

**Fayetteville Advertising and
Promotion Commission**

October 17, 2019

2:00 p.m.

Location: **Fayetteville Town Center, Fayetteville, AR.**

Commissioners: Matthew Petty, Chairman; Katherine Kinney; Todd Martin; Ching Mong; Robert Rhoads; Chrissy Sanderson; Sarah Bunch

Agenda

- I. Call to order at 2:00 p.m.
- II. Old Business
 - A. Approval of September 2019 minutes
- III. New Business
 - A. Executive Director's report updates
 1. HMR and financial report
 2. Visitors Center Attendance
 3. Walker Stone House lease update
 - B. Marketing Report - Hazel Hernandez
 - C. Vote: Adding Director of Operations Amy Stockton as an authorized signatory to the following bank accounts: Experience Fayetteville Checking; Fayetteville Town Center Checking; Clinton House Museum Checking and removing Jordan Garcia from the same accounts.
 - D. Presentation of strategic plan: Mission, Vision, Values
- IV. Agenda Additions. Additions to the agenda may be added upon request from a majority of commissioners

Fayetteville Advertising and Promotion Commission

Minutes from September 2019 Meeting

September 16, 2019

Commissioners Present: Matthew Petty, Chair; Robert Rhoads; Katherine Kinney; Chrissy Sanderson; Sarah Bunch; Ching Mong

Commissioners Absent: Todd Martin

Staff Present: Molly Rawn, Executive Director; Hazel Hernandez, Vice President of Sales and Marketing
Sally Fisher, Finance Director

I. Call to Order

- A. Chairman Matthew Petty called the meeting of the Fayetteville Advertising and Promotion Commission to order on September 16, 2019 at 2:00 p.m. There was a quorum present.

II. Old Business

- A. Chairman Petty asked for approval of the August 2019 minutes. Commissioner Robert Rhoads moved to approve the minutes. His motion was seconded by Commissioner Ching Mong. The motion was approved.

III. New Business

A. Executive Director's report updates

1. HMR and Financial Report
 - a. August HMR collections total \$572,438, a 1.65% increase from last year. Of that, \$286,219 goes to the A&P Commission.
 - b. August 2018 collections were up 9.5% over 2017.
2. Visitors Center data
 - a. August 2019 attendance was up 102% over August 2018.
 - b. There were 1,731 visitors versus 850 for the same number of days open.
 - c. August 2019 sales were \$2,894, a decrease of only 4% over August 2018.
 - d. Inventory was intentionally decreased by approximately 50%.
3. Grant deadline changed
 - a. Typically, Fall funding is awarded in October for events/projects occurring in the following calendar year.
 - b. While funding is awarded in one fiscal year, the funding is expensed in the following fiscal year before that budget has been set.
 - c. This year, we have changed the application deadline to January, with the hope that the Commission will vote on the funding application in January.
 - d. The application is on our website and we will accept them through 12 p.m. on Thursday, January 9, 2020.
4. Strategic Plan update
 - a. Our strategic planning work with Milestone is complete at this point in time.
 - b. The Commission can expect a report in October sharing our mission, vision, objectives and strategies for building a strong organization.

5. Civic Plaza and Fay Jones Woods

- a. Earlier this month, the City Council unanimously approved a contract between the City and F A&P/Experience Fayetteville to lead and coordinate the planning aspects of the planned downtown Civic Plaza and the Fay Jones Woods as it relates to programming.
- b. Both of these projects were approved as part of the Cultural Arts Corridor item in the April bond election.
- c. The City will pay \$35,000 to Experience Fayetteville.
- d. This is a six-month contract that will be re-addressed in 2020.
- e. Rawn intends to utilize those funds to continue work with D.R. Horne and Associates.
 - (1) Commissioner Rhoads asked for a familiarization with who D.R Horne is.
 - (2) Rawn explained that they are a part of the Cultural Arts Corridor project and that they work in the hospitality and public areas.
- f. Rawn will also be asking the Commission to match this with our own funding, but she is planning on that being a 2020 budget item.

