



GENERAL MANAGERS NEWSLETTER
(March 28, 2011)

“I have always wished that my computer would be as easy to use as my telephone. My wish has come true. I no longer know how to use my telephone.”...Bjarne Stroustrup, Danish computer scientist

Overall Economic News

Improvements in the U.S. economy bolstered retail sales in February, reflecting improved consumer sentiment as it relates to spending. According to the National Retail Federation (NRF), retail industry sales for February 0.6 % seasonally adjusted from January and 4.2 % unadjusted year-over-year. February retail sales released by the U.S. Commerce Department showed total retail sales increased 1.0 % seasonally adjusted over January and 9.1 % unadjusted year-over-year. February is typically a slow month for retailers, so these numbers were very encouraging. Solid growth in discretionary spending was seen across the board. The Bureau of Economic Analysis (BEA) just published its final estimate of overall economic growth in the 4th quarter at +3.1%.

US Economy Better Prepared for High Gas Prices than in the Past

The increase in energy prices is beginning to resemble the rise in 2008. But this time, the American economy may be better prepared for higher fuel costs. While the latest surge in energy prices is likely to cause some pain and slow the recovery from the recession, economists say the spike is unlikely to derail the rebound unless prices rise a lot further. One big reason is that consumers and businesses have learned lessons from the last oil shock. Many drivers, for example, have given up their gas-guzzling sport utility vehicles. Automakers, which are selling more fuel-efficient cars than five years ago, reported higher sales in February even as gas prices rose. And the United States economy is far less dependent on oil than it used to be. Oil consumption has dropped more than 5% since 2005, while natural gas use has risen 10%.

CRVA/Visit Charlotte Updates

Visit Charlotte reports they have signed the VFW for 2016. Good news...the **NASCAR Hall of Fame** reports that the installation ceremony for the 2012 class of inductees will be in January rather than the original schedule of holding the induction

during the week of the All-Star Race in May. Weather is not an issue since all of the ceremonies are indoors anyway. The good part of this is it creates another standing annual destination event that did not exist. Most of the fans were already in town in May for the All-Star Race or the World 600. While not a large event, any standing, reoccurring event like this is welcomed. NASCAR wanted to change this year, but the Hall said it takes almost a year to get all of the cars and memorabilia together...and lastly, the **CRVA Board** has adopted a new strategic plan that will focus the organization on the future. The plan has many parts and is important because the areas of focus in that plan help guide the annual marketing plan. To review a copy of the strategic plan, go to our CAHA website and look under "Reports, Research & Ordinances" or click here: <http://charlotteareahotels.com/reports.htm>.

Keeping Up

Our friend and former local GM **Ed Burke** tells us he has accepted the position of Vice President of Operations with Interstate Hotels & Resorts. Eburke48@yahoo.com

Swimming Pool Regulation Proposed

Swimming pool regulations, especially fencing, was one of the major topics at our March CAHA meeting. That very day, proposed new legislation was made public. The bill would clarify two grand fathered dates would trigger compliance with today's current standards. This bill is also on our web site under "Reports" or click here: <http://charlotteareahotels.com/reports.htm>.

Passengers Can Sue Airlines for Delays...At Least in the UK

If a flight that you are booked on is delayed by more than three hours, you can sue the airline for compensation, at least in the UK, lawyers representing passengers have claimed following a court ruling. Since August 2010 all claims following long delays had been put on hold by British airlines after several carriers (including British Airways, easyJet and Thomson) sought a review at the European Court of Justice (ECJ) of the rules forcing them to pay compensation to passengers for three-hour delays. However, a judge at Middlesbrough county court has ruled that claims should still be judged on a "case-by-case basis", removing the need to wait for the ECJ's response. The case was brought by a Dutch compensation firm EUclaim, that fights airlines on consumers' behalf.

Under EC Regulation 261/2004, passengers denied boarding or delayed for long periods are entitled to compensation of €250-€600 depending on the length of the flight. Airlines can refuse claims if they can show the delay/cancellation was the result of "extraordinary circumstances". Airlines routinely do just that, but courts have decided claims can only be turned down by events such as heavy snow rather than routine maintenance or lack of cabin crew.

US Hotel Development in Decline

New US hotel development reached a historic low in the fourth quarter of 2010 and is predicted to remain sluggish for the next three years, according to a report from Lodging Econometrics, a company that tracks hotel development trends. For 2011, they predict that 446 hotels with a total of 46,343 guest rooms will come on-line in the US this year, representing a growth rate of 0.9%. That 2011 number is a drop of more than two-thirds from 2009, when more than 1,300 new hotels opened. (*Source: Meetings South*)

Food Costs

Our supplier member Jim Sisk with US Foodservice sent in the following commodities report on selected items for the week of March 11. It dramatically shows the run-up in food commodity prices in the last year.

