

HAMILTON COUNTY TOURISM, INC. BOARD OF DIRECTORS
37 E. Main Street, Carmel, Indiana
Minutes of the Annual & February Meetings
February 2, 2018

FEBRUARY 2018 ANNUAL MEETING

Attending the Meeting: Emily Lovison, Bob DuBois, John Hughey, Andrew Newport, Todd Burtron, Jimia Smith, Jeremy Geisendorf, Judi Johnson. Not attending: Jeffrey Brown, Norman Burns, Gary Miller and Al Patterson.

Also attending:

Brenda Myers, President/CEO; Karen Radcliff, Vice President/CSO; Betsy Ekelof, Operations Director; Ashley Ledford, Director of Marketing & Promotions; Laura Kelner, Director of Sales; Sarah Billman, Visitor Experience Manager; Tina Rodgers, Assistant Director of Resources; Sarah Buckner, Destination Development Manager; Christine Altman, Counsel. Also attending Sandy Allen and John Towle, new staff members.

I. Welcome

President John Hughey opened the meeting at 8:35 a.m. The minutes of the 2017 Annual Meeting had been approved in March 2017.

New staff members Visitor Experience Manager Sandy Allen and Hamilton County Sports Authority Sports Development Manager John Towle were both introduced to the Board.

II. 2017 KPIs & Year-In Review

Brenda Myers provided a summary of the 2017 year through key performance indicators.

Tax Receipts

Gross tax receipts 2017 \$4,930,781

Gross tax receipts \$119,373 over 2017 appropriations or 2.5%

Gross tax receipts 20% over 2016 receipts or \$828,243

Note: One hotel in arrears five random months – has a 2018 payment plan and has met that first payment.

Budget Year-End

\$ 4,682,829.00 total revenue

(\$4,494,368.00) total expense

\$188,461.00 net

Balance Sheet

Revenue

\$ 1,149,252.00 cash on hand

\$17,825.00 accounts receivable

\$193,236.00 prepaid expenses for 2018

\$ 1,360,313.00 estimated net available

Cash & Depreciation Liabilities (less wages accrued & miscellaneous)

\$230,235.00 accounts payable

\$70,000.00 estimation only

\$22,667.00 partner revenue (to be moved to 2018 as revenue)

\$ 322,902.00 estimated liabilities

Estimated Cash Available: \$1,037,411 or 20% of operating budget.

President John Hughey noted that developing an adequate cash reserve has been a goal of the board, and it looks as though it has been achieved. Discussion took place as to how important the financial reserves policy is, as well as now the opportunity to set aside for the Progress Fund is more achievable.

Key Performance Indicators and Organization Goals

Myers pointed out that all 34 department goals tied to the Vision 2025 Plan/2017 Business Plan were completed.

She also provided a KPIs sheet and noted only two goals were not achieved, and those goals came close. Primarily they were due to new lines of work being introduced to the work flow.

Goals included:

Resources: Introduced new dashboard program, created incentive pay program, job descriptions revised, new office work space studied for planning

Operations: Technology plan created, streamlined and real-time financial reporting enhanced

Visitor Experience: Tiers of service program defined, serviced 40 events in first year of new program, Grand Park digital information wall, cost/time efficiencies for distribution.

Sales/Sports: Moved from sports/sales department to sales/sports department, expanded sales presence in group markets, created plan to focus on key opportunity sectors for group attraction and retention

Marketing: Increased digital marketing to year-around, created three collaboration opportunities, conducted four deskside travel writer visits, built real-time results reporting system.

Destination Development: Set into motion White River, Nickel Plate Heritage Railroad and AgriSciences planning, created Percent for Progress Plan for future, launched USBR35, researched "Grow Hamilton County"

III. Election of Board Members & Officers

Class of 2018-2019 Board Members

Norman Burns, Conner Prairie

Todd Burtron, City of Westfield

John Hughey, Fishers Arts Council

Judi Johnson, City of Noblesville

Emily Lovison, Center for the Performing Arts Carmel

Gary Miller, Staybridge Suites, Fishers

Note: Still need one sports person, preferably from Fishers to complete board. Discussion took place about inviting Scott Spillman, former HCT staff member and now head of Hamilton Southeastern Sports, to the Board. It was agreed this would meet the criteria and he should be approached.

Andrew Newport moved that the slate of board members be accepted. Jeremy Geisendorff seconded. There being no nominations from the floor, motion passed.

2018-2019 Officers

Emily Lovison, President

Bob DuBois, Vice President

Jeremy Geisendorff, Secretary/Treasurer

Jeffrey Brown & Andrew Newport, Directors at Large

Jimia Smith moved that the officers be accepted as presented. Judi Johnson seconded. Motion passed.

IV. There was no other discussion for the Annual Meeting. J. Johnson moved that the annual meeting be adjourned at 9:18 a.m. Emily Lovison seconded. Motion passed.

