

VISIT BATON ROUGE
BOARD MINUTES
February 2018

A scheduled board meeting of Visit Baton Rouge was held on Thursday, February 22, 2018 at its office located at 359 Third Street.

Present were:

Carolyn McKnight
Norman Chenevert
Mark Drennen
Flynn Foster
Scott Michelet
Mickey Freiberg
Pastor Wesley

Absent:

Mickey Parenton
Ralph Ney
Donna Collins Lewis

Present but not participating in formal actions:

Paul Arrigo, Staff
Lauralyn Maranto, Staff
Barney Doyle, Staff
Karron Alford, Staff
Stacy Simon, Staff
Philipa Blair, Staff
Geraldine Bordelon, Staff
Chuck Elkins, Legal Counsel

Carolyn McKnight called the meeting to order and opened the meeting for public comment. Mr. Arrigo asked for a motion to be made to add an item on the agenda regarding entering into agreements with the City Parish relative to the collection, distribution, and use of proceeds of lodging taxes, etc.

A motion was made by Flynn Foster, seconded by Mickey Freiberg to add the item on the agenda.

Ms. McKnight opened the meeting to public comment regarding this item.

Motion carried.

Chuck Elkins presented a brief overview regarding the agenda item. A motion was made by Pastor Wesley, seconded by Scott Michelet to adopt the following Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
VISIT BATON ROUGE**

BE IT RESOLVED by the Board of Directors (the "Board") of VBR that Carolyn McKnight, Chair of the Board (the "Chair"), and Paul J. Arrigo, the President & CEO of VBR (the "CEO"), acting in their joint discretion, are hereby empowered to negotiate, enter into on behalf of VBR, and cause VBR to perform one or more written cooperative agreements by and between VBR and the City of Baton Rouge and Parish of East Baton Rouge (the "City-Parish") relating to the collection, distribution, and use of the proceeds of lodging taxes levied by VBR, that the Chair and the CEO deem to be in the best interests of VBR.

BE IT FURTHER RESOLVED that, the Chair and CEO, acting jointly, are further directed and empowered in the name of and on behalf of VBR to take all required actions, including without limitation to execute and deliver on behalf of VBR any agreement, document, instrument, and/or certificate, that the Chair and CEO, in their sole joint discretion, deem necessary or convenient by them to the accomplishment of the previous resolution.

Motion carried.

A motion was made by Scott Michelet, seconded by Norman Chenevert to approve the January 25, 2018 minutes as presented.

Motion carried.

A motion was made by Flynn Foster, seconded by Mickey Freiberg to approve the February 15, 2018 Finance Committee minutes as presented.

Motion carried.

Mr. Arrigo presented a brief overview regarding proposed adjustments to the 2018 Budget. A motion was made by Flynn Foster, seconded by Norman Chenevert to adopt the following Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VISIT BATON ROUGE
CONCERNING ADJUSTMENTS TO 2018 FISCAL BUDGET**

WHEREAS, because of the passage of the VBR tax proposition in Fall, 2017 and pursuant to a staff review of the current marketing, special projects, and operating budget of Visit

Baton Rouge, several necessary adjustments to the calendar year 2018 fiscal budget of Visit Baton Rouge (the "Budget") were identified as shown in the following resolution.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of VBR (the "Board") that the Budget be and hereby amended as shown on Exhibit "A" attached hereto. Except as amended, modified, or changed pursuant to this Resolution, the provisions of the Budget as previously adopted by the Board shall be unaffected and shall remain in full legal force and effect.

Motion carried.

After a brief overview by Chuck Elkins, a motion was made by Scott Michelet, seconded by Flynn Foster to adopt the following Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VISIT BATON ROUGE
CONCERNING
AMENDMENTS TO THE VBR ACCOUNTING MANUAL**

BE IT RESOLVED by the Board of Directors (the "Board") of Visit Baton Rouge ("VBR") that the current VBR Accounting and Financial Policies and Procedures Manual (the "Manual") be and hereby is revised and amended effective this date as follows:

1. The Manual is amended and revised in its entirety to amend or to add that section entitled "Reserve and Operations Contingency Fund Policy" to read as shown on Exhibit "A" attached hereto.
2. The Manual is amended and revised in its entirety to amend or to add that section entitled "OPEB Reserve Trust Fund Policy" to read as shown on Exhibit "B" attached hereto.
3. That section of the Manual entitled "Louisiana Asset Management Pool (LAMP)" on page 53 of the Manual is amended to change the words "Building Repair Fund" in the third paragraph of such policy to the "Building Repair, Renovation, Acquisition, and Relocation Fund."

