

HALIFAX AREA ADVERTISING AUTHORITY

Regular Meeting

CVB Upstairs Conference Room

Wednesday, March 19, 2014

SUMMARY MINUTES

The minutes reflect a summarized view of the gathering

Board Present:

Steve Farley, Kyri Drymonis, Blaine Lansberry, Jason Reader, Libby Gallant, Samir Naran, Pravin Patel, Michael Kardos, and Dan Francati.

Board Via Phone: Chris Bowler

Guests:

Dino Paspalakis, Bob Davis, Charles Hargrove, Evelyn Fine, Paul Slaven, Zach Chalifour, Bernadette Britz-Parker, Gary LaPage, Susan Ziegler, Barry Lott, Gerald Gammero, Dan Ward, Jim Jaworksi, Scott Chesley, and John Nicholson.

Staff:

Liz Grindell, Lisa Bordis, Sharon Mock, Linda McMahon, Greg Price, Gentry Baumline-Robinson, Tonya West and Shawn Abbatessa.

CALL TO ORDER

Chair Dan Francati called the meeting to order at 1:00PM

1. Approval of Minutes

Chair Francati asked for a motion to approve the minutes from the HAAA Meeting on February 26, 2014 as presented. There were not corrections or clarifications noted.

LIBBY GALLANT MADE A MOTION TO APPROVE THE MINUTES FROM THE FEBRUARY 26th MEETING AS PRESENTED. STEVE FARLEY PROVIDED THE SECOND. THE MOTION PASSED 10 TO 0.

2. Consent Agenda

There was only one item on the consent agenda. It is the accounting procedure checklist that will be followed by the accounting department from here forward. "This puts into writing the accounting procedures timeline which will now be incorporated in to the policies and procedures manual," said Chair Francati.

LIBBY GALLANT MADE A MOTION TO APPROVE THE CONSENT AGENDA ITEM. MIKE KARDOS PROVIDED THE SECOND. MOTION PASSED 10 TO 0.

3. Chairman's Report

a) Revised Committee Guidelines

Chair Francati then asked Sharon Mock to explain the proposed revisions to the committee appointment process. Mock began by explaining that she and Francati have been working on the guidelines for committee appointments. The only significant change they are recommending is that a member of HAAA chair each committee and fulfilling their obligation as an appointed member of the authority. The point is in order to make sure that HAAA is fully involved in every committee. She asked the board if they were in agreement with this change and if so, noted that a motion would be required to continue. She concluded that the appointment cycle is coming around and they will send out all the information to all area partners asking if they want to apply to be on the committees for 2014-15.

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LIBBY GALLANT MADE A MOTION TO APPROVE THE COMMITTEE GUIDELINE CHANGES. PRAVIN PATEL SECONDED. MOTION PASSED 10 TO 0.

b) Regular April Meeting Date

Chair Francati brought to the board the option of changing the April meeting date to the 23rd. He noted that the 16th was early and does not give the staff the necessary time to prepare for the meeting.

Chair Francati also reminds the group that April is the election of officers. "Please be thinking about who you want to elect," concluded Francati.

STEVE FARLEY MADE A MOTION TO MOVE THE APRIL MEETING TO APRIL 23RD. KYRI DRYMONIS SECONDED. MOTION PASSED 10 TO 0.

c) Reserve Policy

Sharon Mock the reminded the group that they have been discussing the unallocated fund balance which is a little over \$2 million. Historically the policy is to keep about 12% in reserves. Mock explained that generally they need to have 3 months of operating funds in reserves and she believes that 8% could be more realistic. The dollars that are sitting in that account need to be utilized for marketing activities, said Mock. Samar Naran asked if there is a way that we can just set up a cap at a certain number. Steve Farley said that he thought they had previously determined that \$660,000 was plenty in that the account to cover the required needs.

Chair Francati noted that this money should be spend on marketing and if something bad happen they will cut expenses as well. The previous set up was "\$660,000 or 12%," said Farley. So the reserve would never go below \$660,000. The group agreed that the \$660,000 already designated should suffice and that there would be no need to lower the percentage.

