

**OFFICE OF THE CITY COUNCIL**

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**TOURIST DEVELOPMENT COUNCIL MEETING MINUTES**

**Thursday, May 17, 2018**

**City Council Conference Room A**

**117 West Duval Street**

**City Hall, Fourth Floor**

**1:00 P.M.**

**ATTENDANCE**

City Council President Anna Lopez Brosche, Board Chairperson

City Council Vice President Aaron Bowman, Board Vice Chairperson (arr. 1:05)

City Council Member Lori N. Boyer, Board Member

Barbara Goodman, Board Member

Steven Grossman, Board Member

Kirit Patidar, Board Member

Craig Smith, Board Member (arr. 1:17)

Dawn Southworth, Board Member (arr. 1:43)

Jeffrey Truhlar, Board Member

Cheryl L. Brown, Council Director/Secretary

Annette Hastings, TDC Executive Director

Jeff Clements, Chief of Research

Kim Taylor, Assistant Council Auditor

Phillip Peterson, Council Auditor’s Office

Lawsikia Hodges, Deputy General Counsel

**Meeting Convened 1:03 p.m. Meeting Adjourned: 3:28 p.m.**

**Introduction - Bill Prescott, Visit Jacksonville Board Chairman**

Mr. Prescott introduced Michael Corrigan as the new President and CEO of Visit Jacksonville. Mr. Corrigan was the unanimous choice of the Visit Jacksonville board. Mr. Corrigan said that he has a great passion for tourism development since his time on the City Council and on the TDC. He begins work on May 29th and looks forward to a long and productive relationship with the TDC.

**Presentation to TDC Chair/Council President Anna Brosche Lopez**

Monica Smith and Katie Mitura of Visit Jacksonville presented President Brosche with a plaque in honor of her year of service as Chair of the TDC.

**Approval of Minutes**

**Motion** (Boyer/2nd Bowman): approve the TDC Quarterly meeting minutes of February 15, 2018 and the TDC Special Meeting minutes of April 11, 2018 as distributed – **approved unanimously**.

**TDC Financial Report**

Kim Taylor, Assistant Council Auditor, made the quarterly financial report. The budgetary balances available in the various accounts are as follows: Tourist Bureau - $0; Marketing - $130,500; Convention Sales - $900 (within this category there is still $45,625 available to allocate to CVB Grants); Development and Planning - $123,933; and Special Event Grants - $101,767. There is $140,320 available to be spent in accordance with the TDC plan without Council action and $3,807,937.51 in the Development Account and $1,463,000 available in the Contingency Account, both of which require City Council action to spend.

The revenue report showed an increase in bed tax collections of 8.37% year over year, a 12.19% increase in the fiscal year to date compared to the same month last year, and an 8.49% increase in March 2018 over March 2017.

**TDC Budget FY 2018-2019**

Regarding the TDC budget, a baseline budget of $8,510,000 has been prepared for submission with the Mayor’s proposed budget using the minimum contract amounts for each category, pending a determination of the exact amounts for each category before the fiscal year begins. The employee cap is proposed to increase from 1 to 2 with re-categorized employees and the salaries and benefits line will increase by approximately $40,000.

Cheryl Brown explained the proposal to reclassify the current TDC Executive Director position to a TDC Administrator and to add a second position of Administrative Assistant II in order to provide a proper segregation functions in the areas of invoice processing and payments, to add more capacity for contract management, and to provide for administrative succession when the current Executive Director retires later this year. The new contracts with Visit Jacksonville will require a great deal of administration and review of contract documents, invoices and financial data.

Council Member Boyer asked about the ability of the TDC to evaluate and influence the selection of the employees who service the TDC. She said that the TDC has needs beyond contract administration and will need the equivalent of an executive director to be involved in research, identification of tourism opportunities, etc. Ms. Brown said that the employee who just assumed the administrator position has previous research, writing and management experience and is well qualified to do more than just contact management. Ms. Boyer said that the administrator needs to be responsive to the TDC’s needs and to be able to evaluate contract compliance and tourism data trends since the TDC is now purchasing the STR room occupancy/rate data directly rather than Visit Jacksonville purchasing the data.