FERUARY 2018 REGULAR MEETING

I. Welcome

Emily Lovison then welcomed the Board back into regular session 9:20 a.m. for the February meeting. She recognized outgoing President John Hughey for his two-year tenure in leadership with a gift.

II. Review of the Minutes of the November 2017 Meeting

E. Lovison asked for approval of the November 2017 Board Meeting minutes.

J. Hughey moved that the minutes be accepted as presented. A. Newport seconded. Motion passed.

B. Myers asked that the agenda be amended due to the time and need for some board members to leave early. J. Hughey moved that the agenda be amended to move Old Business IV. and New Business V. before financial metrics III. B. DuBois seconded. Motion passed.

IV. Old Business

A. Financial Policy Review to be deferred until March 2018

B. HCT Office Discussion

K. Radcliff reminded the Board about the process that led to discovery of a new office building, and noted that a new alternate to the one we previously reviewed but determined was out of our price range. She walked the board through the location, price structure, pluses and minuses of the new project. The Board really liked the idea as presented and agreed to have the developer come to the March meeting to present the idea for continued review and possible issuance of a letter of intent.

C. Project Updates

Kincaid House – The buyers of the land near the Kincaid House have come with an idea to trade the moving and restoration of the house as an “art object” in exchange for the almost 2.75 acres the house currently sits on along I-69. She noted a February 27 meeting has been scheduled, and board members Emily Lovison and Bob DuBois will join the Nickel Plate Arts board members and director and the City of Fishers to see the presentation. Some discussion took place about the lack of cash reimbursement to HCT for the project and ongoing maintenance of the house. It was suggested that B. Myers reach out to the “buyers” and see if they would have any interest in becoming a sponsor of Nickel Plate Arts. She said she would do so and report back to the board along with the idea to be presented.

Nickel Plate Heritage Railroad – B. Myers reported that the HHPA operating agreement close to completion Railroad equipment has been purchased by Atlanta Pacific, LLC A \$40,000 start-up grant has been obtained from a local utility provider. Grant requests in to IOTD and Indiana Humanities for enhancements have been submitted. The hope is to begin operating by June 1. Two loans are needed for the start-up and security from HCT, Inc. will be required to make this happen.

National Bank of Indianapolis for \$550,000 to cover cost of rail restoration Atlanta to as far south as can get; a fencing compound to secure equipment just north of county line on rail; a 10-year note with a rate adjustment/pay-off opportunity after 5 years. Atlanta Pacific, LLC/Thomas Hoback will issue a loan for \$900,000 to cover cost of: rail equipment, restoration and move to new location from Tennessee. That note will be for two years with a possible third year renewal. The goal will be to rebundle that loan after year two. She noted that: \$100,000 of this total \$200,000 in approximate annual debt obligations are already budgeted for five years but the risk is in the additional \$100,000 annually plus the length of the obligation. Again, the goal is in year 3, after “proof of concept,” to restructure the loans into a new package, likely a bond of some kind. She noted that 10-year revenue forecast projections, provided to the bank, were included in the Board packets to show the forecast sustainability of the organization

John Hughey moved that HCT’s President co-sign the debt obligations for the Nickel Plate Heritage Railroad with an inter-local agreement. A. Newport seconded. Motion passed.

White River Regional Master Plan – B. Myers announced that Sasaki is the company chosen for the project; contract finally negotiated and moving through Indy’s approval process. Tourism Tomorrow, Inc. – non-profit division of Visit Indy – will serve as the fiscal agent. Hamilton County Tourism, Inc. is the co-owner of that contract with the City of Indianapolis. That contract will need signing after February 7, and that contract is approximately \$1.5 million. Hamilton County Tourism and partners have raised about \$260,000 toward the project, with a possible major gift from a foundation hoped for. If that fails, Indianapolis also has access to some TIF funds. B. Myers asked for a resolution authorizing the HCT Board President to co-sign the White River Regional Masterplan contract on behalf of Hamilton County Tourism. B. Dubois moved that a resolution be approved, assuming legal review. A. Newport seconded. Motion passed.

V. New Business

A. RFP National Public Relations Firm

Hamilton County Tourism wishes to contract with a national public relations firm to help broaden the reach and scope of telling the story of this community from a variety of viewpoints, not just tourism.

Meetings have been held with the communities' communications and leadership teams, and they are excited about this opportunity. An RFP was issued nationally in December, and several firms applied.

•However, only one firm best fits. That team is coming Monday to be interviewed and to interview to see if it indeed a good fit. The one-year renewable contract is for approximately \$100,000 (with the hope for a longer-term relationship). This was budgeted and approved in the 2018 goals. But, because it is an unusually large contract, would like board consent. Everyone agreed this will be a good move for HCT and the county.

