

HAMILTON COUNTY TOURISM, INC. BOARD OF DIRECTORS
37 E. Main Street, Carmel, Indiana
November 4, 2022
8:30-10:15 a.m.
Minutes of the Board Meeting
In-Person Meeting

Attending the meeting:

Bob DuBois, Scott Spillman, Jimia Smith, Jeffrey Brown, Andrew Newport, Norman Burns, Mark Truett, Chris Stice.

Also attending:

Brenda Myers, President/CEO; Karen Radcliff, Vice President/CSO; Brad Lynn, Vice President Finance; Betsy Ekelof, Operations Director; Sarah Billman, Visitor Experience Manager; Laura Kelner, Director of Sales; Tina Rodgers, Director of Resources; Sarah Buckner, Assistant Director of Community Engagement; Mike Thibieau, President/CEO, Invest Hamilton County (virtual); Anne Poindexter, legal counsel; Ken Alexander, Hamilton County Council.

I. Welcome

B. DuBois then welcomed everyone to the regular meeting of the Board of Directors at 8:32 a.m.

II. October 2022 Minutes for Review

B. DuBois asked if there were any additions or corrections to the October 2022 HCT Board minutes. N. Burns moved that the minutes be approved as presented. S. Spillman seconded. Motion passed.

III. New Business

A. 2023 Budget Review

B. Myers presented an overview of the proposed 2023 budget which supports the 2023 Business Plan and updated Vision 2025 Plan presented at the October Board meeting. Original proposed tax revenue to the Hamilton County Council for appropriations was \$5,475,000. For the November update, B. Myers proposed that the HCT Board present to the Tourism Commission a \$6,100,000 budget. This would necessitate both an additional appropriations request from the Hamilton County Council as well as an amendment to the funding agreement amendment from the Hamilton County Visitor and Convention Commission.

When the contract with Invest Hamilton County, tax remittances, grants, in-kind and miscellaneous income are accounted for, the total budget is \$7,103,070 plus the use of \$1,673,242 of ARPA funding for a total budget of \$8,776,312. (Note, given the ARPA funds were received in 2022, this will appear to be a deficit budget but those ARPA reserves will be moved over for use.) Marketing/sales/visitor experience represents 41% of proposed expenses, operations 5%, Resources 23%, destination development 31% for a total of \$8,728,570. Actual net revenue of expenses is \$47,742 with ARPA funds being used to cover the gap. B. Myers provided a post-ARPA forecast to confirm the ability to continue operations after these valuable funds are utilized in 2022-2024. With this budget, HCT also should be able to fund its goal of 30% or \$2.1 million in operating reserves as well as complete building renovations using anticipated additional revenue unaccounted for from 2022. Discussion about the budget included a clarification from V. Dora about why the budget differs so much from the May draft request submitted to the County Council. B. Myers noted that tax remittances this year have significantly outpaced 2022 estimates, and even at the revised \$6,060,000 in lodging tax revenue, that is \$566,512 less than 2022 anticipated actual. She noted that for two years, revenues have exceeded expectations given the conservative nature of budgeting (and the timing – these estimates are submitted to the county in June, with only five months revenue to use as a basis for the forecast.) Given 2022's estimates will likely exceed the original 2023 early forecast, there is great confidence \$6 million in tax remittances is attainable. Discussion again took place also about the \$1 million "hold" for possible 2023 BEST funding as a pilot project. B. Myers confirmed all grants that would be distributed from this fund would be passed before the Board for approval and would require ROI estimates. She noted that the County Council felt comfortable with that "hold." A plan of action will be presented to the Board in February or at a later date if the BEST study was not far enough along. J. Brown asked if HCT is seeing an ROI on the group market given the lack of space available with so many select and limited service hotels. K. Radcliff and L. Kelner said indeed

group sales are strong, mostly the small meetings market but occasionally some larger ones as well. There being no further discussion, J. Smith moved that the budget be adopted as presented. S. Spillman seconded. Motion passed unanimously.

