

HAMILTON COUNTY TOURISM, INC. BOARD OF DIRECTORS
37 E. Main Street, Carmel, Indiana
March 3, 2023
Minutes of the Regular Meeting

Attending Virtually:

Chris Stice and Kayla Arnold

Attending in Person:

Norman Burns, Adam Hoffman, Ann Poindexter, Vince Dora, Michael Balcom, Jimia Smith, Bob Dubois, Scott Spillman, Mark Truett, Jeffrey, Brown.

Also in Attendance:

Staff members Brenda Myers, Brad Lynn, Sarah Billman, Laura Kelner, Tina Rodgers, Sarah Buckner, Ashley Ledford, Betsy Ekelof, and Karen Radcliff; Anne Poindexter, legal counsel.

I. Welcome

N. Burns called the meeting to order at 8:30 a.m.

II. Approval of February Meeting Minutes

- a. Minutes of the 2023 Annual Meeting —J. Brown moved to approve the minutes; B. DuBois seconded. Motion passed;
- b. Minutes of the March 2023 Regular Meeting -- approval—J. Brown moved to approve the minutes; S. Spillman seconded Motion passed.

N. Burns asked for a motion to amend the agenda to nominate and elect Adam Hoffman to the Board of Directors.

J. Smith oved that the agenda be amended as proposed. M. Truett seconded. Motion passed.

N. Burns asked A. Hoffma to tell the board about himself.

B. Duobis then moved that A. Hoffman be approved as a member of the Board of Directors. M. Truett seconded. Motion passed. He will serve through 2023 with the opportunity for reappointment in 2024.

III. Financials and Metrics

B. Myers noted that the financials and metrics have been proposed as consent agenda, although questions are permitted and encouraged. The financials and metrics are provided to the Board in advance of the meeting.

J. Brown asked where we account for depreciation in the budget. B. Lynn pointed to the line item – where depreciation is actually funded through set-aside but currently the set aside is just kept in general reserves and not designated. Brown suggested depreciation be moved to a designated account. He also suggested again that HCT seek a way to securely invest reserve money. B. Lynn noted that this will be included in the new financial policy and that he has been exploring certificates of deposit and money market accounts and will initiate these investments in the coming weeks.

J. Brown moved to approve the financial and metrics packet. V. Dora seconded. Motion passed.

IV. New Business

A. 2023 Revised Funding Agreement -- B. Lynn provided a revised funding agreement with the new installment schedule based on a budget that will allow for the additional appropriations for 2023 to be used for the leaseholder improvements in the office. The revised funding agreement increases from \$6,060,000 4000-Transfer from Commission to \$7,210,000. This is derived from additional taxes collected but not appropriated in 2022 for the most part. The funds will be used for leaseholder improvements to the county's tourism offices. An additional appropriation will be required later in 2023 to accommodate for this change in funding agreement. The agreement is currently under review by Kris who will suggest a few additional revisions. The commission has adopted pending Kris's revision. Ann will look over Kris's revisions and recommend next steps to the board. It was asked that the officers be allowed to sign once A. Poindexter has reviewed the document and mad any suggestions. V. Dora moved that the officers be allowed to sign the new funding agreement pending review by legal counsel. J. Brown seconded. Motion passed.

B. Building Renovations Update – T. Rodgers reported on the renovation timeline. The work will be considered a tenant improvement and does not need to be publicly bid. What's left is to develop final priding and drawings and sign agreements with contractor and architect. A final maximum price of no more than \$1,150,000 will be established. She thanked the insights of Ken Alexander who recommended a "guaranteed maximum price" model on the contract.

J. Brown asked why the HVAC is being improved. The building committee recommended due to air flow will change considerably with the new open concept layout and they are differing ages, with at least one unit 17 years old. J. Brown also asked if there would be a cost contingency and T. Rodgers noted there was. She then reviewed the cost of the project, including the contingency. M. Truett moved for the officers and/or staff to approve all contract agreements needed to start the project not to exceed \$1,150,000. B. DuBois seconded. Motion passed.

T. Rodgers then asked for the Board to consider an extension on the lease entered into with Pedcor in late 2022, now referred to as "the annex." This 644-square-foot space will be incorporated into the building renovation with an allowance paid by Pedcor of about \$15,000 for leaseholder improvements if a 4-year term with a 3% annual escalation is signed. Motion to extend the lease with Pedcor with a 4-year term at 3% renewal escalation. Mark moved that the lease extension be signed. V. Dora seconded. J. Smith abstained having declared a contract as an employee of the lease holder. Motion passed. 1st. Vince 2nd.

T. Rodgers then noted that non-profits have expressed an interest in the office furnishings. Brad reported on items available for disposal. A number of fully depreciated computer items need to be removed from the books. A second list included current furniture which some pieces not fully depreciated. Some items will be offered to staff to augment their home offices, and to the non-profits. The contractor would dispose of anything remaining. There is currently \$5,000 in the budget for depreciation of assets that remain. A. Poindexter noted the furniture largely has no market value and recommended the board allow staff to have the furniture if they need it for home offices and to provide anything of substance to non-profits.

