

HALIFAX AREA ADVERTISING AUTHORITY

Regular Meeting

Hilton Daytona Beach Resort- Coquina F Room

Wednesday, February 26, 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, Chris Bowler and Dan Francati.

Board Absent: None.

Guests:

Bob Davis, Paul Slaven, Azam Rangoodwala, Michelle Petro, Scott Chesley, Bernadette Britz-Parker, Zach Chalifour, Susan Keaveney, Rick D’Louhy, Barry Lott, Janet Ray, Kay Galloway, Loretta Arthur, Doug Kosarek, Susan Zeigler, Gary LaPage, Evelyn Fine, Rick Foley, Dan War, Jeff Cassidy, Carl Bergandi, and Charles Hargrove.

Staff:

Liz Grindell, Lisa Bordis, Sharon Mock, Linda McMahon, Greg Price and Shawn Abbatessa.

CALL TO ORDER

Chair Dan Francati called the meeting to order at 1:02PM

1. Approval of Minutes

Chair Francati asked for a motion to approve the minutes from the Special HAAA Meeting on February 3, 2014 and the Policies and Procedures Workshop on February 4, 2014 as presented. There were not corrections or clarifications noted.

STEVE FARLEY MADE A MOTION TO APPROVE THE MINUTES FROM THE FEBRUARY 3RD AND 4TH MEETINGS AS PRESENTED. LIBBY GALLANT PROVIDED THE SECOND. THE MOTION PASSED 10 TO 0.

2. Consent Agenda

Chair Francati then called the group’s attention to the Consent Agenda. He noted that the board had received everything on the consent agenda a week prior to the meeting for their review. Chair then gives a short over view of Sharon Mock’s contract as Interim Executive Director and also asks Shawn Abbatessa to give the board a quick update on the Collinson Media full page advertisement that is on the consent agenda. Abbatessa explained this was discussed at the HAAA special meeting at the beginning of the month. It was referred to the regularly scheduled meeting agenda for final approval.

STEVE FARLEY MADE A MOTION TO APPROVE BOTH ITEMS ON THE CONSENT AGENDA. MIKE KARDOS SECONDED THE MOTION. MOTION PASSED 10 TO 0.

3. Annual Audit by James Moore & Co.

Bernadette Britz Parker of James Moore and Company reviewed their findings for both the CVB and HAAA. Complete copies of both audit reports are on file with the minutes in the offices of the Halifax Area Advertising Authority.

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As the conclusion of Britz Parker's presentation, chair Francati addressed they have discussed a 90 day improvement program in order to get the financial reporting in better order. "This audit did not go as well as we thought. There is no fraud or anything like that; it just revealed things that were not done timely or properly," said Francati. He added that in the future detailed guidance's will be followed for reporting and record keeping. Sharon Mock and Chair Francati will work with Liz Grindell on making sure that all accounting systems are handled properly in the future.

Reader said that it would make sense to update the board monthly so they can see what has been done He also thinks that when they hire the new permanent director; they need to make sure he/she knows how critical this is.

Chris Bowler says what worries him the most are the significant discrepancies and getting the work done in a timely matter. This is his first year on the board and he asked if this is a new occurrence, or something that has happened in the past. Britz Parker stated that this year was by far the worst.

Francati reiterated that they will be implementing this for the next 90 days and they may need to explore adding more resources either internally or externally. They will have to decide that once the changes start to be made. They will come to the March meeting with more details on this 90 day plan.

Next Britz Parker introduces a plan covering procedures that they believe will help with the internal controls and operations. The first plan would cost \$7,500 a quarter and would cover many things. They would examine fraud inquires, payroll, cash disbursements, credit cards, contracts, board members, and minutes. The second option would include all the same but reviewing fewer of each for a total of \$5,000. She says their scope can change appending what the board wishes and look at specific things that the board requests.

Chair Francati wished to go with Option 2 and the go from there. If the 90 day action plan improves then this won't be needed further. They cannot have the records not being done in a timely matter. Blaine Lansberry asks if this is something that will be long term, or short term. Parker said it is something that can be readdressed in a year and they can determine if that is something they want to do. This will hopefully help with the process and make things be done correctly.