In response to a question from Council Member Boyer, Ms. Taylor said that the budget amounts in the proposed budget for FY18-19 will be adjusted as the TDC makes its budgetary decisions. Ms. Boyer advocated for the TDC recommending allocations for the $1.8 million currently shown as unallocated funding rather than leaving its use to be potentially determined by City Council. Ms. Boyer recommended increased allocations to a number of categories to represent the TDC’s priority needs. Ms. Taylor cautioned that any movement between plan components or out of the Contingency/ Development Fund will require City Council action, but funds could be left in a TDC unallocated fund for TDC to later distribute. Ms. Boyer felt that this advice conflicted with previous advice she’s gotten from the General Counsel’s Office about how Community Redevelopment Area funds can or cannot be shifted by the CRA board without further City Council action. The group agreed to the following budget amounts for the 7 plan components: 1) Tourist Bureau - $400,000 operating + $100,000 capital to be determined; 2) Marketing - $3,000,000 + $100,000 for marketing grants; 3) Convention Sales - $2,250,000; 4) Development and Planning - $50,000; 5) Special Events Grants - $800,000; 6) Development Account - $600,000 ; 7) Contingency Account - $800,000; Administration costs - $210,000: total $8,510,000. $200,000 will remain unallocated and authorized to be spent in accordance with the uses in plan components 1-5.

**Motion** (Boyer/2nd Goodman): move the new allocations in the FY18-19 budget as just discussed

Public Comments – none

**The Boyer motion was approved 9-0.**

**Agenda Encumbrances Visit Jacksonville Convention Grants**

**Presenter:** Monica Smith, Vice President of Sales and Services

**Total Encumbrance Request CVB Grant Fund FY 2017-2018 $11,676.00**

**Total Room Nights: \_\_1,130\_**

Ms. Smith presented the following grant requests:

**1.** **Name of Group:** DP Technology

**Hotel(s) Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** June 1-9, 2019

**Room nights:** 1,380 (at $3 per room)

**Estimated Attendance:** 450

**Funds Use:** A/V

**Funds to be encumbered:** $4,140.00

**Summary**: **DP Technology** is a leading developer and supplier of computer-aided manufacturing (CAM) software for a full range of machine tool applications. ESPRIT, DP Technology's flagship product, is a powerful, high-performance, full-spectrum programming system for milling, turning, wire EDM, and multi-tasking machine tools. In 2019, DP Technology will be hosting their ESPRIT World Conference in Jacksonville.

**2. Name of Group:** International Society for Computerized Electrocardiology

**Hotel(s) Utilized:** One Ocean Resort & Spa

**Date:** April 9-13, 2019

**Room nights:** 432 (at $3 per room)

**Estimated Attendance:** 130

**Funds Use:** A/V or Reception (F&B Only)

**Funds to be encumbered:** $1,296.00

**Summary:** The International Society for Computerized Electrocardiology (ISCE) was established in 1984 in the state of California as a non-profit organization devoted to the advancement of electrocardiology through the application of computer methods. ISCE aims to connect academia, industry, and users through their annual conference and online forums.

**3. Name of Group:** Independent College Bookstore Association

**Hotel(s) Utilized:** Hyatt Regency Jacksonville Riverfront

**Date:** February 7-16, 2019

**Room nights:** 2,080 (at $3 per room)

**Estimated Attendance:** 550

**Funds Use:** Group Transportation, Reception (Food and Beverage Only)

**Funds to be encumbered:** $6,240.00

**Summary**: Independent College Bookstore Association (ICBA) continues to be the only professional cooperative dedicated exclusively to institutional collegiate retail stores. **The ICBA mission** is to provide the programs and services that will establish the institutional store model as the preferred management solution for higher education. In 2019, they will be hosting their annual conference in Jacksonville.

**Motion** (Boyer/2nd Truhlar): approve the three grant requests as presented

Public Comments - none

**The Boyer motion was** **approved 9-0**.

**Jacksonville Jazz Festival 2018 - Brent Fine, Special Events Manager**

Brent Fine of the Office of Special Events reported that a 1,500 person survey of attendees by the UNF Survey Research Center would cost $9,500 and produce a report with a margin of error or +/- 2.5%. An amendment to the Jacksonville Jazz Festival 2018 award/offer letter was requested to reduce the required sample size for the survey from 1,500 attendees to 750 attendees. This will produce a report with a sampling error of +/- 3.5%.

**Motion** (Boyer/2nd Grossman): approve a sample size of 750 for a margin of error of +/- 3.5%.

Public Comments – none

**The Boyer motion was** **approved 9-0**.

**Visit Jacksonville Reports and Contracts**

Chairwoman Brosche noted that this is the first meeting where these reports are being presented as a consent agenda item, and further clarified that it will not be “consent” in terms of needing a vote, but that such reports will be provided to TDC members in advance of the meeting and the time allocated on future agendas will be for TDC members to pose questions from their advance review of the reports. Ms. Boyer said she was pleased with the results of the marketing efforts which are showing good growth. In response to a question from Council Member Boyer, Monica Smith said that 84% of current active leads are for 2019 and 2020 events; those pending leads would represent the following percentage of yearly goals: 2019 – 64%, 2020 – 46%. Ms. Boyer expressed concern about the achievement of the target percentages, which were set fairly low at the start of the contract. In response to a question from Chairwoman Brosche, Ms. Mitura said that a negative balance in the advertising budget is a result of the budget being allocated in 12 equal installments, not on when ads are actually purchased. Ms. Mitura indicated future budgets will allocate advertising amounts to months when they will be purchased instead of ratably throughout the year.

