

HAMILTON COUNTY TOURISM, INC. BOARD OF DIRECTORS
37 E. Main Street, Carmel, Indiana
Minutes of the Regular Meeting
March 2, 2018

Attending:

Scott Spillman, Jeffrey Brown, John Hughey, Judi Johnson, Bob DuBois, Andrew Newport, Mark Truett, Angie Smitherman, Jeremy Geisendrff, Jimia Smith and Gary Miller. Not attending: Al Patterson and Norman Burns.

Also Attending:

Brenda Myers, President/CEO; Karen Radcliff, Vice President/CSO; Betsy Ekelof, Director of Operations; Ashley Ledford, Director of Marketing & Promotions, Sarah Billman, Assistant Director of Visitor Experience; Laura Kelner, Director of Sales; Tina Rodgers, Assistant Director of Resources; Sarah Buckner, Destination Development Manager; and, Christine Altman, legal counsel.

I. Welcome

B. DuBois welcomed the Board of Directors at 8:30 a.m.

II. Review of the Minutes of the February 2019 Annual Meeting and Regular Meeting

S. Spillman moved that the minutes of the February regular and annual meetings be approved as presented. M. Truett seconded. Motion passed.

III. New Board Member Nomination

Angie Smitherman was presented as a candidate for the Board of Directors. She serves as director for the City of Westfield's program, community events and sponsorship development programs and comes to the board already engaged with HCT through her work in the community and at Grand Park. J. Brown moved that Angie be added to the board, with her term expiring in January 2020. J. Johnson seconded. Motion passed.

IV. Financials/Metrics

A. 2018 Final Budget Results

Although it was a deficit budget, HCT had planned to request available additional appropriations and was asked not to given concerns by Hamilton County Council. The HCT reduced spending where available, and B. Myers presented what she thinks is likely near the final total for the year – not as critical as once feared. She gave accolades to the staff and operations division for excellent management of the situation:

\$5,083,262 Income (5,215,187) Expenses = (\$131,925)

A final total will be available post-audit.

B. 2019 YTD Budget YTD (through January)

B. Myers provided a printed budget report that shows most lines for the first month (plus a few weeks in February) tracking as expected for both revenue and expenses. She reminded the Board that HCT will need to work with the Tourism Commission to seek additional appropriations to complete the revenue forecast later this year.

C. 2019 YTD Occupancy Report (through January)

- Occupancy up .2%
- Demand Up 3.2%
- Rooms Available Up 3%
- Revenue Up 4.4%

January was flat for room sales, but February has been productive so far, with demand outpacing supply 2:1 and both weekdays and weekends returning stronger numbers.

D. 2019 Tax Collections Report

2019 Hamilton County Tourism Innkeepers Tax Collections Report

	2018 Actual	2019 Appropriations	2019 Actual	YOY Actual Diff	2019 Budget Diff	2019 \$ Difference	
January	\$ 400,309.65	\$ 400,000.00	\$ 377,510.52	-5.6%	-5.6%	\$ (22,489.48)	6 hotels not remitting November taxes.
November							
February	\$ 273,981.31	\$ 275,000.00	\$ 309,814.82	13%	12.6%	\$ 34,814.82	5 hotels catching up; 1 hotel lagging
December							
March	\$ 284,826.49	\$ 305,000.00	\$ 289,174.87	1%	-5%	\$ (15,826.00)	5 hotels not reporting
January							
Gross Receipts	\$ 5,231,125.75	\$ 5,337,224.06	\$ 976,500.21	1.8%	1%		
Bond Debt	-\$ 261,747.00	\$ (261,723.00)	\$ (65,430.75)				
Carryover		\$ 224,498.94	\$ 224,498.94				
Net In-Year	\$ 4,969,378.75	\$ 5,300,000.00	\$ 1,135,568.40				

Through March deposits (January and February receipts, which included any additional carryover from 2018), revenue is running 1% ahead of budget.

J. Hughey moved that the financial report be accepted. S. Spillman seconded. Motion passed.

Financials Other

A. Asset Write-Offs/Recycle and Donate – Betsy Ekelof

B. Ekelof asked that the Board officially write off the following assets:

Nickel Plate Arts Donations (formerly in visitors center, which is now a store and no longer being supported in staffing by HCT)

- Credenza
- Black Sofa
- Gray side chair (2)
- Coffee table
- End table
- Desk
- Large area rug

Equipment – Computer Equipment

- 1 Airport Base Station, 2 Airport Express Base Stations, 1 HP WiFi Printer, 2 24-port Netgear switches, assorted cables and adapters
- 4 Macbook Pro Computers from 2013; two hard drives and memory from 2013 and a mail server mini mac from 2011

G. Miller moved that the assets be written off as presented. J. Brown seconded. Motion passed.

B. 2019 Other Major Expenditures to Note

K. Radcliff and B. Myers also notified the Board of several major expenditures on the horizon. Given the lack of additional appropriations, they thought it prudent to just alert the Board. No concerns were expressed.

- \$275,000 Q1-Q2 Broadcast Contracts
- \$40,000 Tenderloin Trail 10th Anniversary Promotion
- \$100,000 White River Vision Plan 2019 Support NEW REMINDER
- \$50,000 4-H Fairgrounds Project

V. Old Business

A. HCT Office Review Team Updates

K. Radcliff provided updates on the HCT Office Review Team, comprised of Brad Beaver from Hamilton County Council, Jimia Smith and Norman Burns from the HCT Board of Directors, Bill Smythe from the Tourism Commission, and legal counsel Christine Altman. Jeffrey Brown could not make the meeting but sent comments for review.

