

HAMILTON COUNTY TOURISM, INC. BOARD OF DIRECTORS
37 E. Main Street, Carmel, Indiana
Minutes of the Regular Meeting
May 4, 2018

Attending:

Emily Lovison, John Hughey, Norman Burns, Judi Johnson, Bob DuBois, Andrew Newport, Jimia Smith, Scott Spillman, Al Patterson, Jeffrey Brown.

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, Tim Sheidler, Accounting Manager.

I. Welcome

Emily Lovison welcomed the Board of Directors back into regular session at 8:32 a.m.

II. Review of the Minutes of the March 2018 Meeting

E. Lovison asked for approval of the March 2018 meeting minutes. Norman Burns moved; Jimia Smith seconded. Motion passed.

III. Metrics

A. Tax Collections – Betsy Ekelof reported on the 2018 year-to-date tax collections, deposits through March 1.

- \$1,697,269.76 gross has been collected (before bond).
- This is \$82,000 over the forecast 2018 budget. And 10% over 2017 collections.
- Added to the 2017 remaining funds, it is approximately \$200,000 total over forecast (not yet appropriated).

Brenda Myers noted that operations continues to work with the Hamilton County Treasurer's office, as one hotel is still catching up from 2017 and one hotel did not remit March taxes by the April 20 deadline for four properties.

B. Hotel Occupancy – B. Myers reported that January-March was a bit of a struggle, with occupancy down to 52.1% with new inventory. A total of 3.1% more rooms were sold, but 8.4% more rooms were available. March saw some improvement. April through April 28 also looked more favorable and was an Easter month both in 2018 and 2017. Revenue through the month was up an astounding 26.6% through this date, with room demand up 18.5%, with 15.6% more rooms available.

C. Budget Review – B. Ekelof presented a budget review for the first quarter. The financial statement does include April payroll, which is why it was at 29% vs. 25%. Revenue does not match the in-flow of tax dollars as it is being drawn down per the 2018 contract with the Tourism Commission. Revenue reimbursements do reflect receivables for the White River project, which will be adjusted per an item later in the budget. Most items other than those that normally see a large pay-out in the first quarter are tracking at 25% or near.

D. Q1 KPIs Report – Tina Rodgers updated the board on the activity metrics including Visitor Experience, Partnership, Public Relations, Social, Digital, Sports Sales and Group Sales. Several are slightly off goal due to sales activity being more robust second and third quarters. Many are surpassing goal. Room demand is not meeting the 7.9% goal for Q1 but the staff remains optimistic this metric will be hit by the end of summer.

B. Myers also showed a slide that is one of many produced by marketing to understand "pace" of potential visitor engagement year-to-date. The slide shows that web engagement is up 80% thanks to a very vibrant marketing campaign and searches-to-click-thrus continue to increase at a healthy pace.

Jeffrey Brown moved that the metrics/financials be approved as presented. Judi Johnson seconded. Motion passed.

E. Equipment Retirement – B. Ekelof noted that the auditor still recommends we retire equipment so that we do not pay business property taxes on them when they technically have no value. She presented the following items to retire. John Hughey moved for the retirement of the proposed equipment. J. Brown seconded. Motion passed.

April 2018 Decommission List

Asset Group	Quantity	Serial Number	Model	Purchase Date	Book Value
361	2		Airport Base Station	Jun-2008	\$0.00
368	1		LCD Monitor	Aug-2009	\$0.00
369	1		19 LCD Monitor	Mar-2009	\$0.00
381	1	C02F57MTDF8V	Macbook Pro 15"	Mar-2011	\$0.00

F. Contract/Budget Amendments – B. Myers presented a sheet that shows the current 2018 budget and a proposed revised 2018 budget that takes into account:

- In/out money for White River Regional Masterplan payments (\$50,000-Hamilton County Drainage Board; \$15,000-City of Noblesville)
- For likely additional appropriations (based on current estimations)
- For an accelerated distribution of a \$500,000 grant to the Nickel Plate Heritage Railroad project

She noted that the Board would need to see revenue reports through the August deposit and make a request to the Tourism Commission for a contract amendment, and the Tourism Commission would need to seek additional appropriations from the Hamilton County Council.

She walked the HCT Board through the proposed grant acceleration, providing \$502,000 in grants over two years vs. \$500,000 in grants over five years. The purpose is to reduce costs and interest accrual by supporting the mobilization for the railroad equipment, the NBOI interest and principle payment and the equipment interest payment. This totals \$290,000, although the equipment interest payment will be paid direct by the railroad programmer to the railroad operator. In 2019, the total gift will be \$212,000, supporting both the NBOI loan as well as the operator equipment loan. The equipment loan should be re-bundled into a new loan in 2020, either packaged with the rail restoration loan or separate. Work already has begun on that avenue. She also reminded the HCT Board, as she will the Tourism Commission, that there is still, beyond this, technically a guarantee of \$288,000 in debt to the National Bank of Indianapolis, which has a 10-year amortization schedule but a 5-year balloon payment due. Much discussion took place on the acceleration, although much of the original discussion of the viability of the project had taken place at its February and March meetings. B. Myers presented in the revised budget how the accelerated payment would be repaid, primarily through additional anticipated tax remittances. She predicted the maximum shortfall would be about \$120,000, and that was less than the original projection for the year.