Quarterly Reports

1. Tourist Bureau Services

Tourist Information Bureau Quarterly Report

1. Convention Sales & Services

Convention Sales & Service Quarterly Report

Convention Sales & Services FY 2017/2018 Annual Plan

1. Marketing Services

Marketing Quarterly Report

Q2 Marketing Dashboard for Meetings

Marketing Advertising Quarterly Dashboard

Marketing Calendar Quarterly Update

Presentation Deck for Marketing & Convention Sales

Visit Jacksonville Quarterly Financial Statement

The group had no questions on any of the quarterly reports or the financial statement.

**Proposed Travel for Visit Jacksonville CEO/President, Michael Corrigan**

Brian Fike, Visit Jacksonville Finance Director, distributed a list of 5 out-of-county trips proposed for CEO Michael Corrigan, totaling $16,600. In response to a question from Commissioners Smith and Patidar about why the TDC is approving travel for Visit Jacksonville’s CEO, Deputy General Counsel Lawsikia Hodges explained that all three contracts expressly require that the TDC approve a travel budget line item each year and that all travel must be in accordance with the City’s travel policy (Chapter 106, Pt 7) and the travel restrictions contained in each contract (for example, the tourist bureau contract only allows travel within the U.S. and the convention sales and services contract only allows travel in North America, including Canada, and Central America). Under the City’s travel policy, the Council President as Chair of the TDC can sign off on the travel forms and reimbursements.

Ms. Hodges also said that the three contracts all have provisions requiring annual reviews of contract performance, that the contractors propose annual plans in April, and annual budget in June of each year. The TDC should cover many of these items at its special meeting in June to ensure contract compliance. Draft contract checklist templates were prepared and provided to the TDC last year for the marketing and convention sales and services contracts. The TDC contract administrator should prepare a contract checklist for the tourist bureau contract also and use each checklist to ensure that the contractor complies with the agreed upon contract terms. Ms. Boyer said that the rationale for the quarterly performance reports was to inform the plan proposal and budget allocations for the coming year based on prior year performance.

**Proposed Visit Jacksonville Tourist Information Bureau Capital Items**

Katie Mitura of Visit Jacksonville said that the Beaches Visitor Center signage came in under budget. $96,500 is being requested for RFP capital expenditures: $40,000 for 3 kiosks, $5,000 for interstate and wayfinding signage, $6,500 for large-scale maps, brochure display racks, graphics and flags; $15,000 for 360 Video/Virtual reality hardware; and $30,000 for four 360 videos. Commissioner Patidar expressed concern about allocating $30,000 to purchase the videos sight unseen, lest the TDC not be happy with the content or quality. Commissioner Truhlar asked if the interstate signage was for rental or purchase.

**Motion** (Truhlar/2nd Goodman): approve the requested $96,500 for capital expenditures

Public Comments **-** none

**The Truhlar motion was approved 9-0.**

**Proposed Research Projects for Development and Planning Plan Component**

Council Member Boyer said that history/arts/culture and culinary tracks don’t rank as well in Jacksonville as they do in other cities. She wondered if the UNF surveys could be used to find out why visitors aren’t as enthused about those tracks, perhaps either surveying visitors at hotels about what they intend to or have visited while in town, or surveying visitors as they come out of those attractions to gauge their satisfaction with the venues. Visit Jacksonville will explore with UNF the potential for surveying to determine visitor satisfaction and bring a proposal back to TDC for review and approval.

