

Tourist Development Council Board Meeting
Minutes – June 9, 2015
Ocean Center Meeting Room 103ABC

Call to Order:

Chair Jason Davis called the meeting to order at 9:02a.

Board Members Present:

Jason Davis, Chair
Lori Campbell-Baker
Tom Clapsaddle
Sharon Hughes
Costa Magoulas
Jason Reader

Board Members Absent:

John Masiarczyk
Kelly White
Libby Gallant

Approval of Minutes of March 10, 2015:

Motion to accept the Minutes was made by Lori Campbell-Baker and seconded by Costa Magoulas.

Financial Report:

Donna DePeyster, Volusia County Deputy County Manager CFO, reviewed the Quarterly Financial Reports through March 31, 2015 (refer to Agenda Packet). \$4.7M has been collected in resort tax as of 3/31/15; this is \$400K over what we had collected last year at this same time period. Total revenue is \$5.6M, with operating expenditures at about \$2.7M. There was a debt service payment in December and we just had another one June 1st, which leaves us with total non-operating expenditures of \$4.2M and an ending fund balance of nearly \$4.5M. \$1.4M has been set aside for future debt service payments (payment made on 6/1). We have a little over \$3M sitting in Ocean Center operations. Things are really looking good.

There were some questions at the last meeting regarding the Tourist Development Audit that was conducted by James Moore. They presented their audit at the same time we did the annual audit in April. They looked at 40 accounts across the county, fairly distributed amongst the 3 advertising authorities. There was a total of 3 years worth of data reviewed for each client. They found about \$43K in penalties that had not been collected. The \$43K was related to about 16 accounts and about half of that is penalty and the other half is actual taxes that are unpaid. We have collected close to \$30K, the remaining amount is related to 2 clients we are still going to have to pursue and may require legal action. They reported back their findings of what they saw caused the problems for unpaid taxes. A lot of them are related to exempt income. Some folks exempted income that was applicable to the tax. We also had some undocumented exemptions (i.e., not for profits or people who are exempt from sales tax), some had improper leases and in some cases people just made mistakes and didn't report the revenue from their room rentals. We normally send tax forms out once a year around October and we are going to put a flyer in those forms to let them know of the findings of the audit to alert people so that they can make sure they're collecting all they can collect. They also pointed out a couple of things that are basically out of our control that would make life easier for us to collect but right now we are not allowed to do. A lot of tax payers have managers that are managing multiple properties and evidently by law we are not allowed to get identification of each of those individual properties under that one umbrella. It makes it difficult for us to match things up. We have a sharing of information between us and the state called the Rise Program. Unfortunately the Rise Program only tells us who the new taxpayers are, it doesn't tell us about other people or potential taxpayers or those that have gone off the system or have even come back on. We are going to work to see if we can get some of these changes that will make it easier to identify taxpayers or missing taxpayers and bring them into the system.

Discussion followed regarding sales tax distribution to the Ocean Center, different strategies of collecting the bed tax, and the Rise Program being changed as a benefit to the County. The plan for next year is not to transfer the \$800K sales tax into the Ocean Center however this has not gone before the County Council.

Marketing and Sales Report:

Angela Cameron-Daniels, Ocean Center Marketing Director presented the Marketing and Sales Report from March – May 2015 (refer to Agenda Packet – Power point presentation available upon request).

- Two new staff members hired: Dallas Elwell, Ovations Food Services Catering Sales Manager and Tiffany Edwards, Ocean Center Event Coordinator.
- Matt Dye, Ovations Food Services has been promoted to General Manager.
- Updates were reviewed in the SMERF Market (Lori Hunter's Market). Lori attended the Christian Meetings and Convention Association's Conference, Destinations Showcase, American Society of Association Executives.
- Updates were reviewed in the Sports/Competitive Arts Market (Tim Buckley's Market). Tim attended the National Association of Sports Commissions Sports Symposium.
- The Promotional Fund is working to help secure business at the Ocean Center.
- Roseann Delpero, Marketing Specialist responded to 3 RFP's.
- Review of Ocean Center contracts received during this time period.
- Review of Ovations Food Services catering events booked (local & national business).
- Familiarization Tours: CMCA (in conjunction w/DBACVB) May 7-8; Ocean Center FAM June 4-7 and Collaborate (w/DBACVB) for dinner on June 9.
- Only one open date in May. Sales and Event Team working very hard. Angela thanked the team for their hard work.
- Updates on Media Schedule, Social/SEO, e-blasts, etc.
- Event Services update.
- Roseann Delpero, Ocean Center Marketing Specialist, gave the Sales/Pace Report. 11% ahead in contracts and a little below 8% down in revenue from this same time last year. FY 2015 = 97 events on the books with \$954,801 in rental revenue.

Baker: Attended the Seabreeze HS Graduation and was impressed with how smoothly it went. Poor: We do 4 college graduations and 10 high school graduations (4 in one day) and the team operates like an orchestra, it's amazing to watch all the people flow in/out. Davis: Attended the NAACP Celebration at the Hilton on Saturday night and had a real problem w/the traffic patterns that were set up, maybe we can coordinate better w/the DBPD.

Ocean Center Status Report:

Don Poor, Ocean Center Director, presented the Ocean Center Status Report.

