

HALIFAX AREA ADVERTISING AUTHORITY

**Regular Meeting
CVB Upstairs Conference Room
Tuesday, January 19, 2016**

SUMMARY MINUTES

The minutes reflect a summarized view of the gathering.

Board Present:

Blaine Lansberry, Mihar Patel, Steve Farley, Samir Naran, Carol Platig, Jim Berkley, Michael Kardos, Libby Gallant and John Phillips.

Board Absent:

Kyri Drymonis

Guests:

Evelyn Fine, Jim Abbott, Charles Hargrove, John Morgan, Dino Paspalakis, Ashwin Kamalani, Carl Bargandi, Rich Musgrove, Bernadette Britz-Parker, Theresa Cantrell, Don Poor, Zach Chalifour, Rudy Webb, Victoria Mahr, Elizabeth Gifford, Norm Patel, Micky Papersen, and Margaret Hodge.

Staff:

Tom Caradonio, Lisa Bordis, Shawn Abbatessa, Greg Price, Linda McMahon, Tonya West, and Trish Ruffino.

CALL TO ORDER

Chair Blaine Lansberry called the meeting to order at 2:02PM.

1. November 17, 2015 Meeting Minutes

There were no noted changes. The minutes are as presented.

MIKE KARDOS MOTIONED TO APPROVE THE NOVEMBER 17, 2015 MINUTES. LIBBY GALLANT SECONDED THE MOTION. MOTION PASSED 9-0.

2. Executive Update

A. Update

Tom Caradonio updated the board on this past month. November was World Travel Market and was full of contacts and went well. They are focusing on golf packaging and recently were in West Palm and made some great connections.

B. Edit to Employee Handbook

Caradonio explained that the way Employee Handbook states right now that employees can carry over 80 hours but lose it the following year. Many employees take the time right at the end of the year and it leaves many out of the office at the same time. The new policy would allow employees to carry over up to 80 hours and use it by March 31st each year without getting penalized. Employees that carry over the time and do not use it by March 31st would lose it.

Department heads will be responsible for making sure that employees don't wait to use the PTO all at the end of March.

CAROL PLATIG MOTIONED TO APPROVE THE PTO CHANGE TO THE EMPLOYEE HANDBOOK. MIHAR PATEL SECONDED THE MOTION. MOTION PASSED 9 TO 0.

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3. Annual Audit

Bernadette Britz-Parker from James Moore and Company came to give a report on the annual audit. Britz-Parker said that the board should be pleased with the audit results and that Trish Ruffino and Caradonio should be pleased as this is the first time in a long time James Moore has been able to present in January.

Zach Chalifour provided a report which shows the 'big picture' of the paperwork from HAAA. This is from October 1, 2014 through September 30, 2015. Their opinion the financial statements present fairly. The Authority's financial statements have been prepared in accordance with accounting principles generally accepted accounting principles(GAAP). The only unusual number on the balance sheet is the transfer in of \$703,600 which is the transfer from the CVB to HAAA when we transitioned over in 2014.

Findings:

I. Classification and Mailing of Cash Disbursements

There was a pretty large adjustment on the balance sheet because checks had been cut near year end but properly reported. To ensure proper cutoff at year end it is recommended to not issue checks until it intends to make the payment and checks to be remitted to vendor on timely basis. They also noted that at year end the Authority is able to dip into reserves to make sure the cash flow is positive, which played into why the checks were not sent to vendor immediately after printing.

STEVE FARLEY MADE A MOTION TO ACCEPT THE AUDIT REPORT. MIKE KARDOS SECONDED THE MOTION. MOTION PASSED 9-0.

4. Financials

Trish Ruffino reported on the past month. December was not received when the financials were completed. However, the increase was the highest in the last three years from the month of December. They looked back at the first quarter fiscal to review the actuals to budget to find any variances. We came in on the budget was less than 1% for expenses and the revenue increased 11%. Peggy from Volusia County Budget Department wanted a breakdown of the number of rooms by county for the state, which we got from Visit Florida at no cost.

STEVE FARLEY MADE A MOTION TO APPROVE THE FINANCIALS AS PRESENTED. CAROL PLATIG SECONDED THE MOTION. MOTION PASSED 9-0.

