

GENERAL MANAGERS NEWSLETTER

(December 2015)

"It's easy to sit up and take notice. What is difficult is getting up and taking action. "...Al Batt, American writer

CAHA Blanket Project for Levine's Children's Hospital

For the third year in a row, the CAHA HR Committee has taken on the joint project of making handmade fleece blankets for kids in Levine's Children's Hospital at Christmas time. The hospital holds a "Winter Festival" the Friday before Christmas each year for the children in the hospital, most of who will spend the holidays there. They invite businesses and other organizations in to handout gifts and craft items.

This year, CAHA member hotels made almost 300 fleece blankets and brought them to Levine's on Friday, December 18 and handed them out to the kids and/or their parents if the child was unable to come down to the "Winter Festival."

Great job to everyone that participated!!!

2016 Standard Mileage Rates for Business, Medical and Moving Announced

The Internal Revenue Service has issued the 2016 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes. Beginning on January 1, 2016, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 54 cents per mile for business miles driven, down from 57.5 cents for 2015
- 19 cents per mile driven for medical or moving purposes, down from 23 cents for 2015
- 14 cents per mile driven in service of charitable organizations

The business mileage rate decreased 3.5 cents per mile and the medical and moving expense rates decreased 4 cents per mile from the 2015 rates. The charitable rate is based on statute. The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs. Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously.

MPI, IAEE Form Business Partnership

Two of the meetings industry's largest and most visible organizations have agreed to a new collaboration. Meeting Planners International (MPI) and the International Association of

Exhibitions & Events (IAEE) have formed a business partnership designed to promote cooperation between the association's complimentary elements and increase brand awareness through MPI's *The Meeting Professional (TMP)* magazine.

TMP is MPI's member-focused magazine, delivering editorial content on meeting industry trends, opportunities, and issues. Starting in January, MPI will to distribute TMP to IAEE members as a full-digital, mobile-friendly edition. The organizations will collaborate to develop content for the publication relevant to the broader circulation and in conjunction with the magazine's business and editorial objectives.

IHG Rumors Swirl Following Starwood Buyout

Starwood and Marriott shook up the hotel world in November with the announcement of a merger between the two brands, a deal worth \$12.2 billion that created the world's largest hotel chain. Now the media is turning its attention towards InterContinental Hotels Group (IHG) as a potential buyout target.

According to London-based news outlet *The Telegraph*, Chinese bidders are thought to be "sizing up" the hotel chain that includes the Holiday Inn, Crowne Plaza Hotels & Resorts and Hotel Indigo brands. Shanghai Jin Hiang International Hotels Group, the airlines owner HNA Group and a sovereign wealth fund China Investment Corp, all reportedly expressed interest in buying Starwood Hotels & Resorts. It is now thought that these companies or other potential buyers will turn their attention to IHG

According to *The Telegraph*, no one has submitted an official bid on the British-hotel company, and IHG and all of these potential suitors have declined comment. A spokesperson for IHG said that the company's Board of Directors was not considering a sale or merger, however that was before the Marriott-Starwood merger.

NCRLA 2016 Meeting Dates

NCRLA has published their event dates for the New Year. Here are the big ones:

- January 25, NCRLA Annual Meeting, Taste of NC and Stars of the Industry Awards
- March 14-15, NC Prostart Invitational
- April 11, Charlotte Chapter Golf Tournament
- May 11, Rally in Raleigh Legislative Reception and Briefing
- June 20, NC Future of Hospitality Golf Classic
- August 29-30, NC Restaurant & Lodging Expo (Expo Dinner on the 29th)
- October 24, Manteo to Murphy PAC Fundraiser

For more information, go to the NCRLA website at www.ncrla.org.

AmEx Embraces Airbnb

American Express and home sharing website Airbnb have established a new partnership, making it easy for American Express cardholders to book Airbnb accommodations. According to the partners, the relationship leverages a first-of-its-kind tech

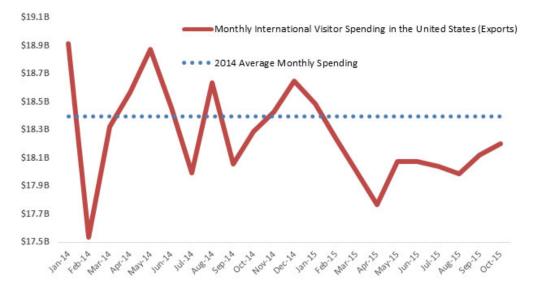
integration whereby American Express members can create an Airbnb account with their American Express use ID and password. Doing so identifies users as American Express cardholders for the purpose of identity verification, makes it easier to sign up for Airbnb by autocompleting their profile with American Express account information and payment details, and allows them to redeem American Express rewards points to book stays.

