

HAMILTON COUNTY TOURISM BOARD OF DIRECTORS
37 E. Main Street, Carmel, Indiana
Minutes of the Meeting
November 4, 2016

Attending the Meeting: Amy Ahlersmeyer, Emily Lovison, Bob DuBois, Gary Miller, John Hughey, Alaina Shonkwiler, Jeremy Geisendorf. Not attending: Andrew Newport, Jeffry Brown and Melody Jones.

Also attending:

Brenda Myers, President/CEO; Karen Radcliff, Vice President/CSO; Betsy Ekelof, Operations Director; Ashley Ledford, Director of Marketing & Promotions; Aili McGill, Nickel Plate Arts Director; Tina Rodgers, Assistant Director of Resources; Sarah Buckner, Executive Assistant/Tourism Gives Coordinator; Christine Altman, Counsel.

I. Welcome

President John Hughey opened the meeting at 8:30 a.m.

II. Review of the Minutes of the October 2016 Meeting

J Hughey asked for approval of the October 2016 Board Meeting minutes.

Amy Ahlersmeyer moved to accept the minutes; Jeremy Geisendorf seconded. Motion passed.

III. Metrics & Finances

Brenda Myers then presented current financial metrics:

A. Tax Collections Reports

- Overall tax collections through November's deposit totals \$3,744,920, which is 10% over 2015 and 4% over the budget
- Net tax collections through November deposit after bond debt service is \$3,505,295.74
- This includes several hotels not remitting on time; reminders have been sent
- Still, revenues are about \$129,000 over budget for the year

B. Occupancy & Forecast Reports Through September 2016

- Demand up 3.8% and revenue up 10.1%
- Occupancy for the year is 69.3%, which is down 1.4% from 2015 against inventory growth of 5.2%

C. 2016 Budget

B. Myers provided profit and loss statements for the revised 2016 budget and noted the following:

- **Revenues** – On target to meet our goals overall
- **Expenses** – We continue to be on target except for the areas we keep reporting out on (e.g. travel, absorption of Pinny lease buy-out) and feel confident we will end the year in the black.
- **Note on 2016 Expenses** – Several projects planned for completion fourth quarter 2016 will either not occur or need to be moved in to 2017. We will return to the Board in February with a possible budget adjustment to accommodate these projects in addition to ensuring we fund depreciation and perhaps have additional reserves.

Gary Miller moved that the finances and metrics report be accepted; Alaina Shonkwiler seconded and the motion passed.

IV. New Business

- **Financial Reserves Policy Proposal** – B. Myers presented a proposal developed by Betsy Ekelof and the operations team to support a financial reserve for the organization with a goal of reaching 20%. There is some concern that this reserve could be targeted as in the past it has been considered inappropriate. However, all good non-profits try to create a reserve – especially those as vulnerable as tourism bureaus that rely on tax dollars. A black swan event or sudden downturn in the economy as seen in 2008 could be catastrophic. Much discussion took place about the proposed policy, with great input so it was determined to defer adoption until 2017 once additional details could be inserted.
- **2017 Meetings Calendar Review** – B. Myers presented the 2017 meetings calendar, which follows the traditional format of meetings in February, March, May, June, August, October and November.
- **HCT 2017 Contract with Tourism Commission** – B. Myers presented the 2017 contract for review to the Board, noting it would be presented to the Tourism Commission later in the month for acceptance. The only changes in the 2017 contract included a re-sculpting or “evening out” of the drawdown throughout the year by month and the contract amount – which is for the appropriated and not budgeted amount, understanding that the contract allows for distributions to be capped at the amount collected. The contract amount for 2017 is proposed at an amount of \$4,550,000. Amy Ahlersmeyer moved that the contract be approved as presented; Bob DuBois seconded. Motion passed.
- **Nickel Plate Arts Transition Items** – B. Myers presented several items for consideration as it relates to the Nickel Plate Arts, Inc. independence January 1, 2017. As a reminder, Nickel Plate Arts, Inc. has been a non-profit entity for approximately 18 months, with HCT staff managing the operations. Those staff members formerly employed by HCT will now be employed by Nickel Plate Arts. Discussions included:
 - **Overview of the Transition** – Director Aili McGill provided an overview of the transition activity to date. The organization is on pace to become independent as planned and will end the year in the black, with the HCT’s grant included in that fiscal model.
 - **Nickel Plate Arts Lease/Funding Agreements** – A lease proposal was submitted for consideration which included an annual \$10/year lease arrangement in 2017 to ensure the Nickel Plate’s viability with the promise of continuation of the lease, with HCT providing building insurance. Much discussion took place as to how high to cap the HCT’s obligations to maintaining the building for repairs, and it was finally determined that \$5,000 would be the cap. Additional comments also were made on details of the proposed lease. Alaina Shonkwiler moved that the HCT staff and legal counsel take the changes under advisement and create a new proposed lease to send to the Nickel Plate Arts Board for review; Gary Miller seconded. Motion passed. Alaina Shonkwiler then moved that HCT provide a \$300,000 2017 operating grant to support the transition; Bob DuBois seconded. Motion passed.
 - **Equipment Write-Off** – Betsy Ekelof provided a list of all equipment currently listed as assets on the HCT financials that needed to be written off and “gifted” to the Nickel Plate. It is understood that all other interior furnishings and fixtures beyond the building would automatically be transferred as Nickel Plate’s assets. The list primarily focused on technology not yet written off, and totaled \$4,252.09. Gary Miller moved that the equipment be written off and Jeremy Geisendorf seconded. Motion passed.

V. Old Business

- **Adoption of the 2017 HCT Budget** – B. Myers had reviewed in detail the proposed 2017 budget with the board in October. She presented a new budget with a few slight revisions in line item categories, mostly minor adjustments. The budget totals \$4,418,000 and is balanced. Amy Ahlersmeyer moved that the budget be approved as presented. Jeremy Geisendorf seconded. Motion passed.
- **HCT Employee Incentive Program** – Tina Rodgers presented an updated version of an employee bonus program beginning in 2017, payable with the first check of 2018, modified at the board's request. The proposal had been advanced the HCT Board Executive Committee. Proposed was a bonus of up to \$1,000 per employee, except the CEO, which would be determined by the HCT Board Executive Committee. This bonus would be earned 80% at the department level and 20% at the organizational level, tied to the organization's core value of collaboration and the promotion of teamwork. Department goals would be created by department heads and approved by Brenda Myers and Karen Radcliff to set a clear understanding of key performance indicators needed to be achieved. Organizational goals would be created by Brenda and Karen based on milestones toward the Vision 2025 plan. Alaina Shonkwiler moved that the bonus program be adopted; Gary Miller seconded. Motion passed.
- **Updates on Office Space and RFI** – Karen Radcliff presented a summary of the responses to the Request for Ideas (RFI). Office space had been proposed by each community, although only two matched the requirement of supporting a "mission" of some kind. The finalists will be presented to the office task force, which will meet in December, with the final proposed advanced to the board at its February meeting. The task force includes members of both the tourism commission and the bureau board as well as staff. Christine Altman will be involved in the process as legal counsel.
- **Board Replacements** – B. Myers provided several names for consideration to replace retiring member Joyce Poole and departing member Paul Munoz, in addition to filling the thirteenth position that has been open on the board after Ken Alexander also departed. She was given approval to seek these additional board members and advance them to the HCT Board Executive Committee, which acts as a nominating committee for the board.

VI. Area Reports

Given time considerations, no area reports were presented at this meeting.

VII. Amy Ahlersmeyer moved that the meeting be adjourned at 10:23 a.m.; Bob Dubois seconded. Motion passed.