

HAMILTON COUNTY TOURISM, INC. BOARD OF DIRECTORS
37 E. Main Street, Carmel, Indiana
October 7, 2022
Minutes of the Regular Meeting

Attending the meeting in person:

Jimia Smith, Mark Truett, Bob DuBois, Andrew Newport, Kayla Arnold and Scott Spillman

Also attending the meeting in person:

Brenda Myers, President/CEO; Karen Radcliff, Vice President/CSO; Sarah Billman, Director of Visitor Experience; Ashley Ledford, Director of Marketing and Promotions; Brad Lynn, Vice President Finance; Mike Thibideau, Vice President, Workforce Strategy; Laura Kelner, Director of Sales; Tina Rodgers, Director of Resources; Gabriella (Gabby) Blauert, Communications Manager; and, Anne Poindexter, legal counsel.

Not attending:

Charles Trice, Norman Burns, Chris Stice, Kelly Sujka, Vince Dora and Jeffrey Brown

I. Welcome

B. DuBois welcomed everyone to the regular Board meeting at 8:33 a.m. He introduced Gabriella Blauert, new Communications Manager for HCT, who told everyone a little about herself. She then stayed for the meeting.

II. Minutes of the August 2022 Meeting

B. DuBois asked if there were any changes to the August 2022 meeting minutes. There being no changes, A. Newport moved that the minutes be approved as presented. K. Arnold seconded. Motion passed.

III. Financials & Metrics

- A. 2022 Visitor Report – B. Myers presented the updated January-September destination insights report from Zartico. Hotel occupancy stands at 62.2%, up 13% from the previous year. ADR is \$128.4, up 16%. Average visitor spending is \$283 per person per trip, up 21% from the previous year. Overall, visitation and overnight trips are up.
- B. 2022 Tax Remittance Report – Total taxes through the October deposit (August receipts) total \$5,754,062.38, up 46% from budget. This totals \$1,826,002.38 over budget. B. Myers noted that literally was enough to retire the bond. Two more months remain in the year for tax remittances.
- C. 2022 Budget Report – B. Lynn presented the balance sheet noting cash assets total \$4,576,682 but net income year-to-date is \$2,830,848 primarily due to relief funds received. Expenses for the year total \$3,507,921 or 55% of budget. All budget categories are within expected range for the year with the exception of \$78 overage in printing. He also noted that HCT is now tracking its asset depreciation schedule internally.
- There being no further financials or metrics to discuss, S. Spillman moved that the report be accepted as presented. J. Smith seconded. Motion passed.

IV. Old Business

- A. BEST Study – K. Radcliff noted that the kick-off for the study begins mid-October with an on-site visit from the consulting team. Tours are scheduled of facilities in and outside Hamilton County, a steering committee meeting with the consulting team will take place as will stakeholder input sessions.
- B. Audit Updates – No one from the Audit Committee was available to present, although J. Brown had sent a notice to the Board of the unqualified audit results. B. Ekelof had placed the audit results in Boardable for review one week prior to the meeting. B. Lynn noted that there were no exceptions and few adjusting entries. B. Myers commended B. Ekelof for once again delivering a clean audit despite staffing challenges for 2021. A. Newport moved that the audit results be accepted as presented. M. Truett seconded. Motion passed.
- C. 990s Approval – B. Lynn again noted that B. Ekelof had placed the 990s into Boardable for review. B. Myers noted that in the salaries line item, wages included ARPA-funded retroactive pay given the leadership team had taken a cut in pay in 2020 and 2021. There being no questions, M. Truett moved that the 990s be accepted as presented. K. Arnold seconded. Motion passed.
- D. HCEDC MOU – B. Myers noted that an amended MOU with the Hamilton County Economic Development Corporation had been signed by her, as well as HCEDC President Megan Baumgartner, to accommodate the need for additional revenue to cover the additional employee the Hamilton County Center for Career Achievement (new name The Pursuit Institute) had brought on board, with permission by HCT leadership, through 2023. This will be fully funded position. She also remarked on

the amazing success of both projects (economic development and the career center) and the pride HCT has in being a very small part of this work. A. Newport affirmed the MOU change and K. Arnold seconded. Motion passed.

V. New Business

A. Employee Retention Discussion – T. Rodgers noted that the HCT administration had reached out to the executive committee to seek permission to provide for a \$1,000 retention bonus in the staff’s October paycheck to account for inflation in 2022. She commented that several municipalities and companies have done this as well and that her research indicates this is an alternative to a lasting salary adjustment as HCT prefers to stay the course on its plan adopted last year to adjust salaries according to the study by First Person Benefit Advisors. No one expressed concerns about the one-time inflation adjustment.

