

Hickory-Conover Tourism Development Authority
Regular Meeting Minutes
June 13, 2022, 8:30 a.m.

A Regular Meeting of the Hickory-Conover Tourism Development Authority Board of Directors was held in the Conover 1 meeting room of the Hickory Metro Convention Center on Monday, June 13, 2022, at 8:30 a.m., with the following members present:

	Bruce Eckard; Chair	
Tom Hart	Patricia Hatch	Renee Keever
Lindsay Keisler	Leroy Lail	Mark Seaman
Warren Wood		Phil Yount

A quorum was present.

Also present were Tim Swanson; Counsel, Mandy Hildebrand; CEO, and Amber Howard; Director of Events/TDA Clerk.

- I. Chair Eckard called the meeting to order at 8:30 a.m. All Board Members were present.
- II. Persons Wishing to Be Heard (None Appearing)
- III. Approval of Minutes
 - A. Regular Meeting of May 9, 2022.

Mr. Seaman moved, seconded by Mr. Yount, that the Minutes of May 9, 2022, be approved. The motion carried unanimously.

IV. Financial Reports

A. Event Revenue - Ms. Howard

Ms. Howard discussed comparison of events for May 2022 versus May 2021. In May 2022, there were 25 events compared to the 12 events in May 2021. Year-to-date event revenue already exceeds the budgeted amount of \$425,000 by \$47,654.

B. Occupancy Tax - Ms. Hildebrand

Ms. Hildebrand discussed occupancy tax numbers through April 2022 and mentioned that April 2022 is the second highest occupancy tax collected in a in April according to HCTDA history.

C. May 2022 Financial Report - Ms. Hildebrand

For the eleventh month of the Fiscal Year, income and expense should be at 92%. Overall, income is at 114% of budgeted income, without May occupancy tax, and expense is at 73% of budgeted expenditures.

Mr. Lail moved, seconded by Mr. Wood, that the Financial Report for May 2022 be approved. The motion carried unanimously.

V. Resolution to Establish and Maintain a Capital Reserve Fund - Ms. Hildebrand

A. Capital Reserve Fund

Ms. Hildebrand explained that this is part of the process of forming funds for certain projects instead of having one fund with several projects within it. This fund will be used for future needs, including new kitchen equipment, a new roof on the original building, and a vehicle (bus or golf cart) if needed during construction. This fund will be updated each year.

Chair Eckard moved, seconded by Mr. Wood, that the resolution to establish and maintain a Capital Reserve Fund be approved. The motion carried unanimously.

VI. Ordinance #1 Amending FY 2021-2022 Budget Ordinance - Ms. Hildebrand

Ms. Hildebrand gave a synopsis. The \$6,000 is reserved for the Kitchen Equipment and being taken out of operating and going to the capital reserve fund. The \$567,650 was moved from NC Capital Management trust to pay invoices from the City of Hickory which were for Scott Mitchell and team for the work on construction drawings. This money will come from 1% occupancy tax that is expected to be over what income was and budgeted and from the general fund balance.

Mr. Wood moved, seconded by Mr. Yount that Ordinance #1 amending the Fiscal Year 2021-2022 Budget be approved. The motion carried unanimously.

VII. Ordinance #1 Amending FY 2021-2022 Capital Projects Budget Ordinance – Ms. Hildebrand

Ms. Hildebrand gave a synopsis. The \$567,650 is being moved from operating to capital to cover cost of invoices from the City of Hickory which were for Scott Mitchell and team for the work on construction drawings.

Mr. Lail moved, seconded by Ms. Keisler that Ordinance #1 amending the Fiscal Year 2021-2022 Capital Projects Budget be approved. The motion carried unanimously.

VIII. Capital Threshold Policy Increase to \$5,000

Ms. Hildebrand gave a synopsis. The current capital threshold is \$1,000 and many governments, including WPCOG have a threshold of \$5,000 due to most capital items being more than \$1,000, such as office tools and computers. It is recommended that the threshold be increased to \$5,000.

Mr. Lail moved, seconded by Ms. Keisler that the capital threshold be increased to \$5,000. The motion carried unanimously.

IX. Public Hearing on Fiscal Year 2022-2023 Budget

A. Open Public Hearing

Chair Eckard opened the Public Hearing at 8:45am. There was no one from the public in attendance.

B. Close Public Hearing

There being no one from public, Mr. Yount moved, seconded by Mr. Lail, that the Public Hearing be closed. The motion carried unanimously.

