

Minutes

TOURISM BOARD

Regular meeting- BUDGET PUBLIC HEARING

5:30 p.m. June 1, 2026

Board Meeting Room of Town Hall Annex, 105 E. Corbin St.



Present: Vice-Chair Eryk Pruitt, Megan Kimball, Rainbow Cabbage, Meaghun Darab, Scott Czechlewski, Barry Hupp, Smita Patel, and Spencer Welborn

Absent: Barney Caton, Chair Victoria Pace

Staff: Planning and Economic Development Manager Shannan Campbell
Planning Technician Dakota Kimbrough

1. Call to order and confirmation of quorum

Vice-Chair Eryk Pruitt called the meeting to order at 5:34 p.m. Planning and Economic Development Manager Shannan Campbell confirmed the presence of a quorum.

2. Agenda changes and approval

Vice-Chair Pruitt invited any changes to the agenda. Hearing none, a motion was made to approve the agenda as presented.

Motion: Commissioner Meaghun Darab moved to approve the agenda as presented. Member Megan Kimball seconded.

Vote: 7-0.

3. Minutes

A. April 6, 2026

The Board indicated readiness to adopt the April 6, 2026, minutes without changes.

Motion: Member Kimball moved approval of the April 6, 2026, minutes as submitted. Member Spencer Welborn seconded.

Vote: 7-0.

B. May 4, 2026

C. The Board indicated readiness to adopt the May 4, 2026, minutes without changes.

Motion: Member Darab moved approval of the May 4, 2026, minutes as submitted. Member Welborn seconded.

Vote: 7-0.

4. Discussion/Action items

A. Burwell School Scope of Work Response Presentation

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Matt Hughes, Chair of the Historic Hillsborough Commission, presented on behalf of the Burwell School Historic Site, accompanied by Director of Finance Kat Kirschner and newly appointed Site Director Elizabeth Hays.

Operational and Programmatic Recovery

Hughes opened by highlighting the organization's operational recovery following difficulties stemming from a former employee embezzlement situation in 2019–2020. He noted that Burwell had successfully prosecuted the former employee, filed all back IRS Form 990s, paid outstanding fines and interest to both the IRS and the Department of Revenue, dramatically increased fundraising through a successful annual gala, and expanded its commission membership to 28 volunteers.

FY27 Contract Request

Hughes addressed the Board's prior questions regarding the funding request. He explained that in FY25, Burwell received \$85,000 in contracted services. In FY26, Burwell proactively requested \$15,000 less and made up the shortfall through fundraising. For FY27, Burwell is requesting a return to the FY25 level of \$85,000, citing increased staffing costs, site maintenance needs, and reduced revenue due to the cancellation or postponement of their annual gala. Kirschner clarified that the request is intended to cover personnel costs, with the organization intending to fund remaining budget needs through fundraising. She also noted an anticipated major expense — exterior painting of the historic house and window repairs — estimated at \$35,000 to \$40,000, which will need to be addressed through separate fundraising efforts.

Hughes also noted that a recent assessment revealed approximately 85 window panes in need of replacement at an estimated cost of around \$10,000, underscoring the scope of deferred maintenance at the facility.

He clarified a previous budget question that the payroll tax (account 7007) reflects employer-paid FICA taxes, and payroll service fees (account 7008) reflect costs for third-party payroll processing.

Regarding fundraising, Hughes described Burwell's plans to pursue smaller fund-and-need programs in the fall and to launch a capital campaign with the goal of establishing an endowment to fund building maintenance in perpetuity, thereby allowing contracted and grant funds to be directed toward direct programming. On extended seasonal closures, Hughes stated that significant cost savings from reduced staff hours during the holiday period are already incorporated into operations, and that further reductions would not be operationally feasible, as staff continue working during the closure to support gala planning and other organizational needs.

Hughes noted that the Historic Hillsborough Commission received less funding than the Arts Council and the Historical Museum last fiscal year — while carrying a heavier organizational burden as the only contract partner created by state statute, subject to state oversight by the NC Department of Cultural Natural Resources, unable to control its own membership (appointments made by the Office of the Governor), and solely responsible for maintaining its own physical facilities.

