

City of Coronado



Coronado Tourism Improvement District Advisory Board Meeting **Minutes from Meeting of June 2, 2011**

Call to Order. Meeting was called to order at approximately 2:05 p.m. Present at the meeting were the following CTID Advisory Board Members: Chairman Todd Shallan, Camille Gustafson, Dave Landon, Eddie Warner, David Spatafore, Mary Ann Berta and Courtenay McGowen. Vice-Chair Kathleen Cochran and Tim Herrmann were absent.

Also in attendance were CTID Administrator Todd Little, Jerome Torres and Tom Ritter from the City of Coronado, Rita Sarich and Phil Monroe of Coronado Mainstreet, Katherine Matlack of Coronado Visitor Center, Karen Finch of Coronado Chamber of Commerce, Steve Johnson from eCoronado and Dave Axelson from the Coronado Eagle-Journal.

Minutes. The Board approved the draft minutes from the meetings of May 5, 2011.

Oral Communications. Mary Ann Berta complimented ConVis' work on behalf of the CTID. She shared a story of visitor from New York who decided to visit Coronado after seeing a magazine ad (funded by the CTID.) Mary Ann believes the marketing is improving the number of tourists visiting Coronado.

The Administrator reported the assessments collected in April were 7% over projections. Overall the assessments are 9% over the original budget with two months remaining. If trending continues, the May and June assessments will add roughly \$77,800 to the \$374,000 already collected.

Marketing. Each Board packet included a PR summary outlining coverage obtained from the efforts of the CTID. Copies of the Coronado print ad in Travel and Leisure, Real Simple, Elle Décor, Food and Wine and Town + Country were also shared.

Staff Report 4a included two budgets options provided by ConVis in anticipation of preparing their media recommendations for FY 11-12. Knowing the exact budget parameters allows ConVis to best leverage media buys and create a diversified mix of marketing tactics.

With an expected 5% increase in assessments expected next fiscal year, the Board previously approved \$300,000 for the ConVis marketing budget. The projected \$50,000 over current budget would allow for a larger commitment to the magazine ad strategy that Mary Ann Berta spoke of. It would also include the cost of photography and additional PR.

Eddie Warner asked if approval could wait until the Board could review the difference between the deliverables between \$250,000 and \$300,000 in Marketing. (For efficiency, agencies such as ConVis identify a single budget first, then negotiate deliverables.)

Rita Sarich asked about timing of the ConVis contract and whether terms could be added prior to approval. There will be an opportunity to discuss terms July 7 when the Board reviews the agreement. The Administrator will modify the current ConVis contract with the City.

A navigational flaw in the ConVis-provided website (that makes returning to the Coronado page difficult) was discussed. It is currently being addressed in a redesign of the page.

For future ad campaigns seen in San Diego County, ConVis will consider the Administrator's request to replace *SanDiego.org/Coronado* with *SeeCoronado.com* or *BridgeToCoronado.com* (which are owned by the CTID.) These domains do not include or promote San Diego.

Eddie Warner shared her concern with the San Diego/Coronado logo used in media outside of San Diego County. This is also being addressed to enlarge the Coronado font.

The Board unanimously approved Option 2, the \$300,000 working budget. On July 7th the Board will hear ConVis' strategy, review their agreement with the CTID and vote whether to approve each.

Incorporation. Tom Ritter updated the Board on the June 7 City Council meeting. In addition to the Public Hearing whether to continue the CTID assessment, Council will receive the bylaws the CTID would use if allowed to incorporate as well as a 3-year projected budget. On June 21st Council will decide whether the CTID will be permitted to incorporate and continue its efforts via a special services contract with the City.

The Board was advised to hold a supplemental meeting in late June to review the verbiage of the special services contract being considered by Council as well as the agreement with the Administrator/Executive Director. June 27nd at 2pm a meeting will be held at a location to be announced.

Bylaws. The Board reviewed the final draft of the bylaws that included the prescribed changes made in May. Terms were identified as 3 years, a quorum is understood as five Directors present and for any action there must be four affirmative votes, two of which must be from representatives of an assessed hotel.

Budget. The Board reviewed two budgets prepared by the Administrator (for FY 11-12, FY 12-13 and FY 13-14.) Both reflected a 3.5% projected increase in assessments for FY 12-13 and FY 13-14. Both repurposed the contingency fund after FY 11-12 and placed that annual \$25,000 budget directly into Marketing. Therefore, the money is invested in Marketing at the start of the fiscal year instead of remaining dormant until an opportunity presented itself later in the fiscal year.

