

10:30 AM Time certain

5J-1
Agenda Item

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: 2/27/07 ☐ Consent ☒ Regular
 ☐ Ordinance ☐ Public Hearing

Department:

Submitted By: Tourist Development Council/ County Administration

I. Executive Brief

Motion and Title: STAFF REQUESTS BOARD DIRECTION: regarding A) the role of the PBC Tourist Development Council in the oversight of contracts for the Film & Television Commission, Palm Beach County Sports Commission, Palm Beach County Cultural Council and the Convention and Visitors Bureau (CVB); B) Whether to maintain contracts with the Film & Television Commission, Palm Beach County Sports Commission, Palm Beach County Cultural Council and the Convention and Visitors Bureau; and C) whether County Administration should manage the convention center and short term bookings.

Summary: On December 19, 2006 the BCC directed the TDC and Agencies to develop plans and recommendations on the structure and governance of their various organizations within sixty days. During this period, the various agencies have been meeting and developing plans on the structure and governance of their organizations. The following are some of the major modifications recommended by the various agencies:

- TDC**
- TDC to create a TDC Audit Committee and Finance Committee
 - All Agencies remain private entities with the appropriate revised governance and structures
 - The BCC assume management of the Convention Center with CVB keeping long terms sales 18 months and out
 - Require all agencies to replace their audit firm every 7 years with a recommended 3,2,2 contract
 - Require agencies legal council to be re-bid every 7 years with recommended 3,2,2 contract
 - Require agencies to create a comprehensive conflict of interest policy for staff and board members
 - Require travel policies that include prior approval of trips by the authorities
 - Allow flight upgrade option from tourist class to business class tickets on inter-continental flights only.
 - Require all individual agencies fidelity (loss) bond levels increased, as appropriate.

- CVB**
- Maintain contractual relationship with the County as a 501-C-6 Non-Profit
 - Adoption of new board structure including appointments by the BCC
 - Establishment of Finance and Audit Committees
 - Adoption of new finance controls
 - Adoption of strategic and marketing plans
 - Oversight of management of the convention center
 - Accreditation and Certification of the CVB at the national and local levels

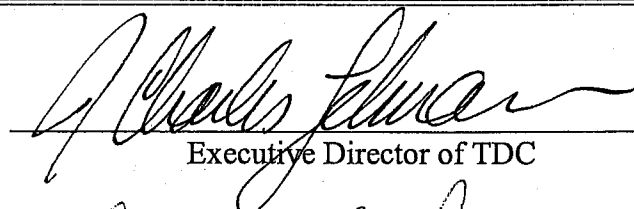
- Cultural**
- Assigning audit responsibility to newly created audit committee, formerly handled by the Finance Committee

Sports and Film Commissions have already implemented Finance and Audit committees.

Attachments:

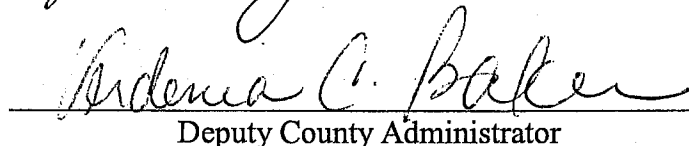
1. TDC Presentation and Recommendations
2. CVB Presentation and Recommendations
3. Sports Commission Presentation and Recommendations
4. Film and T&V Commission Presentation and Recommendations
5. Cultural Council Presentation and Recommendations

Recommended By:


Executive Director of TDC

2/16/07
Date

Approved By:


Deputy County Administrator

2/15/07
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:


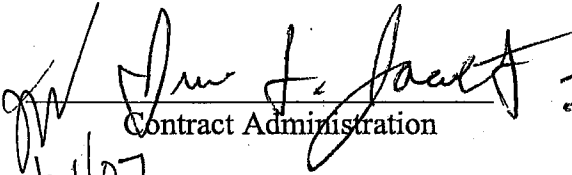
Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Is Item Included In Current Budget?	Yes_____ No_____				
Budget Account No.:	Fund_____ Agency_____ Org_____ Object_____				
Reporting Category	Various_____				

B. Recommended Sources of Funds/Summary of Fiscal Impact

There is no fiscal impact as it relates to this agenda item.

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

 OFMB 2/21/07 CR 02/20/07	 Contract Administration 2/21/07
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B. Legal Sufficiency:


Assistant County Attorney

C. Other Department Review:

Department Director

**TOURIST DEVELOPMENT COUNCIL
PRESENTATION AND RECOMMENDATIONS**

- A. TDC Governance – After reviewing models around the State of Florida and examining the basic premise of the model we currently use, the TDC voted on February 8, 2007 to maintain the current set-up of TDC contract administration with the four (4) private agencies. Each of the private agencies has adjusted their financial procedures where needed and established individual audit committees to review their annual audits and ensure management is in compliance with audit recommendations.
- B. The TDC reviewed the current operations of the CVB and with input from the hotel industry determined that the model is working. The CVB has adopted new finance procedures with specific separation of duties. They have also created a new smaller board structure which includes five (5) non-hotel board of county commissioner board appointments, five (5) hoteliers recommended by the Palm Beach County Hotel & Lodging Association and five (5) at-large from the tourism industry. They've appointed a new Audit Committee and a new Finance Committee to develop annual budgets. CVB will report private fund expenses to their board. CVB will hire an outside audit firm to monthly review bank statements, checks, payments and bank balances. CVB will increase their financial loss fidelity bond.
- C. The TDC recommends the County assume the management of the Palm Beach County Convention Center. Nicki Grossman, Executive Director of the Greater Ft. Lauderdale CVB, a county operated organization, and the VP and Chief Marketing Officer for the Greater Miami CVB addressed the TDC about how their organizations are operated. The TDC, by vote of 6-3 with the hoteliers dissenting, voted for county administration to manage the convention center. The key to this decision was allowing CVB to market the building and book long term conventions. There is no clear advantage gained by having the CVB also manage the building. Another reason was to streamline the management of the convention center and its relationship with the new hotel project. Global Spectrum and Aramark, our building and food and beverage managers, would remain in place, with the county assuming those contracts. Financial oversight would be strengthened by having county management of those two contracts. The county auditors would also audit the finances of the building, rather than CVB's auditor.
- D. After reviewing current governance practices, using the resources of the Center for Non-Profit Excellence, the TDC recommended all agencies adopt these requirements in their 2008 contracts. (TDC) Countywide (MC)

