

## **Peachtree City Convention and Visitors Bureau**

### **Meeting Minutes**

**May 20, 2020**

**3:00 pm**

The PTCCVB Board met in a special session on Wednesday, May 21, 2020. Board Chair, Patti Kadkhodaian, called the meeting to order at 3:06 pm. Others in attendance were Donna Soper, Paul Salvatore, and Jon Rorie, Kymberly Hughes, David Green, Joni Duet, and Mary Camburn. Scott Lovejoy attended via telephone.

**I. Call to Order & Pledge of Allegiance:**

Meeting was called to order at 3:06 pm.

**II. Public Comment:**

No public comment was made

**III. New Agenda Items**

**a. HMR CVB Budget Impact:**

Board member Paul Salvatore presented the adjustments to the FY2020 and the proposed FY2021 budgets to reflect impact from the COVID-19 pandemic. Proposed budget will need to be presented to the Finance Committee to adopt the budget then brought to City Council for approval.

Budget highlights include revenue reduction, personnel cuts, and other line item cuts for both FY2020 and FY2021. Personnel received a 35% pay decrease and all part-time positions were eliminated effective immediately and will go into the FY2021 budget until more information is gathered from the revenue impact. The advertising funding has been cut by 85%. Trade shows, professional development, and tourism events cut 100%.

FY2020 started with a fund balance of \$331,283. Projected use of funds totaling \$285,410. Projected use with the expense cuts made for FY2020 and expectations of reduced revenue until the end of the year leads to a projected end balance of \$46,150.

On the revenue side, of the 8% HMR tax the CVB receives 3.5% of that originally amounting to \$745,784 projected revenue for FY2020. Projections are now coming in at a 49% decrease of the original number now totaling \$381,823. Current data is showing hotel collections for March is about 35% of what was projected. We expected about \$71,000 for March, recorded revenue of about \$25,000, and are facing collection issues with only \$16,000 collected due to hotels not remitting payment. April is expected to be the worst month of collections due to shut downs.

For FY2021 we are starting out with the assumption of collecting revenue of 50% of what was budgeted for FY2020 which will total \$372,892. Other revenues cut total \$65,000 with the largest of that cut being revenue of tourism events totaling \$55,000. Revenue side of the budget was cut in total of \$437,892. On the expense side (inclusive of the 35% pay cut to personnel, part-time positions eliminated, 85% advertising cut, and tourism development, trade shows, and events cut at 100%) cuts totaling \$593,756. Expense reductions totaling \$593,756 and revenue reductions totaling \$437,892 leaves a difference of \$155,864. The current budget already called for use of \$176,789 use of cash reserves, so with cuts made we did not make up for the complete total of use of cash reserves. We are about \$21,000 short of accomplishing that which leaves the remaining cash reserve balance at a possible total of about \$25,000 from \$46,150.

Board member Jon Rorie had question about where the lease expense was in the budget. Mary Camburn commented that she had the lease expense in for the full year of the budget. Paul Salvatore commented that they are still budgeting for that because they figured one way or the other we'd still have a liability to pay pending the outcome of what happens with the lease.

Board member Paul Salvatore began recapping some specific line items including advertising, contract labor, and events. Chairperson Patti Kadkhodaian asked what was included in contract labor. Paul commented that it is all the 3 full-time employee salary expenses paid at 65%.

Donna Soper asked if the budget could be revisited pending on the situation. Jon Rorie commented that yes, it absolutely could. He recapped some budget cuts going on at the city level and how it's affecting the budget there and how the 8% HMR taxes are distributed between the 3.5% to PTCCVB, 1.5% to TPD (Tourism Product Development), and the 3% to the City General Fund which will be how any funds coming in over projection will be distributed. He commented that the board can make decisions on the allocation of those funds collected on which line items they should go to. He stated this budget is a model, an estimate, and is subject to change.

Chairperson Patti asked how often can we revisit it so adjustments can be made to the set budget. Jon recommended that every meeting going forward will have a revenue versus expense update. Patti commented asked if the revenue increases will it flow into the CVB. Jon responded yes. Patti expressed her concern namely with the staff's salaries with the budget cut and expressed their importance to the CVB and to keep business and marketing flowing for the city and asked what the lag time for their salaries changing would be. Jon commented every other month would be the best possible. Patti asked that if the funds comes in, will the salaries be adjusted or is it cut now and then how will it be adjusted. Jon responded yes, he thinks we could proportionally put funds back into salaries as revenue increases. Paul commented that we may want to look at operational funds such as advertising and trade shows to put revenue back into first or decide a "pecking order" of which funds will flow back into upon revenue increase.

Chairperson Patti asked if anyone had any remaining questions regarding budget. No questions.

**b. CVB Operation Move**

Chairperson Patti opened by asking where the CVB is located now because she was unaware of the move. Jon elaborated on the CVB's prior lease at The Avenue which ran a monthly lease of about \$3600 monthly. The CVB is now located in McIntosh Place, the old Recreation Administration Building and has been under contract with Fayette Senior Services since 2012. FSS will retreat from McIntosh Place. The CVB will pay \$0 monthly lease fee at McIntosh. A total of about \$45,000 annually is on budget for the CVB to pay to the Avenue for lease where we were in 33 months timeline to continue paying that. The exposure in the lease from the Avenue is about \$120,000, could be more, we do not know what it is going to be. The CVB has already moved from The Avenue and into McIntosh where painting is to begin by 5/21/2020 and movement and placement of belongings to begin shortly. That move reflects a reduction of about \$55,000 of what the city is paying FSS. The building will still serve for some recreational space for FSS in the big back room. Jon reiterated that we are physically out of The Avenue, but still have a legal exposure in which we have to talk about with The Avenue's Management through courts and correspondence between legal teams.

Chairperson Patti asked if there was not an agreement before moving out and that The Avenue did not ever accept. Jon responded that there was not a prior agreement and that The Avenue did not accept.

Chairperson Patti asked if anyone had questions about the move or the arrangement needing to be discussed. No questions.

Chairperson Patti acknowledged that she is grateful for the space to operate the CVB and for the staff continuing operations. She also expressed her gratitude for maneuvering out of outstanding advertising contracts to assist in the budget and how important advertising will be to the recovery of tourism in Peachtree City once budget allows.

Board member Donna Soper acknowledged gratitude for the CVB during this time and offered assistance from the board in any way needed to assist with the move of the CVB.

**IV. Board Comments/Announcements:**  
No comments or announcements.

**V. Adjournment:**

Chairperson Patti Kadkhodaian called for a motion to adjourn the meeting. Board member Jon Rorie made motion for adjournment. Seconded by Paul Salvatore. All in favor. Meeting was adjourned at 4:00 pm. **Approved 5-0.**



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**Patti Kadkhodaian, Chairperson**



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**Joni Duet, Recording Secretary**

This agenda is subject to change at any time up to 24-hours prior to the scheduled meeting.  
A quorum of the Peachtree City Mayor & Council may be in attendance.