

Approved June 19, 2013

MINUTES

Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting May 15, 2013

The Chapel Hill/Orange County Visitors Bureau met at Residence Inn, Chapel Hill

Board Members Present: Dave Gephart, Gordon Jameson, Greg Overbeck, Jack Schmidt, Jim Parker, Karen DeHart, Laura Morgan, Lee Pavao, Meg McGurk and Penny Rich

Not Present: Anthony Carey, Gene Pease, Lydia Lavelle, Mark Sherburne, Annette Stone and Mike Gering

Staff attendance: Laurie Paolicelli, Linda Ekeland, Martha Shannon, Patty Griffin and Tina Fuller

Approval of Minutes

Chair Gephart began the meeting at 8:13 am with a request for a motion to approve the minutes. Laurie Paolicelli informed members that the minutes submitted reflected a change requested by Lydia Lavelle to read "Lydia Lavelle requested Ms. Paolicelli get the Carrboro Hampton Inn involved with this event" Lee Pavao so moved as amended and and Penny Rich seconded. With all members in favor, the minutes were approved as submitted.

Welcome

Reports

UNC – Laura Morgan stated she is excited about new Chancellor, [Dr. Carol Folt](#), who is from Dartmouth. July 1st will be the new Chancellor's first official day, Holden Thorpe's last day in office is June 10th. Carolyn Elfland, who many in tourism has worked with at the Carolina Inn and related facilities, is leaving; and no replacement has yet been announced. Many positions still need to be filled.

Executive Director - Laurie Paolicelli informed that the budget is the crux of the Executive Report. Laurie Paolicelli reviewed a housekeeping item related to new bylaws and reminded members that new officers would be elected at next month's meeting - Chair, Vice Chair and Finance. Paolicelli explained that she has learned in her eight years why a Commissioner was budget chair; rather than a board member and that is because they have daily access to the finance department. To this end, she hopes Commissioner Penny Rich will consider filling this role to offer seamless communication from the county to the VB board.

Moving on with her report, Ms. Paolicelli took members through a PowerPoint presentation, (attached as an addendum to these minutes) which focused on the current budget stating that it is on target with revenues projected at \$960,000. Ms. Paolicelli stated that Chapel Hill's funding has nearly tripled from \$69k to \$175k since she accepted the position of Executive Director in 2005.

However, a new issue will arise with the new implementation of an extra 3% occupancy tax collection through Hillsborough and Carrboro. Paolicelli hopes a committee of the board will proactively determine the best way to avoid tourism duplication with these new budgets. She stated that the new TDAs will want to have some alignment and understanding of respective goals. She urged the board to determine a way to foster open communication with new tourism board's appointment by local governments.

Lee Pavao agreed that it would get more complicated and suggested that if the committee is formed it should be a cooperative effort in determining what could be accomplished as a main body and what could be done on an individual level. Jim Parker questioned what percentage of Chapel Hill's collections was allocated to the Bureau? Paolicelli answered 15%. Chapel Hill is asking what the other communities are doing and Paolicelli requested that staff not form a policy on the financials with Carrboro and Hillsborough.

Chair Gephart commented that it is critical to move on this now before vendors, stakeholders and others get confused. With that Gephart asked for volunteers. Penny Rich asked for clarification of when the committee would meet. Gephart replied that the designated tourism authorities for each town are getting ready to meet and now would be the best time to work with them on an agenda for next budget year. Four members volunteered, Lee Pavao, Jim Parker, Jack Schmidt and Dave Gephart. It was also agreed that there should be representation from each town on this committee. The Committee was formed by executive decision rather than a vote.

Ms. Paolicelli continued with her presentation; Lee Pavao, inquired about current fund balance. Ms. Paolicelli explained that we are wrapping up this year's budget and the \$175k was appropriated for marketing research, a new ad agency and a shift in the whole new brand. Paolicelli informed members that the current fund balance is (approximately) \$400k unassigned.

For 2013-2014, the marketing strategy will focus more on the destination through arts, music, food, and meetings. Paolicelli passed around renditions of future ads created by Clean Design. Paolicelli reported that a one year renewal contract is in place for Clean Design with review by the board this time next year.