The Tourist Development Council met on January 5, January 11, January 25 and February 8, 2007 to discuss their budget oversight function, governance of the four (4) private agencies and new financial controls.

At the February 8, 2007 meeting the TDC invited Ms. Nicki Grossman, Executive Director of the Greater Ft. Lauderdale CVB, which is publically operated, and Mr. David Whitaker, VP and Chief Marketing Officer for the Greater Miami CVB, which is privately operated to explain their management setup. Broward's management is a county department which also operates the convention center. The Greater Miami CVB is very independent of government but government representatives sit on their board of directors. Both stated that no one method was best but it depended on the arrangement which gives the best results for Palm Beach County. They both stressed the importance of financial oversight and representation from the highest level of government. They both stressed very close ties with the tourism industry. After due consideration and reviewing the new board governance provisions that have already been adopted by the Convention and Visitors Bureau and the success of the agencies as they are now constituted, the TDC determined to leave them in place as they are.

TOURIST DEVELOPMENT COUNCIL PRESENTATION AND RECOMMENDATIONS

The Sports Commission, Film & TV Commission, CVB and the Cultural Council either have or will establish audit committees to review their annual private audits. All of these private audits will be presented to the newly formed TDC Audit Committee. The County Internal Auditor will sit as a member of the TDC Audit Committee to guide them in their discussions and act as the expert on the committee.

The CVB has apparently worked out an arrangement to be paid \$250,000 from their financial bond company to begin the pay down of the IRS dept which they owe. Meetings are also taking place with McGladrey and Pullen, their private accounting firm, who missed the theft for two years, and Wachovia Bank which also shares some responsibility. While not conclusive, the TDC feels as though these efforts along with the CVB's reestablishing their membership effort will generate enough private funds to eventually pay back the IRS. In addition, the CVB is going through an abbreviated strategic planning effort for their marketing program. This will be coupled with the development of the 2008 budget which will be reviewed by their new Finance Committee.

In reviewing the operations of the Palm Beach County Convention Center and its relationship with the county owned convention center hotel, the TDC recommended that county administration assume the management of the convention center. TDC believes that this will allow the relationship between the convention center management group and food service group to be coordinated more closely with the construction and eventual operation of the hotel. For the next several years construction so close to the convention center may cause major disruptions in client bookings at the convention center. Close coordination between those groups is critical.

Palm Beach County Facilities Management already maintains the major systems for the center. The county is building the new parking garage in coordination with the new hotel. For this to work, Global Spectrum and Aramark contracts will simply be assumed by Palm Beach County. This assumption is already written into their current contracts so there should be no disruption whatsoever of the services they provide to the building. With county oversight, the convention center financial records will be audited by the county's auditors of record.

The CVB is primarily a marketing and sales organization. The TDC determined that the CVB should continue to do what they do best and that is market long term events for the building. The vote was split between the 6 non hoteliers for and the 3 hoteliers against. The hotel industry obviously wants the building to generate as many room nights as possible, even though it may mean from time to time cutting rates at the building. While the county is also interested in this, the TDC believes the county must establish firm financial goals for the center which in many cases will only be achieved by selling food and beverage, consumer shows and trade shows. The goal of booking room nights and the goal of financial return for the building can sometimes be at odds considering the competitive pressures from other buildings that may be cheaper.

County management should be able to reach an equitable balance that financially supports the building, and still generates many room nights for the hoteliers.

**SUMMARY ACTION PLAN
For
PALM BEACH COUNTY CVB**

Submitted February 15, 2007 to
Palm Beach County Board of County Commissions
for consideration on February 27, 2007

INTRODUCTION

At its meeting on December 19, 2006, the Board of County Commissioners directed the Convention & Visitors Bureau to prepare and submit to the Commission for consideration on February 27, 2006 a plan of action for the Bureau in the wake of the theft of funds from the Bureau by the Bureau's former controller.

The following plan of action is submitted in response to that request. The plan has two goals. The first is to correct deficiencies in the Bureau's operations that were identified after the theft, in particular in the fields of finance, governance, and administration. The second goal, while recognizing the successes of many of the Bureau's tourism promotion activities, is to bring all operations of the Bureau to a higher level of excellence.

Particular goals of the plan include: (i) implementation of sound financial controls and practices; (ii) transparency and effective communications with the County and other interested parties; and (iii) emphasis on performance and accountability in all aspects of the Bureau's operations and contractual relationships.

Actions the Bureau will take to achieve these goals include: (i) achievement of certification under the programs operated by the Center for Non-profit Excellence and Destination Marketing Association International; (ii) amendment of the Bureau's contract with the County to reflect the adoption of increased procedural safeguards and more specific performance standards; and (iii) the hiring of a new President/CEO and other senior staff capable of leading the Bureau into the future.

The Bureau already has taken a number of actions towards these goals, as described below. The Bureau's Board of Directors has been working diligently, and hopes that the Commission, after reviewing those actions, will have confidence that the Bureau can and will carry out a highly effective program for promoting the County's number one industry, tourism, and for promoting and operating the County's Convention Center as an integral part of that overall effort.

