

**Minutes**  
**Chapel Hill/Orange County Visitors Bureau Board**  
**April 21, 2010**

The Chapel Hill/Orange County Visitor's Bureau Board met at  
Durham Tech, Orange County Campus in Hillsborough  
Host: Carlo Robustelli, DTCC OC Campus Director

**Board Members Present:** Valerie Foushee, Rick Strunk, Mike Gering, Bob Ward, Jim Ward, Jim Norton, Dave Gephart, Lydia Lavelle, Dwight Bassett, Anthony Carey, Jim Parker.

**Members Absent:** Barry Jacobs, Greg Overbeck, Laura Morgan, Lee Pavao and James Harris.

**Staff Present:** Laurie Paolicelli, Patty Griffin, and Tina Fuller

**Staff Absent:** Brad Broadwell

**Special Guest(s):** Mayor Tom Stevens

## **CALL TO ORDER**

Dave Gephart, acting Chair, called the meeting to order at 8:08 a.m.

## **INTRO AND WELCOME**

Gephart introduced Hillsborough Mayor, Tom Stevens to update visitors' bureau board members on the happenings in Hillsborough. Mayor Stevens talked about some of the transformational highlights- the proposed rail station, which would be located at Orange Grove Road & 86, the possibility of an arts center at that location as well and the eventual hope of adding a commuting vehicle for UNC sports events. Stevens talked about some long-term goals of Hillsborough, including the River Walk, the Mountains to Sea Trail and the creation of the Unified Development Ordinance to consolidate all development ordinances.

Executive Director Laurie Paolicelli stated she would like the VB to commit to a research study next budget year on the financial impact (lost business) of not having a larger hotel with meeting space in the town limits of Hillsborough.

Gephart then introduced Carlo Robustelli, new director of Durham Tech Orange County Campus. Robustelli informed members that the current focus at Durham Tech is to offer courses that are credit and non-credit; targeting short-term students that are underemployed or unemployed; and work in assisting transfer students. Durham Tech is focusing on offering new programs such as: the Sustainable Technology Program; and pending grant money, a solar tech lab. The campus is also creating a long term plan to study an associate degree program that consists of two years of study. Durham Tech will focus on a Center for Global Study, offering Spanish language as part of a 1-yr certification program that targets the health care professional.

The campus offers 70- courses this summer along with free seminars to the business community. **Jim Ward** asked if there was a middle college program for high school students at this campus in which Robustelli replied not at this time but there is one on the main campus. He explained that the criterion requires 100 students to offer the program, but it is a long-term goal.

**Lydia Lavelle** inquired on how many rooms were available. Robustelli replied that there were 23 classrooms including 3 science labs; the largest space holds 60 people. He added that the master plan included 5 buildings.

## **APPROVAL OF MINUTES**

Dave Gephart requested a motion to approve the March 21, 2010 minutes. Valerie Foushee so moved to approve minutes with Bob Ward seconding the motion. With all members in favor, the March 21<sup>st</sup> minutes were approved.

## **REPORTS**

### **Marketing Report**

Gephart gave the floor to marketing chair Rick Strunk. Strunk informed members that originally the nominating committee voted that Anthony Carey serve as Vice Chair and Lee Pavao serve as Chair, however, with his term expired, it was decided to reconvene and vote again. Strunk reported that the nominating committee would like to nominate Dave Gephart as Chair, due to his long ties to Orange County including civic work in Hillsborough and Chapel Hill, studies at Carolina and a proven willingness to serve on business development committees. Strunk said it is the committee's hope that Lee Pavao, with his institutional memory, can serve this board in some capacity.

Rick motioned to accept Dave Gephart as Chair and Anthony Carey as Vice Chair. Jim Ward seconded. All members were in favor and the motion passed.

Continuing with his report, Strunk referred members to the April 20<sup>th</sup> letter from Joe Crimmins on behalf of the Carolina Inn requesting that the Carolina Inn continue to have a seat on the Visitor's Bureau's board and that the Director of Sales and Marketing, Mark Nelson, serve in that capacity until a general manager is hired at which time he/she would fill the seat.

Anthony Carey expressed his concern stating that with a director of sales (DOS) on the board there could be misrepresentation. Carey explained that a general manager (GM) has specific "big picture" goals. Carey recommended that the board be consistent in its appointments of general managers and leave the position open until they can get an agreement of support. Carey continued stating that there would be an unfair advantage of hearing topics discussed in the meetings.

Jim Parker inquired on what the By-laws specify on that particular vacant seat. Paolicelli replied that it is represented by the OCLA (Orange County Lodging Association) and at the board's discretion. Paolicelli commented that the seat should be filled beginning the fiscal year but can wait. Paolicelli would like to have a person experienced in group meetings and leadership. She continued stating that the Carolina Inn did an unparalleled job in building regional and local events to draw tourists as both overnight and day vacationers.

Mike Gering inquired if there were any other applicants for this seat. Paolicelli replied that there was not and she originally wanted a hotelier in Hillsborough, but the Holiday Inn Express have their hands full and don't have the time. Mike Gering motioned to approve to wait on filling that seat.

Anthony Carey modified the motion to defer to decide filling the OCLA seat and he would resurrect the OCLA group and invite Mark Nelson to offer opinions in the realm of a subcommittee which would then bring information back to this board through the GM. Jim Parker seconded. With all members in favor the motion was approved.

