

Minutes

TOURISM BOARD

Regular meeting

5:30 p.m. September 12, 2023

Board Meeting Room of Town Hall Annex, 105 E. Corbin St.



Present: Chair Matt Hughes, Rainbow Cabbage, Barry Hupp, Victoria Pace, Smita Patel and Scott Czechlewski

Absent: Barney Caton, Megan Kimball, Eryk Pruitt

Staff: Planning and Economic Development Manager
Shannan Campbell

1. Call to order

Chair and Commissioner Matt Hughes called the meeting to order at 5:32 p.m. Planning and Economic Development Manager Shannan Campbell confirmed the presence of a quorum.

2. Agenda changes and approval

No changes were proposed.

Motion: Board member Scott Czechlewski moved to approve the agenda as presented. Board member Victoria Pace seconded.

Vote: 6-0

3. Minutes review and approval

Minutes from regular meeting on August 7, 2023

Motion: Board member Barry Hupp moved to approve the minutes as submitted. Czechlewski seconded.

Vote: 6-0

4. Presentations

A. Special Project/Partnership Funds: Orange County Arts Commission Paint It Orange Plein Air Paint Out

Neil Stutzer of the OCAC explained he was filling in for commission director Katie Murray, who was on vacation. He noted this was the program's seventh year. Last year 66 artists participated, 22 paintings were sold on opening night, and parties came from four states. This year the commission was adding two new components: 1) Local middle and high school students have been invited to participate, and the art department of the winners' schools will receive \$400 worth of art supplies. 2) Farms in Orange County have been invited to open their properties to artists. Sixteen farms have signed up so far.

Stutzer concluded by saying the commission was requesting \$1,000 for sponsorship from the board.

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Hughes asked Campbell if the Tourism Development Authority was sponsoring the program. Campbell said it had in the past because the event occurs over several days and promotes 'heads in beds', but Murray thought it was appropriate to ask the Tourism Board for funds because the event is based in Hillsborough and the artists and those in town for the subsequent events purchase food and beverages during the event.

Stutzer said the commission is also inviting the families of the school participants to come to town and enjoy its amenities. Board member Patel asked how the event is being publicized. Stutzer said Murray advertises in Plain Air magazine, targeting the artists themselves, and that he was working with Orange County and Chapel Hill Carrboro City schools.

Campbell explained the board had not previously allocated any unassigned special project and partnership funds and would have to make a budget amendment to pay for proposal from the fund balance.

Board member Rainbow Cabbage asked about the board's fund balance. Campbell said the latest draft audit report showed a balance of \$512,225. Hughes noted he'd received the final unaudited tax report, which showed \$502,231, which was an increase of \$63,528 over the previous year. Cabbage asked how much was left in unspent funds. Campbell said the board had spent \$85,825 of the \$512,225. Hughes said the next audit for FY2023 should be available by the end of the year.

Pace said she'd previously voted not to fully fund the Burwell School's request so the board could support a variety of other programs. Since tax revenues will likely be higher than projected, she said she favored funding the proposal. Czechlewski asked about other sponsors. Stutzer said the presenting sponsor was William Travis Jewelry of Chapel Hill, which had donated \$2,500. There were also two smaller sponsorships of \$100 and \$200. Asked by Pace about the sponsorship deadline of September 8, Stutzer said that was not firm. Hughes noted that the board had budgeted \$400,000 for the food and beverage tax in FY2023 but collected \$102,000 above that amount.

Motion: Hupp moved to fund the request as proposed by doing a budget amendment to move \$1,000 from fund balance to the Special Projects/Partnerships line item. Pace seconded.

Vote: 6-0

B. Tourism Funding Workshop/Discussion

Campbell said she'd included an overview of the grant process and RFP process in the agenda packet. She said the board had previously decided that it made more sense to use a RFP process rather than asking partners to submit a grant application to be competitively scored every year. In contrast, the grant process is intended to fund new programs and events and is more competitive.

Hughes suggested starting with RFP process since the grant process involved smaller amount of funds. Campbell summarized the RFP process: each contract partner is sent a scope of work document that outlines actions the board expects the partner to take, and the organization responds by explaining how it is going to perform these duties with an expected budget for doing so. Each partner is asked to make a quarterly report letting the board know how they are fulfilling their contractual duties. Then, in February that process starts again. The board sends the organizations a scope of work and they respond. They may ask for increased funding, which requires they submit a justification form. Of late, organizations have been asking for very large increases.

Hughes asked if the Submittable platform might be used for submitting contract partner requests and quarterly reports. Campbell said that was a possibility and she would explore it. She said if so that it may be really helpful to do it this way. Hughes said some partners start to build their budgets in April and that asking them to project plans for each quarter 12 to 18 months in advance seemed burdensome. Campbell said partners' plans do sometimes change and that she spot-checks the quarterly reports, which she said are informative about where organizations are working and how they might coordinate. Cabbage asked if there was a penalty for not meeting a requirement. Campbell read the "failure to perform" clause in the contract and noted the board could ask that funds be returned if a group didn't perform a duty.

Hughes asked Campbell if she could share the form that is sent out to partners. Campbell shared the "Contract Scope of Work Update" documents for the Burwell School and the Alliance for Historic Hillsborough. She noted the form is essentially a "RFP by invitation only," not a traditional RFP. Pace said she thought the partners find the quarterly reports a little tedious and liked the idea of using the Submittable platform. She invited partners who were present to share their thoughts.