IMPLEMENTATION PLAN

On January 10, 2007, the CVB's Board of Directors adopted an Action Plan, which it is implementing through board Task Forces in the following four areas:

I. Financial Recovery:

The first area comprises the financial recovery from the employee theft and the resulting outstanding debts. In this regard, the Bureau has taken the following actions:

- The Bureau has paid its federal unemployment tax obligations, in the amount of \$3,872.44, and the unpaid pension contributions to its 401(k) plan in the amount of \$38,250.61 plus lost gains on the investments.
- The Bureau is actively working, through its outside law firm of Jones & Foster, towards a global settlement of claims arising out of the theft, with a goal of repaying the IRS debt as quickly as possible. In particular:
 - The Bureau has filed a claim on its \$300,000 fidelity bond as is negotiating a settlement offer of \$250,000 with the carrier.
 - The Bureau has begun settlement discussions with the Bureau's accounting firm and bank.
 - The Bureau has filed claims against its former President and Vice President for Finance and Administration, as well as against its former Controller who perpetrated the theft.
 - The Bureau has put its directors & officers liability insurance carrier on notice of potential claims against the policy, which has a limit of \$3 million.
 - The Bureau has requested that all of these parties take part in a mediation intended to achieve a global settlement of all claims that is sufficient to pay the Bureau's debts.

II. Governance:

The second area is that of Governance, including board structure, hiring of a President/CEO, strategic planning, performance measurements, and policies and procedures.

- The Bureau believed that before doing anything else, it first must look to improvements in its board and committee structure, as described in the attachment to this report. Under those recommendations:
 - The new Board would be composed of 15 members, five appointed by the County Commission, five appointed by the Hotel & Lodging Association, and five elected by the Board through a standing nominations committee. Board members would be

limited to two three-year terms, after which they must go off the Board for at least one year before being eligible to serve again.

- An audit committee would be instituted, separate from the finance and budget committee.
- The Bureau's Board of Directors approved these measures at its meeting on February 7, 2007, and, with the Commission's concurrence, will revise its Bylaws accordingly and make the transition to the new Board as quickly as feasible.
- The Bureau issued an RFP and the Bureau's Board of Directors has approved the Search Committee's recommendation to retain the firm of SearchWide to conduct the search for the Bureau's new President/CEO. With approval by the County Commission, the Search Committee will immediately begin work with this firm.
- The Bureau has held workshops of its Program Working Group on February 8th and 12th and its Board of Directors on February 13th with a goal of adoption of a Five Year Strategic Plan by the Board of Directors on March 14, 2007.
- The Bureau will work with DMAI and CNPE to institute other improvements to its governance.

III. Finance and other Infrastructure ("Staff Function"):

The third area is what may be called the "Staff Function" of the Bureau, comprising Finance, Information Technology, Human Resources, and other Administration.

- The Bureau has adopted a set of financial controls with segregation of duties that have been approved by the County's Internal Auditor's office and the office of the Clerk & Comptroller, including the hiring of an independent firm to perform the Bureau's monthly bank reconciliations.
- The Bureau will work with the County and with DMAI and CNPE to institute other improvements to its financial procedures.
- The Bureau also will work to improve its human resources, information technology, compliance, and other "staff" or "infrastructure" functions.

IV. Marketing Programs ("Line Function"):

The fourth area may be referred to as the "Line Function", consisting of the tourism promotion activities of the Bureau in direct pursuit of its mission, and the marketing and management oversight of the Convention Center.

Marketing and Promotion:

- The Bureau's staff has continued to actively implement the Bureau's marketing plan for the current fiscal year, projecting Palm Beach County in the leisure and groups and meetings markets in the U.S. and abroad.
- For the first time, the Bureau will adopt its Annual Operations Plan and Budget for Fiscal Year 2008 at the same time, and will base them upon the adopted Strategic Plan.
- The Bureau is launching a new Internet-based interactive marketing campaign with a return of \$100 of tourist spending for each \$1 spent on the program.
- The Bureau is launching a new version of its web site designed to serve as the focal point of its advertising and marketing efforts, with stronger connectivity to the County's tourism properties.
- The Bureau believes the 501(c)(6) configuration will best serve the continued operation of these programs, in that it will facilitate greater leverage of tourist tax dollars by engendering
 - higher levels of participation by industry partners, including in-kind contributions, and
 - higher levels of income from other sources, such as membership dues, and internet advertising.

This structure is consistent with most other Bureaus of similar size (Please see enclosed chart), and with trends in the industry.

Convention Center Marketing and Management:

- The Bureau continues to actively manage the Convention Center operations and marketing, and has agreed with Global Spectrum on steps to increase the efficiency of operations, including:
 - Changing the break between short-term and long-term sales from 12 to 18 months to better reflect the nature of these events
 - Assigning short-term sales staff to supervision by the Center's General Manager, to assure closer coordination with operations
- The Bureau's Board has voted to recommend that the Bureau continue to serve in the capacity of contract management for the Convention Center, as the organization with the global perspective of the purposes of the tourist tax and with ready access to industry expertise through its Board of Directors. The restructured Board of Directors also will facilitate communication with the County Commission in this regard.

V. Accreditation and Certification:

To measure its success in making these improvements, the Bureau will:

- seek accreditation by Destination Marketing Association International, the trade association of CVB's, and
- seek certification by the Center for Non-Profit Excellence.

VI. Conclusion:

The Bureau is confident that the steps taken to date and planned for the immediate future will result in a new level of excellence in promoting and marketing Palm Beach County's most important industry, tourism.