**Special Events Grant Presentation**

**Beaches Oktoberfest**

Charles Wagner said his organization is seeking $25,000 for out-of-market attendance marketing; attendance dropped from 45,000 to 40,000 last year from out-of-town visitors without the TDC’s grant. They anticipate 75,000 attendees for next year with bigger musical acts scheduled. He explained that in 2016, VIP tickets were purchased through their web site from 36 states. He will provide information on ticket sales and room night bookings to the TDC at a future meeting. Council Member Boyer said that TDC regulations require at least 5,000 out-of-town tourists to qualify for funding and asked Mr. Wagner to explain how his organization would quantify the number of out-of-town visitors; he said it would be a combination of VIP ticket sales locations and surveys of free attendees to identify their place of residence. Barbara Goodman said that the TDC’s goal is to reduce funding for events each year so that eventually they become self-sufficient. Steve Grossman recommended that the request be deferred until the next meeting pending a report on a better methodology for determining out-of-town visitors. Council Member Boyer explained the difference between special event grants based on direct attraction of tourism to the event (documented by room night bookings, survey results, credit card information, etc.) and marketing grants based on building Jacksonville’s brand and attractiveness to tourists (i.e. the P1 powerboat races televised nationally and internationally).

In response to a question from Chairwoman Boyer, Mr. Wagner stated that the Beaches Oktoberfest and the Downtown Oktoberfest were operated by different organizations and that members were removed from the Beaches Oktoberfest board for conflicts of interest with Jacksonville Beach City Council, not for any relationship with the Downtown event. Ms. Boyer said that information she has gleaned from the state’s on-line corporation information site indicates that the two entities are really the same – one an LLC corporation with a manager and the other a not-for-profit organization with a board of directors. The funding request was tabled to a future meeting awaiting clarifying information from the applicant.

**TDC Advisory Committee Special Events and Convention Grant Guidelines Update**

Council Member Boyer distributed and discussed a matrix developed by the TDC Advisory Committee of grant categories with proposals for grant qualifications, use of funds, proof of compliance with the qualifiers, required expenditure documentation and the source of funds. Ms. Boyer will separately e-mail a matrix she developed to define “special events” for the purpose of grant-making, including: open to the public (not private events, fundraisers, corporate or trade events, for-profit events), limited and fixed duration of few hours or days, not occurring more than once a year. The matrix had suggested qualifiers for applying and a separate set of considerations/factors for scoring quailed requests on a point matrix. A fundamental decision to be made is whether to give 100% of marketing funds to Visit Jacksonville to perform all marketing functions or to reserve a portion of the marketing budget for TDC grants to organizations or events. A special TDC meeting will be scheduled in June to finalize the TDC Grant Guidelines.

**Legislation Filing Update /Lawsikia Hodges, Deputy General Counsel**

Ordinance 2018-236-E (Creating a new Ordinance Code Sec. 111.601 - Tourist Development Donations & Sponsorships Special Revenue Fund): Lawsikia Hodges explained the purpose of the trust fund is to receive partnership funding that should come to the City rather than to Visit Jacksonville and be appropriated by the TDC for authorized purposes. The trust fund can also accept private contributions to TDC purposes.

**Other Business**

**Longwoods Study Visitor Profile Agreement**: Katie Mitura said that Visit Jax talked to Longwoods International and the company offered to provide the 2016 data as a baseline for $5,000 if the TDC would commit to purchasing the 2017 and 2018 reports at $24,500 apiece. Ms. Boyer noted that the Visit Jacksonville contracts require that the Longwoods data be acquired annually for performance evaluation purposes. Alicia Cabrera-Thomas of the TDC staff reported that the invoice for procurement of the 2016 data set, which was previously approved by the TDC, had gotten lost in transit and had never been paid so the purchase order is still outstanding. That purchase order should be closed out and a new purchase order issued to reflect these new terms. Ms. Mitura said that Longwoods had agreed to waive the late payment fees on the original unpaid invoice in view of the new purchase. Council Member Boyer clarified that the TDC is not authorizing purchase of future years’ data – just 2016 and 2017 at this point. Ms. Hodges said that an intent to purchase future years of data should be memorialized in the contract in order to bind the vendor to the deal currently being offered.

**Motion** (Goodman/2nd Boyer): amend the prior purchase award to reflect a procurement authorization of $5,000 for purchase of the 2016 data and $24,500 the 2017 data and authorizing TDC staff to work with the Procurement Division to process the new contract for signature by the TDC Chair.

Public Comment – none

**The Goodman motion was** **approved 9-0**.

**Travel Policy**

Discussion deferred to the June meeting.

**Closing Comments**

Council Member Boyer reported that SMG has done a conceptual design of how a visitor center might be incorporated into the river side of the Times-Union Center for the Performing Arts at Hogan Street.

Mr. Smith said that he was downtown during the weekend of the Spartan Race and saw the direct impact of attendees at the event – it appeared to have a huge impact on downtown, Riverside and Avondale.

The next quarterly meeting will be held in August (date to be determined), and a special meeting will be held in June.

The meeting was adjourned at 3:28 p.m.

Jeff Clements, Council Research Division

Posted 5.22.18 5:00 p.m.