4. Curley and Pynn Monthly Update

Dan Ward with Curley and Pynn presented their "What If" challenge from Chair Francati. At a recent prior meeting, Francati asked them, "If we were to give you \$100,000, what would you do with it?" They gave HAAA multiple scenarios on how the money could be spent wisely to help grow the engage of the destination in many ways. This is not something ready to implement but wanted to present to the board to give them. Ward also gave HAAA an update on the prior month's assignments.

Gentry Baumline-Robinson gave the board an update on the Communications Department. She introduced new staffer, Tonya West. "West is the new Communications Coordinator and hit the ground running when she began last week," said Baumline-Robinson.

5. Executive Director Search Committee Update

Libby Gallant gave an update on the search committee status. The committee has narrowed the candidate list from 11 to 6 at the February 28th meeting. Fine explained that the county completed background checks and she had completed all of the reference checks. Evelyn Fine recommends bringing in the top two candidates at a time for interviews and to let them see the destination. The board could interview one on one or in a group setting. Chair Francati agrees the top two are good candidates for the job. Fine ads that Chair Francati would like to speak on one of the applicants, Bryce Nierenburg. "Although he may not meet the qualifications of this particular position, I suggest bringin

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him in on a consulting basis for marketing as he has a lot of experience and has a different “take” on the destination as a whole. He is a very big thinker and has a wealth of information in the travel and hospitality industry. He lives in Orlando and can be used to bring an outsider in and give new ideas,” Chair Francati said.

Fine explained that gives us five candidates and a motion would be required in order to move forward with interviews. Gallant asks, “Does the board want a group setting or on an individual basis?” Members noted that scheduling may be difficult on an individual basis. Chair Francati noted that the County of Volusia had recommended that once we get to the final three, that they might host an open reception at the Ocean Center so that the industry and the public could meet the candidates. Blaine Lansberry suggests doing a personality profile on the final candidate or candidates with Bo Brewer who did profile work for the Chamber search.

LIBBY GALLANT MADE A MOTION FOR THE COMMITTEE TO HOLD THE CANDIDATE INTERVIEWS WITH SCHEDULING DONE SO MEMBERS OF HAAA CAN PARTICIPATE. KYRI DRYMONIS SECONDED. MOTION PASSED 10 TO 0.

It was asked that members who have questions they want to ask should be submit them prior to the meetings in order to move the interviews along at a good pace.

6. Financials

a) James Moore and Company

Bernadette Britz-Parker with James Moore and Company explained the inclusions in the Agreed Upon Procedures for the first quarter that were suggested last meeting. They then reviewed the results with the board to answer questions or concerns. Britz-Parker states that they checked with employees for fraud and nothing was brought to their attention. They went through some of the payroll and found that the President/CEO was paid one extra week for car allowance because they are paid on a 26 week basis over a 25 week basis. Chair Francati explains, “We have held back 10 weeks of his pay, we will be deducting the extra \$500 from this amount.” Another thing they found was that the part time visitor center workers are getting paid lunch. They do not recommend paying for time not worked. Britz-Parker explained that Sharon Mock had changed the policy and it now states there will not be pay for lunch periods or breaks, only time worked.

They also gave HAAA an option to come back and review for the current quarter ending March 31st. Chair Francati asked for input on what they think needs to be done. Lansberry asked, “Could we skip a quarter and come back in the next quarter ending in June?” Chair Francati comments that is a good idea and would show if the items to be corrected are being taken care of.

BLAINE LANSBERRY MADE A MOTION FOR JAMES MOORE AND COMPANY TO PERFORM AUDIT SERVICES AT THE SAME LEVEL FOR THE 3RD QUARTER OF THE FISCAL YEAR. THE MONTHS AUDITED WOULD BE APRIL, MAY, AND JUNE. JAMES MOORE AND COMPANY WOULD PRESENT THE RESULTS AT THE REGULAR JULY BOARD MEETING. MIKE KARDOS SECONDED. MOTION PASSED 10 TO 0.

b) Financials

Liz Grindell reviewed the February financials presented to the board. She noted that the financials now include the allocation which was approved by the Volusia County Council covering the additional funds collected in 2013-13. She explained that in the page which was provided to them, there are two lists of monies explaining what expenditures had been approved and what is being proposed. The second set of

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allocations are for the consideration of the board. She concluded by saying that she would go into the detail of the proposed expenditures following this presentation.