* * *

Snapshot

- 501(c)(6) Not-for-Profit Corporation
- Staff Complement of Approx. 50
- \$7.8 Million Marketing Expenditures
- \$4.5 Million Convention Center Op'ns

Benchmarking

CVBs \$5.0 to \$9.9 million

	AVERAGE	PECCOVB
Organized as 501(c)(6)	82%	Yes
Total Expenditures	\$7.1m	\$7.8m
Number of Board Members	27	23(37)
Staff Full-Time Equivalents	41	50
Membership Program	71%	Yes
Convention Center	86%	Yes
Source: DMAI Org & Fin Profile 2005		

Proposed Board Structure

Working Group 1:
Governance

1

Current Board Structure: 35+2

- Appointed by Organizations - 21
 - Chambers of Commerce – 10
 - Hotel Lodging Association – 7
 - Economic Council – 3
 - Attractions Association - 1

2

Current Structure, Continued

- Elected by Board from Industries - 11
 - Restaurants – 1
 - Ground Transportation – 1
 - Air Transportation – 5
 - Travel Agencies – 1
 - Pari-Mutuel Attractions – 1
 - Cruise Lines – 1
 - Culture and the Arts - 1

3

Current Structure - Continued

- Elected by Board at Large - 3
- Appointed by Organizations Ex Officio – 2
 - Tourist Development Council Member
 - West Palm Beach City Commissioner

4

Rationale for Current Structure

- Guaranteed Cross Section of Community
- Independent Appointment by Organizations

5

Drawbacks of Current Structure

- Large Size (Engagement is Inversely Proportional to Size)
- Desired Skill Sets May Not be Present

6

Desired Skill Sets

- Financial
 - Audit
 - Finance
- Marketing
- Strategic Planning
- Legal/Compliance
- HR/Management
- Attractions & Events
- Community Citizen

7

Proposed Board Structure - 15

- Tourist Tax Collectors (Hotels) –
Appointed by Hotel & Lodging
Association – 5
- Non-Collectors – Elected by Board – 5
- Non-Collectors – Appointed by Board of
County Commissioners - 5

8

Conditions of Tenure

- Limitation of two three-year terms (standard in non-profit sector) – must go off for at least one year to be eligible to serve again
- Three consecutive missed meetings results in automatic removal

Rationale for Proposed Structure

- Independent appointment of two groups of 5 by stakeholders – tax collectors and taxing authority
- Large enough to obtain cross section of desired skill sets
- Small enough to keep directors engaged and assure transparency
- Term limits help to assure independence and engagement

Officers / Executive Committee

- Three officers – Chair, Vice Chair, Secretary/Treasurer
- Executive Committee – The Three officers plus one non-officer elected by the Board
- Board to meet monthly until ready for bi-monthly meetings with Executive Committee between

11

Standing Committee 1

- **Audit Committee** (appointed by Chair):
 - Two Board members
 - One non-Board member

12

Standing Committee 2

■ Finance/Budget Committee

(Appointed by Chair):

- Treasurer
- Two other Board members

13

Standing Committee 3

■ Nominations Committee (Appointed by Chair)

- Immediate Past Chair
- Current Chair
- Board member appointed by Hotel Ass'n
- Board member appointed by Commission
- Board member elected by Board

14

Transition 1

- Existing board approves amendment to Bylaws
- Existing board seeks notice from current members as to willingness to serve or desire to step down
- Existing board notifies appointing bodies, requesting notice of appointments
- Chair appoints Nominating Committee to consist of existing board members who will not continue to serve

15

Transition 2

- Existing board elects non-appointed members and receives notice of appointed members, for term to commence upon resignation of existing board
- Existing board members divide elected and appointed board members by lot into three groups of staggered three-year terms

16

Transition 3

- Existing board members step down
- Newly elected and appointed members take office for assigned staggered terms



**Palm Beach County
Sports Commission**

Past, Present & Future

The Best Place to Play

History & Background

Palm Beach County Sports Authority formed in 1985, changed name to Commission and became a 501(c)(4) in 1993

Mission

The Commission is organized for the purpose of:

