



GENERAL MANAGERS NEWSLETTER

(April 2015)

"I learned that good judgement comes from experience, and that experience grows out of mistakes."...Omar Bradley, US Army General

Golf Tournament, or...“Row, Row, Row Your Boat!”

As kids, you probably liked to “*play in the rain.*” But for a golf tournament...not so much! It poured on April 15! We told the golfers that we’re going to have to come up with a new CAHA trophy...the “*Courage Award*” just for coming out and “*giving it a go*” and that’s what 60 people did! Thanks to you all!

It was cold and rainy, but those that stuck it out still enjoyed themselves. Cocktails and fried chicken always make things feel better. After 4-5 holes of golf they sounded the horn, so we opened the bar and had our brief program and awarded off the raffle ticket items.



Once we have final numbers, all the proceeds go to the CAHA scholarship fund for the Culinary Arts Department at Central Piedmont Community College. For some of those kids, scholarships make the difference in getting a college degree or not. Well done CAHA!

Reprieve on Increased State Taxes?

State revenues from taxes and other sources were up more than \$257 million through the end of March, or about 2%, for the first three months of the state’s fiscal year, compared to the same period a year ago, budget officials told legislators last week. That was welcome news to legislators writing the state’s budget for the next two years. But until the 2014 state income

taxes due this week are in next month, budget writers won't know how much revenue they'll have available to spend and save starting July 1.

The state collected less in income taxes from individuals and corporations over the nine months compared to last year, while sales and use taxes increased 14%. A few months into the fiscal year last fall, tax revenues were down from the year before. State Budget Director Lee Roberts said then that it was too early to predict trouble. The apparent rebound "*is what we hoped and expected would happen,*" he said this week.

The Business Travel Cost Index

Business Travel News has published their annual "Corporate Travel Index" for 2015. Working with New York University's School of Professional Studies, they studied the actual prices paid for business travel in 200 cities and then ranked them from most expensive overall to the lowest. Charlotte came out #24. There are some comparisons:

<i>Rank</i>	<i>City</i>	<i>Hotel</i>	<i>Car</i>	<i>Food</i>	<i>Total</i>
1	San Francisco	\$338.20	\$60.93	\$110.37	\$509.50
2	New York	\$305.10	\$71.91	\$117.94	\$494.95
3	Boston	\$300.89	\$62.90	\$101.74	\$465.52
24	Charlotte	\$175.70	\$50.39	\$101.80	\$327.89
34	Atlanta	\$161.94	\$52.34	\$98.99	\$313.27
57	Greenville, SC	\$150.55	\$44.78	\$92.74	\$288.07
65	Raleigh	\$151.23	\$44.03	\$88.69	\$283.95
67	Columbia, SC	\$133.98	\$48.36	\$99.58	\$281.92
68	Greensboro	\$142.83	\$44.39	\$93.30	\$280.51

Put Your Logo on Our CAHA Website

If you've gone to our website at www.charlotteareahotels.com lately and clicked on "Members" or "Suppliers" you've probably seen that some hotel and supplier members have their logo right there next to their names. These logos provide a direct link to their websites straight from our website.

Is yours up there? Don't you want to add yours? Just send us an email to charlottehotels@aol.com requesting instructions and we'll make it happen.

Hotel Reviews Online

A few years ago, Carlson Wagonlit Travel (CWT) launched "Hotel Intel" as a way for clients to capture and analyze company-specific lodging reviews from business travelers. While some corporate travel buyers over the years have expressed some concern over giving their travelers a platform to potentially criticize their preferred hotels, it seems enough have embraced the concept of hotel reviews to push CWT further to invest in the concept. Around 50 companies currently use the platform according to the company.

"We finished the year 2013 with 11,000 reviews," said a CWT spokesperson. "We finished 2014 with 44,000 reviews, and now in early February we're at 50,000 reviews."

The reviews are specifically for business travelers within an organization, and invitations to review a hotel are sent only to those that booked through the corporate travel platform.

Food Costs & Restaurant Sales

GE Capital produces a number of different economic reports each month. The most recent (March) “Food, Beverage & Agribusiness” report has some interesting forecasts and outlooks on F&B and general prices over the next couple of months.

