

REQUEST FOR BOARD ACTION
HENDERSON COUNTY
BOARD OF COMMISSIONERS

MEETING DATE: 6 August 2012
SUBJECT: Tourism Development Authority
PRESENTER: David Whitson
ATTACHMENT(S): Yes

SUMMARY OF REQUEST:

Assistant County Manager Whitson will discuss proposed goals for negotiations with the new Authority, when formed, for immediate operations (effective 1 September 2012).

County staff will present further information on this matter.

BOARD ACTION REQUESTED:

Authority for staff to negotiate and execute a contract with the Henderson Tourism Development Authority for operations for a period not to exceed the balance of Fiscal Year 2013.

If the Board is so inclined, the following motion is suggested:

I move that the Board authorize and empower staff to negotiate and execute a contract with the Henderson Tourism Development Authority for its operations for a period not to exceed the balance of Fiscal Year 2013.

REPORT TO HENDERSON COUNTY
BOARD OF COMMISSIONERS
ON HENDERSON COUNTY TOURISM DEVELOPMENT AUTHORITY
AUGUST 6, 2012

On July 18, 2012, the Henderson County Board of Commissioners adopted a resolution creating the Henderson County Tourism Development Authority (HCTDA) effective September 1, 2012. HCTDA pursuant to action by the North Carolina General Assembly was created in Session Law 2012-144 (formerly House Bill 1215). An Interlocal Agreement between the HCTDA and the County of Henderson will be negotiated and executed once the HCTDA becomes an Authority beginning September 1, 2012.

County staff and the Executive Director of the current Travel and Tourism have been working together to begin the framework of an Interlocal Agreement. Once the Authority's Committee is in place, an Agreement can be negotiated and finalized for presentation to the Henderson County Commissioners. This report has outlined some elements, options and suggestions that will be considered in the HCTDA Agreement with the County. The bottom line is that the goal to hold harmless both the HCTDA and the County has been established when addressing budget and finance concerns.

Administrative Staff:

- There are currently five (5) full-time staff and three (3) part-time staff employees including the Executive Director at the current Travel and Tourism Department. It is the intention at this time that all HCTDA employees *will continue to be county employees*, and therefore shall be subject to all county personnel policies and guideline. This move will not negatively affect any employee's salary, retirement and or any medical benefits.
 - The HCTDA Executive Director shall observe and comply with Henderson County Personnel Policies and work with the Counties Human Resources office accordingly. All HTDA employees will be hired by and report to the Executive Director.
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Budget/Finance:

- The Authority shall adopt an annual budget and funds shall only be expended for their allowable purposes in accordance with the provision of the Enabling Legislation.
- The Authority's budget shall be submitted to the Henderson County Board of Commissioners by May 1 of each fiscal year.
- The Authority shall make quarterly reports to the Board of Commissioners of Henderson County.
- The Authority's financial books and record keeping shall remain with the county.

- Direct cost for the operation of the Authority shall be paid from the Authority's budget, by the county's Finance Department. This would include budget line items such as but not limited to the following:
 - Salaries and related benefits
 - Custodian Services including cleaning and janitorial supplies
 - Publications
 - All utilities
 - Community Events
 - Departmental Supplies
 - Inventory for resale
 - Material for maintenance and repairs to building and equipment
 - Travel
 - Dues and membership
 - Rentals
 - Insurance for building and equipment
 - Capital Improvements to building

 - Indirect cost shall be charged to the HCTDA for applicable Central Service Department costs, i.e. County Administration, Legal, Human Resources, Budget and Finance, Central Services/Garage, Information Technology, etc. as calculated in the County's annual Indirect Cost Allocation Plan prepared by an outside consultant.
 - The HCTDA will be required to have its own annual financial audit conducted which will be done in conjunction with the County's annual financial audit. Future County Audit Contracts will be modified to include a separate financial audit for the HCTDA and the associated cost.
 - Revenue collections will remain the same as they are and remitted to the Henderson County Finance Department on behalf of the HCTDA on a monthly basis.
 - Cost recovered by the county to administer and collect the tax shall not exceed the allowable limits set forth by Session Law 2012-144, as determined by the finance officer, not to exceed three percent (3%) of the first \$500,000 of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
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Building/Equipment/Vehicles:

- Title to the building, equipment and vehicles are currently in the county's name. It is suggested that this not change. Therefore, the county will continue to insure the building, equipment and vehicles under the county's umbrella insurance policy. However, the Authority will continue paying for the insurance.
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Duration of the Initial Agreement:

- June 30, 2013