Ruffino presented what they are suggesting on how to use the overage of \$812,595. Already committed is \$405,189 and they are suggesting a gap flow of \$240,000. Additionally, they are looking at using \$125,000 on Discover Daytona Beach Golf Program and earmark \$42,406 for the Daytona All Inclusive Program. This needs to be approved prior to going to County Council to request it.

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Libby Gallant just suggested that we use the \$240,000 to consumer advertising, not cash flow because auditors just said that we could use the reserves for the cash flow issue to be resolved.

Mike Kardos likes the idea of putting into golf advertising and asked about the marketing program. Caradonio explained they are still working on this but do not have a solid plan until they talk to the golf guru before making final recommendations.

Chair Lansberry added they are able to send this back to staff for a direct plan and how to spend it. Gallant suggests approving with ratification to know where it's going but in more detail.

LIBBY GALLANT MOTIONED TO APPROVE REQUEST WITH MOVING \$240,000 TO CONSUMER ADVERTISING AND A WRITTEN PLAN FOR GOLF PROGRAM, TO BE CLARIFIED AT NEXT MEETING. MIKE KARDOS SECONDED THE MOTION. MOTION PASSED 9-0.

5. Market Development

Shawn Abbatessa updated on his department. Additionally, Abbatessa explained that Ashwin Kamlani came to present the All Inclusive idea with two options, as requested. Ashwin is from Regatta Booking system.

A. All Inclusive Concept

Ashwin Kamlani presented the proposal on how to do this All Inclusive idea. The main goal is to get people to the destination. This could attract more people to the destination simply because it is the first all-inclusive in the States. They will be able to pre purchase the packages.

Kamlani gave the board two scenarios to choose from:

- i. DBACVB/HAAA cover up front costs of \$120,000 that includes four full time developers.
Revenue share split until DBACVB/HAAA earns \$60,000 in revenue.
Earn 5% of package sales.
Minikast split breakage with DBACVB/HAAA 25/75.
After goal is reached, they earn 10% of package sales and 50% breakage.
Minikast pay DBACVB 25% of breakage revenue on future project with other destinations for one year or 10% breakage revenue for three years.
- ii. DBACVB/HAAA cover partial upfront development cost of \$75,000.
Minikast cover remaining \$45,000.
Minikast earns 10% of package sales.
DBACVB/HAAA and Minikast split breakage revenue 50/50
Minikast does not pay DBACVB/HAAA any revenue share on future projects.

Shawn Abbatessa explains that he is looking for the board to decide what they want to spend and which package they want to start with.

Jim Berkley asked questions about this. Samir Naran asked if this has to be voted on today or if they can think about this. Chair Lansberry said no they do not have to do this today. Kamlani added that there will be a lot in the background and is not a simple program that have a lot of details which would need to be worked together to get it going. Naran said there are major details to think about

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before starting something this major. Naran likes the idea but wants some time to get questions together before committing. Evelyn Fine suggested testing this because of all of the moving parts. She recommended taking it to consumers and seeing what they say because this is so unique. Kardos agreed that he wants to get an accurate feel for how the attractions and restaurants want to participate. Caradonio wants to know how much time and money it would cost Kamalani to look into the restaurants and attractions to see if they are interested.

Cedar Hames from Paradise added that this program is good and would be willing to do some pro-bono work to get the information from the attractions and restaurants. Chair Lansberry said for them to get more information and bring it back in March to see what the next step is.

B. DIS FAM

Travel writers coming to cover the new Daytona Rising project. The funding is built into the project and the money has now been requested. These writers will get the VIP experience and LCB from the CVB will be involved in every step of the way. The amount is \$20,000.

C. Friends of the Bandshell

This event is requesting \$15,000 and was approved by the Advertising Committee. The Advertising Committee's only request was for this event to put the CVB's booking engine on their site. Abbatessa explained they can take \$300 and build out a separate URL for this event. The board would need to decide if this cost would come from the request or be a cost of the CVBs.