Introduction of New Site Director

Elizabeth Hays, newly appointed Site Director, addressed the Board. A long-term Hillsborough resident of nearly 25 years, Hays spoke to what draws visitors to Hillsborough — its distinctive blend of arts and history — and expressed her enthusiasm for the mission to maintain and interpret the historic property, including its layered connections to 19th-century Hillsborough, the education of girls, the lives of free and enslaved individuals, and notable historical figures such as Elizabeth Hobbs Keckly, who worked at Burwell before becoming a prominent figure in Washington, D.C. Hays conveyed confidence in the current staff's integrity

and resilience and expressed her commitment to leading the organization into an expanded and more visible future.

Hughes offered several recommendations for the Board's consideration in future budget cycles, noting these were not intended to affect the current cycle, but future suggestions:

- Hughes suggested the Board distinguish between tourism-related programmatic deliverables and internal organizational management decisions, noting that some current scope-of-work language — such as requiring a fundraising event without tying it to tourism outcomes or providing funding for it — crosses into organizational governance which he did not feel the Tourism Board should try to dictate.
- Hughes recommended shifting to three-year contract agreements, subject to annual budget adoption and available revenues, with built-in accountability measures including annual reporting, mid-cycle performance reviews, defined impact metrics, and modification or termination clauses. He argued that multi-year commitments would provide contract partners with planning stability and would strengthen their ability to secure grant funding from outside sources, as funders view a multi-year public commitment as a signal of financial security.
- Hughes noted that, based on the most recent audit, the Tourism Board ended the fiscal year with a net position of approximately \$517,000 against a budget of \$539,000, representing nearly a full year's operating cash. He pointed out that the Board currently has no formal fund balance policy and suggested adopting one. He suggested as part of that policy development, defining in advance which priorities would be protected in the event of an economic downturn or natural disaster. He emphasized that the Tourism Board receives revenues monthly through the food and beverage tax, and therefore in his opinion does not require as long a cash runway, meaning available funds for tourism programs may be greater than currently recognized.

In discussion, Member Scott Czechlewski asked whether a three-year contract structure would concern Hughes given the potential for unexpected cost increases year over year. Hughes responded that it would not, explaining that well-structured multi-year contracts typically include mechanisms to request additional funding for specified purposes, as well as early termination provisions for both parties. The key benefit, he noted, is establishing a funding floor that supports organizational planning. Manager Campbell noted that she would explore these ideas further in the fall with the Tourism Board, within the applicable legal framework.

B. Public Hearing for the draft FY27 budget

Vice-Chair Pruitt called for a motion to open the public hearing.

Motion: Member Kimball moved to open the public hearing of the draft FY27 budget. Commissioner Darab seconded.

Vote: 7-0.

Updates from Hillsborough Arts Council (HAC)

Heather Tatreau, Executive Director of the Hillsborough Arts Council, addressed the Board. She explained that the HAC had initially requested \$75,000 from the Tourism Board. The Tourism Development Authority (TDA) agreed to absorb \$10,000 of that amount for the Solstice Lantern Walk, reducing the HAC's Tourism Board request to \$65,000, which was reflected in a budget amendment.

Subsequently, the HAC learned that the Hillsborough Town Board of Commissioners intends to reduce and ultimately eliminate its direct arts funding for FY28 and beyond, with the expectation that the Tourism Board and TDA would absorb visitor-focused programming costs. The Town Board reduced the HAC's town-side ask from \$17,800 to \$15,000 — a shortfall of \$2,800. Additionally, Orange County is cutting arts funding this cycle

due to their own budgeting shortfalls; the HAC had anticipated applying for a \$5,000 grant from the Orange County Arts Commission for performers in the Handmade Parade, but that grant opportunity has been eliminated.

Tatreau noted that the HAC intends to absorb the Orange County shortfall if necessary, but the \$2,800 town board funding gap is what she was bringing to the Tourism Board's attention. In discussion, Board members and Tatreau confirmed that the total funding needed to make the HAC able to fully do its planned events — including both the Town shortfall and the eliminated Orange County grant for performers — is \$7,800 above the current draft Tourism Board allocation of \$65,000, bringing the total HAC request to \$72,800.

Member Rainbow Cabbage noted that the Arts Council has historically demonstrated a strong tourism return on investment and argued the Board should make up the shortfall to keep visitors coming to town.

Motion: Member Czechlewski moved to add \$7,800 to the HAC's allocation. Member Cabbage seconded.

Vote: 7-0.

