

# NORTH CAROLINA TRAVEL AND TOURISM BOARD



## MEETING MINUTES

February 10, 2009

**BOARD MEMBERS PRESENT:** Chris Cavanaugh, Sally Ashworth, Mike Butts, Haddon Clark, Teresa Damiano, Randy Kolls, Penny Leary-Smith, James Meacham, John Meroski, Davin Olsen, Doyle Parrish, Thomas M. Pashley, Harris Prevost, Joan H. Pulley, Jamie Reibel, Tom Ruff, Susan Spangler, Steve Thanhauser, Representative Phillip Haire, Representative Alice Underhill, J. Keith Crisco, Lynn Minges

**BOARD MEMBERS ABSENT:** Joyce Dugan, S. Lewis Ebert, Ed Phillips, Leonard Rigsbee, Anne Steketee, Lieutenant Governor Walter Dalton, Senator A.B. Swindell

**LIAISONS, STAFF AND GUESTS PRESENT:** Shannon Arnold, Bryan Gupton, Eleanor Talley, Scott Gilmore, John Ketchum, Jennifer Jenkins, Connie Wilson, Jim Hobbs, Paul Stone, Dana Simpson, Tammy O'Kelley, Cynthia O'Neal, Dale Carroll

### **CALL TO ORDER**

Chairman Chris Cavanaugh called the meeting to order at 11:07 a.m.

### **INTRODUCTIONS FROM THE CHAIRMAN**

Introductions and recognition of new board member, Joan Pulley.

### **MINUTES APPROVED**

James Meacham motioned for approval of the December 9<sup>th</sup>, 2008 meeting minutes. Steve Thanhauser seconded the motion. The motion was unanimously passed.

### **COMMENTS FROM THE CHAIRMAN**

- Congratulations to Lynn Minges on her promotion to Assistant Secretary of Tourism, Marketing and Global Branding for the Department of Commerce.
- Chairman announced this his final meeting as chair and urged board members to remain positive moving forward in these challenging times.
- Announcement the legislature is back in session.

### **DANA SIMPSON PRESENTED FOR NC TRAVEL & TOURISM COALITION**

- NC Travel & Tourism Coalition Mission
  - Promote public policies that encourage the growth and development of North Carolina's travel, tourism, and hospitality industry.
- Legislative Goals:
  - Funding for marketing and promotion
  - Occupancy Tax
  - Oppose other taxes targeted at travel and tourism
  - Support existing school calendar legislation
  - Protect our environment
- Key 2009 Coalition Priorities:
  - Funding for Tourism Marketing and Promotion
  - Enforcement of Occupancy Tax Guidelines
- Economic Impact of Tourism
- N.C. Investment in Tourism Promotion Lags Competitors
- 2008 Reduction in State Funding coincides with reduction in NC Travel
- 2006 study by Longwoods International found that every dollar the state spent in tourism promotion generated:
  - \$185 in new visitor spending
  - \$9.72 in new state tax revenue
  - \$5.99 in new local tax revenue
- Coalition urging policymakers to commit over the next four years to eliminating N.C.'s competitive disadvantage in statewide tourism marketing compared to other Southeastern states.
- Background of Occupancy Tax Guidelines

- Tourism Development Authority Administration
- Conformity with Guidelines

#### **CONNIE WILSON PRESENTED FOR NC TRAVEL INDUSTRY ASSOCIATION**

- School Calendar Law Recent History
  - 2005 first year of School Calendar Law Implementation
  - Every session bills are filed to modify or eliminate the new law
  - Changes in leadership and legislators have reduced support for the law
  - Save our Summers has had difficulty in engaging parents
- Poll Results showing support for later school start date
- Where are we now
  - Strong support among senate leadership
  - Picking up votes in the House
  - Attached School Calendar to Jobs
  - Awaiting economic analysis
  - More communication this session
- Chairman requested comments from the board particularly the legislators. Board discussion of various aspects and ramifications of school start date and current law.