B. Vote

- 1. Rawn is recommending an agreement with CFO by Design (CFOBD) for financial consulting services as outlined in the memo attached as part of the meeting packet.
 - a. The goal for contracting with CFOBD is to formalize financial policies concerning investments, spending, credit card limits, travel authorizations, etc. through recommendations from CFOBD.
 - b. Rawn recommends hiring them, stating that their assessment will be completed by year end.
 - c. Rawn proposed a \$17,000 cut to the fourth quarter marketing budget in order to stay to pay the cost of the contract as it was unbudgeted.
 - d. Fourth quarter media buys will be reduced, but as some contingency funds are built in, Rawn doesn't believe it will be too damaging to the marketing plan
 - e. Chairman Petty stated that the topic of needing a full time CFO position has come up in the past, but we are not really at the point for that need.
 - f. FA&P inherited a lot of old policies for which no discernible need or intention is obvious, and it is time to have a more formal set of financial policies and procedures.
 - g. After some discussion concerning decreasing the marketing budget, Rawn noted that since we are so close to the end of the year, the risk of missing an ad buy opportunity in this calendar year is minimal
 - h. Rawn's expectation is that once the assessment is completed, we will receive a packet or document with the building blocks for appropriate financial policies and procedures based on our size, as well as best practices recommendations.
 - i. Commissioner Rhoads had two questions:
 - (1) Did the auditors weigh in on the CFOBD contract?
 - (a) Rawn stated that they did not, but that they did weigh in on the need for policies to address better segregation of duties and more regular check-ins by the E.D.
 - (b) The auditors also noted the need to formalize investment policies and to pursue the need for a full GAAP audit.
 - (c) FA&P auditors have always made it clear that it is not their role to advise in any direction because their job is to address the health of an organization and it is inappropriate for them to advise on any specific consultant.

- (2) What will be the cost of the CFOBD contract?
 - (a) Rawn said that the contract is for \$13,500 plus reimbursable expenses.
 - (b) Her recommendation is for \$17,000.
- j. Commissioner Rhoads made a motion to enter into the contract with CFOBD, with a budgeted amount of \$17,000. Commissioner Mond seconded the motion. The motion passed.

IV. Executive Session

- A. The Commission is set to enter an executive session for the purpose of the standard performance review and evaluation of employment of the Executive Director. Chairman Petty noted that an Executive Session is required for such an evaluation.

V. Return from Executive Session

- A. Chairman Petty made a motion to conclude the Executive Session in order to return to the regular session.
- B. He also included that the following resolutions be taken as a result of the discussions in the executive session.
 - 1. That the Executive Director salary be raised by 4.5%, which is the average raise given to employees from the last budget to the current budget, but with the raise to be backdated to January 1, 2019.
 - 2. That future budget proposals should include a raise for the Executive Director equivalent to the average of raises given to salaried employees.
 - 3. That the car allowance for the Executive Director be increased to \$5,000 beginning January 1, 2020.
 - 4. That relevant documents be amended to change the title of the Executive Director to Chief Executive Officer.
- C. Commissioner Chrissy Sanderson seconded the motion.
- D. The motion passed.