Bowler says basically instead of waiting until the end of the year, they will be doing some of it year around. This could possibly save some money on the end of year audit. He would ask they look at the annual audit to see what type of savings they could have at the end of the year. "The financial integrity of the books is what is most important here," said Bowler.

Naran stated that he was somewhat confused about the need to spend this money when there is no fraud problem. "It does not seem complicated enough to justify a \$5,000 report," said Naran. Chair Francati stated that it is for house insurance during the 90 day action plan roll out.

*Discussion continued on different options/changes the board members were suggesting for James Moore and Company. Britz Parker advised they can alter the options as needed to fit the needs of the board.

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CHRIS BOWLER MADE A MOTION TO UTILIZE JAMES MOORE AND COMPANY FOR THE QUARTERS COVERING FROM 10/1/13 THROUGH 12/31/13 USING OPTION 2 CRITERIA FOR \$5,000. FURTHER, JAMES MOORE AND COMPANY WILL COME BACK TO MARCH MEETING WITH INFORMATION ON WHAT TYPE OF OPTIONS THEY CAN PROVIDE RELATIVE TO ONGOING FINANCIAL PROCEDURES AND HOW THAT WILL PROVIDE THIS BOARD ON CONFIDENCE RELATIVE TO POLICIES AND PROCEDURES. STEVE FARLEY SECONDED MOTION. MOTION PASSED 10 TO 0.

*Discussion followed

4. Chairman's Report

- a) **Push Contract-** Chair wanted to bring to the board the fact that Push's contract is going to expire on 9/30/14. He noted that the board has an option of sending out an RFQ, or renewing the contract.

Bowler said that he did not feel that they want to put the ad agency on the block each year, but that they need to look at the campaign going on now and consider the campaigns to come. Push would have an opportunity to be part of the process if the board chooses to do this RFQ. Chair Francati adds that this is an extended process and it needs to start soon. "Just because we choose to do this, it does not mean they are unhappy with the current agency. Farley said he does not see the harm in reviewing other agencies and seeing what is out there," said Francati. Bowler stated that they need to work the time frame to include the new director.

Mock said that if they start with an RFQ, this would be at minimum, a 90 day turn around. If they choose to wait, it would be pushing it close to 120 days. "This is not a quick process and is fairly extensive when it begins," said Mock. Gallant says they could always start the RFQ process and then the new director will arrive in time to provide input on the agency selection.

LIBBY GALLANT MADE A MOTION TO ISSUE AN RFQ FOR AD AGENCY REVIEW. KARDOS SECONDED. MOTION PASSED 10 TO 0.

While on the subject of advertising, Samir Naran asked about the possibility of doing a conversion study in order to see how the campaign has been received with the changes to creative. Jason Reader agreed that it is a good idea. Kardos added that he felt the new director should have this tool as well.

Evelyn Fine said that typically they do conversion studies every year to find out how the campaign was received, but that they have not done them over the past two years. "This type of study costs \$10,000" said Fine. Kardos added that the group considering doing this study. It will take 6-8 weeks to complete the study and reach 700 people.

Farley made a motion to do the conversion study. Naran seconded the motion. *Discussion followed relative to timing and the motion died.

After some discussion it was determined that the study should focus on the evolved "Seize the Daytona" campaign and not the original.

READER MADE A MOTION TO HAVE MID-FLORIDA MARKETING DO A CONVERSION STUDY FOR \$10,000 TO START IN APRIL AND INCLUDE ALL ELEMENTS OF THE UPDATED CAMPAIGN. STEVE FARLEY SECONDED. MOTION PASSED 10 TO 0.

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b) Office Space

Chair Francati said he was following up a discussion from last month and wanted to note that if they plan to keep staff in the Chamber building they may redo the office space. He added that if the lease is only for one year, they should not invest money in the building. He stated that they would have to get updated from the Chamber relative to when construction on the bridge will begin. Lansberry said that she thinks this is something the new executive director should be fully involved in. Chair Francati said that he agrees.

c) J. Hentz Bonus

Chair Francati explained that along with the Hentz employment contract, there was a potential bonus as well. There were four sections to potential bonus and chair Francati only recommends payment of the bed tax portion of the bonus. He does not believe Hentz met the goals for any other part of the plan. Mock and Francati worked on it and the only part they came up with was the increase in CDT collections.

