



OFFICE OF THE CITY COUNCIL

Tourist Development Council

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**TOURIST DEVELOPMENT COUNCIL
MEETING MINUTES**

Thursday, January 10, 2019

1:30 P.M.

**117 West Duval Street
City Hall, First Floor
Lynwood Roberts Room**

I. Attendance

City Council President Aaron Bowman, Board Chairperson
City Council Vice President Scott Wilson, Board Vice Chairperson
City Council Member Lori N. Boyer, Board Member
Barbara Goodman, Board Member
Steven Grossman, Board Member
Kirit Patidar, Board Member - EXCUSED
Craig Smith, Board Member - ABSENT
Dawn Southworth, Board Member
Jeffrey Truhlar, Board Member - EXCUSED

Sarah Maples, TDC Administrator
Sondra Fetner, Interim TDC Staff
Kim Taylor, Assistant Council Auditor
Lawsikia Hodges, Deputy General Counsel
Jeff Clements, Council Research Division

Meeting Convened 1:30 p.m.

Meeting Adjourned: 4:46 p.m.

II. Introduction – Council President Aaron Bowman, TDC Chairman

Chairman Bowman called the meeting to order and introduced the TDC's 2 new staff members – Executive Director Lillian Graning (who will start work on February 4th) and TDC Administrator Sarah

Maples who started in December. He announced that the work on the TDC's new offices on the second floor of City Hall is nearly complete. The other meeting attendees then introduced themselves for the record.

III. Approval of Minutes

The minutes of the TDC Meeting of November 8, 2018 were **approved unanimously**.

The minutes of the TDC Special Committee Meeting of November 19, 2018 were **approved unanimously**.

The minutes of the TDC Travel Policy Committee of December 6, 2018 were **approved unanimously**.

IV. TDC Financial Report

Kim Taylor, Assistant Council Auditor

Assistant Council Auditor Kim Taylor gave the financial report. She reported that bed tax collections were up 9.15% year over year from November 2017 through November 2018, that collections in the fiscal year to date (October and November) are up 9.64% over the same period in 2017, and that November 2018 collections were up 20.81% over November 2017. In response to a question from Council Member Boyer about why the October 2018 revenue was noticeably lower than the October 2017 revenue, Katie Mitura of Visit Jacksonville stated that the October 2017 revenue was artificially inflated by the number of rooms booked by people coming to Jacksonville as a result of Hurricanes Irma and Maria. She reported the following budgetary balances in the various tourism budget components as of November 30, 2018: Tourist Bureau - \$100,000; Marketing - \$0; Convention Sales - \$0 (with a balance of \$39,929.65 in the CVB grants fund); Development and Planning - \$50,000; Special Events Grants - \$0; Equestrian Center Promotion - \$20,000; Remaining to be spent in accordance with the TDC plan - \$76,245; TDC Budget Reserve - \$500,000; Tourist Development Special Revenue Fund - \$33,278; Development Account (requiring further City Council action) - \$2,357,938; Contingency Account (requiring further Council action) - \$2,263,000. Ms. Taylor reported that last Tuesday the City Council approved the TDC's requested expenditures of \$2,050,000 for capital improvements for the new riverfront visitor information center and the Times-Union Center outdoor projection system.

V. TDC Travel Policy

Sondra Fetner, Interim TDC Staff

Sondra Fetner reviewed proposed revisions to the TDC's travel and entertainment policies as they relate to reimbursable expenses incurred by Visit Jacksonville, Inc. under its contract with the TDC. They include a set of definitions, a general policy statement about the purpose and limits of expenses, a section on in-town and out-of-town entertainment expenses, a section on travel and accommodations (both staff and tourism promoters), a policy on giving gifts, and policies on sponsorships.

