

**MINUTES OF MEETING
TOURIST DEVELOPMENT COUNCIL
ST. JOHNS COUNTY, FLORIDA
JANUARY 24, 2011
(1:30 P.M.)**

Proceedings of the Tourist Development Council of St. Johns County, Florida, held in the auditorium at the County Administration Building, 500 San Sebastian View, St. Augustine, Florida.

Proof of publication of the notice of the meeting of the Tourist Development Council was received, having been published in *The St. Augustine Record* on January 11, 2011.

Present: Jack Peter, Chairman
 Ken Bryan, BCC Representative
 Joseph Boles, City of St. Augustine Representative
 Richard O'Brien, City of St. Augustine Representative
 Jeffrey Mayers, District 4
 Fred E. Cozby, District 4
 John B. Yanni, District 5
 Bill Hughes, District 4
 Scott M. Bartosch, District 3
 John E. "Jack" Peter, District 4
 Terry Bulla, Deputy Clerk

Staff present: Glenn Hastings, Dena Masters, Carrie Horn, Regina Ross, Assistant County Attorney

(01/24/11 - 1 - 1:31 p.m.)

1. CALL TO ORDER

Jack Peter called the meeting to order.

(01/24/11 - 1 - 1:31 p.m.)

2. PLEDGE OF ALLEGIANCE

Commissioner Bryan led the Pledge of Allegiance.

(01/24/11 - 1 - 1:32p.m.)

3. ROLL CALL

Dena Masters called the roll and stated that all members were present.

(01/24/11 - 1 - 1:32 p.m.)

4. APPROVAL OF AGENDA

Motion by Hughes, seconded by Yanni, carried 5/0, to approve the Agenda.

(01/24/11 - 1 - 1:32 p.m.)

5. APPROVAL OF MINUTES

Motion by Bartosch, seconded by Hughes, carried 5/0, to approve the Minutes of December 8, 2010.

(01/24/11 - 2 - 1:33 p.m.)

6. PUBLIC COMMENT:

There was no public comment.

(1:33 p.m.) Joe Boles stated that he might have to leave early for a City Commission meeting.

(01/24/11 - 2 - 1:33 p.m.)

7. ARTS & CULTURAL CATEGORY

a. Public Comment - RFP Arts, Heritage & Cultural Development

(1:34 p.m.) Sally Ann Freeman, 30 Bay View Dr., St. Augustine, spoke regarding the dispensation of funds to the arts community. She said she was one of the founding members of the St. Johns Cultural Council and had been involved ever since. She spoke regarding tourism development in St. Johns County. She said the Board was of the highest caliber and thanked them for their consideration for awarding the RFP to the Cultural Council.

(1:37 p.m.) Randy Covington, 619 Scrub Jay Drive, spoke in favor of bringing in an organization to manage the grant process. He said he was not in favor of investing them with control over the grants themselves. He stated he was against the award of the contract to the Cultural Council and was in favor of the University of Florida (UF) proposal, from a cost standpoint, and that overall those people had greater qualifications. He added that questions had been raised regarding the potential conflicts of interest. He suggested that Bryan, due to his past role as a director of the Cultural Council and Bartosch because of his position on the board of the Limelight Theatre, should recuse themselves from the process that day. He said it would go a long way to help settle some of the concerns. He also questioned the recusal of certain members of the Cultural Council, that there was no conflict of interest, when they sat in judgment on the recommendations passed to them by the Cultural Council for events.

(1:40 p.m.) Nancy Perry, 716 Wandering Lane, President of the First Coast Opera, thanked Boles for his proclamation. She said the First Coast Opera's concern was that if the UF was put in charge, they would change the flavor of the grants from being awarded to arts and cultural organizations to organizations that are in heritage tourism. She said it might put arts and cultural organizations in difficulty for funding, and asked them not to appoint UF.

(1:41 p.m.) Eva Doolittle, 3624 Lone Wolf Trail, President, EMMA Concert Association, asked the TDC members to look at the representatives of the arts and cultural organizations who were there that day. She said that they were in support of entrusting the St. Johns Cultural Council with the management of Category II funds. She said the majority of the local arts and cultural organizations would like to see the Cultural Council in the same position as VCB was for Category I, and that they hire a director like Richard Goldman to manage Category I management. She said they were creating the governing body for Category II funds. She said they had to manage \$1 million and only a person with management skills could do it properly. She said the Cultural Council would not be the manager, but the advisory board to the manager, who would be hired. She asked that they create government for Category II funds of, by, and for the benefit of the community.

(1:44 p.m.) Tom Rahner, 67 Lighthouse Ave., said he had campaigned for the Tourist Development Tax and the voters passed that act, which led to the establishment of the TDC board. He said he was there to speak in favor of the St. Johns Cultural Council. He said that the administration of the funds belonged on the local level. He said the

focus would be maintained and the community, as a whole, would be better served, if the local arts community was involved in the day to day operation of those funds.

