

HAMILTON COUNTY VISITOR AND CONVENTION COMMISSION
37 E. Main Street, Carmel, Indiana
Minutes of the Meeting
February 7, 2019

Attending:

Robyn Pauker, Bill Smythe, Chris Renner, Perry Williams, Andrea Huisden, Brenda Tolson, Howard Stevenson, Tiffany Pascoe, Donna Prather.

Also Attending:

Brenda Myers, President/CEO; Karen Radcliff, Vice President/CSO; Betsy Ekelof, Operations Director; and, Christine Altman, Legal Counsel.

I. Welcome

P. Williams called the meeting to order at 5:52 p.m.

He introduced Tiffany Pascoe, County Council representative to the Tourism Commission and the newest member and everyone welcomed her.

II. Review of the Minutes of the November 2018 Meeting

P. Williams asked for a review of the November 2018 minutes.

C. Renner moved that the minutes be approved as presented. B. Smythe seconded. Motion passed.

III. New Business

At the request of B. Myers, H. Stephenson moved that the agenda be amended to discuss the Commission's auditor.

B. Ekelof had attended the meeting to update everyone on changes. B. Tolson seconded. Motion passed.

A. New Auditor

Ekelof noted that the Commission's current auditor, Platinum Accounting, has chosen not to return for the 2018 audit review due to the complex nature of the organizations. She also noted that the State Board of Accounts is working on commissions throughout the state and some changes may be in order, making it even more challenging. HCT is seeking a new auditor, and HCT wants permission to coincide the Tourism Commission's search with that effort. D.

Prather moved that a new auditor be secured not to exceed \$1,200. C. Renner seconded. Motion passed.

B. 2018 Hamilton County Tourism Year-End Metrics Report

B. Myers provided an overview of 2018 KPIs and successes for the year:

2 of 3 Overall Organizational Goals Achieved

1. 92.86% of KPIs Achieved (a chart of those KPIs was provided for study)
2. DMAP Reaccreditation Achieved
3. 7.9% Room Demand Growth (Not achieved – actual was 7.2%)

B. DuBois informed the board that the executive committee questioned whether room demand is an applicable metric. HCT's overall goal is to drive room demand, but whether it can influence to that level of accuracy is debatable. It has been removed as a 2019 goal.

KPIs in particular to celebrate included:

- **Visitor Experience** serviced 81 events against a goal of 50 in its first full year of operation
- **Partnership** renewed 239 gold partners against an annual target of 137
- **Social Marketing** drove 239,419 blog views against a goal of 71,000 and garnered 15,554 Facebook fans against a goal of 13,000
- **Public Relations** earned 224 media hits against a goal of 163
- **Marketing** scored 596,714 visitors to the site against a goal of 500,000
- **Sports** sent 27,446 room nights to hotels against a goal of 25,000
- **Sales** sent 65,303 room nights to hotels from leads and assists against a goal of 42,000

Big wins for the year included:

- Marketing nationally recognized for **GOOGLE TRAVEL** implementation
- **EARNED MEDIA** impressions totaled more than 335,000
- Paid Spring/Fall **MARKETING CAMPAIGNS** generated more than \$300:\$1 ROI

- Operations implemented massive new **CREDIT CARD EXPENSE SYSTEM**
- Operations improved **LODGING TAX REMITTANCE** through diligent follow-up
- Visitor Experience created **AMBASSADOR PROGRAM** to train hospitality volunteers/workers
- Visitor Experience began coordinating and streamlining **IN-HOUSE MANAGEMENT SERVICES** for HCT-hosted events
- Sales & Sports incorporated **RELATIONSHIP BUILDING SALES PROGRAM** into business strategy and grew key contacts list as a result
- Destination Development helped **LAUNCH A TRAIN** with almost 10,000 passengers in three months (thanks to huge support from Marketing)
- Destination Development hosted numerous **WHITE RIVER VISION PLAN** sessions with input from hundreds and completed phases 1 & 2 of the plan
- **VISION 2025 CHECK-IN** drew more than 150 community partners to four meetings throughout the county for conversations and input

2018 in Financial Metrics Review Included:

Lodging Industry

Tax Collections - \$5,231,125.75 Gross
 11% over 2017 & 2% over Appropriations
 Hotel Occupancy – 63.8% 2018 vs. 67.8% 2017
 Hotel RevPAR - \$75.75 2018 vs. \$79.70 2017
 Hotel Room Demand – 7.2% with inventory growth of 14.1%

Financial Review Estimated Budget vs. Actual

\$5,084,362 in revenue
 + \$40,893 in receivables (Atlanta USDA Grant/Miscellaneous) not reflected in revenue
 \$5,125,255 in revenue
 \$5,175,555 in actual expenses posted (includes payables)
 + \$70,000 in estimated additional accounts payable not reflected on balance sheet
 = \$5,245,555 in anticipated total year-end 2018 expenses
 \$5,125,255 in revenue - \$5,245,555 in anticipated expenses
 = (\$120,300) over budget
Note: 2019 budget proposes to replace this deficit spending.

