

**HAMILTON COUNTY VISITORS AND CONVENTION COMMISSION**  
**37 E. Main Street, Carmel, Indiana**  
**Minutes of the Meetings**  
**May 18, 2017**

**Attending the Meeting:** Donna Prather, Chris Renner, Bill Smythe, Lisa Hanni, Robyn Paucker, Andrea Huisden, Casey Wilson and Brenda Tolson.

**Also attending:**

Brenda Myers, President/CEO; Karen Radcliff, Vice President/CSO; Sarah Buckner, Executive Assistant/Tourism Gives Coordinator; Christine Altman, Counsel to the Tourism Commission. And, Jay Gladden and Amy Ahlersmeyer from the HCT Board of Directors attended to hear the results of the Tourism Economics study completed and presented to the board – they had been unable to attend and wanted to hear the full report.

**I. Welcome**

Vice President Donna Prather opened the regular meeting at 5:45 p.m.

**II. Minutes of the February 2017 Meeting**

The minutes of the February 2017 minutes had been distributed electronically for review. There were no proposed changes. Chris Renner moved to accept the minutes; Bill Smythe seconded. Motion passed.

**III. Metrics & Finances**

Brenda Myers then presented 2017 financial metrics. 2017 started out a bit sluggish, and then began to pick up steam in March:

**A. Tax Collections Reports**

- Overall tax collections through March deposit is \$870,437 gross or \$805,000 net
  - Less than 1% over budget; 2 hotels are unpaid (one paid but forgot to send report)
  - Estimate \$820,000 if all were paid or \$21,000 over budget forecast

**B. Lodging Data**

*Through 1Q 2017*

- Demand up 12.1% against a room inventory increase of 13.8%
- Occupancy down 1.6%, at 59.7%
- ADR up 4.1% at \$107.99
- Revenue up 16.6%

*March 2017*

- Demand up 17.3% against an inventory increase of 13.8% (Easter shifted to April)
- ADR at \$112.59 or up 4.9%
- Occupancy at 59.7% down 1.6%
- Revenue up 16.6% (Easter shift and strong demand)

**C. Commission Financials**

**INCOME**

- The pace of revenue for the year is slower than we had hoped, but we are confident strong second and third quarters will help close the gap
- Despite the sluggish start in meeting the appropriations goal, HCT is leaving some funds at the commission level because of the cash reserves on hand at the bureau level
- This explains why the commission has \$374,194 remaining in its checking account

**EXPENSES**

- HCT is drawing down money to the contract or below
- Miscellaneous expenses are for costs of the winter meeting and a few other small items

- Only a portion of the professional fees have been paid; they are remitted as the invoices are received, usually quarterly

#### **D. HCT 2017 Budget**

Copies of the profit and loss to budget comparison statements through March and including April activity were included in Commission packets.

##### *Income*

- Tax receipts 29% at 33% of the way through the year, but this does not include a May deposit (we are using our contract to pull down funds and haven't needed those funds to cash flow)
- We have secured one of the two grants planned for and have deposited one-half of that grant for \$10,000
- Advertising co-op and in-kind, etc. on target

##### *Expenses*

- Marketing is just getting under way with its buys and is on pace
- Sales/promotions have been active in grants, etc.
- Community development similarly front loads grants, which is why it's at 51%
- Benefits are right on target
- Insurance high, but that's because it's front-loaded
- Wages are on target
- Taxes are on target
- Travel and lodging on target
- Utilities/office/rent includes non-cash pre-paid long-term partially non-cash

Andrea Huisden moved that the financial report be accepted as presented. Lisa Hanni seconded. Motion passed.

#### **IV. Old Business**

##### **A. Kincaid House Update**

B. Myers presented updates on the Nickel Plate Art's Kincaid House project. The City of Fishers has assigned a City Council member to review the options with the owner and HCT, and she said she would work through those details and report back to the Board of Directors.

#### **V. New Business**

##### **A. Tourism Economics Presentation**

B. Myers reminded the Board and guests that HCT contracted with Tourism Economics to analyze the past, current and future growth in the market, the sports rebate program and to provide some context for decisions moving forward. She walked through the presentation presented at the HCT Board meeting earlier in the month (and attended by several tourism commissioners) by Tourism Economics. A complete report was provided to the board.

After the presentation, the group discussed the results and determined that HCT should move forward with light discussions with key elected officials to determine, by August, the ability to move changes in the tax structure forward. There were concerns expressed, including but not limited to: What would be the response of the hotels? If a rebate program is chosen, how would it work and function? And how can HCT explain its past successes in supporting future investments and how would that work?

Other questions included: Do we have any obligation to reveal rebates or is this standard operating procedure? How do the rights holders of events explain this to their teams/parents?

B. Myers noted she would work with the research team to explore these questions and more and present an update at the August meeting after presenting to the HCT Board the same results.

##### **O.W. Krohn & Associates Presentation**

B. Myers then walked through a detailed forecast revenue and expense study completed by O.W. Krohn & Associates at the request of Hamilton County Tourism. A complete report is attached to this document. Everyone felt comfortable with the data as presented. The study is intended to help guide organizational leadership in what

is a rapidly changing market and is a companion to the Tourism Economics study as we look at 2018 revenue forecasts.

#### **B. 2018 Appropriations Request**

Using the data presented by Tourism Economics and O.W. Krohn, B. Myers then presented a revenue forecast spreadsheet for 2018's appropriations request to the Hamilton County Council. This request level was approved by the HCT Board of Directors to submit to the Tourism Commission for a 2019 contract:

- Based on forecast models noted, we propose an appropriations request of \$5,126,000 gross
- This represents a 9% increase in revenue over a room number increase of 12% when adjusted for on-boarding periods; however, Tourism Economics does only forecast 6% growth but we feel given additional assumptions that we can stretch to the 9% level
- By mid-year 2018, we will have 520 more rooms in the market, or 14% but accounting for when they come on board it nets 12% more inventory over the whole year
- Propose 9% because not all of those rooms will fill
- These are only rooms that are currently under construction
- Assumes all other rooms (another 400+) are 2019
- By the end of this 2016-2019 growth cycle, Hamilton County will see more than 1,000 more rooms in the market, or a growth of 32% (these are rooms under construction) and likely it will grow to 40% if all projects come to fruition

C. Renner moved that the Tourism Commission advance a \$5,126,000 (gross) appropriations request to the Hamilton County Council for 2019. Brenda Tolson seconded. Motion passed.

#### **C. Attorney RFI Discussion**

B. Myers opened up discussion regarding whether to seek new council should changes in the innkeepers tax be sought, as the conflict might be more challenging with the current "shared" counsel situation. Everyone agreed that this should be something to investigate and bring back to the Tourism Commission for 2019.

#### **D. Building Update**

Not on the agenda was a brief update by B. Myers and Karen Radcliff on the new building negotiations. A confidential LOI is being signed by the HCT Board of Directors but it is non-binding. More information should be available by late summer.

B. Smythe moved that the meeting be adjourned at 7:25 p.m. D. Prather seconded. Motion passed.