Policy issues:

1. What happens if an event or expense exceeds authorized costs – how should it be handled in arrears? Steve Grossman said that documentation of the expenditure and an explanation of the need and justification of reasonableness should be provided if it couldn't be approved in advance. President Bowman suggested the use of a dollar amount or percentage amount of overage that can be approved in arrears if justified. Council Member Boyer said that no expenditures can exceed the overall Visit Jax pre-approved travel budget for a specific event in any case. Michael Corrigan, Executive Director of Visit Jacksonville, expressed some concern that unforeseen circumstances might cause a small, low-budget event to exceed its authorized budget by more than a given

threshold (i.e. Visit Jax's current in-house policy prohibiting event overages of more than 10% would be exceeded by a \$31 overage on a \$300 event). Chairman Bowman said that he would be agreeable to allowing Visit Jax some flexibility to exceed budgeted amounts where necessary, provided the overages are reported to the TDC. Mr. Corrigan said he is willing to report any overages to the TDC but doesn't see the need for a full-blown presentation to TDC on small amounts. Council Member Boyer suggested a policy allowing small overages (no more than 10%) on individual events if justified and stated that the TDC approves funds for a certain number of trips to achieve certain results and it is not helpful if Visit Jax cancels some trips in order to spend more on a lesser number of trips. The group agreed to a policy limiting event overages to no more than 10% and requiring reporting of overages to the TDC.

2. Expenses for transportation and lodging for tourism promoters visiting Jacksonville: Council Member Boyer said that there is a budget for these expenses and a deliverable of certain numbers of promoters to be entertained, and that number can't be reduced to provide more benefits to fewer people.
3. Timing of reimbursement requests - the policy says requests must be submitted within 30 days, but is that reasonable? Mr. Corrigan suggested that 60 days would be more reasonable to give time to gather all the relevant documentation. Ms. Boyer suggested requiring that reimbursement requests for all facets of a trip be submitted simultaneously, not piecemealed over time, if the 60 day deadline is adopted. Mr. Corrigan said that Visit Jax has already changed its internal policies to make reimbursement requests more complete. Sometimes they submit expenses piecemeal because they pay items like registration fees and hotel room reservations early to get discounts and those elements are ready for reimbursement. The group discussed when the clock on the 30 or 60 day deadline for reimbursement requests should start – at the time the cost is actually incurred? The time the event starts? The time the trip ends? The group agreed on deadlines of 60 days from the time pre-event expenses are incurred (pre-registration, airfare, etc.) and 60 days from the end of the event for other expenses; all expenses must be paid by Visit Jax before they can be reimbursed and pre-event expenses must be reported by Visit Jax in the final trip reimbursement request.
4. Ground transportation (i.e. taxi, Uber/Lyft rideshares): what is an appropriate amount for gratuity? The group agreed on no more than 20% of the fare. Rental car liability insurance: should the employee decline the optional coverage and is reimbursement for the insurance allowable or not? Is liability insurance potentially covered by the credit card being used for the reservation? Sarina Weichens of Visit Jacksonville said that the organization is working with several rental car companies about arranging discounted rates that would include liability insurance coverage. Ms. Boyer felt that the policy should reflect Visit Jax's use of an umbrella insurance policy and that Visit Jax employees should not pay for insurance on an individual, case-by-case basis, but if Visit Jax secures a contract for liability coverage with rental car companies, then that may be part of the allowable reimbursable costs. Mr. Bowman added that the travel policy should be revised to allow an employee to rent a bigger vehicle than the compact or intermediate size currently mandated if they have a medical or physical condition that warrants something larger than a midsize or if multiple persons are being transported in the vehicle.
5. Alcohol purchases in conjunction with entertaining tourism promoters – what is allowable and what isn't? Should food be required along with any alcohol purchase? Steve Grossman said that the Jacksonville Aviation Authority applied a reasonableness test, prohibiting alcohol consumption by employees during the working day but allowing a reasonable amount with a dinner. Mr. Corrigan said that Visit Jax will be vigilant about overseeing alcohol purchases but depends on employees to do what is customary and expected in the industry. Ms. Boyer asked that food and beverage receipts submitted for reimbursement itemize all expenses, not just provide a total dollar amount

without any detail. The consensus of the group was to leave the policy unchanged for now and see what experience under Visit Jax's new leadership shows.