B. Tourism Commission Meeting Notification Oct. 25 – B. Myers provided the Board with insights about a called Tourism Commission meeting Oct. 25 to discuss an additional appropriations request from Hamilton County Council to ensure they can meet the 2022 Funding Agreement total. The Commission asked the County Council for an appropriations request earlier in the year for \$1 million to allow for retirement of the bond. There was no assurance that additional funds would be available to entirely meet the Funding Agreement, although it was anticipated that funds would be available. There will be more than adequate funds to accommodate the additional appropriations request, but the Commission wanted to wait to ensure it would have those funds available. There also was greater comfort about approaching County Council in November versus December. She also noted depending on the board’s decision about office building next steps, that item would be placed on the called agenda as would a discussion of the lodging tax rate.

C. Office Space Next Steps – T. Rodgers provided a brief history of the office discussions. Previously, HCT was interested in selling the current office building and contracting to build a new structure or leasing space. Post-pandemic, the desire to do something as dramatic diminished, and HCT conducted a DORIS study over the summer to better understand how the staff, as well as Board and Commission officers, perceived the need for office and meeting space.

The study indicated a desire by all stakeholders providing input to remain in place.

T. Rodgers then proposed HCT spend \$20,000 to create designs for potential office improvements that would include 50% drawings to allow the project to be let for bid and determine whether it was financially feasible to proceed. If the project proceeds, this cost would be wrapped up in the complete project and depreciated. If it does not proceed, it would be expensed in 2023.

T. Rodgers had provided the Board background materials including a timeline for the project planning and implementation, how it would impact the budget through depreciation, and a proposal from Relocation Strategies. A second proposal was requested but not received in time for the Board meeting. She noted that HCT has identified funds to cover the \$20,000 should it not proceed.

Much discussion took place about the idea. B. DuBois mentioned that when the decision to remain in place occurred informally through conversations, it was assumed that costs would be incurred to better understand how the building can be adjusted to accommodate current and future staff. J. Smith asked if, after plans are received, HCT could competitively bid the construction portion of project. T. Rodgers said yes, that could happen, or Relocation Strategies has an XBE firm it uses and likes -- but bidding could take place. The Board indicated the preferred path would be to competitively bid the project.

A. Newport suggested that any motion indicate a “not to exceed \$25,000” amount to accommodate for additional needs during the design process, while also trying to keep this initial investment at a minimum.

S. Spillman moved that HCT proceed with a design contract from a desired firm to be chosen by HCT – pending Hamilton County Visitor and Convention Commission approval – not to exceed \$25,000. M. Truett seconded. Motion passed.

Additionally, T. Rodgers asked the Board to consider allowing HCT to lease space owned by Carmel and leased by Pedcor on the third floor. This 644-square-foot of space has been rented by HCT in the past. It is designated OTSII, Suite 300 and has three small offices and a foyer/hallway area. Rent was offered at \$22/sf modified gross, net utilities and janitorial, with 3% annual increases. The offer included a 3-year lease with \$4000 in tenant improvement allowance to freshen the space, which is similar in age to HCT’s space, 15 or more years. An optional 1-year lease could be offered with no improvements. B. Myers noted that she had checked Co-Star and current Class A office space in Carmel is running \$24/sf.

The idea for this space is to provide breathing room for the staff but also, if construction proceeds, to serve as a “home base” for the HCT team in addition to the Carmel Welcome Center space, which the Carmel Redevelopment Commission allows HCT to use at no cost.

Again, much discussion took place as to whether to commit to 3- or 1-year lease. M. Truett said a year would buy time and flexibility depending on the design of the building. Committing to approximately \$20,000 a year in additional occupancy costs beyond 2023 might not be needed once the current office space is designed and those dollars could be put toward the office improvements. S. Spillman said there is a premium on flexibility and having the office space in 2023 would provide that. M. Thibideau offered additional support from HCEDC to secure the space given it no longer has access to an office at HCT due to the space challenges and as often the available meeting spaces are taken when he needs to convene a gathering. J. Smith

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noted she would need to abstain as the leasing agent for the space. A. Newport moved that HCT sign a one-year lease and M. Truett seconded. Motion passed.

D. 2023 Business Plan – B. Myers and the HCT department heads then presented the 2023 business plan in anticipation of 2023 final budget discussions at the November meeting. She noted that HCT has added a seventh pillar to its 2025 Vision Plan based on input from board leadership and community conversations, and the DNEXT study. That seventh plan is Community Connection, as the pandemic brought forth the idea that HCT has talents to help the community through its communications and business intelligence skills. A copy of the plan is in Boardable. She mentioned that while unable to attend the meeting, J. Brown had expressed concern about ongoing investments in projects not generating hotel rooms, and also about the undesignated \$1 million in BEST pilot investments given the study will not be completed until the third quarter. No other questions were asked, and B. Myers said she would take this into consideration when presenting the budget in November. It was asked if the budget would be available in time to study, and B. Myers said staff would set a goal of giving at least 10 days to study, meaning distribution to the Board on Monday, Oct. 24.

VI. There being no further discussion. J. Smith moved that the Board meeting be adjourned at 10:25 a.m. A. Newport seconded. Motion passed.