Attracting new sports events to Palm Beach County

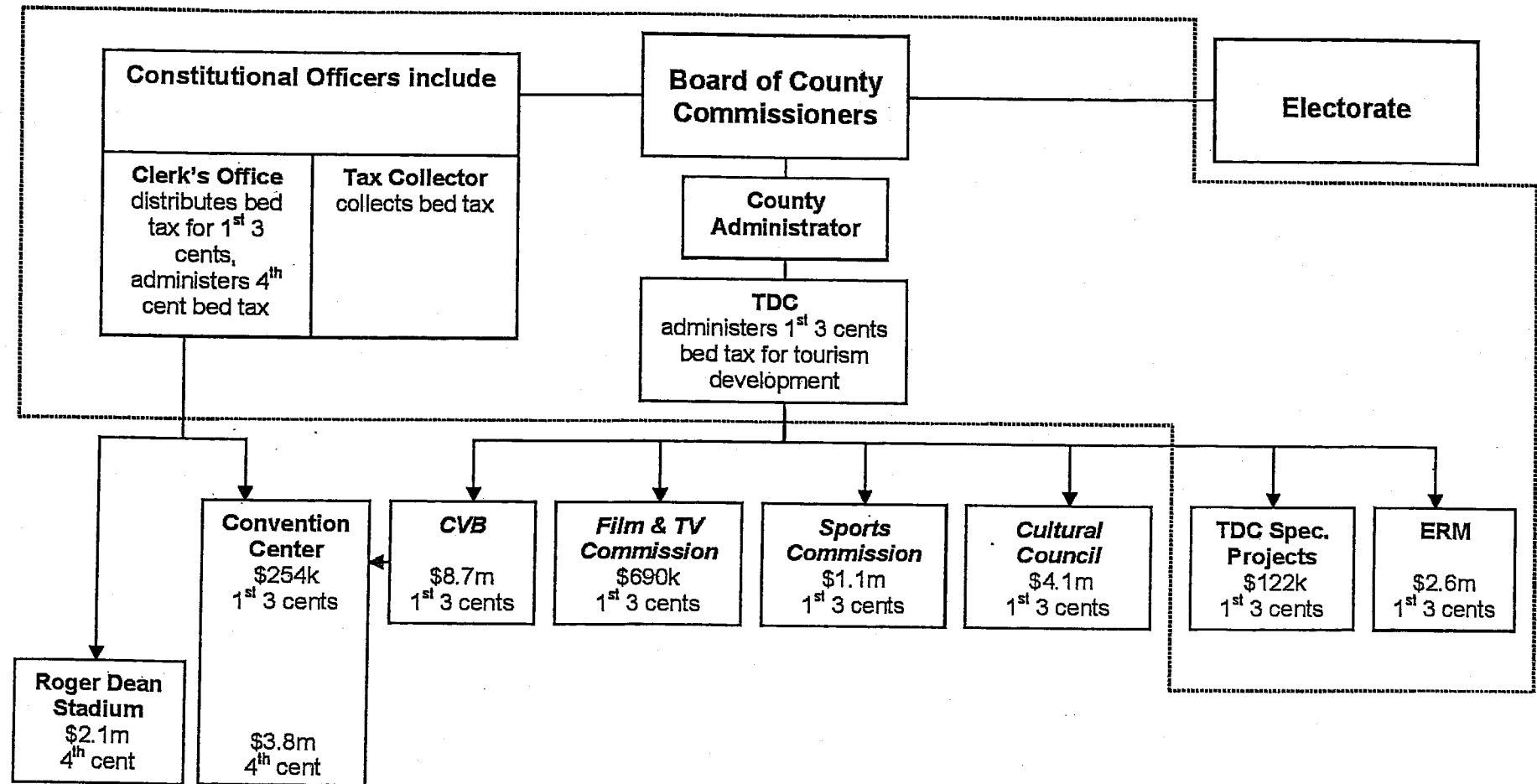
Supporting sports events in Palm Beach County

Acting as a clearinghouse for sports events and the industry

Increasing tourism and hotel occupancy through sports

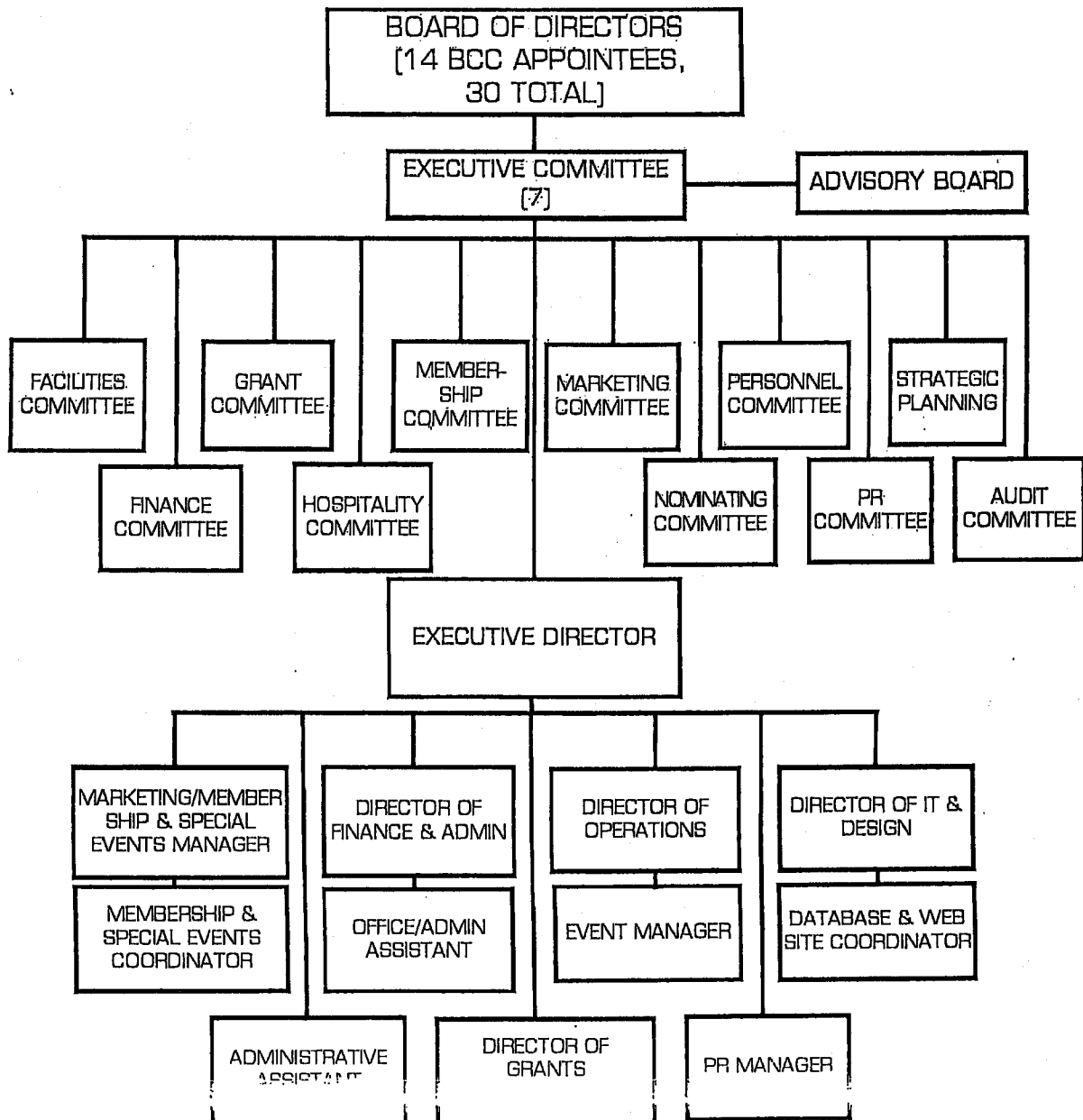
Promoting Palm Beach County through sports