Mr. Corrigan asked for a clarification in the mileage reimbursement policy. He believes that IV(B)(1)(ii) was intended to apply to local mileage reimbursement. The group agreed to add "local" to this portion of the policy.

Barbara Goodman asked about the process for "prior approval" – who does that and how? The group agreed that the TDC Executive Director should be informed and approve any deviation from previously approved travel unless there's a very unusual circumstance that warrants getting the TDC Chair's approval on behalf of the full body. Mr. Corrigan asked about using residual funds not expended on approved events – what's the process for applying it to something else? Ms. Boyer said that as long as it stays within the travel budget and goes to pre-approved trips, it should be quick and easy for TDC Executive Director approval. Use of excess fund for events not previously approved would require TDC approval.

Public Comments - none

The policy was **approved unanimously as amended during today's discussion.**

VI. Visit Jacksonville Performance Review

Mr. Corrigan introduced Visit Jacksonville's annual performance review, which was deferred from the TDC's November meeting. He acknowledged that some items were not completed during year 1 of the contract as required, but he and his staff are working hard to achieve completion and several items have been completed between September 30 and December 31, 2018 in the first quarter of year 2.

Council Member Lori Boyer reviewed a memorandum she prepared for the TDC providing a review of Visit Jacksonville's performance for the first year of service under its 3 service contracts (Marketing Services, Tourist Bureau, Convention Sales and Services), based on work begun by Sondra Fetner using a color coding system (green, yellow, red) to indicate degree of item completion. Green indicates completion of the task as required by the contract. Yellow indicates partial completion, unknown, or achievement of a target that was lowered from the original by action of the TDC. Red indicates little or no progress on the task.

Convention sales and services: Ms. Boyer believes that TDC staff needs to consider how to better measure meeting planner awareness of Jacksonville as a meeting destination. Smith Travel Research, the provider of the Destination MAP data that was going to be used to determine compliance, has announced a change in measurement methodology so this item needs to be re-thought. One incomplete task was development of tours for motor coach operators – the TDC needs to decide if this is important or not and whether this item should be continued or dropped. Another "red" item was the improvement of coordination between Visit Jacksonville and SMG as the operator of the City's convention center regarding convention center availability and booking patterns.

Tourist information bureau: Ms. Boyer said that compliance on this contract was not as high as on the convention sales and services contract. No visitor information remote kiosks were procured; new televisions, signage and maps at visitor information centers were not installed; usage of visitor centers was up for the year, but mostly due to persons stopping at the Jacksonville International Airport location

which is entirely due to airline passengers passing by, not attracting visitors into the other centers. She questioned whether it is reasonable to continue full-time staffing at the Beaches Visitor Center where usage is very low; it may be more sensible to go with part-time staffing at that branch and use the additional funds elsewhere. She suggested that information packets compiled by visitor center staff in response to requests from visitors for suggestions of things to do and places to visit could be provided to the staff working under the marketing contract and packaged to be made available to other visitors.

Mr. Corrigan said that the Visit Jax staff does tourism research and provides the raw data to the Daulton Agency for production of final informational pieces. He agrees that manning the Beaches Visitor Center for 50 hours a week is perhaps not the best use of funds; more outreach in the Beaches communities may be a better use of time and effort than having full-time staff in the center. He will have a visitor center employee come to a future TDC meeting to discuss their activities and services to the public. Ms. Boyer felt that the new Visit Jax website is better than its predecessor but still not perfect, and it is difficult to find all the information that may be available on the site, but isn't intuitively obvious. She also urged that Visit Jax produce a number of regional tour brochures centered around the many neighborhoods of Jacksonville. Since Jacksonville is so large, smaller area tours and listing of attractions may be attractive to visitors wanting to concentrate their tourism in a smaller area.

