

Coronado Tourism Improvement District (CTID)



Minutes from Advisory Board/Board of Directors Special Meeting February 5, 2015, Council Chambers, Coronado, Ca.

1. Call to Order. The meeting of the CTID was called to order at 2:01 p.m. The following CTID Advisory Board/Board of Directors were present: Claudia Ludlow, Andre Zotoff, Brian Johnson, Nusrat Mirza, David Spatafore, Mary Ann Berta and Eddie Warner. Phil Monroe was absent and no representative has been named for the Coronado Chamber of Commerce.

Also in attendance: Executive Director (ED) Todd Little, Assistant Coronado City Manager Tom Ritter and Sue Gillingham from Hotel Marisol.

2. Approval of Minutes, January 8, 2015. *Motion for approval: Berta, Second: Johnson. Approved 7-0*
3. Staff Discussion. The ED said a draft copy of the CTID's Q2 report was included in the packet. It did not contain the usual financial statements provided to the City. The CTID's bookkeeper will prepare them for review by the Treasurer and Chair.

Earlier in the week the Board received an email pertaining to the Form 700 required by the City. A copy of the City Clerk's memo was inside the packet. The ED is available if there are any questions.

Each Board Member has received an invitation to the City's Commissioners Dinner at the Del on March 12th. They were asked to RSVP to Janet Coon at the City so she can get an accurate headcount.

Finally, the packet included bullet points from the Benefit Study should Board Members wish to meet with City Council. As Phil Monroe mentioned in the January meeting, it's important for Council Members to understand why the CTID is concentrating on groups, what the CTID needs to effectively compete in that arena and how there are benefits for everyone across the destination.

4. Oral Communications. None.
5. Review and Approve Sample FY16 Budget. The ED said the Board packet included an updated spreadsheet with hypothetical budgets should City Council allow the CTID to pursue an assessment increase. Instead of one column for a 1% assessment, the new spreadsheet showed two columns for FY16, one for the existing District and another for the proposed District (B.) The ED split the majority of the FY16 budget to assure that the District B assessment is only used for a group meeting initiative.

District A will also contribute to the group effort, but there's also non-group expenses. The ED reviewed several new line items:

- For airfare, hotel and expenses for the hoteliers to meet with group meeting decision-makers outside of San Diego. This outreach would accompany the work of Melinda Smith.
- For a storefront strategy so group meeting decision makers are acknowledged and engaged across the island. The ED said site inspectors carefully grade the destination as a whole and the CTID should create a strategy to get their buy-in.

The ED did not commit a specific cost for these line items, in the future that would be finalized with assistance from SDTA. He reviewed several more new line items:

- For marketing the CTID hotels to the swim teams that could train in the off-season at the BBMAC (Brian Bent Memorial Aquatic Center.) He felt this was a unique group initiative.
- For one or two fam tours for Travel Agents that work exclusively in the luxury travel category. While most travelers use the internet to find bargains, elite travelers rely on upscale travel agents to make suggestions and reservations. Because this is not a group endeavor, the ED placed that \$10,000 cost under District A.
- Plans to invest more substantially in the Free Summer Shuttle. CTID hotel guests benefit from this program and it ultimately equals less vehicle usage. Increasing the budget line for the Shuttle demonstrates the CTID's willingness to build partnerships with others. The City of Coronado would still need to fund the lion's share of the cost. The funds be used one of several ways:
 - A. To add service to accommodate the guests at Loews as well as Cays residents. This could come in the form of an actual bus to those locations or the purchase of passes for the 901 bus that can be made available at Loews' front desk.
 - B. The \$40,000 could also be used so the wait time for the shuttle is reduced from 30 minutes to 20 minutes. This would only cover the normal 904 route, not service to Loews.

The ED continued reviewing more new line items:

- For administrative assistance that would allow the ED to fully execute the additional responsibility of the new District including the City compliance, storefront strategies, coordination with the SDTA, the executive duties and overall direction of the Board.
- For reimbursement funds, up to \$500, so the ED can attend destination marketing seminars from Visit California and the SDTA.

The ED said the new line items are recommendations, but the Board can add, subtract or edit as they see fit. The ED wants to provide a budget to City Council that would accompany the Benefit Study. If an assessment increase is approved, this budget would appear in our FY14 Annual Report and FY15 Service Plan.

Andre Zotoff suggested starting the Storefront Strategy immediately but opening discussions with local business owners. He also considered assembling a committee so the strategy has a powerful impact. David Spatafore recalled doing something similar with business owners when the CTID was being established. Mary Ann Berta believes many merchants are unaware of the CTID and that must change so they can participate.

Eddie Warner asked if local businesses can be made aware of scheduled visits by event planners, perhaps via a website. Andre felt that was possible but sometimes site inspectors show up unannounced to review a destination.

