

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

ADD ON

Meeting Date: 12/19/06 Consent Regular
 Ordinance Public Hearing

Department:

Submitted By: County Administration

I. Executive Brief

Motion and Title: STAFF REQUESTS BOARD DIRECTION: regarding A) provision of tourism related services including the structure of the Tourist Development Council, Discover Palm Beach County (CVB), Film and TV Commission, Sports Commission and Cultural Council; B) use of bed tax funds to compensate a search firm for the purpose of filling the CEO/President of the CVB; C) use of bed tax funds incurred as a result of activities associated with the theft of funds at the CVB, the Fraud Audit performed by Cass, Levy and Leone, L.C., and the audit performed by the Clerk of Courts, and D) use of bed tax funds for legal bills associated with the recovery of funds from the CVB's bonding company and other potentially responsible entities.

Summary: On December 5, 2006, the BCC directed staff to agenda an item to discuss the structure of the TDC and all related agencies. Recently the CVB was defrauded out of approximately \$1.5 Million over an estimated three year period. In order to determine the extent of the fraud, the Internal Auditor contracted with Cass, Levy and Leone, L.C. to provide fraud examination services. This audit is anticipated to be completed by the end of the month. In addition, the Clerk of Courts performed a separate audit focused on internal controls and management review. The results of this audit were released on December 14, 2006.

Background and Policy Issues:

The TDC Department consists of TDC Administration, Discover Palm Beach County, Film and TV Commission, Palm Beach County Sports Commission and Palm Beach County Cultural Council. The County contracts with the above entities with the exception of TDC Administration to provide tourism related services.

Attachments:

1. Schedule of Florida Association of Convention and Visitors Bureaus
2. TDC Organizational Chart
3. TDC Departmental Budgets

Recommended By:

JC Baker
Deputy County Administrator

12/14/06
Date

Approved By:

County Administrator

Date

II. FISCAL IMPACT ANALYSIS

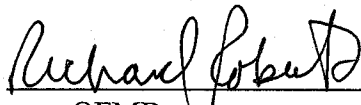
A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Is Item Included In Current Budget?	Yes ___ No ___				
Budget Account No.:	Fund ___	Agency ___	Org ___	Object ___	
	Reporting Category ___		Various ___		

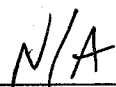
B. Recommended Sources of Funds/Summary of Fiscal Impact

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

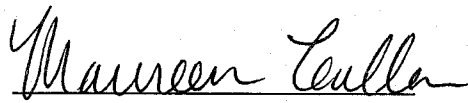


OFMB



Contract Administration

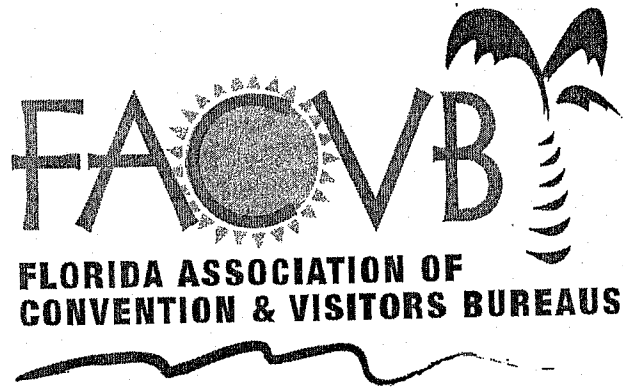
B. Legal Sufficiency:



Assistant County Attorney

C. Other Department Review:

Department Director



Convention & Visitors Bureaus Type

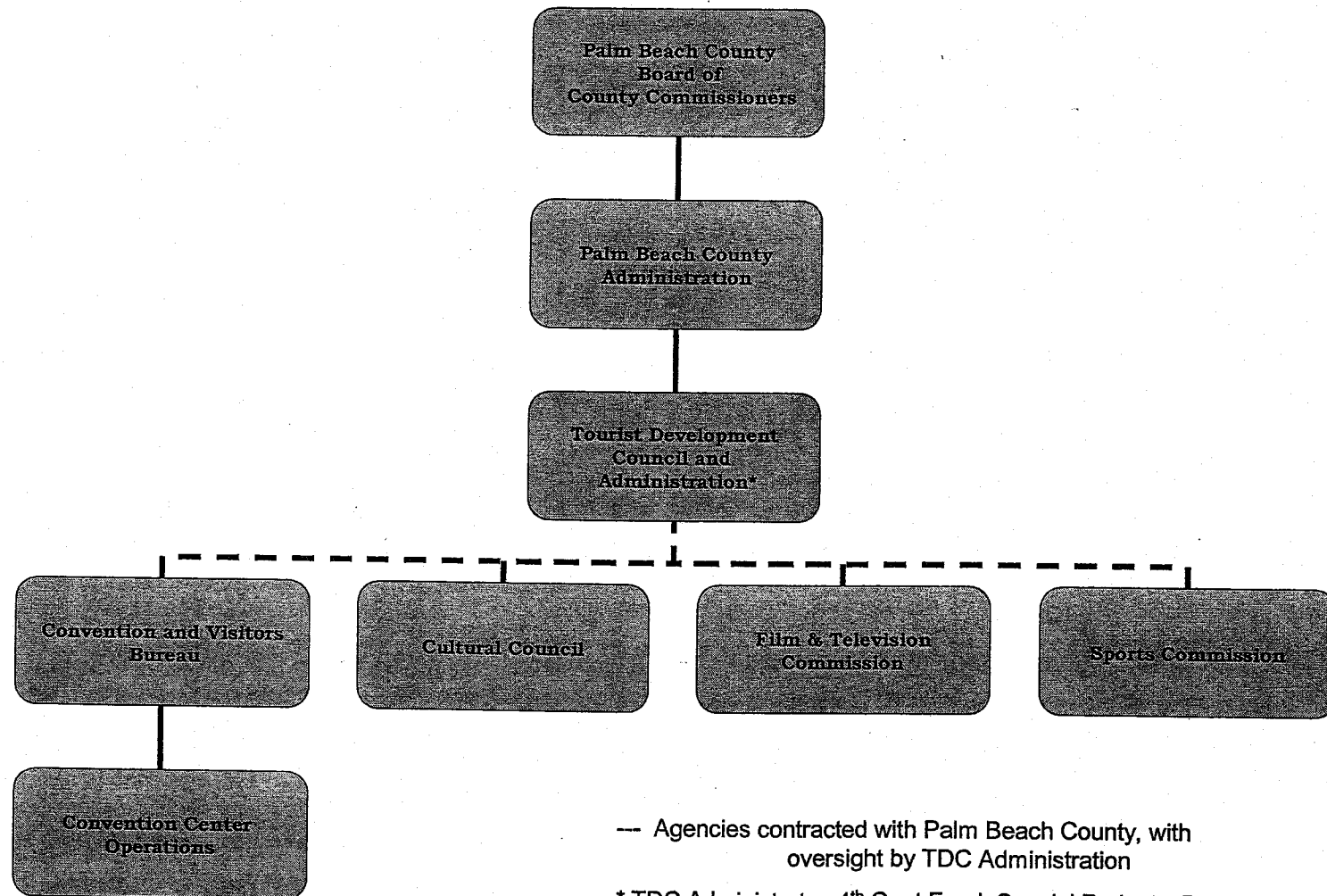
Name	Private	Public	Chamber
Alachua County/Gainesville VCB		Yes	
Amelia Island TDC			Yes
Baker County TDC			Yes
Beaches of South Walton TDC		Yes	
Bradenton Area CVB		Yes	
Bradford County TDC			Yes
Central Florida VCB		Yes	
Charlotte Harbor & The Gulf Islands VB		Yes – Govt. Agency	
Citrus County TDC		Yes	
Clay Tourism Division	Yes		
Cocoa Beach Area Chamber of Commerce			Yes
Columbia County TDC		Yes	
Daytona Beach Area CVB	501(c)6		
Emerald Coast CVB		Yes	
Escambia			Yes
Florida's Space Coast Office of Tourism		Yes	
Greater Ft. Lauderdale CVB		Yes	
Greater Miami CVB	501(c)6		
Greater Naples, Marco Island & The Everglades CVB		Yes – County Dept.	
Gulf County TDC			
Hamilton County TDC			Yes
Hernando County TDC			
Highlands	501(c)6		
Indian River County Chamber of			Yes

ATTACHMENT 1

Commerce Tourism Division			
Jackson County TDC			
Jacksonville & The Beaches CVB	501(c)6 under contract with city/county		
Kissimmee/St. Cloud CVB		Yes	
Lake County Dpt. of Economic Development & Tourism		Yes	
Lee County VCB		Yes	
Levy County TDC			Yes
Madison County TDC			Yes
Manatee CVB		Yes	
Mexico Beach Community Development Council, Inc.			
Monroe County TDC	Yes		
Navarre Beach/Santa Rosa County TDC			Yes
Okeechobee County TDC			
Orlando/Orange County CVB, Inc.	501(c)6		
Palm Beach County TDC	501(c)6		
Panama City Beach CVB	501(c)6		
Pasco County Office of Tourism Development			
Pensacola CVB Center			Yes
Putnam County Chamber of Commerce			Yes
Sarasota CVB	501(c)6		
Seminole County CVB		Yes	
St. Augustine, Ponte Vedra & The Beaches VCB		Yes	
St. Johns River County VB	501(c)6		
St. Lucie County TDC			
St. Petersburg/Clearwater Area CVB		Yes	
Suwannee County TDC			Yes
Tallahassee Area CVB	501(c)6		
Tampa Bay CVB	501(c)6		
Taylor County TDC			Yes