Jeanne Bothwell of Visit Jax said that Visit Jax is definitely interested in tapping the bus tour market and will shortly be attending a tour operators' conference. She said that the Destination MAP survey is problematic in that the questions are changed every year, so it is difficult to make apples-to-apples comparisons year to year. Mr. Corrigan said that he and Bill McConnell, General Manager of SMG in Jacksonville, have spoken and committed to improve their communication and coordination.

Marketing Services: Sondra Fetner said that Visit Jax had expressed concern with using just the Longwood Travel Report to gauge increased tourism, since there may be better data sources. Visit Jacksonville did not meet the 5% increase in website traffic goal – is immediate action needed, or will TDC wait to see what happens in year 2? She found it difficult to find the Visit Jax blogs on the web site and those she did find seemed to have sporadic activity – bursts of comment, then long periods of silence. Visit Jax appears to have linked its website to walking tours produced by other entities rather than researching and producing them on their own. The TDC may want to discuss how to evaluate some of the less specific metrics and deliverables and talk about how to rate items that are underway but only partially complete. Council Member Boyer said that some of the items that Visit Jax listed as “complete” are not really complete in her judgement. She is concerned that year 2 funds are being used to pay for the production of year 1 items that are not yet complete, which could have the effect of eventually short-changing the year 2 goals. It will be important to track how contract funds are used to do research, produce new content, produce tangible items, pay employees, travel, etc.

Public Comments – none

Chairman Bowman requested that when future agendas are developed, grant requests be listed before internal items such as performance reviews so that visitors attending the meeting for the purpose of addressing their applications don't have to sit through extended discussions on other topics.

VII. Equestrian Center Grant Application and Guidelines Review

Council Member Boyer brought the TDC's attention to a proposed change in the distance definition for “local” versus “out of town” tourists, which would require City Council approval. The Equestrian Center operator has said that persons bringing their horses to equestrian events from within what would

ordinarily be considered the “local area” do not drive home each night and instead stay at or close by the Equestrian Center, which needs to be taken into consideration in evaluating grant requests for the center.

Motion: approve the 2018-19 Equestrian Center grant application and grant guidelines with correction of scrivener’s errors and with a change to the distance limitation defining “out of town” from 150 to 50 miles, subject to City Council approval of the distance change.

Public Comments – none

The grant application and grant guidelines were **approved, as amended, unanimously.**

VIII. Special Event Grant Request

- UNF – NCAA Track & Field East Preliminary

The University of North Florida athletic department requested a \$200,000 special event grant to assist with the marketing of the NCAA East Regional track and field meet, a 5-day event (2 practice days, 3 event days) in May qualifying athletes to move on to the NCAA national championship meet. UNF anticipates that the event will attract 1,600 student athletes, over 2,000 coaches, meet officials and support staff, and over 4,000 fans. It anticipates that 11,000 room nights will be booked to accommodate 27,000 visitor days, and is willing to guarantee 6,000 attendees, 9,250 room nights and 25,000 total visitor days.

Lee Moon and Nick Morrow of the University of North Florida athletic department gave an overview of the NCAA East Preliminary track and field event, which UNF has hosted several times and will host again in 2021. Mr. Morrow said that the NCAA only provides \$20,000 of event support and prohibits the host event from seeking sponsorships, so the university needs financial assistance to raise the \$250,000 - \$300,000 needed to produce the week-long event. In response to a question from Chairman Bowman about how UNF would proceed if the TDC did not provide funding, Mr. Moon said that the university would have to find resources elsewhere, excluding state funding which is prohibited. Mr. Morrow said that there is no need to market the event because the attendees consist largely of qualifying athletes, their coaches, their family and friends, and NCAA officials. They will be advertising to the running world (using running web sites) to generate attendance from fans of national and world-class track and field. Ms. Boyer and Ms. Goodman expressed support for the event but questioned how well it complies with the special event grant guidelines. Steve Grossman speculated about whether the TDC could/should participate in any profit generated by the event since it would be providing the vast majority of the funding for the event.

