

**OFFICE OF THE CITY COUNCIL**

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**PRELIMINARY MEETING MINUTES**

**TOURIST DEVELOPMENT COUNCIL SPECIAL MEETING**

**Wednesday, June 14, 2017**

**1:00 P.M.**

**City Council Conference Room A**

**Suite 425, City Hall**

**117 West Duval Street**

*These preliminary minutes are not official until reviewed and approved*

*by the Tourist Development Council at a future meeting*

**Attendance**

City Council President Lori Boyer, Board Chairperson

City Council Vice President John Crescimbeni, Board Vice Chairperson

City Council Member Greg Anderson, Board Member

Barbara Goodman, Board Member

M. G. Orender, Board Memberr

Kirit Patidar, Board Member

Craig Smith, Board Member

Jeffrey Truhlar, Board Member

Annette Hastings, TDC Executive Director

Jeff Clements, Chief of Research

Kyle Billy, Council Auditor

Phillip Peterson, Council Auditor’s Office

Lawsikia Hodges, Deputy General Counsel

**Meeting Convened 1:02 p.m. Meeting Adjourned: 4:03 p.m.**

**Introductions**

Chairwoman Boyer convened the meeting and the attendees introduced themselves for the record.

**Approval of minutes**

The minutes of the May 18, 2017 meeting were discussed. On page 5, Ms. Boyer called the members’ attention to the request and motion on the USATF Region 4 Junior Olympic Track & Field Championship 2017 and a change shown in the draft minutes regarding a room night guarantee. Mr. Patidar clarified that his motion had been for a $25,000 allocation for stadium rental regardless of any room night guarantee. The minutes were amended on p. 5 to delete “with a room night guarantee of 2,500 room nights at $10 per room night” and subsequently approved as amended.

**USATF Region 4 Junior Olympic Track and Field Championship 2017**

Angela Harris explained revisions to the event’s proposed budget from the presentation made at the last meeting, with changes made to projected revenues based on previous years’ experience and additional sponsorships.

**Motion** (Patidar/2nd Goodman) approve a $25,000 allocation for stadium rental without any room night guarantee –

**Motion** (Crescimbeni/2nd Orender) amend the Patidar motion to provided that if gate receipts, entry fees and/or sponsorship revenues exceed the budgeted amount, the TDC will recoup a proportionate amount of its contribution -

The council members discussed tracking of room nights and potential attendance at the event.

Mr. Truhlar proposed a clarification, accepted by Mr. Crescimbeni, that the amendment provide that if overall revenues exceed $133,000 then the TDC will recoup a proportionate share of its contribution.

The **Crescimbeni amendment** with the Truhlar clarification was **approved unanimously**.

The **Patidar motion** **as amended by the Crescimbeni motion** was approved unanimously.

**Visit Jacksonville Audit report**

Council Auditor Kyle Billy reviewed the findings of Audit #796 – Visit Jacksonville Audit. Internal control weaknesses included: a finding that Visit Jacksonville has good procedures for processing hard copy checks, but not for processing electronic fund transfers; the organization needed to improve its timekeeping system for hourly employees (consistent documentation, consistent supervisory approvals); and insufficient segregation of duties in the financial transactions area (one employee writing checks, entering transactions into the accounting system and reconciling bank statements). Visit Jax agreed with these recommendations and promised to make improvements. Other substantive findings included a failure to follow City travel regulations (including pre-approval before travel) as required by the City contract; failure to sufficiently document authorization for bonus payments and cellphone allowances; failure to have documentation correctly and completely filled out (typically due to lack of signatures); several duplicate employee reimbursement payments; and missing signatures or unauthorized signatures on several checks. The audit found no evidence of intentional malfeasance or fraud, but noted insufficient record-keeping and control systems.

Mr. Patidar suggested that a third-party company be hired, either by the TDC or Visit Jax, to handle the financial aspects of the contract (bookkeeping, accounts payable and receivable, bank reconciliations), which might be less expensive than having a full-time employee and would solve the segregation of duties issue. Council Member Anderson questioned why the TDC wasn’t alerted by Visit Jacksonville’s independent auditor about the internal control weaknesses. Craig Smith suggested that the findings appear to be fairly normal in comparison with other Council Auditor audits and that it would be the responsibility of the Visit Jacksonville board of directors to exercise its fiduciary responsibility to tighten up financial controls at the agency. In response to a question from Council Member Anderson, Visit Jax CEO Paul Astleford stated that the organization has implemented all of the audit’s recommendations. President Boyer agreed that the findings are comparable to the findings of many Council Auditor audits of City departments and agencies and urged the Visit Jax board members present in the meeting to be vigilant in tightening up controls and procedures and addressing the identified shortcomings.

