

Minutes

TOURISM BOARD

Regular meeting

5:30 p.m. May 4, 2026

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



Present: Chair Victoria Pace, Megan Kimball, Rainbow Cabbage, Barney Caton, Meaghun Darab, Scott Czechlewski, Smita Patel, and Spencer Welborn

Absent: Vice Chair Eryk Pruitt

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

1. Call to order and confirmation of quorum

Planning and Economic Development Manager Shannan Campbell confirmed the presence of a quorum. Chair Victoria Pace called the meeting to order at 5:30 p.m.

2. Agenda changes and approval

A minor agenda adjustment was made to incorporate an additional item under 6B (Tourism Board Member Comments & Updates). The agenda was approved as amended.

Motion: Member Meaghun Darab moved to approve the agenda as amended. Member Smita Patel seconded.

Vote: 8-0.

3. Minutes

No minutes were presented for review.

4. Presentations

A. Dave McCole- Hillsborough Finance Director, on investing fund balance

Finance Director Dave McCole presented an overview of the legal framework governing how North Carolina governmental entities may invest public funds. He explained that following widespread municipal financial failures during the Great Depression, the state established the Local Government Commission (LGC), which administers N.C. General Statute 159-31. This statute both protects governmental deposits through mandatory bank collateralization and restricts the eligible investment vehicles to four categories: certificates of deposit (CDs), government securities, commercial paper (subject to strict quality requirements), and the North Carolina Capital Management Trust Fund.

McCole confirmed that a portion of the Tourism Board's fund balance is currently held in the North Carolina Capital Management Trust Fund, managed by Fidelity, which invests in a diversified mix of government securities. As of the most recent reporting period, the fund was yielding approximately 3.62–4.32 percent. He

noted that CD rates at Truist and PNC were running slightly lower, at approximately 3.5 percent, making the Capital Management Trust the more competitive option at this time. He cautioned that rates can fluctuate significantly, particularly in the event of an economic crisis, as was witnessed during the 2008 financial crisis and the COVID-19 pandemic.

Board members asked whether the interest earned on the fund balance was being credited back to the Tourism Board. McCole confirmed that interest revenue flows back into the Tourism Board's separate fund from the Town's and, when revenues exceed expenditures, contributes to fund balance growth.

Discussion also touched on whether a portion of fund balance could be formally "committed" by majority board vote to a specific long-term purpose—such as sustaining the grants program—without being legally reserved. McCole said this approach could work as it provides flexibility while demonstrating fiscal discipline and advised keeping funds consolidated in one account to maximize interest earnings.

5. Regular Discussion/Action items

A. Tourism Board Audit Engagement Letter and Audit Contract (FY26)

Campbell presented the audit engagement letter and contract for FY26. She noted that the annual audit is conducted by Preston Douglas & Associates, and that the resulting audit report is made publicly available on the town's website under the Tourism Board section. She explained that auditors review expenditures against the approved budget and any adjustments in the board minutes, and may interview board members as part of the process, this fall.

Motion: Member Megan Kimball moved to approve the audit contract and engagement letter. Member Patel seconded.

Vote: 8-0.

B. Tourism Grant Requests and Scoring Totals

The board reviewed all submitted grant applications against a budgeted grant allocation of \$20,000. Applications were discussed individually.

Hillsborough Garden Club – \$3,000 (Approved)

The Hillsborough Garden Club requested \$3,000 to support its garden tour event received the highest scores. The board discussed the event's long history in the community, its ticketed format, and its role in drawing visitors from outside Orange County—with an estimated 400 out-of-town attendees. Members noted the organization reinvests proceeds into community grants. Some initial questions were raised regarding sustainability and budget line items such as gifts for garden owners and volunteer T-shirts, but the board ultimately concluded that the event represented strong value and satisfied tourism objectives. It was noted this was the applicant's second and final eligible grant application within the permitted cycle, per the grant guidelines.

Motion: Member Kimball moved to approve the Hillsborough Garden Club grant request in the amount of \$3,000 . Member Patel seconded.

Vote: 8-0.