V. Dora moved to allow staff to dispose the list of assets as presented, to remove them from the depreciation schedule, and to allow staff to determine market value of assets in order to donate or sell. M. Truett seconded. Motion passed.

C. BEST Milestone Report -- K. Radcliff provided an update on BEST Milestone meeting with HSP. Highlights included current tourism assets and pipeline, comp set and aspirational set with gaps in assets, a direction to be intentional on investing so that we lean into our current attractions and what makes us unique, a priority list that shows how we might invest this year in immediate projects with good ROI.

D. BEST Legislative Updates -- B. Myers reported that the legislative amendment continues to move forward and there is much optimism about its ability to pass this session. Mayor have expressed confidence in the capital improvement idea and all but one have signed the letter of support letter as have many hoteliers. J. Brown explained why he did not sign the letter. He thinks the BEST Master Plan needs to be finished first before it is determined the city/county distribution amount. B. Myers noted that this has been pulled out of the state legislation but he still expressed concerns. He also noted that while a conference center is inevitable and will need innkeepers tax dollars, and our distribution might need to change in order to get that done. B. Myers said for the record that she does not recommend this money be used for a conference center.

V. New Business

A. Budget Amendment -- B. Myers and B. Lynn presented a revised budget to include the non-cash building remodeling costs (deaccessioning and depreciation). Other expenses included a slight increase in conferences (for professional development), \$48,500 in additional depreciation schedule as HCT shed its existing office assets. B. Lynn reminded the Board that ARPA recovery dollars were booked as revenue last year but will be used in 2023 for marketing and other appropriate expenses, which will make the budget appear to be in deficit as it will draw off these reserves. The budget also adds money for a new Cincinnati media buy to test in spring into summer, taking marketing from \$2 million to \$2.15 million.

Previously adopted budget revenue total = \$8,776,242 with ARPA funds. The former budget had a net of \$47,742.

Revised adopted budget revenue total = \$10,076,312 with ARPA funds. This budget has a net of \$1,23,242, which technically will be used as cash for the building project although the expenses for that project won't directly impact the accrual budget.

Total approved allocation for the building project is \$1,150,000.

J. Brown moved to approve revised budget as presented and S. Spillman seconded. Motion passed.

B. 2023 Tourism Gives & HC Sports Authority Grants -- S. Buckner informed the Board that the grant application was changed to be more rigorous this year, with a special emphasis on programs that lifted up diversity/equity/inclusion or accessibility. She provided a recommended list of grants totaling \$55,000. Motion to approve grants as presented. J. Brown moved that the grants be awarded as presented. M. Balcom seconded. Those abstaining due to conflicts included: N. Burns, K. Arnold, C. Stice and M. Truett.

K. Radcliff then presented proposed grants totaling \$31,000 from the Hamilton County Sports Authority. These are operating grants and are not incentive or support funds for major events – separate pool of money. M. Truett moved to approve grants as presented. J. Brown seconded. Motion passed. S. Spillman abstained due to a conflict. Motion carried.

-

C. Nickel Plate Arts Update – B. Myers reminded the Board that \$200,000 was approved in the 2023 Destination Development budget for NPArts based upon negotiated actions, which includes \$100,000 to take care of long-deferred campus issues. Negotiations are still under way; however, Brenda requested the board release \$25,000 early before agreement is finalized because NPArts is running out of money for operations. B. DuBois reported that there is a clear understanding by the NPArts board and staff that they need to prioritize their new financial situation without annual HCT support. S. Spillman expressed concern that NPArts could create a more sustainable financial plan for themselves and suggested that their reliance on HCT support would still be needed. B. Myers noted that they would be eligible for operating grants along with other organizations. A motion was presented to release \$25,000 for NPArts to keep operations going for the time being by V. Dora. J. Smith seconded. Motion passed but Nickel Plate Arts will be asked to present at the May Board meeting.

D. Investment of Reserves – At the request of the Board, B. Lynn has outlined a proposed investment program, purchasing CDs , possibly \$750,000, \$500,000 and \$250,000 increments, staggered over 3, 6 and 12 months. This would allow fluidity should cash flow require additional reserves. An investment could earn \$30,000 over time given the high interest rates. B. Lynn also suggested we spread the CDs to different banks. J. Brown suggested we put as much cash as possible into the first CD to get a higher rate of return faster while interest rates are high. Motion was made to allow staff to invest in a staggered CD plan to earn the best possible return with least risk to cash flow. M. Truett made the motion. V. Dora seconded. Motion passed.

E. Whistleblower and Conflict of interest Policies -- Tina asked board members to watch for a Docusign email from us and sign Whistleblower and Conflict of Interest agreements for this year.

VI. Motion to Adjourn

J. Brown moved that the meeting be adjourned at 10:20 a.m. V. Dora seconded. Motion passed.