(1:47 p.m.) Gregory von Hausch, 844 Ocean Palm Way, St. Augustine Beach, gave a background of his history. He said he had written and voted on grants on the local, state, and national levels. He said it was imperative that the body keep the Council as the overall entity to oversee the funds. He said the local angle was very important and it would be a shame to see that go outside the county.

(1:49 p.m.) Beth Lambert, 4435 US 1 South, Executive Director of the Limelight Theatre, said she was thankful of all the local community support and listed many of the ways the community had assisted them. She said they had received funding from the TDC as well as from other agencies. She noted some of her observations regarding funding. She reviewed Category I and Category II funds and how they could be used. She said the critical decision that day was to decide how to manage the Category II funds, and she hoped the TDC Board would carefully review the proposal and choose an organization that had a stake in the local organizations. She said Category II funding had the potential to raise the arts in St. Johns County to make the county a premier destination for tourists.

(1:53 p.m.) Chris Clark, 24 Park Ave. North, said he and his wife were small business owners. He said they thrived on tourism and were not members of the Cultural Council, but felt that was the place the funds should go. He said local people were the best people for the situation.

(1:54 p.m.) Maureen Ortagus, 1445 Masters Dr., St. Augustine, said she had sent the board members an e-mail telling them about how she felt about the UF taking over the program. She said she had worked in tourism in her younger years, and was not afraid of a new organization coming in and doing something good for the community. She said they did not have to stay the same, and they should be looking at what would be best for them in the long run. She said she supported the UF proposal.

(1:56 p.m.) Yolanda Ditmore, 83 Water Street, said she had lived here for 25 years and had served in Chicago for twelve years on the Illinois Arts Council. She said she read and wrote grants for the whole state of Illinois and it was hard work. She noted that it was even harder because they did not know who they were giving the money to, as they had no personal contact. She said it was very costly for the state. She said a strong local management council would be the best way to go, as the people would know each other and the community.

(1:57 p.m.) Barbara Smith, 28 Whitney Street, Director of the After School Program at the American Legion Kids Safe Zone, said they had no funding, but they had programs for young people K-5 to provide arts related programs. She said that program affected them academically and behaviorally. She added that she was a retired teacher and had seen what the arts had done for children. She spoke in favor of the Cultural Arts Council.

(1:59 p.m.) Hastings said there were two letters that had arrived from Carol Gladstone and one from Jason Morrow and they had copies of those. (Exhibit A)

(2:00 p.m.) Bryan spoke regarding the speaker who commented on his involvement with the Cultural Council and the request for him to recuse himself. He said that prior to his being elected, he was a member of 15 different organizations, and had immediately resigned from those organizations, and had broken all ties with them. He said he had checked with legal counsel and it was determined that there was no conflict of interest on his part.

b. (2:01 p.m.) TDC Board Member Discussion of Proposals

Hastings noted that two additional questions had been submitted by board members to Joe Burch and the answers to those two questions had been forwarded to each of them. Peter asked that they be acknowledged and the answers made public.

(2:03 p.m.) Joe Burch, Purchasing Director, reviewed the process for evaluation of the score sheets. He then read the questions and answers mentioned by Hastings, for the record. (Exhibit A)

c. (2:12 p.m.) Evaluation/Ranking – Joe Burch, Purchasing Director

(2:12 p.m.) Hughes asked about the accusation made against Bartosch and whether it needed to be addressed.

(2:12 p.m.) Ross said they could review any voting conflict of interest for Bartosch.

(2:13 p.m.) Covington came forward and said there was no specific allegation of wrong doing. He said in the interest of preserving the highest level of integrity as to the perception of how the whole process worked, it would be in the best interest of the community for those two individuals to recuse themselves. He said Bryan was listed in the proposal as being a former director of the Cultural Council. That was clear. He said his issue with Bartosch was that he had made a statement in a meeting in that community when he (Covington) had brought up the issue of Bryan's past relationship. Bartosch made the statement that "he could cast aspersions on him, because in his capacity as a member of the board of the Limelight Theatre, someone could infer a conflict of interest there, because they applied for grants from the Cultural Council." He said he did not bring the issue up. Bartosch did.

(2:14 p.m.) Bryan asked if there were any other allegations of conflicts.

(2:15 p.m.) Peter said they were not aware of any.

(2:15 p.m.) Bryan said that Covington said, "it was the perception of the community", which was quite large. He said currently he had only heard from Covington.

(2:15 p.m.) Cozby said he had received an e-mail from Maureen Ortagus.

(2:15 p.m.) Ortagus said she had looked at quite a few grants, and she had seen that members of the funding panel, and also members of the Cultural Council, were benefiting from those grants. She said she had spoken multiple times before the TDC and before the funding panel, about conflicts of interest. She said McDaniel and Allsup had recused themselves, but were still interjecting their opinions and their promotion of the Cultural Council during the meeting. She stated that Phil McDaniel was the President of the Cultural Council while he was serving on a board, voting for people to get money that were also on the board for the Cultural Council. She also mentioned that Bryan said he had not been involved with the Cultural Council since he had been elected, and that was incorrect. She suggested that he might want to correct his statements on that. Bryan said he had no involvement other than displaying his artwork. He said she could get a legal opinion from legal counsel.