Rick Strunk then informed members that Bob Ward is retiring from the EDC board in June and the EDC committee should prepare to appoint his replacement.

And in conclusion of the marketing report, Strunk instructed board members to review the two summer media offerings (handouts) for future discussion and Jennings would be on-hand in May to present details of the summer campaign.

### **Budget & Finance**

Bob Ward, Finance Chair reported that occupancy receipts are down slightly, however February was the third best month so far this fiscal year. Ward continued reporting that the budget expenditures are where they should be and revenue is slightly below due to the collection process (receipts are due to the city and county on the 20<sup>th</sup> of the following month).

Jim Ward inquired on the fund balance in which Paolicelli replied she would cover that in her report.

Dave Gephart requested a motion to approve the budget report, Anthony Carey so moved with Lydia Lavelle seconding. With all members in favor the budget report was approved.

### **Executive Directors Report**

Laurie Paolicelli reported that she met with Chapel Hill town manager Roger Stancil and Orange County manager Frank Clifton regarding the Visitor's Bureau's funding.

Paolicelli gave a brief history of occupancy tax legislation for Chapel Hill and Orange County stating that in 1987 Chapel Hill began collecting 3%, which went to their general fund; legislation required at least 10% go towards tourism. Orange County management felt that the county should fund a visitor bureau with a 1% tax and employ an Executive Director to manage it. Based on the success of the bureau that 1% tax was soon raised to 2% and in 2008 was brought to its maximum 3%.

Paolicelli informed the board that the Visitors Bureau has always been directed to reserve 15% of the budget by state statute. Paolicelli reported that it is Clifton's intention to use the fund balance for Orange County obligations. On another note, the County has asked for all departments to cut 15% from their proposed 2010-2011 budget. Paolicelli reported that she is proposing to cut Tarheel Sports Marketing, Touch Downtown, Special Event sponsorships and not hire a sales person.

Mike Gering commented that he wants to pursue a resolution on the distribution of the fund balance

to keep from wondering each year if it will be available.

Paolicelli stated she has been questioned from hotels who want to see the bureau's budget and strategy grow not lessen. With hotel supply growing 40% since inception of the visitors' bureau in 1992, hotels are requesting that the VB employ more than one sales person.

Paolicelli spoke on the independence issue of the Bureau spinning off as an independent stating that in the United States, 2/3 of tourism authorities are independent and 1/3 are government. Independent tourism authorities generally are located in areas with options for private revenue streams. Paolicelli stated she does not believe that this structure can succeed here, due to limited private sector businesses and the fact that Chamber(s) and media venues were struggling to stay ahead. Paolicelli informed the board that she would present a revised budget at the next meeting.

Continuing with her report, Paolicelli stated that she was asked to have the board consider dialog of absorbing the Orange County Arts Commission with one staff member moving to the Bureau and the combined agency serving as a portal for state grants. Discussion ensued as to benefits and risks of diluting both agencies budget and efforts. Paolicelli said she would bring more details to the next meeting. Bob Ward questioned whether it was the norm for visitor bureaus to have arts as a functional part of the operation. Paolicelli replied that the president of the National Convention and Visitors Bureau association is projecting that arts mergers are the current and upcoming trend and that the national association has just entered a partnership with America for the Arts. Dwight Bassett suggested that Paolicelli contact Butch Kisiah director of Chapel Hill Parks & Rec., to see what they are doing as an arts commission.

Jim Ward asked Valerie Foushee if she could provide any insight on the current situation in which Valerie replied that the BOCC has not had any discussions pertaining to the merge of divisions nor have they received any recommendation. Valerie noted that it is all just part of the normal budget process. Paolicelli concurred that this is an information item for the board so that they do not hear it in early May, without some information from her. She would provide a clearer report at the May 19<sup>th</sup> visitor's bureau board meeting.

Foushee commented that many scenarios were being discussed and all budgets were being reviewed. A chief priority for her was economic development, which she felt needed greater financial support now in order to develop a short and long term strategy.

Dwight Bassett commented that the conversation needs to be elevated at a national level to the new reality that we are not growing income for local governments. Bassett stated that it would be 5-8 years before we see a dramatic shift.

Anthony Carey commented that if they [BOCC] cut funds from the Bureau then revenue could not grow. The hotels are the revenue generators and there is a serious need to re-invest in programs that grow the occupancy tax. He added that he hoped area leaders understood that the Visitor Bureau is key in growing revenue. Carey agreed to reach-out to the county manager and town manager and discuss tourism funding with them both.

Concluding her report, Paolicelli commented that this is a valid conversation for future discussion; the occupancy tax may be diverted to other uses. Gering commented that the contract has to be

clear-cut where the visitors' bureau board is involved in making these decisions.

**NEW BUSINESS**

Dave Gephart reported that the NHL All-Star Game would be held in Raleigh in 2011 and would it be feasible to create an NHL focus in Orange County- at the Sportsplex for instance. Paolicelli added that the Raleigh CVB invited Orange County and Durham to participate. Paolicelli stated she would have more to report at the next meeting.

**OLD BUSINESS**

No old business to report

**ADJOURNMENT**

With no other business to discuss, Dave Gephart requested a motion to adjourn the meeting. So moved by Mike Gering and seconded by Jim Parker. With all members in favor, the meeting was adjourned at 9:38 am.

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Minutes Drafted by:  
Laurie Paolicelli, Executive Director

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Minutes Accepted by:  
Dave Gephart, Chair

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Date

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Date