



**CHARLOTTE REGIONAL VISITORS AUTHORITY  
BOARD MEETING**

Wednesday, June 10, 2009 – 8 AM  
Ovens Auditorium, Hospitality Room

Attending: Jim Nash, Ravi Patel, Derick Close, Tom Sasser, Tina Whitley, Anthony Lindsey, Caldwell Rose, Geoff Durboraw, Vi Lyles and Rai Glover. Absent: Anthony Fox. Attending via teleconference: Joe Hallow.

Staff Present: Tim Newman, Mike Crum, Larry Williams, Jim Helms, Gina Sheridan, Ted Lewis, Eric Scott, Donna Carpenter, Bill Tripet, Jeff Mann, Winston Kelley, Reka Brim, Molly Hedrick, Nick Biancofiore, Brandy Richard, Jorge Rodriquez, Steve Bagwell, Leon Brown, Jeff Hewitt, Mike Butts, Mike Applegate, Carole Thompson, George Hite, Mariel Littrell, and Katie Edwards (intern).

Others in Attendance: Cameron Furr, CRVA Attorney from Grier Furr and Crisp; Ron Kimble with the City of Charlotte; and Sid Smith representing the Charlotte Area Hotel Association.

Meeting Called to Order: Chairman Nash called the meeting to order at 8:00 AM.

Approval of May 13, 2009 Meeting Minutes: Mr. Close made a motion to accept the May minutes as submitted, seconded by Mr. Patel. Mr. Nash requested that the minutes be amended to insert as the 3<sup>rd</sup> to the last line of the Strategic Imperatives discussion: "The staff will review each event and periodically review the portfolio of co-promotion events to maintain controls over risks and exposure." For: Nash, Patel, Close, Sasser, Whitley, Lindsey, Rose, Durboraw, Lyles, Glover and Hallow. Against: None.

Recognition of Ray Kennedy as Chair of CIAA LOC: The board presented a plaque to Ray Kennedy for service as chair of the local organizing committee for the CIAA tournament. Mr. Newman noted the success of the tournament and the benefits to the community of hosting the tournament. Mr. Kennedy thanked the board. He noted how well the City has performed in hosting the CIAA. He thanked Reka Brim especially.

Review of May Racing Activities: Mr. Newman reviewed NASCAR events in May. He noted the Pit Crew challenge was a great success, as were the NASCAR sponsored concerts downtown.

Review of FY 2010 CRVA Operating and Capital Budgets: Mr. Patel introduced the FY2010 budget. The Budget Committee met for three and a half hours to finalize the

budget presented to the board today. Mr. Patel discussed a goal of job stabilization without increase in compensation. Employees making less than \$30,000 annually will get a three percent (3%) increase. He discussed the proposed one and one half percent (1 ½%) contribution to the 401(a) plan, a two and one half percent (2 ½%) one-time incentive payment which might be earned based on goal attainment, and a cap on pay for highly compensated employees. He noted that the Committee thought that the CRVA should consider having percentage salary increases varying by employee, rather than all employees receiving the same increase. The Committee discussed the concern of a reduction of \$468,000 in the Visit Charlotte budget, but Mr. Butts had noted that the primary decrease is in the leisure tourism budget and that the reduction would not materially affect Visit Charlotte's position in the market. Mr. Patel noted that the Committee strongly recommends a policy for growing the fund balance. Finally, the Committee believed the reserve for lawsuits should be restricted from the existing fund balance instead of incorporating the reserve in the FY 2010 budget, given the current economic conditions. Mr. Patel said that the Committee recommended approval of the budget. Mr. Newman thanked Mr. Patel and the Committee for their hard work through a very tough process. (Mr. Hallow disconnected from the meeting at 8:30 AM)

*Review of 2010 CRVA Strategic Plan* – Mr. Helms lead the board through the Strategic Plan, reflected in pages 6 through 17 of the board packets, and which was reviewed at the last board meeting.

*Review of FY 2010 Organizational Goals* – Mr. Crum discussed the Strategic Organizational Goals of the Authority, shown on page 18 of the board packet. The goals for each division of the organization are shown, broken into categories of CRVA Global, Customer Service, Financial Driver, Activity Measure, Vendor Diversity and, lastly, a goal chosen and driven at the option of the Manager of the division.

*Presentation of FY 2010 Budgets* – Mr. Williams let the board through an overview of the budget which was provided to the board separately bound. Mr. Williams noted that economic conditions had a major effect on the budget. The focus was on preserving core CRVA services first. A net operating surplus is budgeted related to Hall of Fame revenues, parking operations and the food and beverage commission from Time Warner Cable Arena. Mr. Biancofiore reviewed the budget for each facility. Mr. Williams reviewed the capital budget for the Authority, concluding with a slide showing a summary of the budget. Mr. Close noted that the Budget and Strategic Planning Committees had worked together since January to stay informed on current financial issues. He thought that effort had served the Authority well and should be resumed in September. Mr. Rose said that he thought the budget sends the right message to the public in holding costs down.

*Public Hearing FY 2010 Budgets* – Ms. Lyles made a motion to open a public hearing to discuss the budget. Ms. Glover seconded the motion. For: Nash, Patel, Close, Sasser, Whitley, Lindsey, Rose, Durboraw, Lyles and Glover. Against: None. Mr. Nash asked whether anyone from the public wished to speak. No one spoke. Ms. Lyles made a motion to close the public hearing. Mr. Rose seconded the motion. For: Nash, Patel, Close, Sasser, Whitley, Lindsey, Rose, Durboraw, Lyles and Glover.