Eddie Warner reminded the Board the BBMAC once applied for a community grant to promote the pool at tradeshow. Andre suggested asking the BBMAC directors how they would invest a \$10,000 budget. Claudia Ludlow said the BBMAC website lists several hotels that participate in their "Swim and Stay" packages.

Andre Zotoff felt fam trips with luxury travel agents could have a very good impact. He suggested planning the trip with the Sales team at the CTID hotels so the top agents are included. Nusrat Mirza felt \$10,000 was not enough to create a well-thought out strategy that would stand out. He suggested timing the fam tour around a unique Coronado event. He recommended including destination planning agencies as well. Andre said luxury travel agents "had seen it all" and should be spoiled during their visit. He added that often times those travel agents book small business meetings as well.

Nusrat asked whether the Free Summer Shuttle was used very much. Tom Ritter said ridership was up 15% YOY and it was the most used bus in the entire MTS system. After visitors complained about long wait times, the City is considering a plan to shorten wait times. Last July 4th, guests at Loews Coronado Bay Resort were given passes to ride the 901 bus to connect with the Free Summer Shuttle. Eddie Warner asked whether the suggested \$40,000 would be in addition to past expense for the wrapping of the bus. She was told by the ED the \$40,000 is a lump sum that could be applied toward wraps or actual bus service. It was meant to supplement the City's costs. Brian Johnson asked whether service beyond Labor Day is an option. He was told by Tom Ritter, all options would be explored. Brian said he wanted to remain objective and felt \$40,000 to extend service to his Loews property would be difficult to endorse. David Spatafore described a hotel shuttle system in Park City that runs every 15 minutes and has become an important decision factor when making hotel plans. The ED said he and Brian Johnson had also discussed whether the \$40,000 proposed budget should be applied towards the cost of an additional shuttle owned and operated by the Loews staff.

Brian felt the ED should be attending seminars that would improve the CTID. He said the salary for the ED was too low given the responsibility. He suggested a 3-5% salary increase based on merit and reaching goals. Nusrat felt administrative support was important for future growth. Andre felt the position should be more than admin, a passionate person who understands goals of the CTID.

Eddie Warner suggested further dividing the expenses between District A and B to show better balance. The ED said he'd apply those changes with the Treasurer.

Eddie suggested separating the Long Term Planning Fund between the two proposed districts (A & B.) Andre felt the budget for engaging luxury travel agents should be \$30,000. Nusrat agreed because the additional funds would allow the CTID to show off their hotels more dramatically.

Sue Gillingham hoped non-CTID hotels can be included in the proposed storefront strategy. She felt the topic of the BBMAC promotion could be polarizing with residents. Conversely, she knows swim teams that often train at BBMAC reserve rooms at small hotels in Coronado. She spoke in favor of the Free Summer Shuttle service.

Eddie Warner felt it made more sense to offer passes for the 901 bus to guests of Loews and review the response in the future.

Motion to approve sample budget with these changes to sample budget:

- 1) Split most expenses between districts unless it does not clearly pertain to group meetings
- 2) Increase luxury travel fam tour budget to \$30,000
- 3) Increase the budget for the Free Summer Shuttle to \$50,000
- 4) Increase the budget for the ED to 3-5% pending goals and merit plan
- 5) Allow \$500 annually for ED to attend seminars

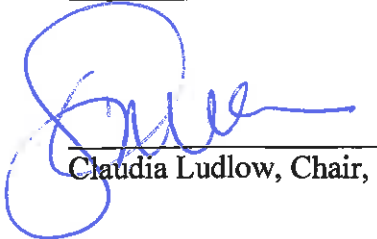
Motion to approve Mirza, Second: Spatafore. Approved 7-0

- 6 Review and Approve SDTA Budget Reallocation. The ED placed a copy of the itemized budget with the SDTA in the packet. He discussed a \$45,000 budget line for 30% of Melinda Smith's full time salary, taxes and benefits. Because Melinda didn't start the position until November 1, \$15,000 of the \$45,000 total is available for reallocation. Margie Sitton, who is directing the group meeting program, recommended using the funds so Melinda can schedule another fam tour of Coronado for meeting planners and site inspectors.


Andre Zotoff suggested getting an update from Margie on which groups have been contacted, how many have committed and how Melinda's work is being tracked. He said the Hotel del Coronado receives many group leads from SDTA, but the incentive category was a new venture, thus the hiring of Melinda. Eddie asked whether the SDTA budget was exclusively used for incentive group sales or if it includes non-incentive group outreach. She was told that Margie could cover that question when providing Melinda's productivity report. She felt the itemized budget was unclear on the exact budget lines and tasks.

Motion to approve reallocation and scheduling a future update from Margie Sitton: Johnson. Second: Berta. Approved 7-0

1. Adjournment. The meeting was adjourned at 3:12 pm



Claudia Ludlow, Chair, Date 3/5/15



Todd Little, Executive Director, Date 3/5/15