VI. Chairman Petty adjourned the meeting at 3:15 p.m.

Respectfully submitted,
Sally Fisher, Financial Director

August Activity

\$38,830 + \$264,665

Lodging

Restaurant

\$15,250

Prior Dues Collected

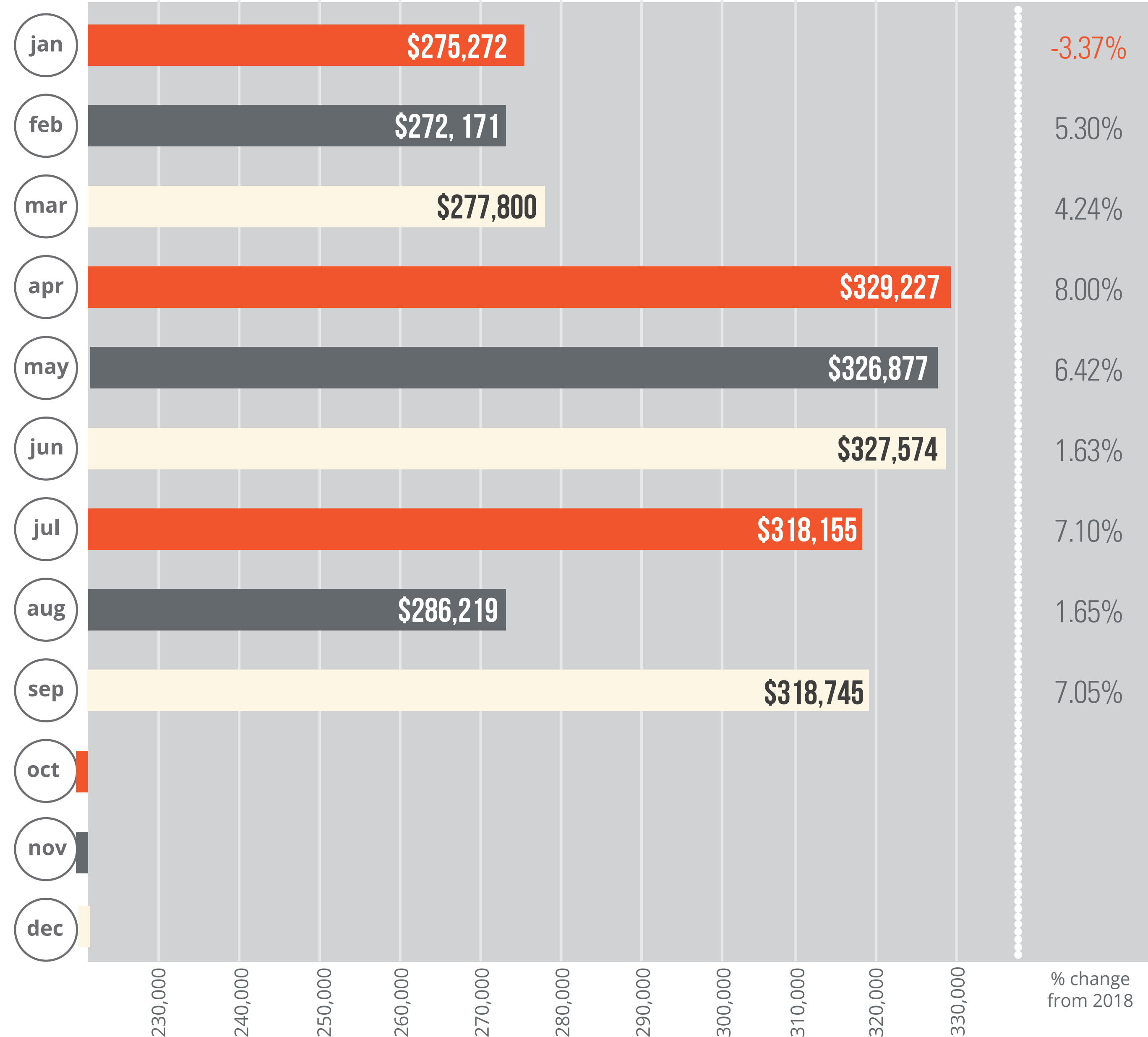
\$318,745

Total HMR Collected

Previous YTD (Jan-Sept) HMR A&P Tax Collection Totals

2015	2016	2017	2018	2019
\$2,230,875	\$2,411,942	\$2,511,806	\$2,620,515	\$2,732,040
11.01%	8.12%	4.14%	4.33%	4.26%
% change over previous year				

Monthly A&P Tax Collections 2019**



** This represents one half of the total HMR collections. The other half supports the Parks and Recreation department.

City of Fayetteville, Arkansas
Monthly A&P Tax Collections 2013-2019

**note this is half of the total A&P collections*

	2015 Total A&P Collections	2015 Change Over Prior Year	2016 Total A&P Collections	2016 Change Over Prior Year	2017 Total A&P Collections	2017 Change Over Prior Year	2018 Total A&P Collections	2018 Change Over Prior Year	2019 Total A&P Collections	2019 Change Over Prior Year
January	236,849	16.98%	265,115	11.93%	267,481	0.89%	284,871	6.50%	275,272	-3.37%
February	219,436	8.09%	233,583	6.45%	242,227	3.70%	258,480	6.71%	272,171	5.30%
March	233,277	9.41%	260,155	11.52%	261,477	0.51%	266,502	1.92%	277,800	4.24%
April	258,307	11.85%	277,718	7.51%	282,855	1.85%	304,827	7.77%	329,227	8.00%
May	258,362	9.43%	292,083	13.05%	318,984	9.21%	307,147	-3.71%	326,877	6.42%
June	264,979	8.70%	278,988	5.29%	289,667	3.83%	322,311	11.27%	327,574	1.63%
July	259,215	12.40%	272,112	4.98%	300,608	10.47%	297,053	-1.18%	318,155	7.10%
August	240,916	11.64%	256,525	6.48%	257,057	0.21%	281,574	9.54%	286,219	1.65%
September	259,534	11.06%	275,663	6.21%	291,451	5.73%	297,750	2.16%	318,745	7.05%
October	278,956	7.76%	300,841	7.85%	312,727	3.95%	323,089	3.31%		
November	281,318	11.32%	308,853	9.79%	290,375	-5.98%	320,293	10.30%		
December	261,072	10.37%	278,525	6.69%	289,005	3.76%	290,947	0.67%		
Total	3,052,221	10.68%	3,300,161	8.12%	3,403,913	3.14%	3,554,844	4.43%	2,732,040	3.57%

