

**MINUTES OF MEETING
TOURIST DEVELOPMENT COUNCIL
ST. JOHNS COUNTY, FLORIDA
FEBRUARY 28, 2011
(1:30 P.M.)**

Proceedings of a regular meeting 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.

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
Terry Bulla, Deputy Clerk

Also present: Regina Ross, Assistant County Attorney

1. (02/28/11 - 1 - 1:30 p.m.)
CALL TO ORDER

Jack Peter called the meeting to order

2. (02/28/11 - 1 - 1:30 p.m.)
PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Rich O'Brien.

3. (02/28/11 - 1 - 1:30 p.m.)
ROLL CALL

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

(1:31 p.m.) Jack Peter reported on comments from Commissioner Stevenson related to Item 7A. He said there was also an addition to the agenda, an event funding transfer, Item 7B. He asked that Item 7B be changed to Item 7A.

4. (02/28/11 - 1 - 1:32 p.m.)
APPROVAL OF AGENDA

Motion by Boles, seconded by Yanni, carried 9/0, to approve the Agenda as amended.

5. (02/28/11 - 1 - 1:32 p.m.)
APPROVAL OF MINUTES

Motion by Hughes, seconded by Mayers, carried 9/0, to approve the minutes for the January 14 meeting.

6. (02/28/11 - 1 - 1:33 p.m.)
PUBLIC COMMENT

There were no speakers.

7. (02/28/11 - 2 - 1:33 p.m.)
ARTS & CULTURAL CATEGORY

This was formerly Item 7B.

A. TRANSFER OF FUNDING FROM ORIGINALLY APPROVED HISTORIC RE-ENACTMENT OF THE ST. AUGUSTINE GARRISON/FLORIDA LIVING HISTORY TO THE ST. AUGUSTINE GARRISON/HISTORIC FLORIDA MILITIA

Glenn Hastings said he would like to clarify a few things in the background information. He explained that it was more about the event than the group sponsoring the event. He said the grant was originally given through Florida Living History, and because of a reduced budget, it became necessary to leave out the Saturday night Torch Light Parade, the single biggest part of the event of interest to visitors. He said the Florida Historic Militia, who had done the event in the past, said they would be willing to do it, including the Saturday night parade and they would be willing to change the dates in order to coincide with evening activities for the Players Championship.

Boles asked if it was the British Night Watch or the Grand Illumination. Hastings said it was not the British Night Watch, but the Spanish Colonial Muster. Boles said it was important to the down town merchants.

Anthea Manny, Committee for the Night Watch, clarified that the Grand Illumination was the military term for the British Night Watch. She explained that the Spanish Night Watch was always held on the King's birthday in June. She noted that in 1989 they gave it to the Spanish Garrison to make it a Colonial 1740's Spanish version of the British Night Watch. She said for years they were encouraged to re-brand the event and it needed to be a Grand Muster, which was mid 18th century Spanish for a Colonial Torchlight presentation.

Hughes questioned the timing about the combination with the Players. Hastings said it was the Saturday of the final round. Hughes said it was a big week, with the Hall of Fame inductions on Monday night. He said it would be nice to kick off the Players Championship Week with something as significant as that. He suggested the weekend before. He said there would be thousands of people coming. Peter asked if there was flexibility on the dates. Manny said there would be. Hastings said they would work on that.

(1:41 p.m.) Motion by Boles, seconded by Hughes, carried 9/0, to transfer the funding from the originally approved Historic Re-enactment of the St. Augustine Garrison/Florida Living History to The St. Augustine Garrison/Historic Florida Militia

(02/28/11 - 2 - 1:41 p.m.)
This Item was formerly 7A.

B. TDC/SJCC Contract Points - Glenn Hastings

Hastings said they were taking the opportunity to discuss issues that were important to the Board and that should become part of the contract. He noted that Regina Ross would have a list of the standard items that should be included in the contract. Stevenson was unable to attend the meeting and had submitted her comments in writing.

(1:43 p.m.) Peter opened the discussion to the Board.

(1:43 p.m.) Bryan said they should focus on their initial intent, an organization to run Category II, and to make sure it was run similarly to the VCB, with transparency, accountability and structure. He added that he liked a portion on the University of Florida plan of training the grants panel, with a focus on training for those who would apply for grants. He said it would introduce a formal structure of how to apply for a grant on a level playing field. He stated that the competition was stiff.

(1:47 p.m.) Peter asked if there was a current mission statement for the St. Johns Cultural Council (SJCC). Discussion followed on mission statements for applicants and the SJCC.