LANSBERRY MOTIONED TO PAY JEFF HENTZ BONUS BASED ON CDT COLLECTIONS IN THE AMOUNT OF \$3,333.34. KARDOS SECONDED. MOTION PASSED 10 TO 0.

Chair Francati added that Hentz' last day is February 28th and that Charles Hargrove from the county legal department is working on the details. As agreed upon in his contract, Hentz will get 20 weeks' severance. He will also get 90 days of health insurance and be eligible for COBRA. Additionally, he has accrued personal time for which he will be compensated. "Hentz will get the first 10 weeks of severance up front and then the second 10 weeks after both audits are complete," said Francati. Hargrove said that Hentz will be signing a release of any claims against HAAA.

5. Ocean Center Update

Don Poor came before the board to present an update on the Ocean Center relative to the use of the \$400,000 that provided by HAAA for the convention sales effort. "As stated previously, there will be two new positions, supported by the HAAA dollars. Relative to the event funding, 80% of the funding would go towards first time events and 20% to outstanding current events, highest priority is for groups whom bring substantial room nights. A question was asked about the positions created with this one time grant and if the board does not award any more money to the Ocean Center for next year, where will the salaries come from for following years? Poor explains budgeting for these positions next year would be strictly up to the County Manager. Chair said if they do not use all the \$400,000 this fiscal year, it will roll into next year for them to use.

6. P1 Offshore Funding Request

Azam Rangoonwala appeared before the board with a \$15,000 special event funding request. This is a second year event that began in Daytona Beach. In 2013, HAAA funded this event with \$5,000. According to Rangoonwala, staff and racers made up a total of 1100 room nights. This year they have some 50 racers for the event and they are projecting about the same or more room nights in 2014. Those included would be staff for the event, participants, and spectators. Concern was expressed about the room nights projected. Reader suggests supporting at a lower cost, somewhere around \$5,000.

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Lansberry added that the board needs to talk about their philosophy relative to funding events and also the time period when people are required to submit requests. She added that her comment was not towards this specific event, but something that needs to be addressed in the future. Shawn Abbatesa said that the current policy is 60 days prior to the event and a minimum of 250 room nights. Also, the ad committee has not been reviewing these funding requests. This is being also being addressed in the future.

JASON READER MAKES A MOTION TO SUPPORT THE P1 OFFSHORE EVENT AT \$5,000. KYRI DRYMONIS SECONDED THE MOTION. MOTION PASSED 10 TO 0.

7. Financials

Liz Grindell then reviewed the December 2013 financials as presented to the board. She noted that CDT collections were great with a 15% increase from December 2012. Chair Francati adds that he is happy with the increase and would like to see it continue.

A discussion followed relative to how HAAA might earn more interest on dollars currently in the bank. Chair does suggest Sharon Mock and Grindell look into other options as the money does not seem to be making much interest in the current situation.

BLAINE LANSBERRY MAKES A MOTION TO APPROVE THE DECEMBER FINANCIALS AS PRESENTED. JASON READER SECONDED THE MOTION. MOTION PASSED 10 TO 0.

8. ADR/OCC Report

Evelyn Fine reviewed the Mid-Florida December occupancy and ADR reports. She noted that they had predicted about a 6% increase for December and that is about what the collections reflected. She also provided the board members with a new study which defines the Economic Impact of major special events in the Halifax Area. Fine said that the HAAA had asked this of her a few months ago and she had to wait for data from the state in order to complete the report. For Speed weeks 2013 the base Economic Impact on Volusia County was \$90,738,891. For Bike Week 2013 the base Economic Impact on Volusia County was \$74,822,967 and for Biketoberfest the base Economic Impact on Volusia County was \$15,480,414.