Jan	236,849	16.98%	265,115	11.93%	267,481	0.89%	284,871	6.50%	275,272	-3.37%
Jan-Feb	456,285	12.52%	498,698	9.30%	509,708	2.21%	543,351	6.60%	547,443	0.75%
Jan-Mar	689,562	11.45%	758,853	10.05%	771,185	1.63%	809,853	5.01%	825,243	1.90%
Jan-Apr	947,869	11.56%	1,036,571	9.36%	1,054,040	1.69%	1,114,680	5.75%	1,154,470	3.57%
Jan-May	1,206,231	11.10%	1,328,654	10.15%	1,373,024	3.33%	1,421,827	3.55%	1,481,347	4.19%
Jan-Jun	1,471,210	10.81%	1,607,642	9.26%	1,662,691	3.42%	1,744,138	4.90%	1,808,921	3.71%
Jan-Jul	1,730,425	10.91%	1,879,754	8.63%	1,963,299	4.44%	2,041,191	3.97%	2,127,076	4.21%
Jan-Aug	1,971,341	11.00%	2,136,279	8.37%	2,220,355	3.94%	2,322,765	4.61%	2,413,295	3.90%
Jan-Sep	2,230,875	11.01%	2,411,942	8.12%	2,511,806	4.14%	2,620,515	4.33%	2,732,040	4.26%
Jan-Oct	2,509,831	10.64%	2,712,783	8.09%	2,824,533	4.12%	2,943,604	4.22%		
Jan-Nov	2,791,149	10.71%	3,021,636	8.26%	3,114,908	3.09%	3,263,897	4.78%		
Jan-Dec	3,052,221	10.68%	3,300,161	8.12%	3,403,913	3.14%	3,554,844	4.43%		

Sep 2019 CY collections	317,234
Sep 2019 PY collections	1,511
	<u>318,745</u>

Hotel/Motel	37,463	
Airbnb	1,367	
Restaurant	264,665	303,495
Prior Dues Collected		15,250
		<u>318,745</u>

Fayetteville A&P Commission

Balance Sheet

As of September 30, 2019

ASSETS

Current Assets

Cash	1,300,963.90
Investments	907,475.40
Accounts Receivable	403,799.32
Prepays and Deposits	53,505.17
Merchandise Inventory	<u>14,903.40</u>

Total Current Assets 2,680,647.19

Other Assets

Building, Land and Capital Improvements	2,503,910.84
Construction in Progress (ExpFay)	<u>5,538.06</u>

TOTAL ASSETS 5,190,096.09

LIABILITIES AND EQUITY

Liabilities 312,036.61

Equity

Fund Balance	4,660,297.72
Net Revenue	<u>217,761.76</u>

Total Equity 4,878,059.48

TOTAL LIABILITIES AND EQUITY 5,190,096.09

Fayetteville A&P Commission
Income Statement - Consolidated
Month Ending September 30, 2019

	Actual	Budget	Over/(Under) Budget	Percent of Budget
Revenue				
Hotel, Motel, Restaurant Taxes Revenue	2,732,039.83	3,571,688	(839,648.17)	76%
Rental Revenue	489,976.90	867,500	(377,523.10)	56%
Event Revenue	23,706.30	56,000	(32,293.70)	42%
Clinton House Museum Revenue	12,891.28	28,500	(15,608.72)	45%
Visitor Center Store Revenue	8,522.73	17,500	(8,977.27)	49%
Parking Revenue	18,028.75	28,000	(9,971.25)	64%
Advertising Revenue	16,925.00	25,100	(8,175.00)	67%
Other Revenue	565,943.01	0	565,943.01	-100%
Interest and Investment Revenue	14,365.11	16,700	(2,334.89)	86%
Total Revenue	3,882,398.91	4,610,988	(728,589.09)	84%
Expenses				
Rental Expenses	74,524.51	74,000	524.51	101%
Event Expenses	57,711.03	72,500	(14,788.97)	80%
Clinton House Museum	37,387.83	43,950	(6,562.17)	85%
Visitor Center Store	8,638.28	18,500	(9,861.72)	47%
Marketing Expenses	930,716.32	1,028,597	(97,880.68)	90%
Payroll	913,255.50	1,437,817	(524,561.50)	64%
Office and Administrative Expenses	662,406.05	851,901	(189,494.95)	78%
Facilities	876,515.68	1,088,620.00	(212,104.32)	81%
Total Expenses	3,561,155.20	4,615,885	(1,054,729.80)	77%
Net Income/(Loss) Before Other Revenue and Expenses	321,243.71	(4,897)	326,140.71	
Other Revenue				
Unrealized Gain/(Loss) on Investments	3,736.76			
Other Expenses				
Depreciation Expense	107,218.71	0	107,218.71	
Net Income/(Loss)	217,761.76	(4,897)	218,922.00	
Changes to Assets and Capital Improvements				
Major Capital Purchases	0.00	0	0.00	
Net Change	217,761.76		218,922.00	