Orange County Arts Commission (UPROAR) – \$10,000 (Approved)

The board moved to fund the Orange County Arts Commission's UPROAR public art event at the maximum grant amount of \$10,000. The event, which is held biennially and spans the month of August, places public

artwork at multiple locations throughout Hillsborough, draws visitors from outside the region, and drives pedestrian traffic to local businesses. Members noted that the event checks tourism objectives—including dispersing visitors across multiple sites, generating out-of-town visitors, and creating memorable experiences. The board acknowledged that this would be the second time the Tourism Board funded UPROAR through grants, and that the organization could subsequently request contract partner status for future years. Campbell clarified that the \$10,000 was being requested in parallel with potential asks to the TDA and the Hillsborough Town Board, with the intent of collectively reaching the \$20,000 threshold needed to fund Hillsborough's full allotment of artwork.

Motion: Member Meaghun Darab moved to approve the Orange County Arts Commission (UPROAR) grant request in the amount of \$10,000. Member Scott Czechlewski seconded.

Vote: 8-0.

Orange Community Players production of “Anything Goes” – \$7,996 (Approved)

The Orange Community Players requested \$7,996 to support their summer theatrical production, which is staged at a local school venue and draws families to Hillsborough over multiple performances. The board discussed whether to fund the full ask or remain within the \$20,000 grant budget by awarding only the remaining \$7,000. Member Darab argued that the additional \$1,000 was worthwhile given the event's consistent track record of bringing families to town, supporting local dining and retail, and contributing to community arts vibrancy. The board agreed to approve the full ask, bringing the total grant expenditure slightly over the budgeted \$20,000.

Motion: Member Caton moved to approve the Orange Community Players grant request in the full amount of \$7,996.00. Member Rainbow Cabbage seconded.

Vote: 8-0.

Chickenfoot Art Collective production of ‘Babushka and the boiling frogs’ (Puppet Arts) – Not Funded

The board discussed the grant application from an arts organization affiliated with Paper Hand Puppet Intervention, which requested \$10,000 for a ticketed puppet performance. Several concerns were raised: the cost-per-visitor ratio was estimated at approximately \$50 per person; the application did not clarify what matching funds, if any, the organization itself was contributing; the event appeared to be a one-time ticketed performance rather than a recurring community-accessible event; and the application did not sufficiently address sustainability or long-term community benefit. The board agreed not to fund the application this cycle but directed Campbell to provide constructive written feedback encouraging a stronger reapplication in a future year, including clearer budget matching, a more robust sustainability plan, and broader free community engagement and/or repeat performances using the funded puppets.

No formal motion was required to decline; the decision was captured in the minutes and feedback to be communicated by staff.

Humanity International ‘Flow Fest’ Event – Not Funded

The board reviewed an application for a new event, Flow Fest, a proposed yoga festival. Members raised significant concerns about the application's credibility and completeness, including the applicant's out-of-county address (Holly Springs), apparent confusion with a separately registered national "Flow Fest" brand and an event with the same name in Charlotte, an unclear event location and timeline, a funding request exceeding the board's maximum grant amount, and an operating budget that appeared to equal the grant

request. Campbell confirmed the organization does hold 501(c)(3) status with the IRS, as she checks those kinds of things with organizations she's not familiar with. Board members commented that the application appeared to have been generated with AI assistance and contained repetitive language. The board unanimously agreed not to fund the application, but noted that a yoga themed festival in town could be really great if done well.

C. **Contract Scope of Work Response Updates**

Manager Campbell reported that all contract scope of work responses had now been received. She noted the following updates:

The **Alliance (Visitors Center)** may make minor line-item adjustments due to a higher-than-anticipated health insurance quote but was working to identify offsetting savings.

The **Hillsborough Arts Council** may submit a reduced ask, as the TDA awarded them an additional \$10,000 at its most recent meeting to fund Solstice Lantern Walk, since the walk is on a Saturday night and may produce lodging stays overnight. Their contract proposal of \$75,000 may be adjusted downward accordingly.

Burwell School submitted its \$85,000 proposal, representing a \$20,000 increase over the FY26 contract amount of \$65,000 (the school's paperwork indicated they believed the prior year amount was \$70,000, a discrepancy staff noted). The board engaged in substantive discussion about Burwell's request. Members recalled that a significant funding increase had been granted a few years ago specifically as a one-time bootstrap measure to help the organization hire staff and develop fundraising capacity. At that time, the board made clear expectations that funding would step down over time, not increase again. Questions were raised about specific budget line items including the number of hours billed for a shared finance director and if the payroll line was for software or preparation.