(2:18 p.m.) Yanni said that when people voluntarily served on boards, it did not help them personally if their agency received a grant. He said it was a small community. He said a member of the TDC had an obligation to vote and discuss the issues unless there was a direct conflict of interest at the current time.

(2:20 p.m.) Peter said it was a valid issue to talk about board conflicts, particularly with that subject matter.

(2:20 p.m.) Ross said there were three provisions dealing with a conflict of interest they could look at, specifically related to Bryan's involvement. She said he was a former member of the Cultural Council, a former board member, and there would be a conflict if he was currently serving on the board. She said that did not exist, as his involvement with the Cultural Council board terminated over three years ago. She added that they looked at three statutes: Section 112.312, 112.313, and 112.3143 to determine whether or not a conflict existed. She said they had looked at those issues, and he was found not in conflict under any of those statutes. She said they were limiting their scope to the members of the TDC Board and their ability to vote on that specific matter. With respect to Bartosch, she said there was no indication that he was serving on that board and any other board at the same time, so there would not be any direct conflict with his service on the TDC Board.

(2:21 p.m.) Peter said he currently occupied a seat of the Ponte Vedra Beach Cultural Center Board and asked if he needed to recuse himself. Ross said he would not, as there was no direct gain to him personally.

(2:22 p.m.) Patrick McCormack, County Attorney, entered the meeting, and said he had been listening to the deliberations. He read an excerpt from Statute 112.3143. He said if anyone felt it applied to them, they could have a brief recess to discuss it. He said that was in addition to the 313 rule. He said he hoped that would clarify the matter.

(2:25 p.m.) Peter asked for discussion of the proposals.

(2:25 p.m.) Boles commented on the UF presentation and said it seemed more of a vendor/vendee type of relationship. He said it did not fit what was needed in that category. He said local distribution had been going on for a long time, they had had trouble with the Grants Panel, and that was where the whole thing had originated. He said they had gone a long way to try to fix the problem, and it would be impossible to quantify the problem. He said it was not fixable. He said the Cultural Council were local folks, administering locally collected money, to help bring more tourists to St. Johns County. He said they had been doing something right for awhile, and he didn't want to see them change radically, what they had done in the past. He said he was more about continuity and improving the process. He said it would take someone helping the grants panel, as it was hard work deciding who was going to get the money. He said it should be local help.

(2:29 p.m.) Bryan said he liked a lot of the things in the UF proposal. However, he said it was perceived to be part-time. He said reaching someone by phone anymore was often difficult, and individuals would not tolerate that, because they wanted someone they could go to. He said he wanted a presence that was in the community.

(2:31 p.m.) O'Brien said he agreed with the points the other two had made. He said the RFP said it must be based in St. Johns County, and UF did not meet that criterion. He said folks from the outside often did not understand the local market, the Cultural Council knew the community, and he thought they would do well.

(2:32 p.m.) Hughes said there was a lot to be learned from what UF brought to the table. He said there were professionals out there who knew how to do the job. He agreed with the local management issue and keeping things close at hand. He said there had to be something in the middle, and they couldn't go forward with a broken model that had not worked efficiently in the past. He said he hoped that lessons would be learned and that resources were right at their fingertips. He said they were voting on a process and all that went with it. He asked how an Executive Director could be effective in dealing with the vastness of the history. He stated that what was broken was the grant platform, and asked if they could possibly utilize the UF to help fix that process. He

asked if their commitment was to allow the Executive Director to lead and to make decisions. He asked if the process was a lesson learned and if they could move forward with UF and other resources in a partnership. He added that not to learn anything from the process was not healthy for anyone.

(2:36 p.m.) Mayers said he had looked at both proposals, and the UF knowledge was impressive, but he was troubled with the lack of presence in the community. He liked the idea that Hughes had put out there with the UF having some role in the process. He added the role of the TDC was to ensure the return on their investment. He said he appreciated both organizations and their work was well done.

(2:37 p.m.) Yanni said he noticed the same thing; that the UF was a knowledge and resource based group. He said the board was looking for an Executive Director based approach. He said he agreed that the UF could be in an advisory or consultant's position later down the road. He said the Cultural Council got the contract, and noticed that their proposal was made up of many St. Augustine addresses. He said there was a problem with geographical representation, and he would like to see other parts of the county represented. He said there was a wealth of human talent, knowledge and financial resources throughout the county. He noted there was a new venue in Ponte Vedra that could be utilized for the benefit of everyone. He said he decided to serve on the TDC Board because of the schism with the art community, the hotel, attractions, and Chamber of Commerce community. He said Category II funds were almost identical. He said people came here because good things were going on. He said that Jason Mauro hit it on the head in his letter where he said that "tourist's interests are most fully met when they are recognized as complimentary with citizen's interests". He said he did not want to see the geographic schism continue. He said on the proposal, he noted that they had initially sought a process where an Executive Director was involved, and that process needed to be expanded to Category II.