Kim Taylor said that the TDC’s sources of funding for this event are very limited since there are very few categories that have available capacity. If bed tax collections continue to remain strong then there may be additional funds available later in the year, but that may not meet UNF’s time frame for the event. Ms. Boyer pointed out that the nature of the event limits its potential scoring eligibility, which will make it difficult to fund. She suggested that UNF re-write the grant to request \$50,000 with a lower room guarantee, which would be easier to score and fund. Mr. Morrow pointed out that the TDC has supported the event well in years past and the event has generated over 11,000 room nights each year and produced an annual economic impact of \$8-10 million. Mr. Moon said that it appears that a substantial community impact event no longer meets the TDC’s guidelines for funding. Rick Catlett of Gator Bowl Sports said that the TDC invested \$400,000 a decade ago to help bring the UNF track facility

up to a standard that it could host national level events which it has done successfully, but now it seems that support for those events is waning. He noted that the Player's Championship is moving from May to March, which leaves a hole in May hotel occupancy that the NCAA track event could help fill. During the board's discussion of this issue, Ms. Taylor mentioned that there is a possibility that TDC funds will need to be allocated later in this year to pay for the Longwood and STR contracts. Although FY17-18 funding was intended to be encumbered for FY18-19 to cover the costs, this did not occur. Because of this, Ms. Taylor mentioned that funding of about \$40,000 may be needed later in the fiscal year in order to avoid a lapse in the subscription and data so that the board could be aware of the budget issue as they were considering action to use a portion of the unallocated funding.

Dawn Southworth suggested that the TDC review its grant guidelines with regard to their application to events such as this that are granted competitively at the discretion of an outside entity and for which applications must be submitted sometimes years in advance. Speaking as a hotelier, she said the NCAA track regional definitely produces a noticeable impact on hotels. Mr. Grossman said that if Jacksonville wants to attract amateur sports as a target market for tourism, then it needs to consider how to adjust the guidelines to make those events qualify. The group agreed to re-score the application for \$75,000.

The meeting was in recess from 4:08 to 4:16 p.m.

The average score on the application was 40.3 with all members scoring it at 40 or higher.

Motion (Boyer): approve a \$75,000 award (from the \$76,245 unallocated funds) with a 9,250 room night guarantee, for uses outlined in the grant application

Public Comments - none

The Boyer motion was **approved unanimously**.

Les Moon said that the best form of marketing is word of mouth, and Jacksonville has gotten great publicity from hosting numerous track and field events at its stadium. UNF has received numerous feelers from national and international track agencies about hosting events at the stadium and he needs guidance from the TDC about what sort of support the TDC and/or City may be willing to provide in support of those events, which produce a tremendous impact to the local economy. Chairman Bowman suggested that UNF contact the TDC in advance of committing to host future events to explore funding possibilities.

IX. Visit Jacksonville Approval Items

- CVB Grant Requests

Michael Corrigan presented 4 grant requests totaling \$6,489.68

Name of Group: Sociologists for Women in Society – Winter Meeting 2021

CVB Contact: Veronica Frazier

Hotel(s) Utilized: Hyatt Regency Jacksonville Riverfront

Date: January 27-31, 2021

Room nights: 481 (at \$3 per room)

Estimated Attendance: 325

Funds Use: A/V, Venue or Meeting Room Rental, Reception (Food and Non-Alcoholic

Beverage Only)

Funds to be encumbered: \$1,443

Name of Group: Organization of American Kodaly Educators – 2021 National Conference

CVB Contact: Lorrie Allen

Hotel(s) Utilized: Hyatt Regency Jacksonville Riverfront

Date: March 18-29, 2021

Room nights: 1,494 (at \$1.97 per room)