Dino Paspalaki explained this is the third year they are coming for funding. They attract about 4,000 per show. They did a random survey during one of the concerts and gave a tentative list of the bands that will play. This event includes the fireworks each night of the concerts.

Bright house will be advertising primarily on News13 for this event in East & West Orange, Lake, Osceola, Marion and Sumter Counties. This goes for 14 weeks starting May 23, 2016. Libby Gallant asked what was funded last year and it was \$15,000 also. This is the third year they are asking for funding.

STEVE FARLEY MADE A MOTION TO APPROVE \$15,000 REQUEST FOR THE FRIENDS OF THE BANDSHELL. MIKE KARDOS SECONDED MOTION. MOTION PASSED 9-0.

6. Paradise Monthly Update

Cedar Hames introduced a new employee, John. Elizabeth Gifford and John Morgan updated on everything over the last month. Elizabeth Gifford showed some examples of the ads that have been running. John Morgan gave an update on the digital for November. There were 1.8 million impressions in November. The videos seem to be doing well and in December were running the 30 second spots.

7. ADR/OCC Report

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Fine updated the Occupancy increased 10% in November 2015 over November 2014. The ADR increased 4% in November and the RevPar increased 16%.

It was explained that Mid-Florida Marketing's contract was not approved previously for October 1, 2015 to September 30, 2016. It is recommended approving this contract.

STEVE FARLEY MADE A MOTION TO APPROVE MID-FLORIDA MARKETING'S CONTRACT. MIKE KARDOS SECONDED THE MOTION. MOTION PASSED 9-0.

8. Partner Reports

a) Ocean Center

Don Poor with the Ocean Center explained this is the third year they are using the promotional fund. There will be more money going towards that moving forward. Poor added that the JetBlue event was incredible and the community really came together and was really positive towards that. Caradonio added the invoice is for \$146,158.37 which is higher than projected of \$116,903. Gallant was happy with the booking reports that were presented.

LIBBY GALLANT MADE A MOTION TO APPROVE THE \$146,158.37 TO THE OCEAN CENTER. STEVE FARLEY SECONDED THE MOTION. MOTION PASSED 9-0.

9. Group Sales Update

Linda McMahon updated that in 2014-15 fiscal year definite business for the 1st quarter was 9. This year we are at 27. Leads issued in 2014-15 fiscal year were 36. Currently they are at 62. The programs are working and results are showing. They are getting behind JetBlue with training program etc. HAT marketing gave a written update on what they have been working on and meeting our client's needs.

10. PR Update

Tonya West updated the destination is positive with its message. They are in the process of planning a JetBlue FAM in March and the spring FAM in April. Farley asked about the JetBlue in March. JetBlue has agreed to provide complimentary flights for up to 10 and a host has stepped up.

11. Committee Updates

ACHT Committee- Carol Platig updated they are still working on the Culture Map and it will hopefully be out soon.

HR Committee- Naran explained they met and did Caradonio's review. They believe he did an excellent job thus far. He is great at navigating the political landscape and keeping things on track. They voted to recommend a four percent increase.

NARAN MADE A MOTION TO GIVE CARADONIO A 4% INCREASE, RETROACTIVE TO ANNIVERSARY DATE OF MAY 14, 2015. PLATIG SECONDED THE MOTION. MOTION PASSED 9-0.

M&C Committee- Farley updated on their meeting.

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Sports Committee- There was no quorum and moved the meeting to be with the M&C meeting. Tara Hamburger who focuses on sports is busy and an update on NAIA is coming. John Phillips with ERAU added they were happy with the event and it was very positive. The City of Daytona Beach started a new program with the youth that involved NAIA.

Tour & Travel- Gallant updated the Miami conference was with 4 hotel partners. There were 56 appointments at ABA. Florida Huddle is up and coming and four partners are coming as well.

12. Old Business

None.

13. New Business

Chair Lansberry welcomed new board member Jim Berkley from the Hilton.

14. Public Participation

It was suggested to start an Attractions committee for restaurants and attractions so when something comes up, participation would be easier to gain.

THE MEETING WAS ADJOURNED AT 4:14 pm.

Respectfully submitted,

**Lisa Bordis
Executive Assistant**