Draft FY27 Budget Updates

Campbell provided an overview of the revised draft FY27 budget. She noted that, in light of funding pressures on contract partners from reductions from both the Town Board and Orange County, she had trimmed the Tourism Board's budget to be as lean as possible. Several previously proposed three-way partnership projects (splitting costs between the Tourism Board, the Town, and the TDA) were removed. The Town assumed responsibility for shelter projects in parks and entrance improvements at Riverwalk. A \$14,000 allocation for a website update in partnership with the TDA was retained, with Campbell noting the organization's website needs modernization and better ADA accessibility. The Board expressed support for retaining the website update funding.

Campbell confirmed that the Board has sufficient fund balance to cover the budget as drafted, including the additional \$7,800 for the HAC, and that dipping into fund balance by approximately \$54,000 would be fine given the Board's healthy fund balance.

Contract Partner Responses/Budgets for FY27; updates from HAC and Alliance

Member Kimball recuses herself from the discussion as she is on the board of the Alliance for Historic Hillsborough.

Dani McIvor, representing the Alliance, addressed the Board regarding an updated funding request. She explained that when the original budget was submitted in early Spring, the Alliance had not yet received its health insurance premium renewal from its healthcare provider. The anticipated increase of 3–5% turned out to be approximately 10%, a significant and unexpected change. To address this, the Alliance explored switching to the Chamber Health Plan, which pools participants and is expected to provide more stability against large premium spikes given the Alliance's small staff of three covered employees.

As a result of the increased insurance costs, the Alliance's original ask of \$271,921 increased to \$272,984. McIvor presented the Board with options: maintain the full ask of \$272,984 (which includes the Solstice Lantern Walk shuttle service), or reduce to \$271,157 by cutting the shuttle. She framed the shuttle as the most straightforward item to cut. She indicated that the Alliance would be more comfortable with the Tourism Board making this decision.

Board members were broadly opposed to cutting the shuttle. Member Czechlewski expressed support for retaining it, citing the value of seamless event access. McIvor noted the shuttle received positive feedback from riders and business owners in West Hillsborough, particularly for its role in drawing visitors across both sides of town. She acknowledged that first-year ridership was modest — fewer than 250 passengers — but attributed this largely to limited public awareness. Board members noted that 200 riders represents roughly 100 fewer cars in downtown, that the cost-per-rider is consistent with subsidized transit norms, and that second-year ridership should improve with better marketing. Member Darab expressed confidence in the shuttle's potential given the expanded restaurant access in West Hillsborough.

Campbell confirmed that the full ask of \$272,984 was already reflected in the draft budget, and that no motion was needed to change the amount — only confirmation that the Board wished to retain the shuttle and/or not modify that amount.

Motion: Member Czechlewski moved to confirm the Alliance for Historic Hillsborough's FY27 visitor center operations allocation at \$272,984, inclusive of the Solstice Lantern Walk shuttle service. Member Darab seconded.

Vote: 6-0. Member Kimball abstained from the vote.

Budget Adoption Recommendation

Campbell summarized the final FY27 budget and projects as amended:

- Burwell School Historic Site: \$85,000
- Hillsborough Arts Council: \$72,800
- Alliance for Visitor Services (visitor center operations): \$272,984
- Website update (in partnership with TDA): \$14,000

Campbell noted she would update the figures for presentation to the Town Board the following week.

Motion: Member Kimball moved to recommend the FY27 Tourism Board budget as written, with modifications made during the meeting. Member Cabbage seconded.

Vote: 7-0.

5. Staff and Board member updates/comments

A. FY26 F&B tax report to date

Campbell reported that food and beverage tax revenues continue to look strong. She noted that the Tourism Board receives revenue monthly from the Town, though on a two-to-three-month lag, and that the Board appears on track to close FY26 at a slightly higher level than FY27.

Campbell also proposed hosting future Tourism Board meetings at contract partner sites in the fall/winter, allowing members to tour the facilities and conduct their business on-site. She confirmed that such meetings would remain public meetings and that appropriate advance notice would be provided in accordance with NC Public Meeting Law. Board members expressed enthusiasm for the idea.

Commissioner Kimball noted that this would be her final meeting on the Board, as the Alliance would be represented by a new designee going forward. The Board expressed appreciation for her service.

6. Adjournment

Vice-Chair Pruitt adjourned the meeting at 6:46 p.m.

Respectfully submitted,

Dakotah Kimbrough
Planning Technician
Staff support to the Hillsborough Tourism Board

Approved: August 31, 2026