The most significant difference between Option A and Option B is how the unused reserve of \$25,000 is used after FY 11-12. In the recommended Option A, the money is put towards long-term plans of the Board (such as way finding signage, exploring a downtown shuttle and satellite visitor centers.) Each year \$25,000 would be added to that long-term planning fund. In Option

B, the unused reserve dollars simply roll over year after year (with no further contribution.) The reserve would always remain at \$25,000.

The Board suggested the Administrator work with City Staff to develop a clearer spreadsheet so Council could better understand the budget. Camille Gustafson asked if the \$25,000 reserve represented a certain percentage of CTID operating expenses (it does not.)

Courtenay McGowen asked what would happen if assessments exceeded projections (the Board would vote where to apply any overages.) Rita Sarich felt the projected operational expenses of the CTID (insurance, etc.) were unlike those she's seen at Coronado MainStreet.

The Board unanimously approved Option A, which features the long-term planning fund strategy.

Election of Officers. In order to fulfill the necessary number of officers for a non-profit entity, the Administrator recommended the election of a Secretary and Treasurer. After reviewing the responsibilities outlined in the bylaws, volunteers were sought. Eddie Warner volunteered to be the Treasurer of the CTID. Courtenay McGowen was asked to become the Secretary and accepted. So they could be processed, the Secretary signed the draft of the incorporation bylaws that will be given to Council June 7.

Cost Estimates. If approved for incorporation on July 1 the CTID will require several immediate services that are currently managed by the City. To make the transition as seamless as possible, the Administrator has research, negotiated and charted vendor options for the Board to consider.

Banking. Banking services will be important in late June when the City transfers the balance in the CTID account to the incorporation. The Administrator recommended Pacific Western (PW) for the CTID's banking needs based on their roots in Coronado and competitive services/costs. David Spatafore voiced concern with recent mergers with PW and preferred Bank of Coronado. The Board unanimously approved Pacific Western. The Treasurer and Administrator will work together to establish banking systems and protocol.

Insurance. The Administrator then recommended Crown Island Insurance for general liability coverage for the non-profit including coverage of errors and omission by Directors and Officers. Coverage would also include the Administrator and his business vehicle. The Board voiced concern with the cost of the deductible at Crown. The Board unanimously approved State Farm for the coverage because of that cost factor.

Bookkeeping. Although he and the Treasurer are capable of managing the transactions of the CTID themselves, options for hiring a bookkeeper were shared with the Board. Faulds Bookkeeping was recommended because of her work with the Pacific Beach Business Improvement District. Eddie Warner felt a Bookkeeper wasn't necessary. The Board unanimously approved Faulds Bookkeeping.

Website. The Administrator was asked to assemble estimates from local web developers for a small website to be used by the CTID to share official documents, goals, information and

community grants. Unlike the ConVis website which targets tourists, this website would pertain to the CTID organization and not be intended for tourists.

The Administrator recommended Dog Beach Design based on cost, breadth of services and previous work with the Coronado Military Ball website. Dog Beach Design was recommended by Board Members Gustafson and Landon because of their experience working with them on the Chamber Military Ball website. The Board unanimously approved Dog Beach Design for the design, development and hosting of the website.

The Board will soon need to decide which domain it will use for this website. Both *CoronadoTourism.org* and *CoronadoTourismDistrict.org* have been secured by the CTID.

Administrator Evaluation. Since the last Board meeting six Board members submitted their evaluation of the Administrator's performance during the first year. The Chairman based his recommendation for a 7.5% bonus on the aggregate score of 2.92 (out of 3.) The Board unanimously approved this bonus and agreed to discuss the Administrator's FY 11-12 compensation plan/agreement during the supplemental meeting of the CTID June 27. The Administrator would continue to be an independent contractor and his new term would begin July 1.

Granting. Although the Administrator planned to recommend widening the eligibility for grants to maximize the return on investment, Coronado Municipal Code discourages it. Collected assessments can only be applied to Coronado activities. Therefore, it was recommended the Board maintain the current structure (and spirit) of the grant program.

The Board evaluated several additional factors provided by the Administrator. Phil Monroe voiced concern with earmarking dollars for new events, suggesting they be "given priority" instead. Dave Landon and the Chairman reminded the Board the grants are must put heads on beds; the grants are not a slush fund to community groups that do not deliver tourists. David Spatafore suggested using the grants to improve local events that are close, but fail to deliver tourists to Coronado. Courtenay McGowen felt forcing previous grantees to wait one year before applying for another grant was not a good idea. The Board approved Plan A with these stipulations:

- Grant up to \$20,000
- Grant levels available up to \$4,000
- CTID maintains final approval of advertising design
- Grantees could be awarded opportunity to piggyback on current marketing strategy or
- Grantees could be awarded specifically purchased media/advertising service
- Allow approved grantees to use fund for marketing as they outline in their application
- Give special consideration to new non-established events

Adjournment. The Meeting was adjourned at 4pm