STEVE FARLEY MADE A MOTION TO ACCEPT THE FINANCIALS AS PRESENTED. PRAVIN PATEL SECONDED. MOTION PASSED 10 TO 0.

Mock then reviewed the proposed fiscal year 2013-14 items numbered 1-8, which are for consideration.

I. Google pay per click

Abbatessa explained that the Google pay per click amount of \$24,530 would make up for dollars previously spent in the first quarter in an effort to keep web traffic on target. Abbatessa said, "We have looked at the monthly budgeted amount for this and recommend changing it to \$14,000 per month, up from \$13,000 budgeted a month." He noted that the advertising committee reviewed this and agreed with the recommendation.

STEVE FARLEY MADE A MOTION TO APPROVE GOOGLE PAY PER CLICK. LIBBY GALLANT SECONDED. MOTION PASSED 10 to 0.

II. Mid-Florida Economic Impact Study/Special Events

Mock explained this is a "housekeeping" item that is the balance due for a study previously approved. The study could not be completed until after Biketoberfest and therefore the remainder was not due until now. No motion is needed.

III. Push Additional Spend

Barry Lott from Push then explained the additional \$672,281 recommended television buy in Georgia, South Carolina and North Carolina.

STEVE FARLEY MADE A MOTION TO APPROVE THE \$672,281 PUSH ADDITIONAL TELEVISION BUY AS PRESENTED. MIKE KARDOS SECONDED. MOTION PASSED 10 TO 0.

IV. Mid-Florida Marketing

Evelyn Fine then explained the market research projects they could be doing, and have done historically, but have yet to be approved by the board this year. There are five proposed studies all together. They all will not be completed right away but would need to be budgeted.

STEVE FARLEY MADE A MOTION TO ACCEPT ITEMS 4-8 ON THE "ITEMS FOR CONSIDERATION," MID-FLORIDA MARKETING'S STUDIES. BLAINE LANSBERRY SECONDED. MOTION PASSED 10 TO 0.

7. ADR/OCC Report

Fine presented the ADR and OCC rates for January. "They were flat in OCC and slight decline in ADR. Thanks to the Rolex it made a huge difference over all," Fine explained.

8. Funding Request

Friends of the Bandshell

Dino Paspalakis with Friends of the Bandshell came presented a request for marketing support from HAAA. Last year HAAA provided \$10,000 from the special event funding. They are requesting \$15,000 and the request did go in front of the ad committee for review. The Ad Committee had asked that the

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staff work with Paspalakis on developing a final schedule. The Friends of the Bandshell will have tribute bands and fireworks for 16 Saturday nights at the Bandshell during the summer months. There was some discussion on how the \$15,000 would be allocated. "I am not opposed to the \$15,000, however, I think there is a smarter way to spend the money," said Naran. Overall, it was agreed that what was presented is a good idea, but not exactly how they should spend the dollars. Others suggested that an additional effort be made to decide how the money is to be allocated.

Discussion followed.

CHRIS BOWLER MADE A MOTION TO APPROVE THE \$15,000 FOR FRIENDS OF THE BANDSHELL PENDING A PLAN TO BE REVIEWED AND APPROVED BY THE ADVERTISING COMMITTEE AND SHARON MOCK. SAMIR NARAN SECONDED. MOTION PASSED 9 TO 0(Reader did not vote due to conflict of interest).