- K. Radcliff explained how HCT got to the point where it is on the building project it has chosen
- There seemed to be general acceptance that HCT has done its due diligence and one of the motivations driving the selection of this location is not as much its prestige as much as it is price and amenities within the project itself (e.g. on-site storage)

- One of the key takeaways from the meeting was the variance in cost to lease (est. \$30/SF) vs. buy (est. \$23SF)
- Likely the Commission will need to retain the debt on the building, with all operating costs to HCT, as a bank will want that security (and the County would own the facility as is now with a covenant on the lease)
- The County Council will hear a report from Brad Beaver at its March 6 meeting on whether to HCT can proceed with purchase, or bring back the lease option to the Board at its May or June meetings (there is currently signed a non-binding LOI and a purchase agreement available that does not provide the level of detail needed)

B. 2020 Destination Development Review Team Report

B. Myers reported that county council members Brad Beaver and Rick McKinney joined HCT Board members John Hughey and Jimia Smith; HCT Staff members Sarah Buckner, Karen Radcliff and Brenda Myers; and Tourism Commission members Andrea Huisden and Tiffany Pascoe. B. Myers presented several projects on the horizon – many of which have not been discussed with the participant. These are just projects in production or just surfacing, that could have a regional impact and definitely have a tourism opportunity in them. The team then weighed in on a rubric, and here is how the top project scored as potential for 2020 funding:

1. Ruoff Home Mortgage Music Center Gateway Design
2. 4-H Fairgrounds Branding Project, Phase 2
3. White River Focus Area (Conner Prairie – River Heritage Park, River Road Park, Hazel Landing Park, Heritage Park), Phase 2
4. Support Westfield Grand Junction Project (TBD)
5. Consumer Product Research (scored low but kept on list)

Plus, Nickel Plate Arts, Nickel Plate Express, Grand Park (via HCSA) potential ongoing support.

B. Myers will research these projects and bring them back to the team in a late April/early May meeting, and to the Board. The Board will likely still budget a “lump sum” into its May budget to present to the County in late May and in June decide which projects to advance to the Council at its hearing, and thus dive into more detail in its 2020 budget.

C. Sponsorship Valuation ROI Information & Review

K. Radcliff returned with additional information on the sponsorship valuation program presented at the February meeting. The Board asked her to examine the potential ROI on these projects to sustain the program as was presented. The questions were:

- Do we want to continue to pursue the 10% commission program to re-invest in a long-term future for supporting valuations of not only sports teams but also arts, parks, etc.?
- Or, do we want to test a two-year investment in the program as a community development opportunity to support our communities and evaluate after that time?

As a reminder, only two organizations in the end chose to participate: Hamilton Southeastern Sports and Grand Park. HCT would like to enter into an agreement for three years to co-op the rights to sell naming rights for these spaces and would like to seek an option to request a portion of the commission as repayment.

The following board comments are paraphrased:

A. Newport: These often provide a slow return, but more importantly require a huge change of culture on site with operations as following through with the agreements is critical to delivering the promise. The numbers also seem very aggressive – expect about half of what you think you will get.

- J. Brown: Why is the retainer the same? If the company does not deliver, can you end the contract?
- M. Truett: Were arts and non-profits ever considered as a potential for the retainer now or in the future? The Center, for example, is contracting with its own agency.
- N. Burns: Agreed with M. Truett in that non-profits are usually expected to fund these on their own.
- C. Altman: Could HCT consider a master contract with Superlative Group making services available on individual agreements with the partners? HCT negotiates the commission and scope of services and gets reports, but they work directly with the partners. HCT could then agree to receive a commission back to a certain percent, and then drops off as a commissionable partner.

In the end, the Board said while it would be nice to recoup its costs, it was not absolutely necessary to do so.

K. Radcliff will review these suggestions and come back to the May meeting with additional information.

VI. New Business

A. 2019 Destination Development Support Grants

S. Buckner presented a list of more than 40 organizations to support with \$90,000 worth of sponsorship/operating support based on requirements provided to the Board – primarily engagement with HCT and use of marketing outlets to promote their products. Funds were the same as 2018 although a few have dropped off or been added based on engagement levels and responsiveness. Because many industry board members have involvement with some of the organizations on the list, the following votes took place:

Downtown Neighborhood Associations – G. Miller moved funding as presented; J. Brown seconded. Motion passed with a recusal by J. Johnson.

Event Makers – J. Geisendorff moved funding as presented; S. Spillman seconded. Motion passed with a recusal by J. Johnson, A. Smitherman.

Arts Districts – G. Miller moved with J. Brown seconding. Motion passed with recusals by J. Johnson and B. Dubois.

Non-Profit, Large – J. Hughey moved with J. Brown seconded. Motion passed with M. Truett recusing.

Non-Profit, Small – S. Spillman moved with J. Smith seconded. Motion passed with J. Hughey recusing.

Community Asset Development, Special Tourism Event Opportunity, Festivals – J. Hughey moved and M. Truett seconded. Motion passed.

VII. Partner Highlight: Nickel Plate Express

Dea Holt, executive director of Nickel Plate Express, and Dagny Zupin, communications coordinator, presented an update on the status of the railroad operation being supported by Hamilton County Tourism. In 2018, almost 10,000 passengers rode the train during its 3.5-month launch with a train passenger occupancy of 90%. They discussed their vision for the future of the tourism railroad operation.

VIII. Adjournment

There being no further business, the meeting was adjourned at 10:30 a.m. J. Brown moved and G. Miller seconded. Motion passed.