- Restaurant comparable sales remain in the 1% to 3% range driven by -1% to 0% volume growth and 2% to 3% price.
- The consumer income statement is boosted by lower gas prices, and job and wage growth as non-farm payrolls increased by +2.5% Y/Y in February and average hourly earnings increased +1.6% Y/Y.
- The Consumer Price Index (CPI) for food away from home increased +3.1% in February Y/Y, which is flat vs. the prior month and +90bp vs. the prior year. The food at home index increased +3.0% in February Y/Y, which is down -40bp vs. the prior month but up +210bp vs. the prior year.
- The Producer Price Index (PPI All Food) increased +1.3% in February Y/Y, which is down -220bp vs. the prior month and -140bp vs. the prior year.
- Chicken: GE analysts maintain a deflationary outlook as grain prices remain in check but forward supplies rebuild.
- Beef: GE maintains an inflationary outlook as tight beef supplies offset the tempering effects of lower grains and higher weights.
- Pork: They also maintain a deflationary outlook anchored by improved production levels, lower grain prices, lower exports, and signs of herd rebuilding with lower sow slaughter.
- Dairy: GE analysts hold a deflationary outlook driven by increasing global milk supplies and softening US exports.
- Seafood: They also maintain a deflationary outlook for shrimp and salmon and an inflationary outlook for Cod.
- Energy & Labor: They maintain a deflationary outlook for energy prices due to global oil price declines. They also maintain an outlook for restaurant wage inflation with lower levels of inflation in manufacturing and food labor.

(Source: GE Capital, Industry Research Update, March 2015 issue.)

As Occupancy Rates Surge, Atlanta Weighs New Hotel Supply

That’s the title of a recent article in *Business Travel News*, March 16, 2015 issue. The article goes on to say that with one of the sharpest year-over-year occupancy increases among major US markets in 2014 and an influx of large conventions, Atlanta is considering a pair of development projects that would bolster the city’s relatively stagnant full-service hotel supply.

In December, the city issued a request for qualifications for a 300-room full-service hotel adjacent to the airport; and in January, the Georgia World Congress Center Authority issued an

RFQ for a large convention hotel of at least 800 rooms that could be built next to a planned retractable-roof stadium for the NFL Atlanta Falcons.

General Economy

Retail sales in March showed marked improvement over previous months as consumer spending thawed right along with the weather. The National Retail Federation (NRF) reported that sales excluding autos, gas and restaurants increased 0.5 % seasonally adjusted over February and a solid 3.5 % unadjusted year-over-year. An early Easter also played into the seasonal figures and provided some lift in retailers' sales; though consumers will continue to spend on a selective and price-sensitive basis.

The U.S. Department of Commerce reported that sales in March, which includes autos, gas and restaurants, increased 0.9 % seasonally adjusted month-to-month and 1.3 % unadjusted year-over-year.

WageWatch Reports

For those hotels that use the online survey service *WageWatch*, please remind your HR folks that the CAHA HR Committee has adopted an agreement for everybody to update their data on May 1st and October 1st each year, so that's coming up shortly. This means that when they query the system for comparisons, they'll know they're getting the most current data. And remind them, that even if they don't have any changes, they still have to go online, log-in and hit "Renew" to make sure it's reflected as the newest data.

WageWatch is actually going to be the subject of the next HR Committee meeting on **Thursday, May 14 at 4:00 PM at Hilton Center City**. So, even if you and your people are not using it, but would like to learn more, this would be a great opportunity to get a review.

Future CAHA Events

CAHA General Membership Meetings: *May 21; June 18; July 16; August 20 (tentative); September 17; October 15; November 19; December 17 (Third Thursday of each month, 3 pm, subject to change.)*

CAHA HR Committee Meetings: *May 14 (special time, 4:00 PM); July 9; September 10; November 12 (Second Thursday of even-numbered months, 9 AM, subject to change)*

CAHA Security Committee Meetings: *May 20; July 15; September 16; November 18 (Third Wednesday of even-numbered months, 10 AM, subject to change):*

Support Our Supplier Members:

Afterdisaster; Alliance Bus; Charlotte Arrangements; Charlotte Paint/Pro-Tec Finishes; Computer Rents; Environmental Diversified Services; Ipswich Shellfish Group; MSS Solutions; Regency DKI; Show Pros Event Staffing Services; Tarheel Linen Service; The Charlotte Destination Group; U.S. Foodservice; Visit Charlotte; and Where Charlotte Magazine

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