(2:41 p.m.) Cozby said he had been unable to attend the workshop where the presentations had been made. He said he was counting on the feedback that had been made that day. He said several things had been brought forward that were important. He said one revolved around the process by which awards were made by the TDC to some of the cultural representatives. He said there would always be questions about who received funds and who did not, and it would probably remain contentious. He said he was interested in whatever was going to bring more tourism to the county and into the hotel community, to produce the tax revenue. He said which ever proposal did that, would have his vote. He said both were outstanding presentations, but the UF proposal was lacking in what they would do to further promote tourism. He said the Cultural Council had a lot to learn as far as bringing the community together to meet the expectations of transparency.

(2:44 p.m.) Bartosch made personal comments regarding his experience and said he had been involved with arts, cultural, and heritage. He said being a board member was always a financial loss. He commented on the proposals and said both organizations should be given respect for the proposals. He said both were qualified, but in different ways. He said a lot had been said about local presence. He said it wasn't local presence for him, but it was the fact of long distance management. He said they had indicated clearly that they pretty much wanted to do the program part time in their response to the question proposed. He asked who did all the "grunt work" to get the funds distributed. He said he had asked how they would respond to a question he asked and their response was they would turn it over to the Cultural Council. He said that led him to believe that it would be better handled locally. He said it was going to take teamwork. He said the money was secondary and it would not be spent properly until they all got together to pull in the same direction. He said an Executive Director at the Cultural Council was the direction they should go. He warned them that if it continued to be a problem, they would lose.

(2:48 p.m.) Peter said both presentations were excellent and he wanted to hear what the others were thinking, and he applauded the members for their positions. He said the entire exercise was launched because there was a real or a perceived problem with the grant process. He said it had become highly politicized; who got the money and where they lived. He added that it was counterproductive to furthering the tourism business in the county. He said he loved and hated parts of both proposals. He said he loved that UF was focused on fixing the grant process, but he hated that they would not be located here full-time. He said he did not like that the Cultural Council focused 80 percent of their time on marketing. He said growing the government was not something they should be doing. He said that in the budget presented by the Cultural Council, the same \$500,000 would be passed out year after year, and the same amount, if not more, was for administration expenses. He suggested some sort of hybrid should be put in place to fix the broken grant process. He agreed that an Executive Director position should be put in place for managing the process. He said the Cultural Council would need to give some thought as to how they would bring that group together countywide. He added that the relationship with the Visitors Convention Bureau (VCB) needed to be considered in that discussion. He said his biggest fear was the message that they would give to the outside world. He said if they had competing messages from the county, from two or three different groups, the consumer won't know what to do. He applauded both groups.

(2:52 p.m.) Boles asked about the issue of the Cultural Council's devotion of time to marketing arts and cultural events and it mimicked, imitated and perhaps overlapped some of the Category I, VCB duties. The other question was about the Executive Director. After receiving input from the Cultural Council Board, would he/she then work with the Grants panel, to try to bring the evaluative philosophy to a more measurable set of criteria, and hopefully, results? He asked, that to be fair, in the RFP process, did they want to redraft an RFP, or would they have a point in the process where, having chosen an entity to work with, they would then work with the criteria and the goals etc. before they entered into a contractual arrangement? He asked what the process would be. He said they had a hybrid; the VCB, Richard Goldman model, on one hand, and Category III, Troy Blevins, a full-time employee of the County, on the other. He noted they could go either way with the Executive Director's model being either one. He asked if they could meet in the middle.

(2:54 p.m.) Peter said he thought the ship had sailed, and they had made the decision to set up the Arts, Cultural and Heritage category, similar to VCB, and to not let it live as a County staff position. He said he welcomed other comments on that. He said it was what had driven the RFP in the first place.

(2:55 p.m.) Yanni asked if it would be appropriate, after they did the grading, to give some recommendations to the Board of County Commissioners (BCC), so those issues could be addressed in the contractual process. He said they could include the County Employee versus the Cultural Council employee issue. He added, however, that in the back of their minds they were thinking that it would be someone like Richard Goldman. Boles said that was helpful to him, and going forward, they would have the same experience and opportunity to work with the Cultural Council, if they won the bid. Yanni said perhaps they could come up with some recommendations regarding the contract at a future meeting.

(2:57 p.m.) Bartosch said the TDC maintained the responsibility and the governance of it, no matter what happened. Peter said they were making a recommendation that day to the BCC, who would then vote to accept or reject their recommendation, and then it would go back to a contract state. Hastings said that was correct. He said in that process they would have the opportunity to discuss the details of the contract and what they expected of the winning bidder.

(2:58 p.m.) Burch commented on the way they typically did things with RFPs. The No. 1 ranked firm would be sent to the BCC to negotiate with, and if negotiations were successful, to enter into contract with the No. 1 ranked firm. He said there were many things they could discuss and negotiate with the No. 1 ranked firm. He called for their score sheets and said they should be signed and dated, legible, and that their math should be correct.