The board formally voted to direct Campbell to communicate a recommendation that Burwell School attempt to reduce their ask closer to the FY26 amount of \$65,000, with written feedback noting the board's expectations regarding some fundraising, and inviting the organization to engage more directly at the public hearing. Campbell indicated that she would put together an email summarizing the board's feedback and send it to Burwell School representatives.

Motion: Member Smita Patel moved to provide formal feedback to Burwell School as outlined in the discussion and ask them to attend the next meeting to discuss more. Member Kimball seconded.

Vote: 8-0. Nays: 0.

Separately, Commissioner Darab informed the board that the Hillsborough Arts Council had approached the Hillsborough Town Board of Commissioners requesting \$17,800 to cover Last Fridays, the Solstice Walk, the town poet laureate program, and the Handmade Parade—several of which are also covered under the Tourism Board's existing contract. Campbell noted that if the Town Board does not fund that request, the Arts Council may return to the Tourism Board or TDA for supplemental support. She indicated that all boards are currently working on their evolving budgets.

D. **Continue to Discuss FY 2027 Draft Budget**

The board discussed the FY 2027 draft budget considering the grant decisions made earlier in the meeting and broader fiscal considerations.

Members discussed the Visit Hillsborough website update, budgeted at \$14,000 from the Tourism Board (with a matching \$14,000 from the TDA, for a total of \$28,000). Campbell explained the funds are intended for back-end repairs, a visual refresh, and ADA accessibility compliance updates required under new Department of Justice guidelines. She noted that the site's current WordPress theme is no longer supported, causing periodic technical failures, and that the ADA requirements—which include removing text overlaid on images and improving navigability for users with disabilities—may require significant rework. The board expressed some concern about the cost but agreed to retain the line item, noting that if the work could be completed for less, remaining funds could be redirected. Kimball indicated that she had recently worked with a website design company locally that was significantly lower cost than what was being proposed.

Discussion also addressed the Alliance's retirement benefit cost for the Visitors Center staff member, which became effective after the employee reached three years of service. One board member expressed concern that this obligation had not been flagged in advance. Alliance representative Megan Kimball explained that this is a longstanding Alliance HR policy applied uniformly to all employees as an incentive for retention, and that because the staff member works 100 percent on Tourism Board-funded activities, the cost flows through the tourism contract. Campbell noted this mirrors the precedent set for previous Alliance employees in the same role, and indicated that since the Tourism Board and Alliance have had a relationship since the early 1990's this decision may have been brought and approved by a prior board.

The board noted that if revenues continue to trend consistently with the first half of the fiscal year, the amount required from the fund balance would be less than projected, providing additional fiscal flexibility.

6. Monthly reports and comments

A. Tourism Staff/Visitors Center/OC Visitors Bureau Updates

Campbell reported that the Orange County Visitors Bureau is in the process of developing a new strategic plan, following a consultant engagement that included positive feedback about Hillsborough's tourism program. The bureau is focusing on new strategies around partnership with UNC, among other priorities. She also noted that the Visitors Bureau had invested significantly in bringing the Savannah Bananas to the area, with mixed results—some hotel revenue was lost to lower-priced Durham-area accommodations. She shared that the Tourism Board declined to actively compete for Savannah Bananas visitors, preferring a collaborative rather than competitive regional approach.

Food and beverage tax revenue data through December was distributed to board members. While only six months of data was available, revenues were described as tracking better, with August showing a particularly strong performance – a result members attributed in part to the UPROAR public art event.

B. Tourism Board Member Comments & Updates

Member Spencer Wellborn commented on the recent “Zwanze Day” event held at The Wooden Nickel on King Street, describing it as a significant success in drawing out-of-town visitors. He noted that an informal survey of attendees indicated that approximately 20 percent were Hillsborough residents, with the remaining 80 percent coming from other locations, including visitors from Charlottesville, Florida, and Connecticut. He observed that the event required minimal town resources (simply closing a parking lot entrance area) and generated substantial organic tourism activity.

7. Adjournment

There being no further business, the meeting was adjourned at 7:33 p.m.

Respectfully submitted,
Dakotah Kimbrough

Planning Technician
Staff support to the Hillsborough Tourism Board

Approved: June 1, 2026