Other than as set forth in items 1. through 3. above, the unaffected portions of the Manual remain unchanged and in full force and effect.

EXHIBIT "A" TO RESOLUTION

Reserve and Operations Contingency Fund Policy

General Policy

Adequate fund balance and reserve levels are necessary components of the overall fiscal management of Visit Baton Rouge ("VBR") and key factors in assessing its financial ability

and fiduciary integrity. Maintenance of a fund balance in several significant areas assures adequate resources for cash flow and mitigation of short-term revenue short falls and allows for multi-year forecasting and planning.

It shall be the policy of VBR that three reserve accounts shall be established on the books and records and appropriately reported on the financial statements of Visit Baton Rouge: (i) An Operations Contingency Fund (the “Contingency Fund”); (ii) a Special Projects Fund; and (iii) a Building Repair, Renovation, Acquisition, and Relocation Fund (the “Building Fund”). Each of these funds will be or have been established by resolution of the VBR Board of Directors (the “Board”) and will be funded and governed as set forth in this Policy below. Hereinafter the Operations Fund, the Building Fund, and the Special Projects Funds are each sometimes referred to as a “Fund” and collectively may be referred to as the “Funds.”

All moneys set aside in any of the reserves or Funds created and managed pursuant to this Policy shall be solely invested and deposited in VBR’s account(s) with the Louisiana Asset Management Pool (“LAMP”).

Contingency Fund

The Contingency Fund is to be used by VBR to provide financial stability to VBR and to cover short-term revenue short falls in a fiscal year. Additionally, the Fund may be used to cover unplanned but necessary expenditures or operations expense changes that occur outside of the planned annual budget. VBR shall endeavor to keep the balance in such Contingency Fund a sum equal to four (4) months of the current year total budgeted revenues.

Special Projects Fund

The Special Projects Fund shall be used to provide moneys to allow VBR to respond to tourism events and/or marketing, promotional, or other opportunities appropriate to VBR’s economic development mission which for any reason may not have been anticipated or are not included in the normal annual VBR budget. VBR shall endeavor to keep the balance in such Special Projects Fund equal to Eighteen Percent (18%) of the current year total budgeted revenues.

Building Fund

The Building Fund shall be used to provide for VBR’s office housing needs, including without limitation the anticipated or unanticipated maintenance of its current facilities and the planning, construction, furnishing, and occupying of new or expanded office facilities in the future. VBR shall endeavor to keep the balance in such Building Fund equal to Five Hundred Thousand and No/100 (\$500,000.00) Dollars.

Management of the Funds

Planned annual additions to and/or withdrawals from the Funds shall be adopted by resolution of the Board as part of VBR's annual budget plan. Other than planned additions or withdrawals, at any time and for any reason, only the President & CEO may request that the Board of Directors by resolution either add to or withdraw from the balance in any of the Funds.

EXHIBIT "B" TO RESOLUTION

OPEB Trust Reserve Fund Policy

The Board of Directors of VBR (the "Board"), acting for the benefit of its current and retired employees, has established a retiree health and other post-employment benefits other than pension benefits plan (the "OPEB Plan" or "Plan"). In connection with such OPEB Plan, VBR has established a reserve fund account on its books and records and a corresponding deposit account with the Louisiana Asset Management Program (the "OPEB LAMP Account") to deposit and hold certain moneys in trust for the Plan beneficiaries. To date, VBR has deposited the sum of Fifteen Thousand and No/100 (\$15,000) Dollars in such OPEB LAMP Account.

All moneys reserved and set aside by the Board for the purpose of meeting future VBR Plan obligations shall be exclusively invested and deposited in VBR's OPEB Lamp Account. The funds in the OPEB LAMP Account are held by VBR in trust solely for the benefit of its current and retired employees who meet or may meet the requirements for eligibility under the Plan. Once deposited in such OPEB LAMP Account by VBR, such money deposited shall not be withdrawn for any reason other than to meet VBR's Plan obligations.

