

Tourism Development Authority

Minutes – May 15, 2006

The Town of Blowing Rock Tourism Development Authority met on Monday, May 15, 2006 at 3:00 p.m. in a special meeting. Present were Chairperson Bernard Keele, Vice-Chair Kent Tarbutton, Authority members Lynn Drury, Phil Pickett and Keith Tester, and Ex-officio members Scott Hildebran and Margaret Pierce. TDA Executive Director Shawn Miller was also present.

Call to Order

Chairperson Keele called the meeting to order and welcomed the Authority members. He stated the purpose of the meeting was to discuss the proposed FY 2006-07 TDA Budget (**Attachment #1**). He also advised that a public hearing on the proposed FY 2006-07 Budget would be held at the June 6, 2006 TDA meeting.

Proposed Budget - Review

Chairman Keele, Executive Director Miller and Ex-officio Member Pierce reviewed a revised FY 2006-07 TDA Budget (**Attachment #2**) and the proposed revenue.

The Board discussed current FY 2005-06 budget revenues and projections for the remainder of the year. After a brief discussion on revenue philosophy, it was the consensus of the Board to propose \$688,000 in occupancy tax revenues for the FY 2006-07 Budget and to remove interest income from proposed revenues.

Prior to a line-item review of proposed expenditures, the Board discussed establishment of a formal TDA fund balance policy. Issues raised included: meeting personnel operating costs, debt service commitments and town infrastructure commitments, and to guard against the risk of not meeting budget protections. After some discussion, motion by Member Tester and seconded by Vice-Chair Tarbutton to develop a TDA Fund Balance Policy, with the following tenets: 1) reserve should equal 50% of actual allocated occupancy tax revenues from previous year, 2) reserve should include monies for both the 2/3rd – TDA Promotions and 1/3rd – Town Infrastructure, 3) plan to achieve the 50% reserve for both the 2/3rd and 1/3rd allocations within a (5) year period beginning with the 2004-05 budget year and 4) once achieved, maintain the 50% levels thereafter. Motion unanimously approved.

Executive Director Miller and Ex-officio Member Pierce reviewed the proposed line-item expenditures in detail with the Authority.

The Board discussed various strategies to assist in planning and coordination of events in the community, including providing funding support for a contracted events planner. The Board also spent time in deliberation on future event grant funding.

After some discussion, the Board decided by consensus that due to the lack of effectiveness of the current grant process, the TDA would discontinue the grant funding process. Instead, the Board decided to increase marketing funding to be utilized for event promotion. All other requests for funding would be directed to Ms. Miller for review and then forwarded to the Authority for action, as warranted.

After some deliberation, it was the consensus of the Authority to reallocate several portions of the proposed revised budget. The following line-items were modified:

<u>Revenue</u>	<u>Increased/Decreased</u>
Occupancy Tax	\$8,000
Interest Income	(\$7,500)
 <u>Expenditures</u>	
Salaries	\$4,750
FICA	\$425
Retirement	\$340
Maintenance/Repairs to Buildings	(\$4,300)
Infrastructure – Undesignated	(\$715)

With the increase in proposed occupancy tax revenues, Member Tester requested that the Authority take formal action to increase the Town infrastructure portion of the FY 2006-07 TDA Budget in order to finalize the Town's budget. Motion by Member Tester and seconded by Vice-Chair Tarbutton to increase the town portion in the

amount of \$26,335, with the recommendation that the Town utilize the additional infrastructure revenue for the parking facility fund. Motion unanimously approved.

Chairperson Keele thanked the Authority for their work on the proposed FY 2006-07 Budget (**Attachment #3**).

Adjournment

With no further business, motion by Vice-Chair Tarbuton and seconded by Member Pickett to adjourn the meeting. Motion unanimously approved. Chairperson Keele adjourned the meeting at 5:40 p.m.

Bernard Keele, Chairperson

Scott E. Hildebran, Secretary

Attachment

#1 – FY 2006-07 Proposed Budget (Original)

#2 – FY 2006-07 Proposed Budget (Revision 1)

#3 – FY 2006-07 Proposed Budget (Final Draft)