After discussion, A. Newport moved that the grant acceleration be approved; N. Burns seconded. Motion passed. Then, J. Hughey moved that the revised budget be approved with this new grant distribution in place. B. Dubois seconded. Motion passed.

V. Old Business

A. Office Resolution – K. Radcliff presented an update on the new office location. She noted that the final contract should be ready for review in August 2018 by the HCT Board meeting. The location and price structure were discussed, all within the HCT proposed budget. J. Johnson moved that the board Chairman be permitted to sign the non-binding LOI. A. Newport seconded. Motion passed.

B. Ekelof also reminded the Board that the deadline to approve a lease extension for the second floor space in 2019 was near. Pedcor has presented a very favorable lease extension past the lease date of 3 month increments. This should easily take us into spring 2020 when the new building will be complete. N. Burns moved that the lease extension be signed. J. Brown seconded. Motion passed, with Jimia Smith recusing due to her employment with the leasing agent, Pedcor.

B. White River Regional Masterplan – B. Myers presented a photo and noted that the planning has officially begun.

C. Depreciation Threshold Change – B. Ekelof had been asked to bring back recommendations from the auditor re. the depreciation threshold. Currently that level at which an item can be depreciated is at \$500, and it is recommended that it be moved to \$1,000. J. Brown moved that the level be increased. B. Dubois seconded. Motion passed.

D. Second Reading, By-Laws Changes – B. Myers asked if there were any additional comments on the proposed bylaws changes, most of which focus on titles and names. There being no other discussion, J. Hughey moved that the bylaws revisions be adopted. A. Newport seconded. Motion passed.

E. Hiring Policy Revision – Tina Rodgers presented a revised version of the hiring policy as it relates to employees, etc. Relatives of employees are no longer eligible for hiring, and neither are the relatives of anyone who makes financial decisions about the organization, such as appropriating bodies. J. Brown moved that the new hiring policy be adopted. J. Johnson seconded. Motion passed.

VI. New Business

A. 2019 Appropriations Request to Tourism Commission – B. Myers presented the revenue forecast report for 2019, to inform the 2019 appropriations request. She noted staff anticipates a very modest 6% growth year-over-year, based on new hotels opened in 2018 picking up velocity, and 30 more rooms in the market. The year also is a good compression year for major events. After much discussion, the HCT Board moved to suggest a \$5.3 million appropriations request to the Tourism Commission, but HCT will budget at almost \$200,000 less than this, seeing how the year's revenues flow. J. Brown motioned that the request of \$5.3 million be made to the Tourism Commission. B. Dubois seconded. Motion passed.

B. Arcadia Depot Improvement Grant – B. Myers explained that in addition to start-up costs, HCT has budgeted a matching grant to improve the Arcadia Depot for the Nickel Plate Heritage Railroad – having received a \$4,000 Quantum Leap Grant from Indiana Humanities to provide exhibition and interpretive elements. The HCT funds will provide improvements to the building to make it exhibit friendly. Al Patterson moved that the additional \$13,000 grant be approved. J. Johnson seconded. Motion passed.

C. Policy Update for DMAP (Accreditation) – B. Myers presented with B. Ekelof the revised Financial Policy. Very little was changed, only names were updated and some references to the new Intacct software system rather than paper checks were updated. Discussion took place regarding spending on credit cards. It was recommended that we take stronger action regarding accidental personal spending on credit cards, especially if it is a repeat offense. T. Rodgers noted that this information is more strongly worded in the employee manual, and it was decided that language would be adopted. N. Burns moved that the revised Financial Policy be updated; A. Newport seconded. Motion passed.

D. Vision 2025 Summer Meetings – K. Radcliff presented a schedule of meetings for Vision 2025 community input and encouraged Board members to attend at least one. She noted an Eventbrite invitation would be forthcoming.

E. Other New Business – N. Burns asked the Board if one more item could be added under new business. There were no objections, so he asked about tourism's involvement and engagement in community planning and what the organization's role is. B. Myers explained the HCT attempts to take an active role in planning but is not always included or influential but the effort is made to prevent duplication. However, communities are usually receptive in discussing, and HCT will offer to pay for feasibility study funding for some projects.

VI. Area Updates Handout

B. Myers reminded the HCT Board that their packets hold information updates from all areas of the organization's work.

VII. Adjournment took place at 10:05 a.m. J. Hughey moved; Scott Spillman seconded. Motion passed to adjourn.