(2:59 p.m.) Hughes asked for a brief recess in order to confer with counsel. There was a brief recess.

(3:05 p.m.) The meeting resumed, and Burch read the score sheets:

Peter	SJCC 65	UF 80
O'Brien	SJCC 98	UF 67
Bryan	SJCC 92	UF 77
Yanni	SJCC 99	UF 55
Mayers	SJCC 80	UF 70
Hughes	SJCC 74	UF 72
Bartosch	SJCC 82	UF 43
Boles	SJCC 81	UF 37
Total:	SJCC 671	UF 501

(Cozby did not vote due to the fact that he had been unable to attend the presentations.)

(3:11 p.m.) Bryan commented that the fact that the contract was negotiable, should be forwarded to the BCC. Burch said he would work with Hastings on that.

(3:12 p.m.) Hastings asked Ross to review the process.

(3:12 p.m.) Ross said they would forward the information over to the BCC with their recommendation. She noted that Yanni had asked for specific contractual recommendations. Peter asked if those recommendations needed to be codified, or if they could be taken from their comments. Bryan said he wanted to make it clear; that their recommendations would be included.

(3:13 p.m.) Peter said the next step in the process was that the BCC was giving the Purchasing Department permission to enter into a contract. Burch said that was correct. Then they would get into the specifics of the contract and could include Yanni's comments.

(3:13 p.m.) Burch said it would be generic and then specifics would be addressed.

(3:14 p.m.) Ross said they could itemize their recommendations and give their consensus for that.

(3:14 p.m.) Yanni asked if they could take their recommendations off of the minutes.

(3:15 p.m.) Peter asked how soon it would go before the BCC. Burch said the middle of February. Masters said the next TDC meeting date was February 28. Peter said they could get into specifics at the next meeting. Hastings said Tuesday, March 1 would be the earliest opportunity to get it on the BCC agenda. Hastings said they could try for the February 15th, but the alternate date would be March 1. Discussion ensued.

(3:17 p.m.) Burch said it wouldn't take that long to put an agenda item together and they should be able to make the deadline for the next BCC meeting. He said they

would simply be giving the BCC the ranking they had determined. Hastings said they would make February 15th work.

(3:18 p.m.) Doolittle thanked them on behalf of the arts and culture.

(01/24/11 - 9 - 3:18 p.m.)

8. FIRST AMERICA - Presentation (Jamie Alvarez) (*Information Only*)

Jamie Alvarez, 101 Arpeka Ave., St. Augustine, Executive Director of First American Foundation, Inc., stated that she was there at the invitation of Commissioner Bryan. She gave a quick introduction of herself and said her organization was to lead and coordinate the commemoration efforts and all of the related anniversaries. She said it was critical to their efforts to recognize the City, the County and the State as equal partners in the effort, and teamwork was essential. She gave a history of First America Foundation, Inc., which was incorporated in July of 2010. She noted that they had a 22 member board of directors, who were local community leaders and volunteers. She said they had a staff of two and an internship program, and had recently opened offices at the intersection of SR 312 and 207. She said their contractual agreement outlined that they would be coordinating events for the Bicentennial Anniversary of the Spanish Constitution in 2012, the 500th Anniversary of the Founding of Florida by Juan Ponce de Leon in 2013, the 50th Anniversary of the Civil Rights Act in 2014, and the 450th Anniversary and Commemoration of the City of St. Augustine in 2015. She said they spent the first five months organizing internally and setting mission, vision, strategies and goals for the foundation. She noted that they had contracted with local firms for brand identity and development, and with another firm to do construction of their web site. She said the biggest accomplishment was the creation of a partnership form for local community programs and organizations to become partners with First America. She stated that her phone was 904-819-3447 and her e-mail was Jamie@myfirstamerica.org, and she looked forward to hearing from them.

(3:26 p.m.) Bryan said he had met with Alvarez last week and got a full feeling for what was going on. He said he thought it was important for her to be introduced and thanked her for her presence that day.

(3:26 p.m.) Peter asked if she could provide the makeup of their Board. She said she would forward it to them.

(01/24/11 - 9 - 3:27 p.m.)

9. DESTINATION MARKETING - Richard Goldman

a. VCB Report (*Information Only*)

Peter asked Goldman to skip the PowerPoint presentation unless there was anything substantial in the VCB report, and drop down to the Research portion of the agenda.

Goldman said he would like them to be aware that this was the second consecutive month, in over two years, where every single one of the metrics was positive, and that was a big deal.

(3:28 p.m.) Yanni said there was an outstanding short piece in Southern Living on the St. Augustine Lighthouse and a great description of driving down scenic A1A. He said it's the kind of thing his wife would respond to. Goldman said their team was heavily involved in making that happen.