(1:47 p.m.) Bartosch suggested that the mission statement of the SJCC was not the issue. He said the issue was what was the mission statement of the new group formed within the St. Johns Cultural Council, to implement the plan. Secondly he added, grant training and grant writing training were essential, but the decision belonged with those with whom they had been asked to contract. He said it was a part of the contract, and they were usurping the SJCC's ability to make a contract. He said if they did not like the contract they had every right to change it.

(1:50 p.m.) Peter said they were good points. He asked if there was a better way to do what they were trying to do. He said it would ultimately come back to them for approval anyway.

(1:50 p.m.) Boles said they should keep it as simple as possible. He said there had been discontent with the process with the grants panel initially; it was a political issue and would always remain so. He said he hoped that the SJCC reflected a broad segment of the community, and they could educate an agreeance panel, and the Executive Director could task them with what they should do.

(1:52 p.m.) Commissioner Stevenson entered the meeting.

(1:52 p.m.) Hughes said it was a polarizing issue. He asked if it would make sense to keep it neutral and non-partisan, and to go to the University of Florida and contract their services to oversee the entire Grants Panel component, guided by the Executive Director with input from his Council members. He said it would be kept neutral and non-political. Let the University of Florida, experts in that arena, set the criteria for how the grants should be written and how the return on investments should be measured.

(1:53 p.m.) Peter clarified that he was suggesting subcontracting the Grant Panel activities to the University of Florida and let them determine the merits of each grant application on its own terms and then submit those recommendations back to the SJCC. Hughes said that was correct.

(1:54 p.m.) Boles said he did not agree with managing the process to that degree. He said that at the outset they were asked to choose from a representative group from the county as a whole versus the University of Florida, and he was much more comfortable with the representative group from the County as a whole. He said the process had worked so far. He said he would not support the sole contact going to the University of Florida. He said how the SJCC approached it, was entirely up to them.

(1:55 p.m.) Bryan said they had talked about a "go to" organization for Category II, which would report to the SJCC. He said at the end of the day, the Executive Director would be responsible for structure, accountability, and transparency. He said they would be closely watched due to the political issues. He said they needed to focus on that part, and hire the Executive Director. He said they needed to see how long that process would take.

(1:58 p.m.) Yanni said he did not agree with Hughes, as it was anticipated that the Funding Panel would still exist as a separate entity for the SJCC. He said the Funding Panel needed to stay in place as some sort of a quasi governmental system. He said if the SJCC presented funding requests to the Funding Panel, they would be in a better position, because it would be in a standardized funding format. He said if they needed professional help, it could be addressed at a later date. He said the separation of powers was important, and that there needed to be a mechanism to keep TDC funds from being co-mingled with SJCC funds. He said Stevenson had also mentioned some degree of verifiability of programs, however, he said they had to be careful of micro managing. He said they needed to focus on gross standards or holistic measurements. He said they needed to have a working relationship with the Visitors Convention Bureau (VCB), the advertising arm, and they needed to work more closely together.

(2:02 p.m.) Mayers said there were similarities with the VCB. He added he agreed with the micro management thoughts, but they needed to set criteria for funding.

(2:03 p.m.) Boles said he would like to see the ability to cancel if things weren't working out.

(2:03 p.m.) Yanni said they would have to come up with good reasons to cancel the contract. Boles responded not if they had a 90 day escape clause.

(2:04 p.m.) Ross said there was a distinction between VCB and the SJCC on the contract provisions. She said the contract was being guided by the statutes. She noted the statutes contemplated the existence of a VCB and laid out the duties of the VCB, but it did not contemplate a Cultural Council or an organization like that. She said they had to be specific in the contract as to what their duties and obligations would be. Regarding the mission statement, she said it would be irrelevant, because the contract would be very specific. She said a scope of duties would be necessary and would be in line with the provisions of the juris development statute. She said the TDC Board would have no part contractually in the organizational structure, and the hiring of an Executive Director. She said they were two separate entities and they were providing a service per the provisions of the contract. Regarding the escape clause, she said there was a reason to get out of the contract for cause, and reasons to get out without cause, and cause would be defined in the contract. She stated it would all be guided by the statute. She said the contract would be very specific as to what they could and could not do. She said they were completely different from the VCB contract.

(2:06 p.m.) Peter clarified that there were two different tracks to the discussion; one was the contract itself and getting it going. The other was the ongoing Category II management, the funding requests, the guidelines, the merits, etc. He encouraged whoever was to write the contract to proceed immediately. He said the Category II aspect of it would be within the contract. He said he wasn't sure they needed to discuss it much more.