It shall be the policy of VBR that it shall comply with good accounting and business practice to keep such OPEB Lamp Account sufficiently funded to meet VBR's future obligations under the Plan. Annually as part of its annual budget plan, VBR shall consult with its outside accountants and as appropriate independent actuaries to assess VBR's future liabilities under the Plan. Based upon such consultation, any appropriate additions or withdrawals to the trust funds reserved for future VBR Plan obligations held in the OPEB LAMP Account shall be included in the annual VBR Budget. Other than the budgeted additions to the OPEB LAMP Account, at any time and for any appropriate reason, only the President & CEO may request that the Board by resolution add to or withdraw from the balance in the OPEB reserve held in the OPEB LAMP Account.

Motion carried.

A motion was made by Pastor Wesley, seconded by Mickey Freiberg to adopt the following Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VISIT BATON ROUGE (“VBR”)
CONCERNING
THE TRANSFER OF FUNDS TO RESERVES**

WHEREAS, The Board of Directors of VBR (the “Board”) has previously established on its books and records three (3) reserve accounts: (i) An Operations Contingency Fund (the “Contingency Fund”); (ii) a Special Projects Fund; and (iii) a Building Repair, Renovation, Acquisition, and Relocation Fund (the “Building Fund”). Hereinafter the Operations Fund, the Building Fund, and the Special Projects Funds are each sometimes referred to as a “Fund” and collectively may be referred to as the “Funds.”

WHEREAS, to establish guidelines for the governance and management of such funds, the Board has previously adopted the Reserve and Operations Contingency Fund Policy (hereinafter the “Policy”).

WHEREAS, in compliance with the Policy, and at the request of the President & CEO of VBR, the Board (the “Committee”) desires to add the amounts set forth in the resolutions below to each of the reserve Funds.

THEREFORE, BE IT RESOLVED by the Board that Paul J. Arrigo, President/CEO be directed to add the following amounts to the appropriate reserve Fund on the books and records of VBR, and that the same be paid, transferred, and deposited into the appropriate VBR account(s) at the Louisiana Asset Management Pool (“LAMP”) for such Fund,

1. Contingency Fund: transfer the sum of \$1,225,000 to such Fund from the unrestricted cash of VBR and transfer and deposit the same sum to the appropriate LAMP account for such Fund;
2. Building Fund: transfer the sum of \$310,000 to such Fund from the unrestricted cash of VBR and transfer and deposit the same sum to the appropriate LAMP account for such Fund; and
3. Special Projects Fund: transfer the sum of \$552,449 to such Fund from the unrestricted cash of VBR and transfer and deposit the same sum to the appropriate LAMP account for such Fund.

BE IT FURTHER RESOLVED by the Board that Mr. Arrigo and/or any other officer, director, agent, or employee of VBR as expressly authorized and directed by Mr. Arrigo, be and hereby is further directed and empowered in the name of and on behalf of VBR to execute any agreement, certificate, instrument, or other document and/or to take any other action that Mr. Arrigo or such authorized person, in his sole discretion, deems necessary or convenient to the accomplishment of the previous resolutions.

Motion carried.

A motion was made by Flynn Foster, seconded by Scott Michelet to adopt the following Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VISIT BATON ROUGE
CONCERNING
THE TRANSFER OF FUNDS TO LAMP OPEB ACCOUNT**

WHEREAS, VBR has previously established a retiree health and other post-employment benefits other than pension benefits plan for its employees (the "OPEB Plan" or "Plan").

WHEREAS, in connection with such OPEB Plan, VBR has established an account with the Louisiana Asset Management Program (the "OPEB LAMP Account") and has deposited the sum of Fifteen Thousand and No/100 (\$15,000) Dollars in such account.

WHEREAS, based upon the advice of actuaries engaged by VBR to assess VBR's future liabilities under the Plan, the VBR staff recommends that the sum of Fifty Thousand and no/100 (\$50,000.00) dollars be deposited in the OPEB LAMP Account, bring the total amount deposited by VBR to date into this account to Sixty-Five Thousand and No/100 (\$65,000) Dollars.

THEREFORE, BE IT RESOLVED by the Board of Directors of VBR (the "Board") that Paul J. Arrigo, President/CEO, be and hereby is authorized and directed to pay, transfer, and deposit into such OPEB Lamp Account the sum of Sixty-Five Thousand and No/100 Dollars (\$65,000.00) to be held in such account in trust for the current and future beneficiaries of the VBR OPEB Plan.