B. Tourism Gives 2018 Operating Grants

Sarah Buckner, Destination Development Manager, provided a list of proposed grants for 2018 to non-profit organizations that provide event, cultural, historical or other programming suitable for tourism in the county. She noted the non-profits adhere to a long list of requirements in order to be eligible for the grants, but that several years ago we simplified the grant process. She went through the grant list and noted that the total is almost \$90,000 with a small amount of funding held back for new partner opportunities. Several recusals from the board were noted: Emily Lovison for the Center for the Performing Arts; John Hughey for the Fishers Arts Council; Bob DuBois for Noblesville Cultural Arts District; Judi Johnson for the City of Noblesville; Todd Burtron for the City of Westfield Community Events and Engagement. Al Patterson and Norman Burns would normally have recused themselves but were not there to vote. J. Hughey and A. Newport moved that the grants be approved as presented with recusals noted.

C. 2018 Reaccreditation Update

K. Radcliff noted it was four-year accreditation renewal time, and already with S. Buckner's leadership, the staff was well on its way to meeting the May deadline. But, expect several documents to appear before the Board in the coming two meetings.

D. Retirement of Equipment

B. Ekelof presented the following items for retirement as they no longer have value in function or cash:

| Asset Group | Quantity | Serial Number | Model | Purchase Date | Book Value |
|-------------|----------|---------------|-----------------|---------------|------------|
| 401 | 1 | C1MJGNH9DXY3 | MacBook Pro 13" | Nov-12 | \$0.00 |
| 397 | 1 | C02GN5G7DV7L | MacBook Pro 15" | Jan-12 | \$0.00 |
| 398 | 1 | C02HFARTDV7L | MacBook Pro 15" | Apr-12 | \$0.00 |

Todd Burtron moved to retire the equipment presented. J. Hughey seconded. Motion passed.

III. Financial Metrics

A. Tax Collections

B. Myers presented the tax collections for 2018 so far:

January tax deposits gross \$400,309.65 plus \$119,373.19 carryover from 2017

(but she noted is technically not appropriated yet)

2.7% over January 2017

2.6% over appropriations

February tax deposits gross \$273,981.31

8% over January 2017

10% over appropriations

Net for Year with 2017 carryover, less 2018 bond debt service: \$750,043.65

B. Lodging Data

B. Myers presented the lodging data for 2018 so far:

Weekly Reports Through January 27, 2018

Occupancy is down 5.4% to 4.8%

ADR holding its own up .4%

But supply up 7% and demand only up 1.2%

Interesting Things to Note

US31 Corridor properties demand up 8.9% against supply increases of 5.5%

I69 Corridor/Noblesville properties demand down 10.6% with 0% supply*

**She noted HCT is working with STR to understand when the Fairfield can be put into the response set.*

C. 2018 Budget

Although the 2018 budget is in the system, no report for the year is available as 2017 was still being closed.

D. 2018 KPIs and Goals

Tina Rodgers presented the 2018 KPIs the staff has determined stretch them but have the ability to be attained. Several goals related to sports will not see an increase, and one new sports goals for five connections with national sponsors was added. That department is shifting gears. These goals will be a constantly moving target as Google and other conduits for media and promotions are challenging DMOs.

J. Hughey moved that the metrics be approved as presented. A. Newport seconded. Motion passed.

E. Revise Drawdown Amounts

B. Ekelof noted that the 2018 contract approved and signed by the Tourism Commission and HCT Board was correct in its total but incorrect in its drawdown amounts. Although it's a minor change, it's an important one. She asked that the Board approve the new drawdown amounts.

3. [The initial funding contemplated by this Agreement shall be for the calendar year of January 1, 2018 through December 31, 2018 inclusive. The Commission's obligations under this Agreement are specifically limited to sufficient Innkeeper's Tax revenues. In the event that Innkeeper's Tax collected during the term of this Agreement fall below projections used to determine the Commission's budget, payments by the Commission may, at the Commission's sole discretion, be suspended until the Commission cash reserves reach a minimum of \$5,000. The Commission shall have no liability to the Bureau or to any third party for suspended payments under this Agreement. Payments for the 2018 contract shall be in arrears payable on or after the 15th of the month and as follows, funding provided, to support the tourism operations, contingent upon available funds and net after bond debt service:

| | |
|---------------------------|---|
| ▪ January – \$500,000.00 | ▪ August – \$396,750.27 |
| ▪ February – \$396,750.27 | ▪ September- \$396,750.27 |
| ▪ March- \$396,750.27 | ▪ October – \$396,750.27 |
| ▪ April – \$396,750.27 | ▪ November – \$396,750.27 |
| ▪ May – \$396,750.27 | ▪ December – \$396,750.30 or contract balance |
| ▪ June – \$396,750.27 | |
| ▪ July – \$396,750.27 | |

VI. Adjournment

A. Newport moved that the meeting be adjourned at 10:30. J. Geisendorff seconded. Motion passed.