B. 2023 Funding Agreement

B. Myers provided an updated version of the 2023 amendment to the funding agreement with the Hamilton County Visitor and Convention Commission. It calls for an annual funding amount of \$5,435,000. She pointed out again that this is less than the anticipated \$6,060,000 in tax revenues found in the just-adopted 2023 budget. A request to the Tourism Commission as well as the County Council for additional appropriations would be necessary. The Commissioners are aware of this. It is a risk, but with reserves as well as likely additional revenue collected in 2022 and not appropriated, it is attainable. There was no additional discussion, and J. Brown moved that the funding agreement be adopted as presented. C. Stice seconded. Motion passed.

C. 2023 Meetings Calendar

B. Myers noted that paper and electronic versions of the 2023 meetings calendar have been provided to the Board.

IV. HCT & Community Metrics

A. 2022 Visitor Report

B. Myers presented a Zartico report that shows occupancy through September of 62.6%, with demand up 3.5%, occupancy up 13% and revenue up 16.5% over 2021 for the same period. Weekends continue to lead weekdays although the gap isn't as large.

B. 2022 Tax Report

B. Myers noted that through the November deposit, lodging tax remittances were up significantly and by year-end it is anticipated that revenues will be over \$7.5 million, significantly higher than the earlier forecast of \$4.8 million.

C. 2022 Budget Report

B. Lynn reviewed the budget year-to-date, noting that HCT still has an outstanding balance on the funding agreement with the Tourism Commission (see next agenda item). He also noted all categories are well within budget. He also provided a balance sheet that showed \$4,879,221 in cash on hand, much of that coming from reserves and ARPA funding.

J. Brown moved that the financial and metrics reports be accepted as presented. J. Smith seconded. Motion passed.

B. Myers then asked for an affirmation from the Board to pay off the National Bank of Indianapolis note for the rail restoration loan as early as is possible in January 2023 given the prime rate continues to rise. This amount of about \$316,000 was budgeted and discussed during the budget presentation. She noted she would prefer to retire the note earlier in 2023 than its June call date, and before the February meeting, providing HCT has enough cash flow, which it should. C. Stice moved that the note be retired as soon as is prudent. J. Smith seconded. Motion passed with J. Brown voting no.

V. Old Business

A. BEST Study Update

K. Radcliff updated the Board on the BEST study, noting the community input session took place in October and Hunden Strategic Partners is now doing one-on-one interviews with key stakeholders to ensure all have been heard. She also noted the workforce and DEAI component, a requirement of the EDA grant, will launch next. An first milestone report is anticipated late winter or early spring.

B. Building Study Update

T. Rodgers noted that Relocation Strategies has been hired to research and provide the 50% remodel drawings required to get estimates for work. She noted that she needed volunteers for a building committee and N. Burns agreed along with J. Smith. A request also would be placed with the Tourism Commission. The committee will review the almost final draft drawings for input prior to going to the construction-level drawings as well as participate in the bid reviews.

C. Additional Appropriations Update

B. Myers noted that on November 2, the Hamilton County Council agreed to an additional appropriations request of \$700,000 to the Hamilton County Visitor and Convention Commission which will enable it to meet its 2022 funding agreement. The need to draw down additional appropriations comes from suspending payments to HCT in early 2022 in order to pay off the 2011 Tourism Bond. The request to the County Council was to draw on available, but unappropriated funds, to close this gap in the funding agreement. B. Lynn will make the request for the final draw mid-month. It appears that an additional \$300,000 plus whatever is collected in November would still be available for additional appropriations in 2023.

D. Nominations Committee Confirmation

B. Myers asked for confirmation that the following three individuals have agreed to serve on the Nominating Committee for 2023-2024. They are Norman Burns, Vince Dora and Jimia Smith. The three confirmed their participation, and B. Myers said she would arrange for a meeting to be prepared for the February 2023 Annual Meeting election.

VI. Adjournment

There being no further business, J. Smith moved that the meeting be adjourned at 10:12 a.m. S. Spillman seconded. Motion passed and the meeting was adjourned.