(2:07 p.m.) Bartosch asked if they were the first county in Florida to do something like that. He asked if there was something already in place that could guide them. Ross said there were others in place they could review. He asked who negotiated it.

(2:08 p.m.) Ross said it depended. It could be the County Administrator or his designee, as directed by the Board of County Commissioners. She said Hastings would participate and she participated sometime, to help facilitate. She said if the party was represented by counsel, they could also have input. Yanni said they made the designation at the last meeting and the Board ratified that. Bartosch said his question was more detailed. He asked if Hastings was the first person to put together the

contract or was it the Cultural Council, when would they start, and when would they see the first draft.

(2:10 p.m.) Hastings said they were prepared to start right away. He said they had put it off to allow the Board members to give their input, and beyond that, they were ready to move forward. He said they hadn't talked much about marketing. He said he would like to hear dialogue to help them clarify the TDC position, relative to the Funding Panel, and where they would fall within the organizational chart. He said discussion now would save time in the process later on.

(2:11 p.m.) Yanni clarified, that Hastings wanted the discussion so he could get some points from the Board that might be included in the contract. He asked if he would put out the first draft. Hastings said yes. He and Ross would work on the first draft.

(2:11 p.m.) Bryan said they were going to have to continue to move on, and to do business, and he viewed the Funding Panel as not being directly under the Executive Director. He said they needed to discuss whether they wanted that group to report to the SJCC or to the TDC Board. He said they had grants that would have to be awarded in order for the organizations to continue to do business and to put on functions.

(2:13 p.m.) Mayers said if the Executive Director was responsible for the organization, they should have some oversight of the Funding Panel, in order to hold them accountable for the decisions being made and the results of those decisions.

(2:13 p.m.) Yanni said a manager would approve a budget and it was the job of the Funding Panel to make the decision. The Executive Director still would have the authority to say no. He said the Funding Panel would not be in a micro management position and the SJCC would still have the management authority. However, the actual handing over of the funds would be vested in the Funding Panel. He said traditionally the Funding Panel had been a committee of the TDC. He explained the process that had been used in the past.

(2:15 p.m.) Mayers said it might be wise to look at the different methodologies that were employed throughout the state, to see if there was a best practice, as opposed to looking at just the one perspective.

(2:15 p.m.) Peter stated that he agreed, and the research to see how other counties were dealing with those issues and getting a handle on different methodologies were great ideas. He said it did not preclude getting the contract drafted.

(2:16 p.m.) Ross clarified that discussion so far had been that the Category II Funding Panel would exist as it was. She said that within the RFP, there was a request that the organization that was selected, design training and procedures. That would be the only management of the Category II Funding Panel. She said if there was going to be a recommendation by the TDC Board to change the organizational structure or the operations or any of the duties that had been assigned to the Category II Funding Panel, it would be a recommendation from the TDC to the Board of County Commissioners to modify the organizational structure and to modify the duties. She said the RFP requested them to train people involved in Category II of the grant process and to develop procedures for applying for those grants, and those were the only duties that would be assigned to that organization, up until the current time.

(2:18 p.m.) Bartosch said they had a funding panel that already existed. He said it was dysfunctional because of the way they had been treated and because of what they had been given. He said it was way premature to discuss how they ought to fit, before they got the rest of the organization straightened out and in place. He said it was the only

means they had to facilitate the grants for the 2012 budget year. He said if the process was disrupted, right before they were going to send out grant requests, they would be asking for a disaster. He said if they wanted to change things later, that was fine, but to do so now would cause them to be in worse shape for 2012 than they had been in previous years. He said regarding an out clause, 90 days was fine with him, but only if it was for cause. He said the panel had been dysfunctional for several years. He said it could not be turned around overnight, and it would take some time. He said they needed to make sure when they did the contract, that anyone hired would be protected during the time he or she was doing what the TDC Board was asking them to do.

(2:20 p.m.) Cyndi Stevenson, 148 Cattail Circle, Fruitcove, said she had written up some suggestions and she wanted to clarify some of those thoughts. She said if the SJCC would quickly get the contract, the U of F could help them get the program framed, but she understood they were going to be with the existing procedures for a year. Secondly, she said regarding performance and achievement measures, they might be trying to polish some rough gems rather than to cut some people off, and hopefully they would be able to work with some of the applicants on performance standards or the way they presented themselves. Third, she said a year, or some period of time, for allowing the Executive Director and the Cultural Council a chance to perform is understandable, but a Board should not terminate an agreement without sufficient cause. She thought they might want to consider something in between, like an 18 month contract, with a 90 day out. She said if they got into cause, it might involve litigation and embarrassment and other types of things. She said whatever they did, things were getting better, and she appreciated their efforts.