9. Market Development

a) Roku Advertising

Shawn Abbatesa explained the details of a proposed partnership with Roku. He said that through Roku, there is a Travel Channel and within that is the Florida Travel Network. This is where the Daytona Beach channel will be locally. This is a TV station that is strictly for Daytona Beach. Currently, the views are at 25,000 a month. The CVB and HAAA would have full control of content going on this page for one hour. The CVB has a GoPro camera that has been collecting footage that can be place right on this channel. The cost is \$299 a month with a contract that will be negotiated for length and all other parameters.

JASON READER MADE A MOTION TO APPROVE THE ROKU ADVERTISING OPPORTUNITY AS PRESENTED. STEVE FARLEY SECONDED. MOTION PASSED 10 TO 0.

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b) Biketoberfest Logo

Abbatessa brought to the board the logo being proposed trademark for the Biketoberfest event. He said that he has found that historically every major bike event throughout the nation has a permanent logo that stays with the event from year to year. In the past, the Biketoberfest logo has changed every year. He stated that he would like HAAA to use the same logo every year to help establish the brand. Hot Leathers created this logo which they will sign over to HAAA at no charge. The coloring can be changed but the logo will stay the same. Abbatessa added that this had been presented also before the Biketoberfest committee and they are in agreement to use it.

CHRIS BOWLER MADE A MOTION TO TRADEMARK THE PRESENTED BIKETOBERFEST LOGO. JASON READER SECONDED THE MOTION. MOTION PASSED 10 TO 0.

c) Advertising on Website

Abbatessa then brought to the board the option of advertising on the Daytona Beach website. He noted that there would be no contract as this point and was looking for direction relative to moving forward. Reader was concerned about the site becoming too over crowded with advertisements. Lansberry expressed her concern about hotels advertising on the website and the issues that will bring on it. Some believed it devalues the website. Gallant suggested possibly opening to restaurants or attractions but not hotels. Abbatessa explains the CVB would have full control of the entire process and what is and isn't allowed on the page. Abbatessa stated that he would develop a more detailed outline of what is being proposed and would bring it back to the board.

10. Public Relations

Curley and Pynn Update

Dan Ward with Curley and Pynn came before the board to give an update on their work. Ward inducted that they have three AAA publications that all want to come down and visit. They are seeing a lot of interest in the destination and more interest than the past year or so. Gentry Robinson is in New York on a press trip currently and their associate is attending on a press trip at the beginning of April. Curley and Pynn are currently in Canada at a scheduled media event. The written Curley and Pynn report is on file with the minutes of HAAA.

11. Push.

Barry Lott with Push came to request final approval on advertising placements for the additional \$655,206 that was discussed last month. He reminded the group that this was approved by the County on February 6th and the Ad Committee approved it on February 12th. He noted that advertising in Southern Living in May, June and July issues, AAA southern edition in three issues and two in the AAA east central edition. Chair Francati asked about phone numbers being placed in the ads. Abbatessa said that there are numbers and they can track them.

Discussion followed relative to the agency fees due which are relative to the buy. It was noted that this adjustment will be made in March.

BLAINE LANSBERRY MADE A MOTION TO APPROVE PUSH'S \$655,206 ADVERTISING SCEDULE AS PRESENTED. JASON READER SECONDED THE MOTION. MOTION PASSED 10 TO 0.

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12. New Business

Scott Chesley brought to the group's attention that the Arts Culture Heritage Tourism (AHT) committee's RFP that is currently out to the public without prior approval from HAAA. This RFP was approved by the committee but not by HAAA, said Chesley. He explained that they need to create 6 or 7 video vignettes to be placed on YouTube. They are looking for approval of the RFP that they could move forward with relation of a video vignettes and final HAAA approvals for the \$8,750 budget allocated for this RFP.

CHRIS BOWLER MADE A MOTION TO APPROVE THE AHT RFP. JASON READER SECONDED THE MOTION. MOTION PASSED 10 TO 0.

THE MEETING WAS ADJOURNED AT 4:00PM.

Respectfully submitted,

**Lisa Bordis
Executive Assistant**