Palm Beach County Tourist Development Council Table of Organization

ATTACHMENT 2



--- Agencies contracted with Palm Beach County, with oversight by TDC Administration

* TDC Administrates 4th Cent Fund, Special Projects, Beach Renourishment Fund

TOURIST DEVELOPMENT COUNCIL - FY 2006
BUDGET

ASSUMPTIONS	ACTUAL 2004	ACTUAL 2005	FORECAST 2006	BUDGET 2007
% INCREASE REVENUES	14.53%	13.44%	3.00%	3.00%
INTEREST INCOME RATE			3.00%	3.00%
BED TAX REVENUES - 3 CENTS	\$ 14,886,162	\$ 16,887,281	\$ 17,394,034	\$ 17,916,095
BED TAX REVENUES -4TH CENT	\$ 4,962,053	\$ 5,629,093	\$ 5,797,966	\$ 5,971,905
	\$ 19,848,215	\$ 22,516,374	\$ 23,192,000	\$ 23,888,000

BED TAX REVENUES FUND DESCRIPTION-CATEGORY		ACTUAL 2004	ACTUAL 2005	FORECAST 2006	BUDGET 2007
TOURISM PROMOTION (A)	\$	7,652,485	\$ 8,847,680	\$ 8,913,574	\$ 9,187,499
CULTURAL ARTS (B)	\$	3,283,716	\$ 3,709,916	\$ 3,823,986	\$ 3,941,502
BEACHES/SHORES (C)	\$	2,055,892	\$ 2,323,848	\$ 2,395,300	\$ 2,468,911
FILM & TELEVISION (D)	\$	571,081	\$ 646,063	\$ 665,927	\$ 686,392
SPECIAL PROJECTS (E)	\$	101,523	\$ 152,284	\$ 152,284	\$ 152,284
CONVENTION CTR. OPS. (F)	\$	253,807	\$ 253,807	\$ 253,807	\$ 253,807
SPORTS COMMISSION (G)	\$	967,658	\$ 1,153,683	\$ 1,189,156	\$ 1,225,700
TOTAL FOR 3 CENTS:	\$	14,886,162	\$ 16,887,281	\$ 17,394,034	\$ 17,916,095
4TH CENT	\$	4,962,053	\$ 5,629,093	\$ 5,797,966	\$ 5,971,905
TOTAL BED TAXES	\$	19,848,215	\$ 22,516,374	\$ 23,192,000	\$ 23,888,000

ALLOCATION - FIRST 3 CENTS		ACTUAL 2004	ACTUAL 2005	FORECAST 2006	BUDGET 2007
TOURISM PROMOTION (A)		53.6%	52.5%	52.47%	52.47%
CULTURAL ARTS (B)		23.0%	22.5%	22.51%	22.51%
BEACHES/SHORES (C)		14.4%	14.1%	14.10%	14.10%
FILM & TELEVISION (D)		4.0%	3.9%	3.92%	3.92%
SPECIAL PROJECTS (E)		0.0%	0.0%	0.00%	0.00%
CONVENTION CTR. OPS. (F)		0.0%	0.0%	0.00%	0.00%
SPORTS COMMISSION (G)		5.0%	7.0%	7.00%	7.00%
TOTALS:		100.0%	100.0%	100.0%	100.0%
ALLOCATION - 4TH CENT		100.0%	100.0%	100.0%	100.0%