**Omnibus Tourist Development RFP - Greg Pease**

Chief of Procurement Greg Pease described the RFP short-list interview process and scoring. Ms. Boyer announced that there has been a bid protest, but Mr. Pease said that it was not timely filed and will not be heard. The CSPEC Committee confirmed the scores for the three components and transmitted them to the TDC to make the award. Ms. Boyer stated that there will need to be 3 separate awards rather than 1 omnibus award because one of the three RFP components (marketing services) was a dual response by Visit Jacksonville and a partner (the Dalton Agency), requiring a separate award.

Convention sales and service

Ms. Boyer began the discussion with the convention sales and service component. She requested that 2 items be discussed in the contract negotiation process: 1) having the TDC directly purchase the STR report contract rather than Visit Jax so that it has direct control over the data; 2) moving up the development of new collateral services to year one rather than future years. Council Member Crescimbeni requested inclusion of very clear and specific performance measures for all goals so that success or lack thereof is clear. Deputy General Counsel Lawsikia Hodges asked the TDC to formulate those meaures so that she can include them in the draft contract for negotiation. Council Member Anderson recommended fixed minimum standards rather than achievement of stretch goals for ease of enforcement. Councilor Orender suggested inclusion of a termination clause that could be invoked if minimum performance standards are not met after notice and an opportunity to cure. Members suggested the need for a subcommittee to meet separately to set specific goals and measures for ratification at a future special meeting of the full TDC.

**Motion** (Anderson /2nd Orender): approve negotiating with the highest scoring respondent on the convention sales and services component, subject to inclusion of the negotiating points to be developed by a subcommittee - **approved unanimously**.

Marketing services

President Boyer questioned the use of Tempest Media as the outward public-facing marketing platform and doesn’t want to be locked into the company as the sole provider for that function. She wants to explore other opportunities. She also proposed removing the Longwood Study cost from the Visit Jax contract and having the TDC pay for it directly. Councilor Goodman suggested the need for collaboration and unification of the various branding and identity development efforts going on in the community. Ms. Boyer suggested that the TDC might marshal that effort rather than Visit Jax; Mr. Orender felt that the TDC was not the appropriate body to lead that effort.

There was some discussion about the creative campaign within the marketing component and it was suggested that any future advertising campaigns would be presented to the TDC before roll out (to include both content and budget). This could be conducted quarterly, with measurable goals and objectives to assess campaign effectiveness. Council President Boyer spoke briefly about the marketing budget, comparing it to one of the other applicants’ budget. Ms. Boyer noted that in the Visit Jax/Dalton Agency marketing component budget, more money should go to actual advertising than to administrative costs. Ms. Goodman asked if, because Visit Jax might potentially be contracted for all three components of the RFP, there would be budgetary efficiencies that were not reflected in the budget proposal. Ms. Boyer indicated that she had questioned Visit Jax on that point but did not receive a solid answer.

There were several questions about the role of the Jax Chamber within the marketing component, as their logo is on the application but they were not co-applicants. During public comment, the Jax Chamber representative indicated that their role is one of collaboration with no compensation. Another member of the public questioned whether that had been considered in the scoring process. The TDC members all said Chamber participation was not considered and that any collaborative relationships will be clarified in the contract negotiations.

**Motion** (Orender/2nd Goodman): begin contract negotiations for the marketing services component with Visit Jacksonville/Dalton Agency - **approved unanimously**.

Tourist Bureau Services

Ms. Boyer outlined the three paths of action regarding the tourism services component: award the contract to the highest scorer; decline to make an award and re-bid the component; or decline to make an award and have the city manage tourist services in-house. Although Visit Jax scored the highest in this component when compared to other applicants, there were concerns about both the budget and content. The proposed budget greatly exceeded the amount designated in the RFP, making it doubtful that City Council would approve the budget even with TDC support. Ms. Goodman asked about budget modifications and what services could be performed for the allotted amount. However, it was noted by Ms. Boyer that even sharp cuts to the budget would not be enough to meet the requirements of the RFP. Ms. Boyer also mentioned that the articulated goal for visitor centers (a 5 percent increase in visitor center foot traffic) was insufficient. The consensus among the TDC members was that a new RFP for tourist services should be crafted and released.

**Motion** (Anderson/2nd Crescimbeni): re-bid the tourist services component – **approved unanimously**.

**Other Business**

The TDC convention sales and services subcommittee meeting will meet on 6/16/17 at 10:00 am to discuss contract negotiations.

A special TDC meeting was scheduled for 6/22/17 at 9:30 am to discuss contracts for the convention sales and marketing components, as well as prepare for the new tourist services RFP.

**Adjourn**

The meeting was adjourned at 4:03 p.m.

Jeff Clements, Council Research Division

Posted 6.23.17 11:00 a.m.