

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

Attending:

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

Also Attending:

Brenda Myers, President/CEO; Karen Radcliff, Vice President/CSO; Betsy Ekelof, Director of Operations; Sarah Billman, Assistant Director of Visitor Experience; Ashley Ledford, Director of Marketing; Tina Rodgers, Assistant Director, Resources; Laura Kelner, Director of Sales; and, Attorney Christine Altman, Legal Counsel.

I. Welcome

Bob DuBois welcomed the Board of Directors and opened the meeting at 8:40 a.m.

II. Review of the Minutes of the October 2018 Meeting

B. DuBois asked for approval of the October 2018 meeting minutes. Norman Burns moved the minutes be accepted as presented. Jeffrey Brown seconded. Motion passed.

III. New Business

A. 2019 Budget & Tourism Commission Contract

Brenda Myers opened discussion of the 2019 budget by updating the HCT Board on the situation and on the November 1 Tourism Commission meeting. In September, the Hamilton County Council reduced the total amount of 2019 appropriations requested by the Hamilton County Visitors and Convention Commission from \$5.6 million (gross before debt service) to \$4 million (gross before debt service). This amounts to \$3,738,592 net for operating, or a revenue reduction of \$1,125,661.

This would reduce significantly the 2019 contract with Hamilton County Tourism, Inc. and its ability to plan for the coming year. At the October HCT Board meeting, staff was directed to come back to the Board with a budget reflecting the reductions in appropriations.

She provided the revised, reduced budget based on these potential reductions.

B. Myers noted that Hamilton County Council member Rick McKinney had addressed the appropriations reduction and subsequent concerns of HCT at the Tourism Commission meeting. He had offered the following thoughts regarding the appropriations reduction:

- The HC Council overall supports tourism's efforts.
- But, the HC Council thinks HCT is focusing on too many activities, some of which are seen as outside the organization's mission.
- The HC Council would like to see more communications from HCT and the Tourism Commission moving forward.
- The HC Council would like more involvement in destination development grants made by HCT and the Tourism Commission.

R. McKinney invited the Tourism Commission and HCT to the December Hamilton County Council meeting to begin dialog on restoration of appropriations and improving communications moving forward. This would include allowing two HC Council members to serve on a destination investment review committee. B. Myers noted that HCT would review its procedures for funding destination development and suggest ways to engage the HC Council members.

The Tourism Commissioners have suggested after this conversation that the HCT Board could feel confident moving forward with 2019 restored appropriations, along with a concerted effort to restore confidence by the HC Council.

Attorney Christine Altman had noted that the contract allows for an automatic renewal of its 2018 funding level plus 10%, providing funds are available. Funds would be available if 2017-2018 additional appropriations are taken into consideration. B. Myers reminded board members that she has revised 2019 forecasts based on economic indicators.

Discussion then took place as to what that total would be. The "plus 10% total" is slightly higher than the actual request to County Council (\$5,350,754 net vs. \$5,300,000 net), and it was suggested that HCT proceed with that budget in mind but be cautious about spending pending restoration of appropriations by the HC Council in 2019. A revised fully funded \$5.3 million budget will be brought back in February for final review, which would include 2017-2018 balance of funds, but she asked for a vote on the total as presented. Jeffrey Brown moved that HCT begin work on a restated budget for 2019 and present at the February board meeting. John Hughey seconded. Motion passed with seven yes votes and one no vote, from Todd Burton who indicated he did not feel comfortable on the vote given the last-minute information presented.

Perry Williams said he would accompany B. Myers to the December meeting. B. Dubois said he would attend as well.

B. Myers said she would report to the HCT Board leadership team the results of the meeting and provide details of the revised budget. At this time, the auto renewal of the contract still stands and can be amended at the February meeting.

B. 2019 Meetings Schedule – B. Myers passed out the meetings schedule for 2019 for review.

IV. Old Business

A. New Office Space

Karen Radcliff updated everyone on the current status of the letter of intent (LOI) with the developer of the proposed new office space articulated in August. The HCT Board at its November meeting may decide, given the current conversations with the county that this project should be put on hold. The LOI can remain in place but the developer should be notified that HCT understands if it needs to move on. Howard Stevenson asked if the LOI was binding, and K. Radcliff said no. Councilman Rick McKinney noted this is an additional area of concern by the Hamilton County Council, in that the office location is in a high-valued area of town. Although B. Myers did point out that the price offered was fair and competitive, and K. Radcliff noted that in a study of downtown districts and office parks, the space was also comparable. McKinney asked that a Hamilton County Council member be allowed to serve on the review team for input, and the HCT and Tourism Commission said that would be welcomed.

B. Nickel Plate Express Grant Discussion

As the 2018 and 2019 grants to Nickel Plate Heritage Railroad for two-year start-up support for the operations of the Nickel Plate Express are at the HCT, Inc. level, B. Myers noted she did want to update the HCT Board on that grant and ask for consent on possible changes to that grant.

HCT had provided start-up financial support for the railroad restoration loan as well as operating and marketing support. In addition, HCT was to provide interest support on the equipment loan from Atlanta Pacific Railroad. However, it looks as though APR is going to extend that note to year-end 2019 in a revision, and allow interest to accrue allowing cash to be invested into expanding the equipment's capacity for dining cars, and thus revenue opportunities.

A fourth car would be converted into a dining car, which would double capacity for these high-value experiences. B. Myers said the HCT board had approved this change in direction, and she wanted to notify the Tourism Commission of this change.

Jimia Smith and Jeremy Geisendorff asked for clarification that the change in grant would not result in any new money toward the project. B. Myers said it would not. The totals should remain the same or actually be lowered.

The Board gave its general consent on the change in grant direction, should it develop.

C. Vision 2025 Update

K. Radcliff briefly updated board members on the Vision 2025 planning updates from the summer sessions. The updated plan will focus on the same compass points, although several issues have emerged that the community would like HCT to address. Specifically, participants asked HCT to continue to help them bundle and market their communities as experiences. In addition, "nightlife activation" will transition into "creative economies activation" with nightlife in mind. Details will be presented in February 2019.

D. Tourism Ordinance Review

B. Myers provided an edited and updated version of the Hamilton County ordinance that enables establishment of the Tourism Commission. This draft needs to be sent to the Hamilton County Board of Commissioners for review at its November 27 meeting. At the previous meeting, it was decided to move the Commission to 15 individuals, allowing for 5 appointments by the Board of Commissioners and 2 by the Hamilton County Council and 4 by the mayor of the largest city (Carmel as of now). All of these requirements (percentages) are established by the Indiana Uniform Innkeepers Tax, under which the Hamilton County Visitors and Convention Commission is established. In addition to these 11 appointments, it is recommended another 4 appointments be made: 2 by the second largest city's mayor, and 1 each by the third and fourth largest cities' mayors. The revised ordinance also meets state statute changes that remove any political or residency affiliations, and more closely align with the state's statute defining tourism industry and lodging industry representatives. After some discussion, it was determined the request was ready, with minor edits, to be sent to the county commissioners for review.

V. Consent Agenda: Financial Reports

B. Myers noted that a financial packet had been distributed to the board for review. There being no questions, Jeffrey Brown moved that the financial reports be approved. John Hughey seconded. Motion passed.

VI. The meeting was adjourned at 9:58 a.m. John Hughey moved; Jeremy Geisendorff seconded. Motion passed.