Hughes noted a provision in Arts Council contract to coordinate with West Hillsborough and said the board may want to check to make sure that was happening. He asked Campbell how partners might ask for changes to the scope of work. She said it doesn't happen often, but the Orange County History Museum once asked to modify their scope so they could hold ticketed events. Hughes suggested the board might want to ask partners how their work aligns with the board's strategic plan, adding they might use a tool like Estimate to calculate their ROI or economic impact. Cabbage said having something quantifiable would be helpful.

Hughes asked Stutzer for feedback. Stutzer said starting early in the year was not manageable: it's difficult to anticipate later changes and time consuming to write the applications, which requires consulting with staff and program organizers, at the same time partners are applying for other grants. He said it would be more feasible for the board to ask if the partner had met a few major goals.

Amanda Boyd, executive director of the Alliance for Historic Hillsborough, agreed that it would be helpful for partners if the reports could be condensed, adding that a general question about successes and challenges could serve that end. Hughes asked what the board wanted partner reports to look like, noting that some are 30-page presentations, while others are more concise. Boyd said asking partners how their work aligns with the board's strategic plan would help streamline the reports, followed by a check-in once a year. Stutzer said that having that conversation six months out before planning gets underway would be helpful.

Campbell noted the board hadn't had a retreat recently as it did when it last revised the strategic plan. She suggested a retreat might be held in the spring in lieu of a meeting. Any new strategic or work plan would apply to the following fiscal year. Czeckiewski said as a new board member, he'd be interested in having a retreat. Hughes suggested January might be a good time to hold one. Scott recommended scheduling it early in the day. Hughes said that was feasible and suggested the board choose a date and time at the next meeting.

Campbell brought up ROI again. Cabbage said that should be weighed in when assessing funding requests.

Campbell asked if the board wanted to require partners to hold one fund raising event a year because she'd heard concerns that some partners are not doing enough fundraising because they are adequately supported by the board. She said when legislation establishing the food and beverage tax was conceived, the intent was to assist

contract partners but probably not fully fund their operations . The grant program, on the other hand, was conceived as seed money.

Cabbage said because the future of the tax was uncertain, the board should encourage partners to be more sustainable. Pace shared written comments submitted by board member Megan Kimball, who noted that the contract partners serve functions usually served by government in other municipalities.

Campbell returned to the question about a fundraising requirement, citing reservations by some local business owners. Pace approved of the idea. Hughes said the current process doesn't allow the board to understand partners' overall budgets and other sources of revenue. Cabbage said it would be more responsible to encourage partners to become self-sustaining. Scott said he agreed but didn't think the organizations could ever be fully self-sustaining. Pace agreed the board should encourage partners to expand their fundraising but said it shouldn't expect them to be fully self-sustaining.

Hughes concurred with Kimball's comment, noting the town has chosen to privatize some tourism services. Campbell noted the town saves considerable expense by having an outside organization run the visitors center, because there are many regulations governments must follow, benefits, pensions, etc. She said she thought the partners offered a more authentic tourism experience than some run by governments. Pace suggested the board move to the grant application process.

Czechlewski suggested the scoring rubric be revised to include measures for tourism impact. Cabbage and Hupp questioned the usefulness of using a rubric. Hughes, Czechlewski, Patel and Pace said they found a rubric useful, but agreed it needed revising. Campbell noted that this year was the first time the board received a well-written application that didn't meet the board's tourism goals. She suggested the board could adjust the weight allotted to each category. Hughes proposed that Czechlewski and Cabbage help Campbell revise the scoring guide. They agreed to do so.

Campbell summarized the board's next steps: explore the Submittable platform for FY25 RFPs, require partners to submit an economic impact estimate and more concise quarterly reports, require partners to hold one fundraising event per year, set financial or growth goals for each partner, update the scoring rubric language and weight of scores, and hold a tourism retreat in January.

Cabbage asked about measures to ensure accountability. Hughes pointed out that board members sit on boards of several partner organizations and provide some oversight. Czechlewski suggested each partner explain which goals they didn't reach in their quarterly reports. Stutzer noted that the board once required partners to hold a fundraising event as part of their general budgets, adding that the board had previously advised the Arts Council to raise its revenues, which he thought was valuable in showing the organization was fiscally responsible.

5. Monthly reports and comments

A. Tourism Staff Report

Campbell reported that the total revenue from the food and beverage tax for FY2023 was projected to be \$502,231, an increase of \$63,528. She said the board would have to pay more this year for website services because it had significant traffic increase to the website, largely due to marketing and social media reach.

B. Visitors Center Updates, & OC Visitors Bureau Updates

There were no updates.

C. Board comments and updates

Cabbage asked why board meeting minutes posted on the town website were not up to date. Hughes explained the town was moving decades of minutes to one site and that these took precedence over minutes of more recent meetings. Campbell noted the town is required to make them available to the public and said she could send any missing month to Cabbage. Cabbage indicated that she had asked someone else to reach out and ask for them and there was no response. Campbell asked Cabbage to email her directly and indicated she would get her any needed minutes. She said the minutes for FY23 would be uploaded soon to support the audit.

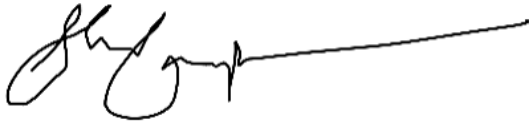
Hupp said his wife had recently joined the Hillsborough Arts Council and asked if he should recuse himself from votes concerning that organization. Campbell thought that wasn't necessary since he was not himself on the council board and his wife was not employed with the Hillsborough Arts Council.

6. Adjournment

Motion: Hupp moved to adjourn at 7:40 p.m. No one seconded.

Vote: 6-0

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Shannan Campbell', followed by a long horizontal line extending to the right.

Shannan Campbell
Planning and Economic Development Manager
Staff support to the Hillsborough Tourism Board

Approved: Month X, 202X