He reviewed the Research update. He said they went to the market and asked for a proposal that accomplished both what Hastings needed, the needs of the Arts Cultural and Heritage division, and what Category I needed in terms of visitor profiles and data,

as well as economic impact. He reviewed the activities they were interested in. He said they received one proposal, which was about 15% of the cost of the original proposal. He said he had worked with that group before and they had extensive experience in doing guest studies and satisfaction research as well as with impact and marketing studies for large results. He said they had given a presentation which included Peter, John Frasier, Glenn Hastings, and himself. He said they were able to get all of the pieces for Category I and Category II, and the price point would provide them day to day evaluative skills and on-line capabilities from the beginning of that study. He noted they could use part-time people to initiate those interviews, which would cost another \$22,500 and the total cost would be about \$47,000, about 15% of the original proposal. He said individuals were intercepted in the community to generate visitation experiences. He noted they would also touch the individual properties that received e-mail addresses and names, which would be sent to the research company on a monthly basis. He said they then contact visitors by e-mail, after they have returned home, and give them a form to complete. They received very high response rates of 30 - 45%. He said they could begin initiation within 30 days, details would be worked out with Hastings and himself. He said they felt they had uncovered a gem and this would be an opportunity for them to get what they had all been talking about, at a rate they could afford.

(3:33 p.m.) Hastings said they had looked at different options for the field work, and it was a 52 week a year job. He noted that because of the need for consistency, it would be better to hire part-time people to do surveys or intercepts. He said it would allow them to go much deeper into the analysis and would give them a long range goal. He said they could invite people in as a panel, to explore what they were looking for in a vacation, and how they met or didn't meet their needs. He said it was a good solution and they were impressed with the response.

(3:35 p.m.) Goldman asked if they had the Board's support to proceed.

(3:35 p.m.) Mayers asked about the confidentiality of the information of individuals staying in hotels.

(3:35 p.m.) Goldman explained how it would work. He said the name and e-mail address from the reservation would be sent to the company that would initiate the questionnaire. He said they introduced themselves and would convince the people that it was worth their while to complete the survey and of the confidentiality of the information given, which was disposed of immediately. Their response would replace their name and e-mail address. He said their names and e-mail addresses were not associated with anything or would not be used for any other purpose.

(3:37 p.m.) Mayers said that certain hotel brands were very protective of confidentiality. He also asked, on a different subject, what he saw for the first quarter of 2011. Goldman said there was very marginal improvement in the group properties. He said January was a tough month for everyone. He said in February and March they were looking at improvement. He noted there was concern by their advertising agency and research personnel that average rate was flattening. He added that they had seen some growth and of the five competitive destinations, they had the third largest percentage of growth. He said he expected it to be flat to marginally positive.

(3:39 p.m.) Hastings said the research was already budgeted, the presentation was for information only, and it was not an action item.

b. Research Update - Glenn Hastings/Richard Goldman

(01/24/11 - 10- 3:40 p.m.)

10. LEISURE & RECREATION CATEGORY - Troy Blevins

Blevins said he was there to give an update. He said there would be a Junior College Tournament on February 5th and 6th at Treaty Park; a Women's Fast Pitch Tournament, with 11 teams with about 35 people traveling. He said they were from junior colleges from throughout the state, Tennessee and Georgia. He said they had changed beach passes to add a three day beach pass, which motel and hotel guests were asking for. He said they had also added a handicapped beach pass at a reduced rate. He said the shows in Ponte Vedra would start on February 13th, and sales were going well for the first show, but sales were struggling for some of the others. He explained that it was a new venue and they were trying to get as much free press as possible.

(3:43 p.m.) Bryan asked when the concerts for the Amphitheatre would start. Blevins said they were looking at March for the first shows and the lineup was coming together well, and they were currently booking shows. Bryan asked if they hit 70,000 for Winter Wonderland. Blevins said they had about the same number of skaters, but it was a little bit less because they had two less Saturdays due to Christmas and New Years falling on Saturdays. Overall it was a great success and financially did a little better than last year. He gave the web site for the concert hall: pvconcerthall.com.

(01/24/11 - 11 - 3:44 p.m.)

11. ADMINISTRATION & SPECIAL USES - Glenn Hastings

a. FY 2012 Budget process/timeline (*Information Only*)

Hastings said that on February 28th they would bring preliminary budget worksheets. At the TDC meeting on March 21, they would go through the preliminary line item budget review. On June 20th they would review the recommended budget, and on July 18th the final TDC review, approval, and recommendation would be done and it would be sent on to the BCC. He also reviewed the line item codes for the state of Florida.

(3:46 p.m.) Peter asked, that given the discussion they had just had with the Cultural Council and grants, if it would be possible to create a parallel time line of activities for the grant process. Hastings said that the next item, 11b, would give them some direction on how to proceed with the 2012 grant program.

b. Percentage of FY 2012 Arts & Culture Category funds for grant program
(Discussion)

Hastings said the process would kick off in March. He noted that the funding panel had been on hold for a couple of months, they wanted to start putting it together, or if it was the desire of the board, they could put it on hold. He said it was going to take awhile longer than usual. He said the grants would be announced in May, would be presented to the TDC in July, and then would go on the BCC in September for final approval.

