

Ocracoke Township Tourism Development Authority Workshop

March 12, 2018

Ocracoke Community Center 10:30 am

Attending:

TDA: Amy Howard, Daphne Bennink, Martha Garrish, Wayne Clark, Greg Honeycutt

OCBA: John Giagu, Chip Stevens, Justin LeBlanc

OCC TAX: Chair, Bob Chestnut, Byron Miller, Nancy Leach

Bill Rich, County Manager

Kris Noble, Assistant County Manager

Corrine Gibbs, Hyde County Finance Director

Helena Stevens, OCBA Travel & Tourism Director

Kathryn Waldrop, OCBA Administrative Assistant

Chris Cavanaugh, Magellan Strategy Group, Consultant

This meeting was called to order 10:33 a.m.

1st SESSION: 10:30am -1:30pm

Chris Cavanaugh Presentation/Orientation.

OCBA Budget Presentation

Justin LeBlanc reviewed the Ocracoke Civic & Business Association budget for FY2018-19.

OCBA is requesting funding to support a total budget of \$422,594. OCBA reports income of \$63,042 to offset the request. The bulk of income comes from membership dues/marketing materials for visitocracokenc.com and the Ocracoke walking map.

Mr. LeBlanc noted that projected event income is \$22,500, to come from merchandise sales and advertising. The British cemetery event brings in donations of approximately \$1,000.

To be moved from OTTDA request to Occupancy Tax Board request: lease hold improvements - \$1500, office equipment - \$5,000.

The OCBA is requesting a total of \$251,015 in funding from the OTTDA.

\$125,000 is for the advertising plan and \$5,000 is for a crisis management plan. \$99,000 is for full time tourism director and part time employee. OCBA is asking the TDA to pay for 100% of the staff. Executive Director salary is \$60,000 and part time employee is \$16,000.

The data to support personnel salary decisions came from similar counties with similar operating budgets. Health insurance/employee benefits is a request of \$8,000.

OCBA Request for April 1- June 30

The OCBA is requesting \$60,000 to continue the Ocracoke Island marketing campaign with Element Advertising from now until the end of the fiscal year and pay the Executive Director's Salary. The request is \$45,000 for the marketing campaign and \$15,000 for the Executive Director salary and benefits.

There is a concern amongst OTTDA board members paying for 100% of the personnel. The concern amongst the OTTDA is the total number and the director's salary expense. Daphne would like the OCBA to reorganize the request so the OTTDA is not paying 100% of the request. Justin to "repackage" personnel request.

OCBA Executive Director duties: The Executive Director duties include being a marketing director and working with Element Advertising as well as managing the day to day marketing. The Executive Director also works with the OCBA contributors. Chris Cavanaugh stated that most TDA's consider the administration duties fall under the 2/3rds portion.

OCC TAX per Bob Chestnut

The OCC Tax requests are currently at \$700,000 and are double what is historically given. The county request from the OCC Tax is \$35,000 for the tram project. The DOT has committed to funding the remaining operating cost for the tram moving forward. Every year the county intends to ask \$10,000 for lobbyist. Greg notes that the biggest changes in requests are from the fire department and other organizations which have increased their normal requests.

2nd SESSION: 2:00p.m.- 5:00p.m.

By Laws

Chris Cavanaugh has drafted and adapted multiple by laws from other TDA's to fit Ocracoke's situation. Chris distributed copies of the by laws.

Article 2. Governing body - This comes straight from our enabling legislation in terms of appointment and composition of the authority board. The finance officer from the county is typically used. The Secretary should serve as a non voting member of the TDA and should provide notes and take minutes. The county provides a finance officer, who provides financial records on an on going basis.

Article 2 section 3 – Terms of office: It is 2 members for 2 years (Daphne and Amy) and 3 members for 3 years (Wayne, Martha, and Greg). Chris recommends that members be allowed to serve 2 consecutive terms.

Article 2 section 4 – Attendance: being absent from 3 consecutive and 4 a year should result in a loss from board membership. In North Carolina law there is nothing about video conferencing. Kris Nobel stated that it is possible the OTTDA may be challenged in court under school law in the event of a video conference vote.

Article 2 section 5 – No member of the TDA will be compensated for their time.

Article 3 section 1 – Publish a schedule for meetings. It is recommended that the TDA meet at least once a quarter to go over finances. TDA is subject to open meetings law. Corrections to by laws: Change to quarterly meetings and a member cannot miss 2 consecutive meetings or 2 in a year.

Article 4 page 4 – Chair and vice chair shall be designated by the OTTDA board for a 2-year term.

Article 4 section 4 – The secretary must keep accurate records of the meetings.

Article 4 section 5 – Hyde county finance officer shall be the same at the OTTDA Finance officer.

Article 6 section 1 – OTTDA may hire an executive director.