#### **PAUL STONE PRESENTED FOR NC RESTAURANT AND LODGING ASSOCIATION**

- NC Restaurant and Lodging Mission
  - Protect, promote, inform and improve the restaurant and lodging industry in North Carolina
- NCRLA Legislative Team is comprised of:
  - 3 Lobbyists
  - Governmental Affairs Committee
  - Board of Director's
  - NCRLA Members
- Restaurant and Lodging is the largest private employer in the state; providing jobs to 494,000, 10% of the NC Workforce, and \$17.5 billion in state revenue
- NCRLA Key Issues:
  - Hospitality Taxes
  - Occupancy
  - Meals
  - ABC
  - Menu of Taxes
  - Smoking Ban
  - Tourism Funding
  - Card Check
  - Mandated Sick Leave
  - E-Verify
- NCRLA's concerns:
  - Local and state government looking for restaurant and hotels to further supplement non-hospitality related projects
  - Any legislation that targets the industry without something positive in return
- Tom Ruff addressed unionizing and the importance of secret ballots in relation to the Employee Free Choice Act. Paul Stone talked about NCRLA position on Employee Free Choice Act as not anti-union; but pro secret ballot.
- Susan Spangler motioned for a Card Check Resolution. Steve Thanhauser seconded the motion. The Card Check Resolution was unanimously passed.

#### **LYNN MINGES PRESENTED THE DIVISION UPDATE**

- 2008 Year End Smith Travel Research study shows the occupancy in NC was -6.7 percent, higher than the national percentage of -4.2; room rates were up 3.5 percent compared to the national average of +2.4; revPAR was down, along with room revenue and room demand.
- On a regional scale; occupancy, average daily rate, and revPAR were showing similar trends.
- On January 14, 2009 the new VisitNC website was launched.
- The Division, along with Charlotte Regional Visitors Authority, hosted the 2009 ABA Marketplace. Over 3,100 attendees including 650 tour operators and over 70 North Carolina tourism partners were in attendance.
- International Meetings:

- ITB, Berlin Germany, March 11-15, 2009
- UK Sales Mission, March 20 – April 3, 2009
- German Tour Operator Familiarization Tour - Outer Banks, April 16-21, 2009
- UK Tour Operator Familiarization Tour – Asheville/Mountains, April 23-27, 2009
- US Travel Association's International Pow Wow, May 16-20, 2009
- Public Relations
  - Hosted Atlanta Media Mission with 30 NC travel industry partners and over 30 journalists from the Atlanta media market
  - Hosted Journalists on a Ski NC Familiarization Tour
- Sports
  - Division supporting Greensboro in efforts to host 2011 United States Skating National Championships; January 23-30, 2011, finalist with Kansas City, Missouri; Estimated attendance over 150,000, Local economic impact \$30mm/City selection Mid-February
- Budget
  - Fiscal 2008/2009 Budget Cut 7%
  - 2009/2010 Budget Cut Estimated at least 7%

#### **BRYAN GUPTON PRESENTED DIVISION BUDGET UPDATE**

- Tourism Budget
  - 2008-2009 Appropriation \$10,965,179
  - Through January—Reserves For Budget Reduction \$ 727,441
    - (5% in Nov., 2% in Jan.)
  - In addition to vacant positions, the grant program, postage, printing and travel lines have been cut sharply and other lines have been reduced
  - Agencies were required to submit 3%, 5% and 7% budget cut recommendations for the next two fiscal years in January. Additionally, agencies were asked to submit program reduction and elimination recommendations. Management is currently reviewing programs
- Welcome Center Budget
  - 2008-2009 Appropriation \$1,925,173
  - Through January—Reserves For Budget Reduction \$ 90,738
    - (5% in Nov., 2% in Jan.)
  - In addition to vacant positions, most line items now have budgets of \$0. The Tourism Division will have to assume responsibility for some basic expenses including power and phones.
  - Review of potential staffing cuts, further closings, potential budget cuts and solutions to offset costs.
    - Welcome Centers traditionally open 361 days/year but to save budget dollars, PT staff is not currently scheduled. Welcome Centers now closed on Tuesdays.
    - Neighboring states have taken similar steps with SC and VA closing on Tuesdays and Wednesdays.
  - The Division reached out to the board for any suggestions to solve these potential cut backs. The Chairman will consider forming a working group to study Welcome Centers.

#### **ELECTION OF NEW CHAIRMAN**

- Doyle Parrish chaired the committee charged with nominating a new board chairman. The nominating committee consisted of Doyle Parrish, Teresa Damiano and Ed Phillips. Parrish said the committee nominated Steve Thanhauser as the new 2009 Board Chairman. James Meacham moved for approval of the committee recommendation; Harris Prevost seconded the motion, which passed unanimously.

Meeting adjourned at 2:15 p.m.