(3:47 p.m.) Bryan asked how many vacancies were on the panel currently. Hastings said there were two vacancies.

(3:48 p.m.) Hastings said he and Phil McDaniel were making the following recommendation on how they might proceed. He said relative to the budget timeline they had to start putting some numbers in for FY 2012, a one year transitional type program. He said there would be opportunities to revisit the budget between now and July. He explained that they needed to discuss the percentage that would go to grants as opposed to marketing cultural and heritage tourism. He said it had been discussed in ad hoc meetings but nothing had ever been determined. He reviewed what had been done historically with available revenue in addition to money that had been carried forward from the previous year. He said they recommended that the percentage be

based on the new revenue only, and any money that remained in that category would automatically roll over and remain in that same category for the following year. He said they also had the option to leave the dollar amounts the same, about \$400,000 to \$500,000 and leave it at that. He said they were asking for their feedback on how they should start building the budget.

(3:50 p.m.) Yanni asked if each line item would roll over to that same line item. Hastings said Category II funds would always remain in that category. He said previous funds would automatically roll over.

(3:51 p.m.) Bryan said there would be an overlap in the process, and he wanted to make sure that the organizations that were dependent on the funds would not be affected. He said it was imperative that they fill the vacancies so that the process would continue to move forward.

(3:52 p.m.) Peter said it would be helpful to have a timeline established for Category II. Hastings said he understood and noted that this was a transitional year for 2012.

c. FY 2012 Grant Guidelines (Discussion)

(3:53 p.m.) Phil McDaniel, 51 Water Street, Chairman Category II Funding Panel, said they had been talking about the upcoming transition. He said they would need to manage the grants program in the fiscal year until the contract was worked out and a director was hired and in place. In the interim, they talked about convening the Funding Panel as soon as possible. He said they would like to reconvene the existing Funding Panel and expand the panel to include the VCB Director, a representative from the Cultural Events Division and perhaps a representative of the chosen management organization. He said that group would sit down with Hastings and Masters to look at the existing guidelines and see what they could do to improve them. He said they would bring back an improved draft of the grant guidelines to the Board so that they could have input. He noted their goal was to make it outcome driven with clear and concise guidelines for the applicants, which were fair, reasonable and simplified. He said the grants panel would convene twice in February. They would bring the guidelines to the Board at the February 28th meeting for review and input, and during the March meeting on March 21 they would have final review and approval, and that would get them through until the new board was in place. Hastings added that might include ideas from the University of Florida.

(3:55 p.m.) Bartosch said he had a problem with them making the recommendations and the rules, as they were the group that was receiving the money. McDaniel said the idea was that they would make improvements. He said the goal was that they had a new management team coming in and they had to have something in place for 2012. He said they could talk about who should make up that group who would create the transitional set of guidelines.

(3:56 p.m.) Peter said he saw no reason to keep things the same. He said all the Grant Committee members should be asked for their resignations and the committee should be entirely repopulated. He said to let it go for twelve more months didn't make sense.

(3:57 p.m.) Bartosch said he agreed. He asked when an organization had to have a submittal for a grant in their hands. Peter said that was why there needed to be a parallel timeline attributed to the grant process in that document, as they were not mutually exclusive. He said both processes were connected.

(3:58 p.m.) Hastings referred them to the budget timeline.

(3:58 p.m.) Bartosch asked when a grant applicant had to have the information filled out and back to his office. Hastings said typically it was done in mid-April. Bartosch said he agreed with Peter, and asked why they would upset the applecart to change what was in place, shortly before they had people reviewing it, and agitate the entire community on what was going away anyway. He said if the timeframe was the problem, why they would do something in the interim to change the process to precipitate another argument.

(4:00 p.m.) Yanni said McDaniel was trying to explain that the current guidelines were less than perfect. Bartosch said they knew what was wrong with the process. Yanni said they were trying to come up with something a little better that would work during the interim period. He said they had to weigh that against "upsetting the applecart". Bartosch said the changes should be made only once, rather than twice to people who were not happy.

(4:01 p.m.) Peter said it was 4:00 p.m. and they were doing it on the fly. He said none of that information was in the agenda book or was presented to them as materials for that meeting, and they were talking about creating guidelines which might or might not create policy for the Cultural Council, and they were doing it in ten minutes.

(4:01 p.m.) Hastings said he was asking for direction. He said they were not taking any action. He said they were looking for direction as to whether to crank up the funding panel for the 2012 process. He said they would have a decision to make on the February 28th. He said in order to start that process rolling; the sooner he knew what direction to take, the better it would be.

(4:02 p.m.) Boles asked why they would chance anything until they got the whole new team on board. He said if they sunset everyone, they would have to start over again twice. He said they were stuck with the system. He said he did not trust it would get any better until everyone got their hands into it. Bryan clarified, that what he was saying was, to fill the vacancies they had and to continue in the mode in which they were going until a new Executive Director was in place. Then that person could sunset them all and come up with a new board.