Tourism Development & the Bed Tax



Note: All dollars expressed as actual expenses for FY 2006

Sports Commission Organization Chart



**Successfully
filling hotel rooms through sports
in Palm Beach County**

Average Total Annual Room Nights Reported

1991-1995 43,061

1996-2000 105,792

2001-2005 124,636

2006 only 150,533

A total of 1,517,978 room nights since 1991

Continuing to increase total room nights
Continuing to improve accuracy of reporting room nights

Successfully administering grant funding for sports events

Average Total Annual Grant Dollars Distributed

1991-1995	\$125,243
1996-2000	\$153,811
2001-2005	\$161,153
2006-7	\$192,750

A total of \$2,586,537 distributed since 1991

**Continuing to increase grant expenditures
to increase total events**

Successfully stimulating the Palm Beach County economy

Average Reported Annual Economic Impact

1991-1995 \$18.3 million

1996-2000 \$41.9 million

2001-2005 \$34.9 million

2006 \$51.0 million

An economic impact of \$526.6 million since 1991

**Continuing to increase the positive dollar
impact in our community**

A Sound Investment of Bed Tax Dollars

Since 1991, the bed tax investment in sports events totals \$10.5 million

The Commission has:

Given out ***over \$2.5 million*** in grants

Reported ***more than 1.5 million*** room nights

Reported a total economic impact of ***\$526 million***

Florida state industry standards are 2.3 people/room; that's
3,491,349 total visitors since 1991 through sports

Each room night has been generated at an investment of ***\$6.94***

Each \$1 invested produces ***\$49.99*** for Palm Beach County

More than ***218,000 visitors annually*** for sports events

High Profile Media Events

The Honda Classic, NBC, **3,143,000** viewers (Sunday)

ADT Championships, NBC, **1,536,000** viewers (Sunday)

Lou Groza Place-Kicker Award, ESPN, **972,000** viewers

Marathon of the Palm Beaches, **890,000** magazine impressions

High Return Room Night Events

Winter Equestrian Festival, **85,000**

NSA Softball Girls Fastpitch 'A' World Series, **25,000+**

USA Field Hockey National Festival, **11,000+**

USA Baseball Junior Olympics, **4,000+**

Optimist International Junior Golf, **3,300+**

College Training Camps

Spring Fling Lacrosse, **3,000+**

Palm Beach Challenge Baseball, **2,000+**

Swim Team Winter Training Camps, **3,000+**

Planning for the future NOW

Our FY 06-07 Marketing Plan objectives include:

- Attract or develop additional senior events
- Host at least one additional international event
- Attract at least one event to Lake Okeechobee
- Attract one or more major events (2,000+ room nights) within 3 years
- Continue assisting economic development of the Glades region through sports
- Create strategies to increase convention center, sports association & national governing body business

NEW future potential events include:

- USA Baseball 14 & under Regionals, November 2007
- FLW Outdoors Major Fishing Tour, April 2008-2010
- AAU InLine Hockey Championships, May 2008
- US Lacrosse State Championships, May 2008
- Florida State Bowling Championships, May-June 2008
- High School Baseball World Series, June 2008-2010
- USA Archery National Championships, August 2008
- World Croquet Championships, June 2009
- AAU Gymnastics, June 2009
- USA Firefighters Games, September 2009
- Sunshine State Games Senior Games, December 2009-2010
- World Masters Judo Championships, June 2010

Vision 2010

In 2005 the Sports Commission Board produced a 5-year plan. Some highlights include:

- Increase room nights through medium-sized targeted events**
- Maintain and improve current event portfolio**
- Increase grant funding program**
- Create facility-based marketing**
- Better utilize natural existing facilities**
- Support research for development of sports arena/venues**
- Attract events that fit the Convention Center**
- Develop web site as #1 sports destination marketing tool**
- Develop opportunities to get Board members more engaged**

Sports Institute

- Reevaluate Institute top to bottom: function, status, purpose, lifecycle, financing**
- Define relationship of PBCSC/PBCSI**

Controls & Safeguards

Purchasing system with multiple sign-offs

Clear separation of duties within Finance Department

Continual clean audits and compliance with recommendations

2005 County Audit determined no reportable conditions

Increased fidelity bond insurance from \$100,000 to \$500,000

Two separate remote data back-up systems added

Implemented semi-annual mini-audit with independent auditors

Governance

14 permanent BCC appointees on Board of 30 since 1985

Permanent Audit Committee

Committed to Palm Beach County YOUTH

**Palm Beach County High School Football Awards
Palm Beach County Sports Hall of Fame High School Athlete of the Year
Sports Achievement Awards
Kids Fitness Festival
Sam Budnyk Scholarship Program
McDonalds Sports Days
Marathon of the Palm Beaches Kids K
YouthFest
Meet the Marlins
SportsFest at SunFest
Palm Beach Gardens High School Sports Magnet Program
Palm Beach Atlantic, Northwood & FAU Sports Management Programs
*and many more***

***"The Palm Beach County Sports Commission is an active asset to youth sports and juvenile
crime prevention" Michael G. LeStrange, Law Enforcement Officer, Palm Beach County PAL***

