. This amendment adjusts the accounts accordingly in the Tourism Development Authority. An amendment has already been done and approved by City Council to adjust the General Fund budget.

RECOMMENDATION

Staff asks that the Monroe Tourism Development Authority Board approve the budget amendment for $5,472 to adjust debt service and administrative expense budgets.

Attachment:
BA-2021-01

MONROE TOURISM DEVELOPMENT AUTHORITY
BUDGET AMENDMENT
BA-2021-01

Amendment is necessary to adjust debt service and administrative expense budgets for its share of new financial software.

Tourism Development Authority:

Expenses:	
Tourism Debt Service	($5,472)
Tourism Administration	$5,472

Adopted this 8th day of April, 2021.

_____
Bobby Kilgore, Chairman

ATTEST:

_____
Alison Nichols, Clerk

MONROE TOURISM DEVELOPMENT AUTHORITY
RESOLUTION TO ADOPT AN ANNUAL
BALANCED BUDGET FOR FISCAL YEAR 2021-2022

R-2021-01

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 2021-2022 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-2021-01

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, 2021, ending June 30, 2022:

Physical and Economic Development	$ 889,082

Section 1B It is estimated that the following revenues will be available in the General Operating Fund for the fiscal year beginning July 1, 2021, and ending June 30, 2022:

Restrictive Intergovernmental	$ 582,000
Sales and Services	154,250
Investment Earnings	4,695
Miscellaneous	6,025
Other Financing Sources	142,112
	$ 889,082

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 8th day of April, 2021.

_____
Bobby G. Kilgore, Chairman

ATTEST:

_____
Alison Nichols, Clerk

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: Tourism Development Authority

VIA: Bobby G. Kilgore, Chairman

DATE: April 8, 2021

FROM: Peter Hovanec, Communications and Tourism Director

SUBJECT: Monroe Science Center Update

SUMMARY STATEMENT

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

REVIEW

With construction 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):

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: Tourism Development Authority

VIA: Bobby G. Kilgore, Chairman

DATE: April 8, 2021

FROM: Peter Hovanec, Communications and Tourism Director

SUBJECT: Dowd Center Theatre Update

SUMMARY STATEMENT

The TDA will be presented an update 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. 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.