(4:03 p.m.) McDaniel said they were looking at three parallel paths. He said getting the new Executive Director on board might take them past the grant deadline. He said they needed to decide whether to tinker with the existing guidelines for FY 2012 or not. He said he and Hastings were trying to get it to a better place, but he could certainly see their point.

(4:04 p.m.) Mayers said he agreed and why make a change now which would create confusion when the changes could be made in the future based on the Executive Director and how they want it to be laid out.

(4:04 p.m.) Peter asked the process for posting for the vacant positions. Hastings said they would be advertised as quickly as possible. He said they could speed up the process by advertising for it, bringing the applications back to them by February 28th, and making a recommendation to the Commission.

(4:05 p.m.) Hastings asked their thoughts about the split between grants and marketing.

(4:05 p.m.) Boles clarified that it was a percentage split. Hastings said that included the carry forward amount as well as the new revenue. Yanni said the percentage should increase. Hastings said in 2012, based just on new revenue, there should be about \$450,000, and on total revenue, including the carry over, it should be another \$280,000.

(4:07 p.m.) Peter suggested they should make it flat to last year and let them talk about it at the next meeting on February 28th.

(4:07 p.m.) Mayers suggested that they bring to the table what the marketing strategies were going to be.

(4:07 p.m.) Peter summarized that there would be a time line, a flat budget and a transitional marketing strategy.

(4:08 p.m.) Yanni asked if the 34% was the money available for the grants themselves. Hastings said that was what went into the grant program and included the fireworks, Nights of Lights. He said it would be a little bit different and there would be a larger pot of money for the arts and cultural events, excluding the things they had put over into the fourth category.

(4:09 p.m.) Yanni said they would want to look at the gross dollar amounts rather than at the percentage because removing some of those events would make a dramatic impact.

(4:09 p.m.) Hastings said that per the Chairman's discussion, they looked at a set number that was somewhat equal to what they had the current year, regardless of what that percentage was currently. Peter said that was correct.

d. Funding Panel appointments (Discussion)

(4:10 p.m.) Hastings reviewed the funding panel members. Peters said they would be advertising for the funding panel as well, and all members would have to apply to be seated on the panel again. Peter said, no, they would not sunset them yet. There were two vacancies. Hastings said the other two positions would expire in 2011, so essentially by next January they would be starting with a new panel.

(4:10 p.m.) O'Brien cautioned that sun setting needed to be done very carefully, as some people were very insulted by that.

(01/24/11 - 14 - 4:10 p.m.)

12. FINANCIAL REPORTS (*Information Only*)

Hastings noted that the Tourist Development Tax was up 11%. Visitor Related Expenditures were up 14.9 % with Hotels and Condos up 13% in terms of the gross sales within the county, Admissions which included the attractions and sight seeing trains was up 41% and Restaurant sales were up 7%, all during November as compared to the same month last year. He said they were monitoring the jobs, which were running about six months behind, and were just getting into the second quarter of 2010. He said, as of June, they had 11,494 people directly employed in the St. Johns County hospitality industry, about 21.3% of all jobs within the county, with a quarterly payroll of \$54,950,235.

(01/24/11 - 14 - 4:12 p.m.)

13. COMMENTS BY MEMBERS

(4:12 p.m.) Ken Bryan

Bryan said he appreciated everyone for their work on that difficult task and thanked the public for their input.

(4:13 p.m.) Richard O'Brien

O'Brien said they had a wonderful firework show at the pier and thanked the TDC for their on-going support of that. He reported that the RipTide property had been sold. He also suggested that they send letters of thanks to UF and to the Cultural Council

(4:13 p.m.) Joe Boles

Boles invited everyone to the City Commission meeting at 5:00 p.m. that evening.

(4:14 p.m.) Jeffrey Mayers

Mayers thanked everyone for their help with that sizable task.

(4:14 p.m.) Fred Cozby

Cozby said it was a passionate subject they had all been addressing. He said he had received many e-mails, and he thanked those individuals for participating in the process, as well as, all of those who had attended and expressed their opinions.

(4:14 p.m.) John Yanni

Yanni said the work was just beginning. He said the community was going to look to them for leadership until the process was completed.

(4:15 p.m.) Jack Peter

Peter thanked the members for their input into the arduous process, they were in a good spot, and he sensed that what they would present to the Commission would give them a sense of comfort that they were really working through it.

(01/24/11 - 15 - 4:16 p.m.)

14. ADJOURN

Motion by Mayer, seconded by Cozby, carried unanimously, to adjourn the meeting.

Approved February 28, 2011

TOURIST DEVELOPMENT COUNCIL
OF ST. JOHNS COUNTY, FLORIDA

By: Jack Peter
Jack Peter, Chair

ATTEST: CHERYL STRICKLAND, CLERK

By: Cheryl Strickland
Deputy Clerk