- Shared a very complimentary letter sent from Brian Roberts, Executive Director of the National Association of County Engineers. Daytona Beach and the Ocean Center hosted the Joint NACE/APWA Florida Chapter Conference, April 17-22, 2015. The letter recognized Todd Buckles, Volusia County Engineer; Lynn Miles, Daytona Beach Area CVB and Lori Hunter Ocean Center Director of Sales. Don personally thanked the entire team because it's the whole team coming together that makes it work! (Letter available upon request).
- The last week in July the Ocean Center is hosting the New Spring Church Youth Conference. This began several years ago with 1,500 ppl, last year 4,200 ppl attended and this year they are expecting 7,000 attendees. We will be serving over 25,000 meals to this group. This is the largest group of people the Ocean Center has fed in the 30 years of existence.
- During my absence, I appreciate all of the cards, calls letters and prayers to help get me through this malady I had in the spring. I would like to publically thank Angela Cameron-Daniels for keeping the Ocean Center going, she did a great job.

Tourism Update:

Evelyn Fine, Mid Florida Marketing & Research, Inc. presented an overall review of what's happening with tourism in Volusia County. The April 2015 Occupancy & Average Daily Rate Report has been included in the Agenda Packet.

- In April, the average occupancy for Volusia County increased by 10%, average daily rate increased by 10% and the revenue per available room (REV PAR) increased by 21%. These are phenomenal numbers, probably among the best in the state. 20% year to date growth.
- Advertising is kicking in and we are definitely on the right track. Some of the events that had an effect were Family Spring Break, National Cheerleaders Association and Jeep Beach. Jeep Beach started out a few years ago as a little quirky event that continues to grow. They set a Guinness Book of World Records this year.

Tourism Update Cont'd:

- Reminded the group of the diversity of properties there are in Volusia County.
- We are still in a position where the visitors tell us that they are not paying too much in room rates. Still leaving money on the table. We still have room to grow.

Update from Partners:**Destination Marketing Organization (DBACVB) – Tom Caradonio reported:**

- Refer to the HAAA Update in TDC Agenda Packet,

Southeast Volusia Advertising Authority – Carl Watson reported:

- Refer to SVAA Report in TDC Agenda Packet,

West Volusia Tourism Advertising Authority – Renee Tallevast reported:

- Refer to WVTAA Report in TDC Agenda Packet. Additions to this report include:
- Monthly tax collections for April increased by almost 40%.
- Tourist Development Tax revenue, as of May 31, 2015, shows an increase of 16.39%.
- Stetson Mansion was contacted by a producer of the Travel Channel and they want to film their hit show – Mysteries @ The Castle in June. They have over 1 million viewers.

Hotel & Lodging Association – Bob Davis Reported:

- Commended the staff of the Ocean Center for a great job on the Daytona State College Graduations.
- Thanked all 3 advertising authorities and the Ocean Center Staff for the great numbers we are seeing. Projecting a 6-7% increase in the summer business.
- Would like to hear from each agency and the Ocean Center on the business that was lost, so that maybe with all of the different entities, we can figure out why we lost the business.
- Challenged everyone to take 10-15 minutes and go online and research those that are selling Daytona and Volusia County and send me those that say no bed tax – no sales tax, then I will personally deliver them to you.

Old Business:

Hughes: On the Pace Report, are we going to be able to find out who we are losing as opposed to the ones we are getting so that we know which markets are more favorable for Daytona and this area? Daniels: Ungerboeck Software can run a lost business report. Delpero: We do have the lost business report which, as long as the Sales Managers are entering valid reasons, it will tell us why we lost the business. On the Pace Report, bottom section of the first page, it shows us which markets we're stronger in. Daniels: For the next meeting we can try and run a lost business report. Reader: Would like to see lost business report added. Poor: This market is very good for religious, SMERF, competitive arts, sports and community events. Where we generally fall short is higher end corporate business because we don't have as much a selection of upscale hotel properties in this area. Daniels: That's one market that we are going to need the upscale properties to be in walking distance. We're really trying to grow the association market and work on third party planners as well. We do have segments we are working to increase.

New Business:

Davis: Very proud to say that we did have an increase in our revenue this year for beach tolls. Beaches are packed in both New Smyrna and Daytona Beach. There are visitors coming from everywhere. Thanked everyone (Ad Authorities, hotels, Ocean Center, etc.) for all of the advertising and hard work. Magoulas: Because of all of the work going on in Volusia County, at the college we have more demand for our students than we have ever had. Frankly, I don't have enough students for the jobs and we're recruiting like crazy. Our summer program is up 17% from last year just in culinary & hospitality.

Public Participation:

- Big John welcomed Don Poor back to the Ocean Center. Big asked Don for an update on the cell phone service.
- Don Poor reported that we entered into an agreement with American Tower some time ago and they had never found a provider that they could get to locate in the building. We are looking at it from a legal stand point as to what we can do to help facilitate that.

Public Participation Cont'd:

- Big John suggested that someone speak to Marc Bernier about the expenses Daytona State College incurred for their graduation ceremonies.
- Chair Davis wanted to know if the Board Members would like a one meeting venue change for our next meeting, maybe alternate meetings from the east side to the west side.
- Lori Campbell Baker said she would have no issue going over to the west side however there are a number of Ocean Center staff that would be out of the office for most of the morning.
- Chair Davis said he will continue further discussion about meeting location at the next meeting.
- Based on a quorum, the next meeting will be Tuesday, September 8 @ 9a at the Ocean Center.

Meeting was adjourned at 10:18a.