2016 US Lodging Forecasts (Summary)

| | STR | PKF | PwC |
|-----------|-------------------|----------------------|------|
| | Tourism Economics | Hospitality Research | |
| Supply | +1.4 | +1.8 | +2.0 |
| Demand | +2.2 | +2.2 | +2.1 |
| Occupancy | +0.8 | +0.4 | +0.1 |
| ADR | +5.2 | +5.9 | +5.8 |

International Visitors to the U.S. Spending Nearly \$265 M Less per Month in 2015

The U.S. Department of Commerce recently announced that international visitors spent an estimated \$18.2 billion on travel to, and tourism-related activities within, the United States during the month of October, marking the seventh month this year in which monthly travel and tourism-related exports were lower than the previous year. Previously, passenger fares exports (what international visitors spend *to get* here) were pulling down total tourism-related exports largely a function of declining fuel prices and thus lower fares - but now lower-than-average travel receipts (what international visitors *while* here) have turned downward, too. These downturns in passenger fare receipts and travel receipts were partially offset by an appreciable increase (10%) in visitor spending on medical, education, and/or by short-term workers.



Source: U.S. Department of Commerce, National Travel and Tourism Office and the Bureau of Economic Analysis.

Year-to-date international visitor spending totaled \$181.0 billion (January through October 2015), a decrease of 1 % when compared to same period last year. Conversely, U.S. residents have spent \$129.4 billion traveling abroad year to date, an increase of more than 7 %. As a result, the United States ran a \$51.6 billion trade surplus for travel and tourism through October 2015.

Facebook Criticism of Employer Protected by NLRA

A federal appeals court has held that an employer violated the National Labor Relations Act (NLRA) when it discharged employees who were caught venting on Facebook about having to pay extra taxes due to their employer's alleged tax withholding mistakes. The Court rejected the employer's assertion that the comments were unprotected because they included obscenities that could be viewed by customers. The Court also held that the employer's internet/blogging policy barring "inappropriate discussions" violated the NLRA since it could be viewed as prohibiting employees from discussing terms and conditions of their employment.

Uber Launches Tool for Event Planners

Uber is expanding its Uber EVENTS tool, which allows meeting and event planners to manage guest transportation payment centrally. Through this new tool, planners can buy passes that guests can use to book their own rides. It's the first widespread launch by Uber of a tool that lets people to pay for someone else's rides.

More than 500 events utilized the tool during a four-week beta test period. While a good many were leisure events like weddings, some corporate uses also were spring up, like employee transportation to holiday parties. Some hotels are also reportedly offering passes as a concierge perk to guests.

The tool allows planners to set up restrictions around passes, such as limiting the amount of spend per ride or geo-fencing within certain area.

General Economic News

Reports coming into Christmas week, retail sales are lower than expected, but not because of reduced traffic, but because retailers started cut-cutting much earlier this year. Buoyed by on-again, off-again signs that the economy and spending were stabilizing and set to go up, they stocked up this year over last, not wanting miss any sales because of lack of inventory.

Back in the summer and early fall, incoming international shipping at US ports were up substantially, which signaled to everybody that retailers were stocking up for the holiday season.

Future CAHA Events

CAHA General Membership Meetings: 2016 Meeting Dates: January 21, February 18, March 17, April, no meeting (April 27 is the CAHA Golf Tournament), May 19, June 16, July 21, August 18, September 15, October 20, November 17, December 15 (Third Thursday of each month, 3 pm, subject to change.)

CAHA HR Committee Meetings: 2016 Meeting Dates: January 14; March 10; (April 27, CAHA Golf Tournament); May 12; July 14; September 15; November 10 (Second Thursday of even-numbered months, 9 AM, subject to change.)

CAHA Security Committee Meetings: 2016 Meeting Dates: January 20; March 16; May 18; July 20; September 21; November 16 (Third Wednesday of even-numbered months, 10 AM, subject to change.)

Support Our Supplier Members:

Afterdisaster; Charlotte Paint/Pro-Tec Finishes; Ipswich Shellfish Group; MSS Solutions; PIVOTek; Regency DKI; Show Pros Event Staffing Services; Tarheel Linen Service; The Charlotte Destination Group; TruGuard Construction Group; U.S. Foodservice; Visit Charlotte; and Where Charlotte Magazine

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