Estimated Attendance: 800

Funds Use: Venue or Meeting Room Rental

Funds to be encumbered: \$2,943.18

Name of Group: Tragedy Assistance Program for Survivors – TAPS Regional Seminar Florida

CVB Contact: Lorrie Allen

Hotel(s) Utilized: Hyatt Regency Jacksonville Riverfront

Date: September 12-15, 2019

Room nights: 318 (at \$3.25 per room)

Estimated Attendance: 150

Funds Use: A/V

Funds to be encumbered: \$1,033.50

Name of Group: Solution Tree – RTI at Work

CVB Contact: Karen Townsend

Hotel(s) Utilized: Hyatt Regency Jacksonville Riverfront

Date: September 15-18, 2019

Room nights: 535 (at \$2 per room)

Estimated Attendance: 800

Funds Use: A/V or Reception (food and non-alcoholic beverage only)

Funds to be encumbered: \$1,070

Motion (Boyer): approve the 4 requested grants described above

Motion (Boyer) amend the prior motion to remove the requirement, for previously approved CVB grants and those approved today that the grant recipients use the TDC logo in their promotional materials until such time as the TDC can review the logo use policy.

Public comment – none

The Boyer motion as amended was **approved unanimously**.

Ms. Boyer said that Visit Jax has requested that any funds unused by a group receiving a grant be returned to the convention grant account for future appropriation for that purpose. She will explore the accounting ramifications of reverting funds appropriated in one year that come back in a subsequent year.

- Travel Change Request

Visit Jacksonville requested 6 changes to its previously-approved 2017-18 travel list for travel that was conducted without pre-approval by the TDC in order to have the expenses for those trips qualify for reimbursement:

1. Healthcare Meeting Compliance Certification conference in Philadelphia in February 2018
2. American Association of Occupational Health Nurses conference in Reno in April 2018
3. Southeast Tourism Society conference in Myrtle Beach in April 2018
4. Southeast Tourism Society conference in Washington DC in July 2018
5. Reston-Herndon Meeting Planners Summer Camp in Washington DC in July 2018
6. Exceptional Site Solutions trade show in Tallahassee in July 2018

Motion (Wilson): approve the six requested 2017-18 travel changes

Public comment – none

The Wilson motion was **approved unanimously**.

Visit Jax also requested 3 changes to the 2018-19 travel list:

1. Authorize attendance at Florida Society of Association Executives meeting in Tallahassee in January (\$400, using funds from other approved trips coming in under budget)
2. Reallocate \$1,345 from Southeast Tourism Society Connections Society meeting in Daytona Beach to Convention, Sports & Entertainment Conference in San Diego, CA in May
3. Authorize attendance at local Social Media Day conference in June (\$175; clarifying that this is a conference, not a meeting that would not otherwise require TDC approval)

Motion (Wilson): approve the three requested travel budget changes for FY2018-19

Ms. Boyer asked that the full Visit Jax travel authorization be attached to each change request so that the TDC can review the full schedule and understand the changes.

Public comments - none

The Wilson motion was **approved unanimously**.

X. Visit Jacksonville Mobile Visitor Center Update

Michael Corrigan asked the TDC to approve a change in the plan for a mobile visitor center from a towed trailer to a driveable large SUV or van. Kim Taylor recommended that a motion include instructions about the use of capital versus operating funds and a budget amendment to increase the allocation to the cost of the alternate vehicle. Ms. Boyer opposed the purchase of an SUV but was agreeable to a customized cargo van with considerable usable interior space and a noticeable physical presence. Mr. Corrigan will bring a proposal back to the next meeting for a customized cargo van.

XI. Other Business

None

XII. Public Comments

None

XIII. Closing Comments

The next meeting will be on February 14, 2019

XIII. Adjourn

The meeting was adjourned at 4:46 p.m.

Jeff Clements, Council Research Division
Posted 1.18.19 10:30 a.m.

Tape – 1.10.19 TDC meeting – Legislative Services Division