Sports Institute

9-member Board

Institute By-Laws

Institute Bank Accounts

Monthly Financials

Annual and Mid-Year Audits

Reviewed by Finance Committee

Established Audit Committee

Sports Commission Membership

Membership/Private Bank Accounts

Monthly Financials

Annual & Mid-Year Audit

Reviewed by Finance Committee

What the community says

"Working with the Palm Beach County Sports Commission was an outstanding experience. Their professional staff and enthusiasm was evident from the first organizing meeting. Their attention to detail and years of experience in conducting organized quality events was a tremendous asset to our organization." Mark Scott, National Director of State Services, USA Wrestling

"Thank you for another great year of partnership." Stephanie Lanza, Corporate Sales Manager, Enterprise Rent-A-Car

"The Palm Beach County Sports Commission is one that has been used as a model for a number of sports commissions around the country." Mike Sophia, Executive Director, Miami-Dade Sports Commission

"We look to the PBCSC as another prospecting arm in discovery and creating opportunities, not only for the Days Inn but for Palm Beach County, in a market that we have a high desire for and target." Fran Buckley, Director of Sales, Days Inn

"When Roger Dean Stadium opened, we knew how to program spring training and minor league baseball. The Sports Commission has come alongside our efforts and helped us program the facility for events that have put heads in beds. We could not have executed these events without the help and support of the Sports Commission team." Rob Rabenecker, General Manager, Roger Dean Stadium

"Continental Airlines greatly values the partnership it enjoys with the Palm Beach County Sports Commission. Their many sports activities have given the opportunity to all including the youth of this County by providing for wholesome, competitive and multi-cultural experiences." Laura Herde, Regional Sales Manager South Florida, Continental Airlines

"I have found the efforts of the Palm Beach County Sports Commission to be outstanding on our behalf. Always helpful, informative and hard working, they are seemingly constantly aware and interested in the operation of our event. I have found the Sports Commission to be very influential in our decision to host our event in Palm Beach County." Gene DeLorenzo, Owner, Spring Fling Lacrosse



**Past history, present performance and
future planning shows our
commitment to the sound investment
of bed tax funds in developing tourism
through sports in Palm Beach County**

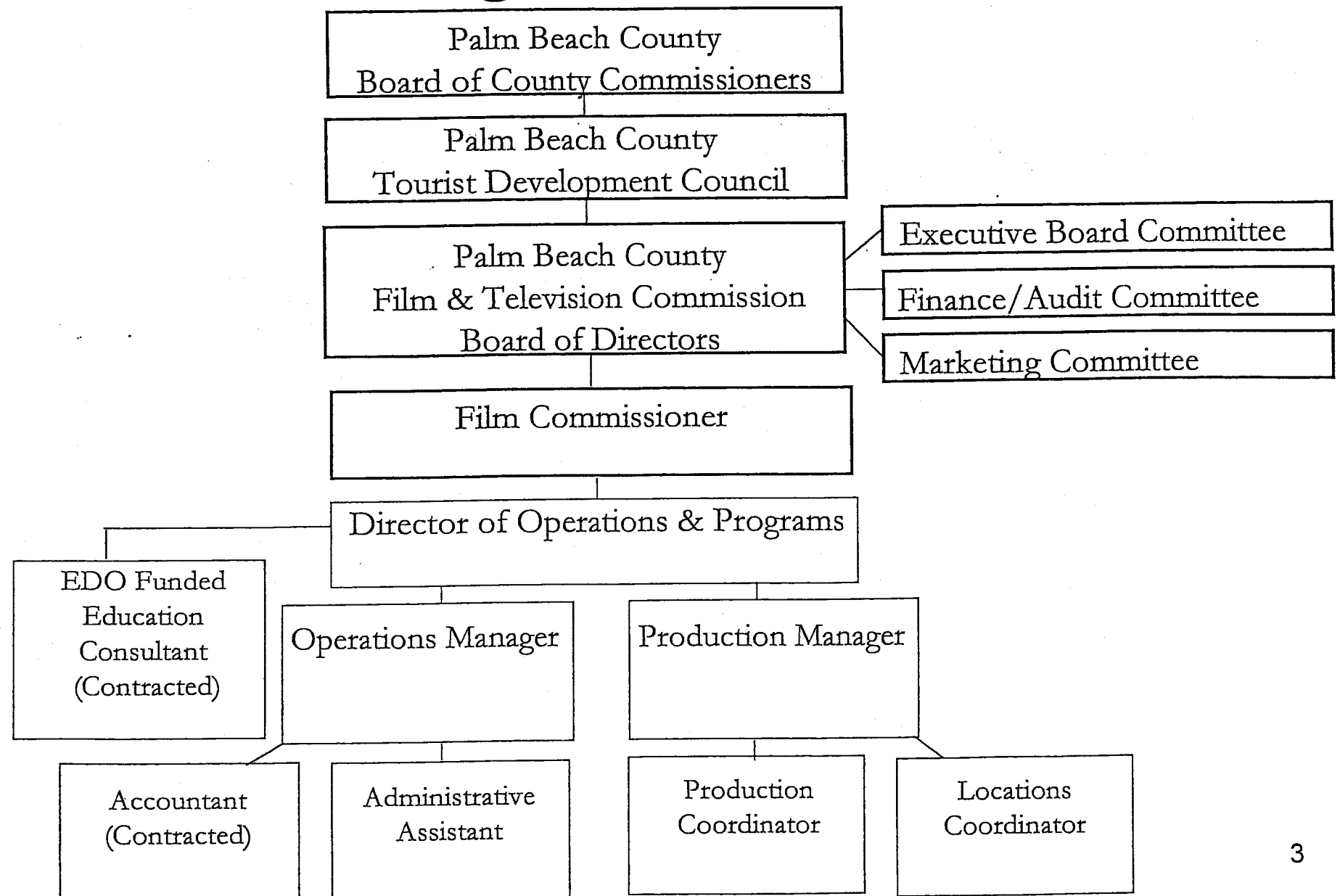


**“Up Close and
Personal”
with the
Palm Beach County
Film & Television
Commission!**

FTC Snapshot

- 501 (c) 6
- Staff Size - 7
- FTC Contract Amount for Tourism- \$613,000
- FTC Contract Amount for Education - \$166,000
- Only other source of revenue comes from Board Member dues – Approx. \$8,500 per year

FTC Organizational Chart



FTC BOARD STRUCTRE

The number of FTC Board Members may not exceed 28 or be less than 14.