(Week of March 11, 2011)

	Current Week	Year Ago	% Change
Poultry			
Fresh Chicken	\$0.8600	\$0.8350	+3.0%
Boneless Breasts	1.8500	1.8100	+2.2%
Wings	0.8600	1.4900	-42.3%
Beef			
Live Cattle (TX-OK)	\$1.1800	\$0.9500	+24.2%
81% Lean Ground Beef	1.7816	1.4214	+25.3%
Pork			
Port Cutout	\$0.9103	\$0.7424	+22.6%
14/16 Bellies	1.3500	0.9100	+48.4%
20/23 Hams	0.7700	0.7600	+1.3%
Other Commodities			
Wheat (KC)	\$8.3900	\$4.8400	+73.3%
Corn	6.7600	3.5500	+90.4%
Soybeans	13.4900	9.5200	+41.7%
Rice	12.6900	12.4500	+1.9%
Sugar	28.7100	19.6900	+45.8%
Dairy Products			
Block Cheese	\$2.0125	\$1.2900	+56.0%
Barrel Cheese	1.9650	1.2800	+53.5%
Butter AA	2.1200	1.4700	+44.2%
USDA Eggs AA	1.1100	1.2900	-14.0%

Around the Region

The City Council in **Lumberton, NC** has approved a resolution asking the NC Legislature for authority to raise the local hotel occupancy tax by 3%. The move would generate an additional \$425,000 per year for the local tourism development authority.

The current rate is 3%. Nearly a dozen Lumberton hotel owners and operators came out to the meeting to protest the move...Hilton Hotels debuted the first property in its new extended-stay hotel brand, *Home2 Suites by Hilton* in **Fayetteville, NC**...and in **Atlanta, GA**, the Falcons and the Georgia World Congress Center Authority are trying to put together a plan to build a new 65,000-seat, open-air stadium for the NFL team. It's projected to cost \$700 million, and if construction could start in 2013 or '14, the stadium would open in 2017.

CAHA HR Committee Changes Meeting Dates

Back in January, the CAHA Human Resources Committee conducted a survey among its members to see if there was a better time or day for meetings. This data was summarized and reviewed at the March meeting. The results showed that Thursday was considered the best day to meet by most people, with Wednesday being the next best. The current day, the first Friday of each month, was next to the worst. 9:00 AM was still considered the best time of day.

So, the group has decided to change the meeting date going forward to the first Thursday of every other month, still at 9:00 AM. Meeting every other month, as we currently do, versus quarterly, was also considered the best.

It was noted, that with this change, the first Thursday in July would fall in the week of the 4th of July. It was agreed to move that meeting back one-week to July 14. So the new meeting dates for 2011 now are:

- **May 5**
- **July 14**
- **September 1**
- **November 3**

The topic at the May meeting will be I-9 forms and compliance, especially in face of increased audits by the feds over this issue.

Special Note: Supplier members don't forget... you and your HR personnel can be on this committee. It's all part of your CAHA membership. Just send us an email to charlottehotels@aol.com with the name, telephone number and email address of your HR person and we'll set them up to receive information about the meetings. And for the hotels, if your HR people aren't involved, they're really missing out. This networking and sharing group of HR professionals is outstanding!

Stay on Top of Your Receivables...Smaller Firms are Struggling to Pay Bills

Small businesses last year took longer to pay their bills, owing ever-larger amounts well past due to suppliers, service providers and other creditors, a recent credit research report shows. In December, businesses with fewer than 49 employees were an average of 7.6 days late paying bills, a 10% increase from the beginning of the year. The national average for businesses of all sizes was 6.5 days late, up 12.5%. Large corporations and non-employer businesses last year saw the largest increase in the

number of days they were late paying bills, rising 23.5% and 13.7% respectively, the report said. Over the fourth quarter as a whole small businesses had the sharpest rise in the percentage of dollars considered “severely delinquent” – that is, over 91 days late – which jumped 25.9% from the third quarter to 7.9% of all dollars past due by the end of the year. By contrast, midsize businesses and large corporations made strides in significantly shrinking that percentage, the report found.

Future CAHA Events

CAHA General Membership Meetings: April 21, May 19, June 16, July 21, August 18, September 15, October 20, November 17, December 15 (*Third Thursday of each month, 3-5 PM, subject to change.*)

CAHA HR Committee Meetings: May 5, July 14, September 1, November 3 (*First Thursday of every other month, 9 AM, subject to change.*)

Support Our Supplier Members:

Action Pest Exterminating, Inc., Charlotte Paint/Pro-Tec Finishes; Computer Rents; Hospitality Education Services; HotelPro Staffing; Ipswich Shellfish Group; JeneRation Recycling LLC; Killingsworth Environmental; Mechanical Systems & Services Inc.; Rose Chauffeured Transportation; Show Pros Event Staffing Services; Swank Audio Visuals; Tarheel Linen Service; USAudio Visual, Inc., U.S. Foodservice, Visit Charlotte and Wayne Automatic Fire Sprinklers, Inc.

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