



Friday, November 3, 2017
Hamilton County Tourism, Inc.
HCCVB, 37 East Main Street, Carmel, IN 46032
(317) 848-3181
HAMILTON COUNTY TOURISM BOARD OF DIRECTORS
Minutes of the Meeting

Attending the Meeting: John Hughey, Judi Johnson, Emily Lovison, Bob DuBois, Jeremy Geisendorf, Gary Miller, Jeffrey Brown, Andrew Newport, Al Patterson and Norman Burns.

Also attending:

Staff members Brenda Myers, Karen Radcliff, Tina Rodgers, Ashley Ledford, Betsy Ekelof, Sarah Buckner, Sarah Billman; and, Christine Altman, legal counsel.

I. Welcome

President John Hughey opened the special meeting of Hamilton County Tourism, Inc. Board of Directors at 8:34 a.m.

II. Review of the Minutes of the October 2017 Meeting

J. Hughey then asked for approval of the October 2017 regular meeting minutes.

Norman Burns moved to accept the minutes as presented; Jeffrey Brown seconded. Motion passed.

III. Metrics & Finances

Brenda Myers presented current financial metrics.

A. Tax Collections

- \$4,505,067 gross received through December deposit; goal was \$4,360,000
- \$4,265,093 net received through December deposit; goal was \$4,120,026
- Tax revenues w/ 2016 carryover – 4% over appropriations
- Tax revenues w/o 2016 carryover (FYI) – 1% under appropriations
- Estimated year-end additional taxes = + \$140,000 if hotels that owe remit

B. Occupancy Reports

- 11.6% more rooms sold 12 months through September
- 10.6% more rooms available 12 months through September
- 69.8% occupancy year-to-date
- 74% weekday (up 2.8%)
- Weekday demand up 10.3%
- Weekend demand up 14.4%

C. HCT 2017 Budget (refer to budget print-out)

October 2017 budget transfers have been made, with some November payments reflected.

Other notes:

- Revenue will even out at year-end
- Marketing Services has a lot of committed funds, as usual
- Community development does not reflect Grand Park grant yet
- Overall, we are on track for year-end

N. Burns asked how sculpted the budget was. Betsy Ekelof explained that some of the ongoing expenses are budgeted as they are expected to be expensed, but some contracts are not. She noted that additional reports could be generated to help show this, and said she would report back at the February meeting.

D. 3 Q Dashboard Updates

Tina Rodgers presented the third quarter dashboard updates. These KPIs not only determine progress but also inform the incentive pay program. She will email a full report to the board for review. Every KPI is exceeding goal with the exception of group leads to hotels. And staff will attend shows in November that should enable them to come closer on that goal. Bob Dubois moved that the financial report be accepted as presented. N. Burns seconded. Motion passed.

IV. Old Business

A. Building/LOI Update

Karen Radcliff updated the board on the work toward obtaining a new office location. She presented a proposal that would include:

- 1) Creating a plan by February 2018 to remain in space
- 2) Explore lease options (on and off site) for comparison
- 3) Continue exploring long-term options (buy/lease)

The original developer has a new plan to propose that more closely meets the requirements of the organization. That will be explored as the third option unless a better idea surfaces in the interim. All will be reported out at the February 2018 meeting.

B. Kincaid House Update

B. Myers has reached out for an appointment with the land owner, and it will include legal counsel. She will update the executive committee and board when information is available. Meanwhile, the Board agreed to exercise its option to purchase the land in 2017 from the Nickel Plate Arts, Inc. Board of Directors per the MOU signed Fall 2014. A report on those expenses is coming from Nickel Plate Arts but should be less than \$2,000. Al Patterson motioned the exercising of the option and payment of expenses; Andrew Newport seconded. Motion passed.

C. Nickel Plate Heritage Railroad

B. Myers reported that she continues to search for funding for this project and hopes to have positive news by year-end. She did note that the Board had approved \$100,000 a year for five years in operating support, but that this money will be considered a financial backstop by the lenders and the terms may be longer as an obligation even if not as a cost item. That is, the bank may need to consider HCT, Inc.'s interests by asking it to assign lodging tax dollars as a backstop. The Board authorized the executive committee to move forward with an appropriate obligation if necessary before February 2018's board meeting.

D. White River Regional Master Plan

B. Myers reported significant developments on this project:

- \$50,000 new funds generously provided by the Hamilton County Drainage Board
- More than \$30,000 in other requests are out to potential partners

She noted that \$125,000 had been set aside by HCT in 2017, but funds won't be spent until 2018 now. Because HCT cannot encumber funds, she asked that the executive committee be allowed to approve the transfer of any additional moneys thought available into the Grand Park grant in 2017 as that project has begun in 2017 and therefore is appropriate. A. Newport moved that the executive committee be authorized to do this; Judi Johnson seconded. Motion passed.

E. 2018 Budget Final Approval

B. Myers presented the final budget for 2018 for approval. The budget in detail was reviewed at the October 2017 meeting. The total budget was passed out for review but included: \$5,067,000 in expenses against \$4,928,253 in revenue for a deficit of \$138,747. This would likely be covered by additional appropriations in 2018 for excess revenue in 2017. If not, by operating reserve. The reason for the deficit spending is to continue the robust marketing program given the increase in lodging inventory while also supporting the major White River, Nickel Plate Heritage Railroad and Grand Park Event Center improvement projects. N. Burns moved that the budget be adopted as presented; B. Dubois seconded. Motion passed.

F. Financial Reserves Policy

It was determined that more discussion was needed on this to move forward. Gary Miller moved that this be tabled; Judi Johnson seconded. Motion passed.

V. New Business

A. 2018 Contract

B. Myers presented the 2018 contract for review by the Board. It aligns with the appropriations amount from the county. The contract will then be presented to the Tourism Commission at its November meeting for approval. It was noted that the contract automatically renewed at the end of September 2017 for three years but formal adoption is recommended. The contract total is \$4,864,253, to be transferred in equal installments after an initial payment of \$500,000 in January.

B. Percent for Progress Program

B. Myers closed the year-long goals by remind the Board that in May Tourism Economics presented an overview of what would happen to the market should a lodging tax increase be desired. Instead, the idea of moving the lodging tax rate up was set aside by the Board at this time. But another idea has emerged. Emily Lovison had proposed individually that the Board consider looking to support an operating reserve where funds could be funneled and every two years released for major projects. Commitments for these larger projects could be presented by the communities and it would take pressure off of the in-year destination development line item. It would also avoid surprise requests. The idea was appealing and it was decided that this be studied in 2018.

C. 2018 Meeting Calendar

B. Myers presented the 2018 meetings calendar. The First Friday dates and times remain the same. They are: Friday, February 2, 2018 - *2018 Annual Meeting and Elections*; Friday, March 2, 2018 - *2018 Marketing Preview*; Friday, May 4, 2018 – *2019 Appropriations Request Draft*; Friday, June 1, 2018 - *2019 Appropriations Request Final*; Friday, August 3, 2018 - *General Updates*; Friday, October 5, 2018 - *2019 Preview*; Friday, November 2, 2018 – *2019 Budget Adoption*.

VI. Department Updates

No handout was presented as there were no new updates to be reported.

VII. Adjournment

Jeffrey Brown moved that the meeting be adjourned; Gary Miller seconded. Motion passed.