BE IT FURTHER RESOLVED by the Board that Mr. Arrigo and/or any other officer, director, agent, or employee of VBR as expressly authorized and directed by Mr. Arrigo, be and hereby is further directed and empowered in the name of and on behalf of VBR to execute any agreement, certificate, instrument, or other document and/or to take any other action that Mr. Arrigo or such authorized person, in his sole discretion, deems necessary or convenient to the accomplishment of the previous resolutions.

Motion carried.

Mr. Arrigo presented a brief review of a reward program. A motion was made by Mickey Freiberg, seconded by Norman Chenevert to adopt the following Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VISIT BATON ROUGE
CONCERNING
TRAVEL AND CREDIT REWARD PROGRAMS**

BE IT RESOLVED by the Board of Directors of VBR (the "Board") that Paul J. Arrigo, President/CEO, be and hereby is authorized and directed to enter into one or more reward programs (each a "Reward Program") with the sponsors of such reward programs, including without limitation airlines, hotels, and credit card issuers, to provide VBR certain reward points or credits in return for VBR's use of their travel, financial, or other products or services, provided that, such Reward Program(s) shall not disproportionately increase the costs of such products or services to VBR. Further, all such Reward Program benefits shall accrue to VBR's account and shall only be used to defray VBR's travel or other operating expenses.

BE IT FURTHER RESOLVED by the Board that the terms and conditions of any Reward Programs agreement entered into by VBR, as well as the VBR administrative procedures and details, such as how such reward points or credits shall be used by VBR, be determined in the best interest of VBR, as such interest is determined by Mr. Arrigo in his sole discretion.

BE IT FURTHER RESOLVED by the Board that Mr. Arrigo and/or any other officer, director, agent, or employee of VBR as expressly authorized and directed by Mr. Arrigo, be and hereby is further directed and empowered in the name of and on behalf of VBR to execute any agreement, certificate, instrument, or other document and/or to take any other action that Mr. Arrigo or such authorized person, in his sole discretion, deems necessary or convenient to the accomplishment of the previous resolutions.

Motion carried.

A motion was made by Pastor Wesley, seconded by Flynn Foster to adopt the following Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
VISIT BATON ROUGE**

WHEREAS, Visit Baton Rouge ("VBR") is charged with expanding the East Baton Rouge Parish (the "Parish") economy through the promotion of the travel and tourism industry;

WHEREAS, the Board of Directors of VBR (the "Board") has determined that certain major events held in the Parish generate positive exposure and media value far in excess of the contribution of VBR to such events production costs; and

WHEREAS, the Board has determined that inducing the producers of such major events to hold their event in Baton Rouge by offering assistance, financial and otherwise, is an essential part of VBR's mission.

NOW THEREFORE,

BE IT RESOLVED by the Board that Carolyn McKnight, Chair of the Board (the “Chair”) and Paul Arrigo, President/CEO of VBR (the “CEO”), acting in their joint discretion, be and hereby are empowered on behalf of VBR to negotiate, execute, deliver, and cause VBR to perform one or more written agreements to bring one or more major events to East Baton Rouge Parish that bring positive exposure and media to the Parish; provided however, (i) such agreements collectively shall not require VBR to expend more than \$500,000 in connection with such events; and (ii) such funds used for such event or events shall be taken from VBR’s Special Projects Fund.

BE IT FURTHER RESOLVED by to the Board that the Chair and CEO, acting in their joint discretion, be and hereby are further directed and empowered in the name of and on behalf of VBR to take all required actions, including without limitation to approve any subsequent change in any agreement(s) authorized in the prior resolution, that the Chair and CEO, in their sole joint discretion, deem necessary or convenient by them to the accomplishment of the previous resolution set forth above, provided, however, any subsequent change to the agreement(s) referred to in the previous resolution approved by the Chair and CEO shall not have a significant negative effect on either the rights and benefits granted to VBR or a significant increase in the costs and expenses of VBR provided in the agreement(s) authorized in the above resolution.

Barney Doyle presented the Treasurer’s Report and reviewed December’s financial statements.

Paul Arrigo and Department Heads presented the President’s Report.

Mr. Arrigo referred to the SportsBR written fourth quarter report.

There being no further business, the meeting adjourned.