Article 7 section 1 – OTTDA will work with the county finance officer for creation of the budget. Report at least quarterly to commissioners on receipts and financial expenditures.

Article 7 section 4 – Checks shall be signed by any 2 members of the authority (county finance officer and county commissioner). OTTDA should decide on the best way to handle the signing of the checks. The checks will be distributed by the county finance officer and county commissioner.

Article 7 Section 7 – Administrative duties comes directly from the legislation. This may be authorized in the OTTDA's annual budget.

Article 8 section 1 – This may be amended or appealed by 4/5 of the authority. This is consistent with other TDA's but up to OTTDA.

There is a possible conflict of interest since the OCBA is in contract with the OTTDA and two members of the OTTDA are on the OCBA. May need the OCBA/OTTDA board members to recuse themselves from a vote on the OCBA budget approval. The OTTDA to ask the county attorney if this is a conflict of interest. Greg spoke to attorney, Jay Willis, asking if it was a conflict of interest for the vote on contract. Bill to send resolution and draft contract from Franz Holscher, and Daphne sending Chris Cavanaugh's draft contract to Jay. Then Jay will give opinion if it is a conflict of interest.

Daphne **motions** to accept the by laws as corrected seconded by Martha. Motion approved and carried.

OTTDA Budget

Kris Noble to request a proposal from the same county auditors. The county pays their auditors \$25,000, and are based out of Whiteville NC. The OTTDA is responsible for the audit and legal fees needed.

OTTDA needs to give county finance officer a 6-month budget from January to June and a 12-month budget. The bonding amount figure is based on the budget given. County Finance officer has to be bonded under the OTTDA to operate.

To be included in the request, the OCBA's \$45,000 contract with element is for the months of April, May, and June.

Island Inn Adhoc Committee request funding from both boards. This does not need to be in the budget. The OTTDA can only give \$10,000 to the Island Inn in the 6-month budget. The Island Inn would like to have as much assurance as they could.

Proposed Budget

	FY18 100k (1st 6 months)	FY19
300k		
Professional fees:	(\$15k	\$15k
Tourism related expenditure:	\$25K	\$34k
OCBA Request:	\$60k	\$251k

County Finance Officer: It is recommended by the county finance officer that the OTTDA is very conservative with dispersing its money since it is a new entity. The 2018/19 budget needs to be ready by April 30th.

OCBA budget proposal needs to be amended before final approval. **Motion** to approve the \$60,000 fourth quarter request from OCBA made by Greg and seconded by Daphne. Motion approved and carried.

Motion to approve the FY18 budget made by Greg seconded by Martha. Motion approved and carried.

Motion to approve the FY19 budget made by Amy and seconded by Martha. Motion approved and carried.

Amy Howard and Daphne Bennink to send an email with budget submittal to county finance officer. The county cuts the checks on Wednesdays, requests need to be in by Tuesday at 12 to be sent on Wednesday. County finance officer email: cgibbs@hydecountync.gov.

Strategic Priorities

OCBA contract: The Contract between the OCBA and the OTTDA is okay for an 18-month period. However, after June 30th the contract should go back to a fiscal year.

County's contract: Chris Cavanaugh will add the matrix that is in the county's contract into Chris's version of the contract. This protects the OCBA and allows OTTDA to state publicly as to how the OCBA will be "measured." On Chris's contract copy (page 3 -16 and page 4 -17) holds vendors accountable.

Bill Rich will send County Contract done by Franz Holscher to Jay Wheless. A complete copy of the contract to be finalized by the next meeting.

It was mentioned that the OTTDA should consider the "Child Care Building" as a visitor center/office. Childcare has every intention of opening again as a child care after next year.

Proposed changes in the OCBA budget need to be done. The OTTDA needs to formally approve the allocation of the OCBA dollars. Chris is going to send the by laws with changes to the board.

Next meeting is April 9, and the OTTDA will vote on the contract.

OTTDA Requests

Ideally, requests would only come once a year. The OTTDA may adopt a policy in order to build up a reserve for a visitor center/office. The OTTDA needs to inform the community organizations that are expecting to get funding from the OTTDA.

The OTTDA board has agreed to keep the excess funds in the reserve fund for the first 18 months. This will allow time to create the parameters for requests.

The OTTDA needs to have a system in place for records. Add to contract that the OTTDA files need to be kept and taken within the OCBA and be able to be easily reached. OTTDA will use the contract that the county has provided. Chris to make notes on his contract and send to Jay Willis. In the contract, have that the recording secretary and executive director attend the OTTDA meetings.

February 12, 2018 Minutes

Motion to approve with corrections made by Daphne and seconded by Greg. Motion approved and carried.

Amending the statement from the February 12, 2018 minutes "Wayne Clark reported a decision to assist with funding will be made at the April 1, 2018 OCBA meeting."

Note that in the last meeting minutes it was not mentioned that the county attorney was going to draft a contract.

Adjourned: 5:00 pm