*Board Review and Discussion* -- After some discussion, it was decided that “parking allowance” would be changed to a “transportation subsidy” to promote mass transit and other ways to commute to work with the CRVA. Mr. Patel made a motion to approve the 2010 FY budget with the transportation amendment. Mr. Rose seconded the motion. For: Nash, Patel, Close, Sasser, Whitley, Lindsey, Rose, Durboraw, Lyles and Glover. (Mr. Close left the meeting at 9:00 AM)

Sales and Marketing: Visitor Statistics – Mr. Helms reviewed visitor statistics through April 2009. Mr. Helms reviewed the percentage change Charlotte vs. U.S., Charlotte measures (including Occupancy, ADR and RevPAR), and comparative measures (comparing Charlotte to Competition Set and the U.S.).

*Sales Activities* – Mr. Butts discussed sales activities since the last board meeting. Booking of note was the Gideon International conference for July 2011, formerly at the Convention Center about 8 years ago. The economic impact of the group is estimated at \$7.5M. Lost business includes the American Pharmacists Association, which is going to a Gaylord property. Last month the sales team was in D.C.; this month they are in Atlanta for presentations. Mr. Butts drew the board’s attention to the Sales and Marketing Plan in the board packets. Last month the board was given an overview. Mr. Helms discussed booking goals. Mr. Lindsey asked whether there was any consistency in the reasons for lost business? Mr. Butts said that the reasons vary and there is not set pattern. Mr. Butts said that there is not an infrastructure need to which people point consistently when there is lost business. He believes the Cultural Facilities will be an attraction and his staff continues to promote those facilities to visitors.

*Marketing Activities* – Ms. Sheridan showed the board the latest promotional item created, which is a book entitled “How Charlotte Became ChArLOTte”. A quarterly newsletter has been sent to meeting planners. Ms. Sheridan noted that for budget reasons there would be no new production of “Charlotte’s got A Lot” ads in the next fiscal year. The last ad, an amateur sports ad, has been completed. She showed the advertisement to the board.

Measures: April Financial Report – Mr. Williams reviewed the Financial Report for the period ending April 2009. The balance sheet reflects that the CRVA is in sound financial condition. The CRVA had a net deficit of \$1,237 primarily from the \$8,333 surplus resulting from the F&B profit sharing agreement with the Bobcats and the \$9,570 deficit from the HOF parking garage. Visit Charlotte’s net expense of \$702K versus budget of \$884K puts them ahead of budget by \$182K for the month and ahead of budget fiscal year-to-date by \$649K. The Convention Center had a gross operating deficit of \$378K versus a budgeted deficit of \$333K, which puts them behind budget by \$45K for the month. In April, revenues were down from budget by 27% due to reduced income from food and beverage. This drop can be attributed mainly to the cancellation of Hendrick Automotive Group’s Annual Meeting. Associated expenses were also down 14% due to wages and merchandise savings resulting from the cancellation. The Ovens Auditorium /Bojangles’ Coliseum Arena Complex recorded a gross operating surplus of \$80K versus budget surplus of \$31K which puts them ahead of budget by \$49K. FYTD, the Complex is behind budget by \$296K. Bojangles’ Coliseum hosted 8 events versus a budget of 3. Three extra concerts and the two Carolina Speed football games led to the large surplus.

Ovens hosted 15 events versus a budget of 19 events. Professional fees were over budget by \$14,000 due to legal fees/claims associated with a litigation matter and there was also a \$19K loss on the co-promotion of KD Lang. At the Time Warner Cable Arena, expenses were under budget by \$33K. FYTD, the Arena is \$128K ahead of budget. Actual expenses were \$100K versus budget of \$186K for the NASCAR HOF due primarily to timing differences as to when advertising and promotion expenses will occur. Expenses for the Airport division were under budget by \$9K. CRVA Parking Operations incurred \$10K in expenses versus a budget of \$55. Additional hiring has been delayed until the HOF parking garage opened in mid May.

Fund Balance Projection: \$4.1 million versus the goal of \$4 million. Variance due to the effects of the CRVA Parking Operations (\$127K deficit) and the projected operating deficit of \$85K for the Bojangles' Coliseum/Ovens Auditorium Complex above the authorized subsidy provided by the City plus the projected additional contribution of Fund Balance by Visit Charlotte by \$301K.

Review of VAC Applications: Ms. Hedrick presented two applications for consideration to join the VAC: Steve Camp (former Managing Director of the CRVA) and Lynn Wheeler (former County Commissioner). Mr. Patel made a motion to accept the two nominations. Mr. Rose seconded the motion. For: Nash, Patel, Sasser, Whitley, Lindsey, Rose, Durboraw, Lyles and Glover. Against: None. Ms. Lyles asked whether VAC members continue to attend meetings and participate. Ms. Hedrick said that attendance has varied and that she was going to ask some members if other people from their organization might want to join in their place. She said that attendance was typically around 20 members.

Consent: Management Reports – Mr. Nash asked if anyone had any questions or comments about the Consent Reports. Mr. Rose suggested to Mr. Butts that he prepare a list of 5 to 10 items that convention groups mention as events or places they would like to see in Charlotte.

Executive Session: A motion was made by Mr. Nash, seconded by Mr. Hallow, to move into Executive Session at 9:31 AM in accordance with North Carolina General Statute section 143.318.11(4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the CRVA and with North Carolina General Statute section 143.318.11(5) to establish, or to instruct the CRVA's staff, concerning the position to be taken by or on behalf of the CRVA in negotiating the amount of compensation and other material terms of an employment contract or proposed employment contract. For: Nash, Patel, Sasser, Whitley, Lindsey, Rose, Durboraw, Lyles and Glover. Against: None.

The regular meeting of the board was resumed at 10:22 AM. Mr. Rose had left the meeting at 9:54 AM. There being no further business, the meeting was adjourned at 10:23 AM.

Vi Lyles, Secretary