(2:23 p.m.) O' Brien spoke regarding the contract and suggested a process. He said they had an RFP and needed to follow that, also the Rena Blades' report should also be looked at, because she had developed a blue print for what they should be doing, and it should be incorporated.

(2:24 p.m.) Peter encouraged the County Administrator, through Hastings, to get the contract drafted and to move it forward. He added that as they continued to discuss the Category II management funding guidelines etc., he was fine with where it was headed. He said they did not want to derail the 2012 budget process.

(2:25 p.m.) Hughes said a contract would allow for third party consultation. Peter said either a short term contract or a project based agreement with someone like U of F would be permissible within their scope of responsibility.

(2:25 p.m.) Bryan said they had not touched on the Marketing aspects, on which Hastings had asked for their input.

(2:26 p.m.) Hastings cited an example, and said it would take some time to get sorted out on the marketing aspect between what the VCB should be doing and what the Cultural Council should be doing. He said he had some thoughts and some samples from other counties and they would put a report together. He said they welcomed the Board's thoughts and concerns. He said their biggest challenge would be deciding where the line was to be drawn.

(2:27 p.m.) Bryan said they had discussed that VCB did a lot of marketing, as did the Recreation Department. He said they had hoped the same thing would happen with Category II, with the three entities working together. He said he would like to see that they would get together quarterly or more regularly to see how the others were marketing. He said working together they might be able to save some money. He said the whole thing was about bringing tourism to St. Johns County. He said marketing was a big part of that.

(2:30 p.m.) Tommy Bledsoe, 31 Colony St., President SJCC, said they had been told, as a Board, that they could not speak to the TDC, BCC or County staff before that meeting, other than Joe Burch. He said he had asked Burch if there was anything they needed to know before the meeting. He was told no, but they could talk with Hastings, as the lead negotiator. He said there were things they needed to know about. One was that the County Commissioners were asked to give input for that meeting. He said they would have liked to have been able to address those comments in the context of that meeting. He stated they weren't allowed to do that because of not knowing about it. He said they wanted to keep the communications open and to work with Hastings as the lead negotiator. He said they were ready to move forward and to work with all the agencies involved with making St. Johns County a tourist destination. He said they needed to make sure that the people who applied for the money knew what it was for and that they were within the law. He said the TDC Board had accepted their proposal, as had the Board of County Commissioners. He said they were looking forward to working with them. He recommended that a time line be developed to assist them with their efforts.

(2:34 p.m.) Yanni asked when they could get a draft of the contract. Hastings said a draft could be prepared by the next meeting, but wasn't sure whether Ross would have an opportunity to review it adequately. He said he already had some guidelines from other counties he could work from. He said a rough draft would be available as soon as the next meeting.

(2:35 p.m.) Bledsoe asked if a rough draft would be available to them by the next meeting. Hastings said certain legal things would have to be included but they would begin the dialogue of specific duties.

8. (02/28/11 - 7 - 2:36 p.m.)
DESTINATION MARKETING - Richard Goldman
a. VCB Report

Goldman gave an overhead presentation, and reviewed the Smith Travel Research for January of 2011. He said there were increases in all sectors, with 11 straight months of increases in occupancy. He said they were concerned that January might be flat but there was still a 6.5% increase. He reviewed the following items: the Website Dashboard, and said there was good strong improvement in the performance of the website; the Sales Measurement Summary showing they were 65% ahead of goal; the Communications Measures Summary showing they were still running a little behind last year; the Promotions Update, including the free night promotion; the Florida's First Coast of Golf program, and the Scenic A1A Group which has strengthened the Florida's Historic Coast brand; the PBS "Getting Away Together" Series in conjunction with the Vacation Rentals Marketing Association which would have national distribution and on which they would be the first episode of that show; and Creative Development to assist local groups with advertising to generate interest in their events. Bryan asked if there were ways to measure the results of that endeavor. Goldman said yes, they were working out a contract for research with visitors to St. Johns County. Goldman continued with a review of the Executive Director's Comments. He commented on sales events to generate more group business.

This item was not heard.

9. (02/28/11 - 7 - p.m.)
LEISURE & RECREATION CATEGORY - Troy Blevins

10. (02/28/11 - 7 - 2:52 p.m.)
ADMINISTRATION & SPECIAL USES - Glen Hastings

Peter asked if they could move to item 10c. Ross said they could with the Board's approval.

