

Coronado Tourism Improvement Districts dba *Discover Coronado*

**Minutes from CTID Advisory Board & Board of Directors
February 2, 2017, Council Chambers, Coronado, Ca.**

1. **Call to Order.** The meeting was called to order at 2:03pm. The following CTID Advisory Board/Board of Directors were present: Claudia Ludlow, Sean Clancy, Eddie Warner, Janet Francis, Bobby Kennedy, Nusrat Mirza and Sue Godwin. Sue Gillingham and Andre Zotoff were absent. Also in attendance: Executive Director (ED) Todd Little, Melissa Jacobsen, Tom Ritter, and Brandon Walton.
2. **Approval of January 12, 2017 Minutes.** *Motion for approval: Clancy, Second: Kennedy. Approved 7-0*
3. **Staff Discussion.** The December assessment totaled \$43,881 for each district. For the year, the grand total stands at \$354,624.

Since the Board last met, Staff has been collecting proposals from design firms who are interested in developing the logo of Discover Coronado. There's nothing to report just yet, but Staff has reached out to designers they've worked with previously and others who are well respected for their work with logo marks and branding.

The Board packet also included a slide from Mayor Bailey's most recent residential survey. It is important to note that the results are antidotal because the survey sample was only 1,100. Discover Coronado was featured in several questions. When asked if Discover Coronado should continue to target conventions, group meetings and executive events, 78% of residents said yes. Of the residents that participated, 63% agreed that the ban on all local marketing efforts should continue. Again, this survey was not sanctioned by the City, but suggests that the Board is on the right track.

4. **Oral Communications.** None

5. Reallocate Unspent Balances in Current FY17 Budgets: Clancy informed the Board that despite the hard work of Discover Coronado, group room night bookings for the assessed hotels for calendar year 2017 were trailing behind projections. Clancy identified many factors that were contributing to the decrease, including a nationwide and destination-wide reduction in bookings. Clancy outlined how a decrease in room bookings at the resorts affects the entire Coronado community through decreased tax revenue, less guests spending at local shops and restaurants, and less off-season jobs. He proposed reallocating unspent funds in the current FY17 budget to cover the cost of a 5% commission program. Discover Coronado would pay the 5% commission to third-party meeting planners that book in the year for the year. This program would immediately incentivize meeting planners to choose Coronado over other destinations, and address the deficiency in room night bookings. San Diego Tourism Authority already committed \$114,000 of their unspent budget line to the commission program. Clancy stated that bookings for 2018 were forecasting strong, and the reallocation is just a temporary solution to a timely situation. Walton emphasized the urgency by stating that 80% of bookings for a year happen before June. Ludlow stated that it's important to take action now because otherwise it may encourage hotels to drop their rates, which could lead to a new type of hotel guest. Godwin asked how this new commission program would affect existing bookings. Clancy stated that any existing contracts or bookings would not qualify for the commission program. Warner asked if there would be negative repercussions once the commission program ends. Clancy stated that the rates are already so variable month by month, that professional meeting planners would understand the market limits to this offer. Warner also asked if this commission was legal since Discover Coronado is an extension of the City. Ritter stated that as long as there is transparency with the City, that there should not be any legal concerns. Since the hoteliers are selling the commodity and the commission, there should be no issues.


Motion to approve reallocation: Mirza. Second: Francis. Approved 7-0.

6. Approve FY17 Annual Report, FY18 Management Plans and Budgets: The Board was presented with a draft of the Annual Report, Management Plans, and Budgets. The ED outlined key topics in the Annual Report and highlighted some of the changes made to the FY18 budgets. Warner stated that the budget for Local Marketing and Community Outreach was cut by 1/3. She felt that there needed to be more funding dedicated to future projects that will help the local businesses. She

also felt a committee should be formed to determine what those future projects are. Clancy stated that the Board is already receptive to new community projects and has approved all opportunities that have been presented. He reminded the Board that they voted to suspend local marketing, thus it makes sense that those funds no longer appear on the budget sheet. He also stated that placeholder budgets are not appropriate for a budget sheet and the Board could find money when needed if the right opportunity was presented. The ED explained that the \$60,000 Future Business Development budget is for new project ideas that benefit the local businesses and community. Warner motioned to add \$75,000 to the \$60,000 Future Business Development line. Mirza stated that there should be a deadline for the proposed committee to recommend how to spend the funds. Clancy asked where the additional \$75,000 would come from. Warner stated that it should come out of retained earnings but it would generate a negative net income. The ED expressed the concern for having any red on the budget sheet. Warner changed her motion to reflect that the \$75,000 should come from rearranging items on the current budget sheet. Kennedy seconded the motion with the provision that a timeline be set for the proposed committee to allocate the funds. Godwin reminded the Board that a committee still needed to be appointed. Ludlow stated it should happen at the next meeting.

Motion to approve the draft annual report and increase Future Business Development line to \$135,000. A committee will be formed to determine ways to allocate the funds and will have a deadline to do so: Warner. Second: Kennedy. Approved 6-1.

7. **Adjournment.** The meeting was adjourned at 3:45pm.

 3/2/17

Claudia Ludlow, Chair, Date

 3/3/17

Todd Little, Executive Director, Date