Discussion moved towards print vs. digital and Paolicelli suggested she bring in an expert for August meeting to tell us the shift in trends in print versus on-line marketing these days and how agencies are measuring results.

Paolicelli reported that last year we added funding for events in hopes of reaching our goals and out of all the groups we sponsored the only events that impacted room nights were TerraVITA, AROHE, and

events in Hillsborough. Our event-sponsorship policy requires a thoughtful look by the marketing committee.

Paolicelli discussed the challenges of the visitor center's location evident through low visitor numbers.

Jack Schmidt commented that this issue warrants a closer look at statistics to determine the decline in foot traffic to the visitor center. He sensed that nationally many visitor centers were experiencing this trend with the advent of the Internet and he feared that being away from a central business district; near the Interstate would turn staff into a version of the "Maytag Repair Man" waiting on customers. More discussion ensued. Paolicelli proposed to defer these issues to a committee that would include the county manager. Paolicelli suggested staff complete a research study on visitor center trends nationally and in Orange County; and bring that information back to the board for review and further discussion. Board members suggested the former Chapel Hill Museum, Carolina North, and the Interstate as possible locations. Volunteers for the committee included Jim Parker, Meg McGurk, Penny Rich, Lee Pavao and Dave Gephart.

Wrapping up the presentation and executive report, Paolicelli reviewed strategies for next year.

Reports continued

Hillsborough – Jim Parker reminded about Hogg Day this weekend.

Downtown – Meg McGurk spoke on upcoming events, Locally Grown, 2nd Friday Art Walk, announced a new position opening for an events coordinator, and briefly discussed Parking on the Hill and the incubator launch, stating 18 new businesses have opened. Discussion ensued about the pros and cons of Food Trucks and downtown restaurants

Group Sales – Linda Ekeland reported April saw a variety of bookings from parties and weddings. She met with representatives from Pinehurst CVB which explained that in 1999 and 2005 the US Open tournament was handled through Pinehurst Championship Management Co. (No longer exists). For 2014, USGA is handling all aspects of the tournament. Ekeland reported that only counties surrounding Moore County are being invited to offer rooms. Orange County is not included at this point. USGA also reported that they are not sharing sponsor names for further solicitation of group rooms. Ekeland gave an update on sales associate Allison Phillip'

s participation in the recent US Army Braxton Bragg Chapter Annual Expo in Fayetteville to bring 82nd Airborne meetings here.

Dave Gephart gave an update on the O.C. Cultural Center, reporting that Commissioners will move forward with upgrading Whitted Building for public meeting space but the allocation of space for arts groups is yet to be determined. He sensed that the current Orange County Cultural Center would disband without an offer of the Whitted building as a permanent performing arts home.

Orange County Arts Commission – Gordon Jameson gave an update on the Rubbish to Runway event at FRANK, reporting that opening night was packed. Partners in the event included 140 W. Plaza and Aveda for a fashion show. Jameson also reported that approximately \$30,000 will be awarded in grants for the spring 2013. Martha Shannon added that Orange County had two winners, 1st & 3rd place, in the US 4th Congressional District High School Art Competition Awards.

NCHSAA – Karen DeHart reported that the golf championship competed with graduation on hotel room nights. She offered to bring their President, Davis Whitfield, to a future meeting to discuss the Association and the use of local facilities.

Food Trucks – Greg Overbeck, Chapel Hill Restaurant Group and longtime Triangle restaurateur expressed sentiment that many established restaurants fear the influx of food trucks could eat away at their bottom lines reminding that restaurants like Spanky’s and others spend a lot on advertising and promotions to bring people downtown, and the food trucks benefit from that marketing investment yet pay lower fees and receive benefits that brick and mortar restaurants do not. Overbeck says restaurants like his invest heavily in employees, interns, taxes and community and civic partnerships. “How would you like if a free mobile visitors center pulled up next to you?” There was some discussion and Gephart reminded that the NCRLA has not taken a position on food trucks.

With no other business, the meeting was adjourned at 9:29 am

Minutes reviewed by: Laurie Paolicelli,
Executive Director

Minutes accepted by: Dave Gephart,
Chairman

Date

Date