TOURIST DEVELOPMENT COUNCIL - FY 2006

BUDGET

CONSOLIDATED TOTALS ALL TDC FUNDS	14.53%	13.44%	FORECAST 2006	BUDGET 2007
	ACTUAL 2004	ACTUAL 2005		
BALANCE FORWARD	\$ 22,723,386	\$ 21,666,048	\$ 22,027,963	\$ 19,698,054
BED TAX REVENUES	\$ 19,848,215	\$ 22,516,374	\$ 23,192,000	\$ 23,888,000
RENTAL REVENUE- CONV.CTR. OPS	\$ 1,689,704	\$ 2,750,771	\$ 1,400,000	\$ 1,619,195
FOOD & BEVERAGE (NET)	\$ -	\$ -	\$ 502,355	\$ 598,000
INTEREST INCOME	\$ 454,019	\$ 422,895	\$ 394,000	\$ 352,865
CVB-OTHER INCOME	\$ 182,504	\$ 186,166	\$ 283,768	\$ 425,280
OTHER MISC. INCOME	\$ 2,054	\$ 85,232	\$ 582,177	\$ 746,875
CITY OF WEST PALM BEACH	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
TRANSFERS IN	\$ 1,939,137	\$ 901,184	\$ 498,000	\$ 1,589,000
STATUTORY RESERVES	\$ -	\$ -	\$ -	\$ (1,381,510)
TOTAL AVAILABLE FUNDS	\$ 47,089,019	\$ 48,778,670	\$ 49,130,262	\$ 47,785,759
EXPENDITURES				
TDC ADMINISTRATIVE (GROSS)	\$ 749,000	\$ 809,142	\$ 900,000	\$ 1,009,000
CVB PROGRAM (GROSS)	\$ 7,319,319	\$ 7,606,474	\$ 9,450,000	\$ 9,640,000
CULTURAL COUNCIL PROGRAM	\$ 580,487	\$ 698,818	\$ 878,000	\$ 938,000
CULTURAL COUNCIL - GRANTS	\$ 2,110,099	\$ 2,600,000	\$ 2,990,000	\$ 3,300,000
FILM & TELEVISION PROGRAM	\$ 542,438	\$ 562,627	\$ 659,405	\$ 676,892
SPORTS COMMISSION PROGRAM	\$ 677,592	\$ 751,678	\$ 862,482	\$ 932,550
SPORTS - GRANTS/BLUM DEBT	\$ 171,494	\$ 196,864	\$ 230,000	\$ 255,000
BEACHES/SHORES	\$ 1,774,942	\$ 2,135,701	\$ 2,528,626	\$ 2,300,832
SPECIAL PROJECT EXPENSES	\$ 100,000	\$ 130,000	\$ 201,497	\$ 155,115
CONVENTION CENTER OPERATIONS	\$ 3,237,047	\$ 4,053,405	\$ 3,899,630	\$ 4,833,774
4TH CENT - BASEBALL DEBT	\$ 2,104,142	\$ 2,107,699	\$ 2,103,694	\$ 1,895,840
4TH CENT - CONV. CTR DEBT	\$ 3,801,803	\$ 3,792,261	\$ 3,770,564	\$ 4,209,009
4TH CENT - CONV.CTR. -OTHER	\$ 17,768	\$ 67,183	\$ -	\$ 50,000
TRANSFERS OUT	\$ 1,939,136	\$ 901,184	\$ 498,000	\$ 1,589,000
COLLECTION FEES	\$ 297,704	\$ 337,670	\$ 347,950	\$ 358,320
TOTAL EXPENDITURES	\$ 25,422,971	\$ 26,750,706	\$ 29,319,848	\$ 32,143,333
BUDGETED RESERVES - CVB	\$ -	\$ -	\$ -	\$ 1,683,131
BUDGETED RESERVES - CULTURE	\$ -	\$ -	\$ -	\$ 403,203
BUDGETED RESERVES - FILM COMM	\$ -	\$ -	\$ -	\$ 43,964
BUDGETED RESERVES - SPORTS	\$ -	\$ -	\$ -	\$ 204,382
BUDGETED RESERVES - SPEC.PROJ	\$ -	\$ -	\$ -	\$ 0
BUDGETED RESERVES - CONV. CTR. OPS	\$ -	\$ -	\$ -	\$ 541,706
BUDGETED RESERVES - BCH & SHORES	\$ -	\$ -	\$ -	\$ -
BUDGETED RESERVES - 4TH CENT	\$ -	\$ -	\$ -	\$ 12,180,901
TDC RESERVE	\$ -	\$ -	\$ -	\$ 585,138
PBIFF	\$ -	\$ -	\$ 112,360	\$ -
TOTAL BUDGETED RESERVES	\$ -	\$ -	\$ 112,360	\$ 15,642,426
TOTAL EXPENSES & RESERVES	\$ 25,422,971	\$ 26,750,706	\$ 29,432,208	\$ 47,785,759
TDC RESERVE BALANCE FORWARD	\$ 122,506	\$ 255,911	\$ 416,601	\$ -
ADDITIONAL BALANCE FORWARD	\$ 21,543,542	\$ 21,772,052	\$ 19,281,452	\$ -
TOTAL BALANCE FORWARD	\$ 21,666,048	\$ 22,027,964	\$ 19,698,054	\$ -