RSQ for Advertising and Marketing Services

Abbatessa explained an RFP had been sent out for "video vignettes" that would showcase arts, culture, and heritage sites in the area. Videos are to be posted online to various sites. They have been able to narrow down the responses and select a vendor. The company that was selected is North Avenue Studios. The cost is \$8,305. The amount was budgeted and approved by HAAA last month to put out the RFP. The videos will be owned by HAAA and be utilized in any way needed.

JASON READER MADE A MOTION TO APPROVE THE \$8,305 RFP AWARDED TO NORTH AVENUE STUDIOS. MIKE KARDOS SECONDED. MOTION PASSED 10 TO 0.

9. PUSH Monthly Update

Barry Lott from PUSH presented the refinements to the current campaign. They played the updated television ad that the board could see the refinements made to the campaign. They also are in the process of finding a new "voice over" for the commercials that is more compatible with the visuals. PUSH also noted the need to change the vendor company who produces the online banners and the new recommended company is Ad Roll. "The new company is a better fit for what they are trying to accomplish and there is not money difference," said Gary LaPage. This was previously discusses with Abbatessa and Mock and they both agree this is a good adjustment.

STEVE FARLEY MADE A MOTION TO APPROVE THE VENDOR CHANGE AS REQUESTED. JASON READER SECONDED. MOTION PASSED 9 TO 0 (KARDOS LEFT).

10. New Business

a) RSQ for ad agency

Mock explained they have completed the RSQ for ad agencies with the help of the Volusia County Legal department. It is ready to send out and will have a deadline for responses of April 20th.

BLAINE LANSBERRY MADE A MOTION TO APPROVE THE RSQ. STEVE FARLEY SECONDED. MOTION APPROVED 9 TO 0.

b) Visitor's Guide

Mock explained that under the original agreement with the News-Journal to produce the Official Visitor's Guide they would sell advertising and the book would be produced at no cost to HAAA. Last month we were notified that the guide could not be distributed in the Florida Welcome Centers as some

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of the ads did not meet their strict guidelines. This needs to be reproduced and will cost approximately \$16,500 in order to produce enough guides to last until next spring. The News-Journal is working with HAAA in the costs of design changes.

LIBBY GALLANT MADE A MOTION TO APPROVE \$16,500 FLORIDA WELCOME CENTER VISITOR GUIDE PRODUCTION COST. STEVE FARLEY SECONDED. MOTION PASSED 8 TO 0 (DRYMONIS LEFT)

c) Destination Sales Position

Mock brought to the groups attention that the Destination Sales Department has an open position which they are looking to fill. This position is for SMERF market and is budgeted expenditure. "It has been vacant for a while but it is important that we become fully staffed," said Mock. They are looking for approval to advertise and market this position to hire someone.

STEVE FARLEY MADE A MOTION TO OKAY THE EXPENDITURE FOR THIS POSITION. BLAINE LANSBERRY SECONDED. MOTION PASSED 8 TO 0.

d) County Council Update

The three ad authorities will be presenting to the County Council their separate marketing plan outline on April 17, 2014. Mock stated that they are trying to develop a uniform template the ad authorities marketing plans. This should make all of the programs in place countywide much easier to understand.

e) Bank Signature

Grindell explained that a new signature documents for the bank. "This will give us a total of three people who can sign instead of two," said Grindell. A motion to approve this change was requested.

STEVE FARLEY MADE A MOTION TO APPROVE THE CHANGE. JASON READER SECONDED. MOTION PASSED 8 TO 0.

f) Bank Account

Grindell brought the group up to date on the close out of the CVB and noted that we need to transfer money out of the CVB account and put it in to the HAAA account. She is requesting that we transfer all but \$50,000 into the HAAA account and a motion is needed to do so.

STEVE FARLEY MADE A MOTION TO TRANSFER ALL BUT \$50,000 FROM THE CVB ACCOUNT TO HAAA. LIBBY GALLANT SECONDED THE MOTION. MOTION PASSED 8 TO 0.

11. Public Participation

John Nicholson spoke of his concerns related to beach access and developments in the area.

THE MEETING WAS ADJOURNED AT 3:53PM.

Respectfully submitted,

**Lisa Bordis
Executive Assistant**