C. Comments

Mr. Wood asked about new staff positions. Ms. Hildebrand said we would like to bring on Operations Supervisor position. There was a person in this position in 2018-2019 and it has not been refilled and it is needed now to assist with operations and events. Two part time employee positions are open for event setup staff as well.

Ms. Hildebrand is also recommending that HCTDA follow suit with the City of Hickory, as they will be adding a cost of living of \$1,000 to current employees (spread out

throughout the year). A merit increase of up 3% for those that meet goals and 4% for those who exceed goals, and this is factored into the proposed budget.

A new line item named Expansion Convenience has been created to assist groups during expansion/renovation. The goal is to keep groups in Hickory, even throughout the construction, so staff may need to spend money to upgrade space with temporary items (carpet in Hickory 1-4), rent shuttles, etc., to accomplish that goal.

Ms. Keisler asked if the proposed budget reflects any loss of event revenues due to construction. Ms. Hildebrand said that the budget does reflect that loss, however, staff will strive to exceed the budgeted numbers and feel confident about doing so.

Ms. Hildebrand discussed Occupancy Tax numbers in proposed budget. Ms. Hildebrand has worked with Ms. Keever on anticipated numbers.

Ms. Hildebrand also mentioned that ATM income numbers budgeted are lower than previous years because the surcharge has gone down since staff no longer has to worry about filling the ATM up with HCTDA cash. The new process allows and outside person to fill the ATM with monies not owned by HCTDA, which makes it much easier on the staff by not needing to handle so much cash.

Mr. Wood commented that Ms. Hildebrand and staff have done a great job holding things together despite obstacles such as COVID19 Pandemic and the work force situation.

D. Approval of Fiscal Year 2022-2023 Proposed Budget Ordinance

Mr. Wood moved, seconded by Ms. Keisler that the Budget Ordinance for Fiscal Year 2022-2023 be approved. The motion carried unanimously.

X. New Business - Chair Eckard

A. Request to Change August 2022 HCTDA Board Meeting Date

It is recommended that the date of the next HCTDA Board Meeting being moved to August 15, 2022. Staff will be at work conferences on the week of August 8, which is the originally scheduled meeting date.

Mr. Seaman moved, seconded by Mr. Yount, that the August 2022 HCTDA Board Meeting be moved to August 15.

B. Event Impact

Mr. Wood suggested that staff work with hotels to do a report on total event impact for the top ten recurring events and top ten non-recurring events with the most economic impact. It would also be interesting to see the economic impact of the sports tournament and other events with significant economic impact that do not use space at the Convention Center. Ms. Keisler mentioned that would be an interesting part of the annual report.

XI. Old Business - Chair Eckard

A. Special Meeting for Construction Bids

Chair Eckard notified board members that a special meeting may need to be called in July 2022 to discuss the construction bids.

XII. CEO Report - Ms. Hildebrand

A. Occupancy Tax Legislation

Senator Proctor has the HCTDA request in committee. The request is to extend current legislation rules until 2039, which are the 1/3 of the occupancy tax goes to marketing and 2/3 to building/operations of the convention center.

B. Bob O'Keefe Retirement

A lunch in honor of Facilities Manager, Bob O'Keefe will be Wednesday, June 29 and all HCTDA members are invited to attend. Mr. O'Keefe has been a valued employee for the last ten years and will be missed. Chair Eckard and other board members congratulated Mr. O'Keefe and thanked him for his service to the HCTDA.

C. Introduction of New Facilities Manager

Ms. Hildebrand introduced Ed Gudat who has been hired as the Facilities Manager to replace Mr. O'Keefe. Mr. Gudat comes to use from the SALT Block, where he has been the Building and Grounds Manager since 2106.

D. Destination/Visitor Reports

Ms. Hildebrand pointed out that the Destination/Visitor charts are for review and show information on visitors as of May 2022.

Mr. Lail commented that the Furniture Hall of Fame will bring a quarter of a million visitors to the area once complete.

XIII. Executive Closed Session

Chair Eckard made a motion to go into closed session for Personnel Matters, seconded by Mr. Wood. The motion was unanimously approved.

Mr. Wood then moved, seconded by Mr. Lail, to come out of closed session. The motion was unanimously approved.

XIV. There being no further business, motion was made to adjourn by Chair Eckard, seconded by Mr. Yount. The motion carried unanimously.

Hickory-Conover Tourism Development Authority

By: 
Chairman Bruce Eckard

Attest: 
Clerk to the Board