(2:52 p.m.) Motion by Boles, second by Bartosh, carried 9/0, to move Item 10c up on the agenda.

c. (2:52 p.m.) Review and Recommendation Appointment of Funding Panel Members

Hastings said they had received one additional applicant, who was not qualified to serve.

(2:54 p.m.) Cozby asked if the current panel would remain the same. Hastings explained they had three vacancies for two year terms. He said their recommendations that day would go to the County Commission the next day. He said McDaniel's term had expired and the other terms would expire towards the end of the year.

(2:55 p.m.) Motion by Peter, seconded by Boles, carried 9/0, to recommend Ronald Natherson to the Board of County Commissioners.

(2:55 p.m.) Motion by Bryan, seconded by Hughes, carried 9/0, to recommend Eric Doten to the Board of County Commissioners.

(2:56 p.m.) Motion by O'Brien, seconded by Bartosch, carried 5/4, to recommend Gregory von Hausch to the Board of County Commissioners.

(3:02 p.m.) Motion by Hughes, seconded by Mayers, carried 9/0, to recommend Sarah Shelly to the Board of County Commissioners.

(3:02 p.m.) Motion by Peter, seconded by Bartosch, carried 9/0, to recommend Ronald Natherson, Eric Doten, Gregory von Hausch, and Sarah Shelley to the Board of County Commissioners as applicants to serve on the Funding Panel.

(3:03 p.m.) *Boles left the meeting.*

a. (3:03 p.m.) FY 2012 Budget process and Preliminary Worksheet

Hastings reviewed the FY 2012 Budget Worksheet and explained that the shaded areas were the only definite numbers they had so far. He said that everything else was based on a projection. He said it was a starting point and would remain somewhat fluid for the next two months. He said it would be refined as information was collected. He stated they had increased their projection for FY 2011 from \$6,345,069 to \$6,879,026, an 8% increase over what they had projected almost a year ago. He said the next big guess was the projection for FY 2012, and currently they were looking at \$7,019,414, which was very conservative at 2% and was likely to change. He said Reserves were the same as last year, and they might want to discuss that. He said it was at 4% on top of the 5% that was mandated by the State. He said they had some flexibility with that. He said the line by line items would come at the next meeting and these were only the starting numbers. He said the FY 2012 numbers were the ones that were likely to change.

He reviewed the various categories for Arts & Culture for the seven year budget overview.

(3:10 p.m.) Peter asked about \$737,000 in the "Other" category. Hastings said it was primarily the reserve fund along with insurance and administration.

(3:11 p.m.) Bryan asked if it was just for Arts and Culture. Hastings said yes it was. He said it went back for three years. He said it would always stay in those particular categories. Hastings explained that it was not added to every year. He said the Reserve would roll over into next year's budget to reallocate. He said of the new money they would take 5% State mandates and 4% business recovery from the new money. He said it would always be 9%. He said the fund would not keep growing.

b. (3:13 p.m.) FY 2012 Budget and Grant Timeline/Calendar

Hastings reviewed the timeline for the budget. He said they had included and highlighted the timeline for the Arts and Cultural funding program. He said they anticipated having a meeting on March 24th, with a workshop on April 20th.

11. (02/28/11 - 9 - 3:15 p.m.)
FINANCIAL REPORTS

Hastings said all the financial reports were included in the packets

12. (02/28/11 - 9 - 3:15 p.m.)
COMMENTS BY MEMBERS

(3:15 p.m.) Richard O'Brien:

O'Brien commented on the Amphitheatre and stated that they were not hearing anything about what was coming up. He said it had a big economic impact on the County and he hoped they would hear more good news soon. He also said that, regarding Beach Renourishment at St. Augustine Beach, the County had been notified by Florida DEP of their intent to issue a permit for the beach renourishment and they were looking for that to happen in January of 2012.

Bryan commented regarding the Amphitheatre restructuring and said there were going to be some things coming up soon which would be posted on the website. Hastings added that the concert hall in Ponte Vedra had opened up as well and that several things were coming up there in the not too distant future.

(3:16 p.m.)

No comments from Bryan, Mayers, Yanni, Hughes, Bartosch and Peter

13. (02/28/11 - 10 - 3:18 p.m.)
ADJOURN

Motion by Cozby, second by Hughes, carried 8/0, with Boles absent, to adjourn the meeting. With there being no further business to come before the Board, the meeting adjourned at 3:18 p.m.

Approved _____, 2011

TOURIST DEVELOPMENT COUNCIL
OF ST. JOHNS COUNTY, FLORIDA

By: _____
Jack Peter, Chair

ATTEST: CHERYL STRICKLAND, CLERK

By: _____
Deputy Clerk