

HAMILTON COUNTY TOURISM, INC. BOARD OF DIRECTORS
Hamilton County Tourism, Inc. Offices
37 E. Main Street
Carmel, IN 46032
D R A F T for R E V I E W
Minutes of the Regular Meeting
November 1, 2019

Attending the meeting were Mark Truett, Jimia Smith, Scott Spillman, Jeffrey Brown, Bob DuBois, John Hughey, Judi Johnson, Angie Smitherman and Norman Burns.

Also attending were Brenda Myers, President/CEO; Karen Radcliff, Vice President/CSO; Tina Rodgers, Assistant Director of Resources; Carol Sergi, Director of Economic Development; Betsy Ekelof, Director of Operations; Sarah Billman, Assistant Director of Visitor Experience; and Sarah Buckner, Destination Development Manager. Also attending, Christine Altman, Legal Counsel. Also joining the meeting was Perry Williams, President, Hamilton County Visitor and Convention Commission.

I. Welcome

The November meeting of the Hamilton County Tourism, Inc. Board of Directors convened at 8:30 a.m. with Chair B. DuBois welcoming everyone.

II. Review of the October 2019 Minutes

B. Dubois asked whether there were any changes to the minutes of the October 2019 meeting. No corrections were noted, and JN. Burns moved that the minutes be approved as presented; A. Smitherman seconded. Motion passed.

III. Financials & Metrics

- A. 2019 YTD Budget Report** – B. Myers presented the profit and loss statement as of 10/30/19 which showed total expenses at \$4,634,171 against revenue of \$4,621,365. Total revenue to goal is at 81% and expenses to goal is at 81%. All categories appear to be tracking as forecast.
- B. 2019 Occupancy Report** – Through September 2019, occupancy was 66%, up from 2018’s 65.2%. Through October 2019 rooms available was up 4.5% with room demand up 5.7% which is why occupancy is strong. Weekday demand continues to provide the biggest challenges for the hotel market.
- C. 2019 Tax Collections Report** – Lodging taxes through the eleventh transfer of the year (November) total \$4,950,724.67, or 2% over budget and 5% over 2018.

J. Brown moved that the financials be accepted as presented. J. Hughey seconded. Motion passed.

IV. Old Business

- A. HCT Office Updates** – K. Radcliff reported there are still no updates but the projects have all been put on hold pending community discussions about the HCT budget.
- B. Tax Funded Community Support Task Force Updates** – B. Dubois reported that positive conversations continue with the cities re. allocation of lodging tax dollars for destination development. There is no new news to report. Likely more information will be available at the February 2020 meeting.
- C. Nickel Plate Express Updates** – B. Myers noted that the 2020 budget to be presented today for approval includes about \$180,000 in Nickel Plate Heritage Railroad support in Destination Development to subsidize debt service on the rail restoration as well as the equipment loan. That amount is the total debt obligation with the loan consolidation (track repairs + equipment) at a lower interest rate and will not be sufficient to support the separate notes should they remain as they currently are structured. The goal is to consolidate the notes at a lower rate and a bank has indicated interest but requires the Tourism Commission to serve as the note holder. NPHRR understands it will have to make up the difference between the two loans. She asked the Board for direction in seeking support from the Tourism Commission to guarantee the note, given the contract nature of HCT, Inc. The Board gave her several suggestions for financial institutions to reach out to for ongoing conversations. C. Altman, legal counsel, also suggested that an RFP be produced for financing. B. Myers said she would add this to the Tourism Commission’s agenda.

V. New Business

A. 2020 Budget Adoption

B. Myers presented the final proposed 2020 budget to the HCT Board in a Budget Packet. The 2020 business plan was presented at the October Board meeting, and this budget reflects those areas of focus. Details of the budget include:

- Forecast \$5,622,723 in gross revenue (3% increase) or \$5,361,000 net after bond debt service + \$106,000 in carryover from 2019 for a total of \$5,467,000

- The more conservative 2020 estimate was based on a study by Tourism Economics that forecasts negative RevPAR growth in the coming year due to flat ADR growth driven by oversupply
- In addition, the HCEDC partnership revenue will bring \$375,000 in additional revenue but is based on a formula of \$200,000 in staff and talent/support + \$175,000 in marketing
- That brings the total gross revenue to \$5,892,000 and the same for expenses
- Other details were provided in the packet

No questions were asked given this was the second meeting where the budget was discussed.

J. Hughey moved that the 2020 budget be adopted as presented. J. Johnson seconded. Motion passed.

B. 2020 HCT Board Meeting Calendar

The 2020 meeting calendar was presented for review. It follows the same formula as has been done historically. No concerns were expressed.

D. Recognitions

B. DuBois noted that this is the last meeting for J. Johnson and J. Hughey as they are both moving on to other communities for their work. Their passion for tourism, dedication to the Board and support of community were noted. They will be missed. The Board presented them with gifts and many thanks for service provided.

VI. Adjourn

J. Hughey moved that the meeting be adjourned at 9:45 a.m., there being no other business to discuss. A. Smitherman seconded. Motion passed.