Financial Review Estimated Balance Sheet

\$784,825 cash on hand as of 12/31/18
 + \$57,893 receivables
 +\$222,613 pre-paid 2019 expenses (spent in 2018/booked in 2019)
 - \$69,636 accounts payable
 = \$995,695 estimated actual current reserves
 + \$120,000 replenish reserves if possible 2019
 = \$1,115,695 reserves goal year-end 2019
**Financial reserves goal is 20% of budget, or \$1,060,000 for 2019, plus debt service reserve build-up to retire bond as soon as possible after 2021 (10-year call on the note).*

C. Information: Sponsorship Valuation Task Force

K. Radcliff updated everyone about a project HCT completed in 2018 and is expanding in 2019. In 2018, The Superlative Group, a sports valuation consulting organization, evaluated Grand Park and Hamilton Southeastern Sports (HSE Sports) facilities to determine a fee structure for naming rights. The valuation consultancy was offered to additional organizations, but due to the complex nature of the information needed, only two were able to participate in this pilot project. In 2019, the team will attempt to sell naming rights for various components of each of these entities to help create a revenue stream to support these programs. She will update the Tourism Commission and the HCT Board throughout the year. This is a long process and may take two years to see any results, she noted.

D. Destination Development Team 2020

B. Myers noted that HCT will re-introduce an input system into destination development investments beginning in the 2020 budget year. That meeting will take place in the near future, with a follow-up meeting in May prior to the budget appropriations request being sent to the county. Rick McKinney and Brad Beaver from the Hamilton County Council; Jimia Smith and John Hughey from the

Hamilton County Tourism, Inc. Board of Directors; and, Andrea Huisden and Tiffany Pascoe from the Tourism Commission will serve as members. More updates to come at the May meeting.

IV. Old Business

A. 2019 Budget & Funding Agreement

HCT provided a revised 2019 budget and funding agreement request based on the assumption that appropriations will be fully restored by the Hamilton County Council.

B. Myers presented the 2019 re-stated budget, which assumes restoration of the requested net \$5.3 million in funding from the Hamilton County Council, for review. She noted that the County Council asked the Board to adopt a fully restored budget and gave a level of confidence about restoration of that budget so long as communications continue to improve between the two entities. This budget has been presented to the HCT Board of Directors and is now presented to the Tourism Commission for consideration.

The budget, provided to the Commissioners, mirrors the one approved in May 2018 for appropriations with a few exceptions:

- Only 2% revenue growth is forecast in 2019 on lodging tax collections, or \$5,076,000, a conservative estimate
- \$234,000 in actual carryover funds from 2017-2018 would then fill in for 2019 appropriations revenue

Other items to note:

- \$120,327 in “replacement/set-aside” or reserves account has been budgeted to make up for deficit spending in 2018 as a result of not being able to pull down the additional appropriations noted above
- Marketing appears to be flat, and essentially is, but there is some freed-up funding as a result of the HCEDC contract allowing us to do our pay-per-click buying in-house for searches
- And, there is a revenue line of \$384,782.79 to cover wages, marketing and miscellaneous as part of our HCEDC contract

Additionally, with the assumption that appropriations will be fully restored, B. Myers presented a revised 2019 funding agreement with a drawdown schedule that would total \$5.3 million, providing funds were available. She noted that the agreement has that caveat in it to protect the Commission.

B. Smythe moved that the funding agreement be approved as presented. C. Renner seconded. Motion passed.

B. Office Space Team and Plan

K. Radcliff noted that HCT continues to work through details to move into new space by 2021. A non-binding LOI has been signed but delayed. The goal is to seek approval by the Hamilton County Council at its March meeting to move forward with a more detailed purchase agreement. She asked if anyone was interested in serving on a building committee. No one indicated an interest at this time but asked that the Tourism Commission be informed as to the results of the County Council request and of any further actions by the HCT Board of Directors.

V. Consent Agenda: Financials and Metrics

B. Myers noted that it is too early in the year to provide detailed updates on 2019 budget, or occupancy and tax collections, although the first two months’ deposits for January and February (which includes additional funds collected in 2018) totaled \$687,325 plus \$224,498 in carryover. While January represented a 5.6% decline in revenue because six hotels did not remit taxes on time, February taxes were up 12.6% when five hotels caught up.

The Tourism Commission’s profit and loss statement through 2018 showed total revenue of \$5,126,000 in revenue against expenses of \$4,869,175.68 versus a budget of \$4,859.453, or \$277.32 difference. This was primarily due to a reduction in hospitality reimbursements. Overall, net income to expenses was \$307.55 for the year.

VI. There being no further business, C. Renner moved that the meeting be adjourned. B. Tolson seconded. Motion passed.