15 County Industry Professionals

1 Tourism Professional

7 Members At Large

23 Voting members

1 TDC Board Member

1 TDC Staff Member

1 Cultural Council Staff Member

1 County School Board Member

1 Burt Reynolds or his Designee

5 Ex Officio

TDC Working Group Recommendations and changes to be implemented based on both external audit and county audit.

1. Establish Audit/Finance Committee
 - Status: Implemented
 2. Create Conflict of Interest Policy pertaining to the Staff and Board of Directors
 - Status: Legal is reviewing for implementation
 3. Replace audit firm every 7 years
 - Status: Audit firm replaced in 2005
 4. Re-bid legal council every 7 years
 - Status: Legal service replaced in 2006
 5. Travel Policy - Prior approval of trips by Film Commissioner for staff and by Board chair for Film Commissioner
 - Status: Implemented
 6. Travel Policy - Flight upgrade option from tourist class to business class tickets on inter-continental flights only
 - Status: FTC currently has no inter-continental destinations.
 7. FTC to purchase Fidelity (loss) bond
 - Status: Pending binding
1. Proxies' Policy to include updating By-laws
 - Status: Legal is reviewing
 2. QuickBooks password protection and read only access for Director of Operations
 - Status: Password protection already in place for accountant. Additional protection currently under review for implementation.
 3. Include a documented approval process for procurement and verification of receipts of goods/services
 - Status: Under review for implementation
 4. Add a Petty Cash policy (Petty cash fund of \$100.00)
 - Status: Under review for implementation
 5. Add a policy relating to expending Private funds
 - Status: Under review for implementation

Mission Statement

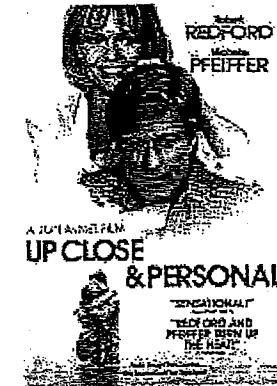
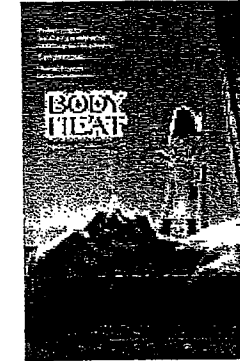
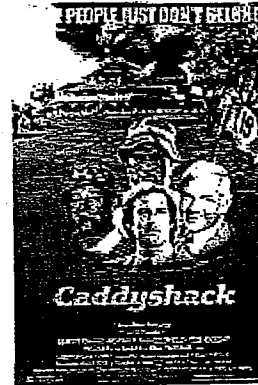
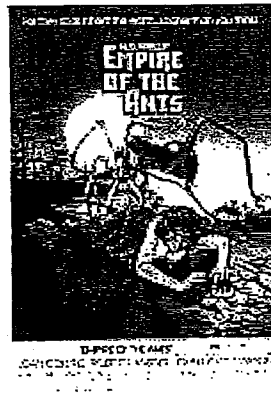
To generate a positive impact on business tourism and the economy in PBC through the growth of film, television and still photography industry by attracting on location production and providing services to both the visiting and indigenous production community.

BUSINESS PLAN

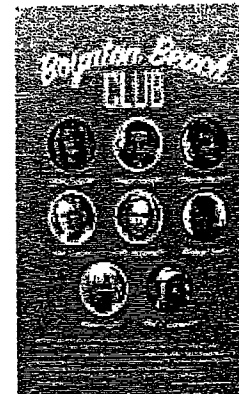
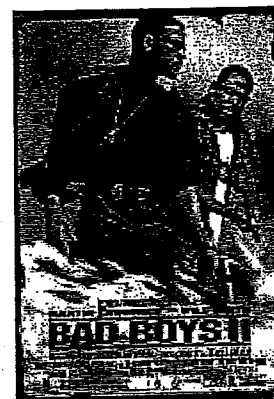
The Strategy

- To cultivate the expansion of the film, television, and still photography industry in PBC
- To provide superior client services.
- To utilize locally based film festivals and filmmaker events to lure production projects and promote PBC as a cost effective alternative to many other locations
- To build a solid workforce through education
- To stay on the cutting edge of technology and brand PBC as the place where industry professionals want to *Live, Work, & Play*

RICH HISTORY OF FEATURES FILMED IN PBC

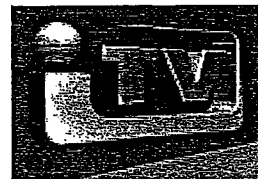
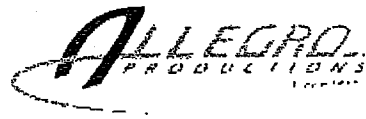


116 Films and Movies of the Week
were shot in PBC from 1991-2006.
1,503 Television Shows were shot in
PBC from 1991-2005.



LOCAL PRODUCTION COMMUNITY

(2005)



**44 Local
Production Companies
Currently Produce:**

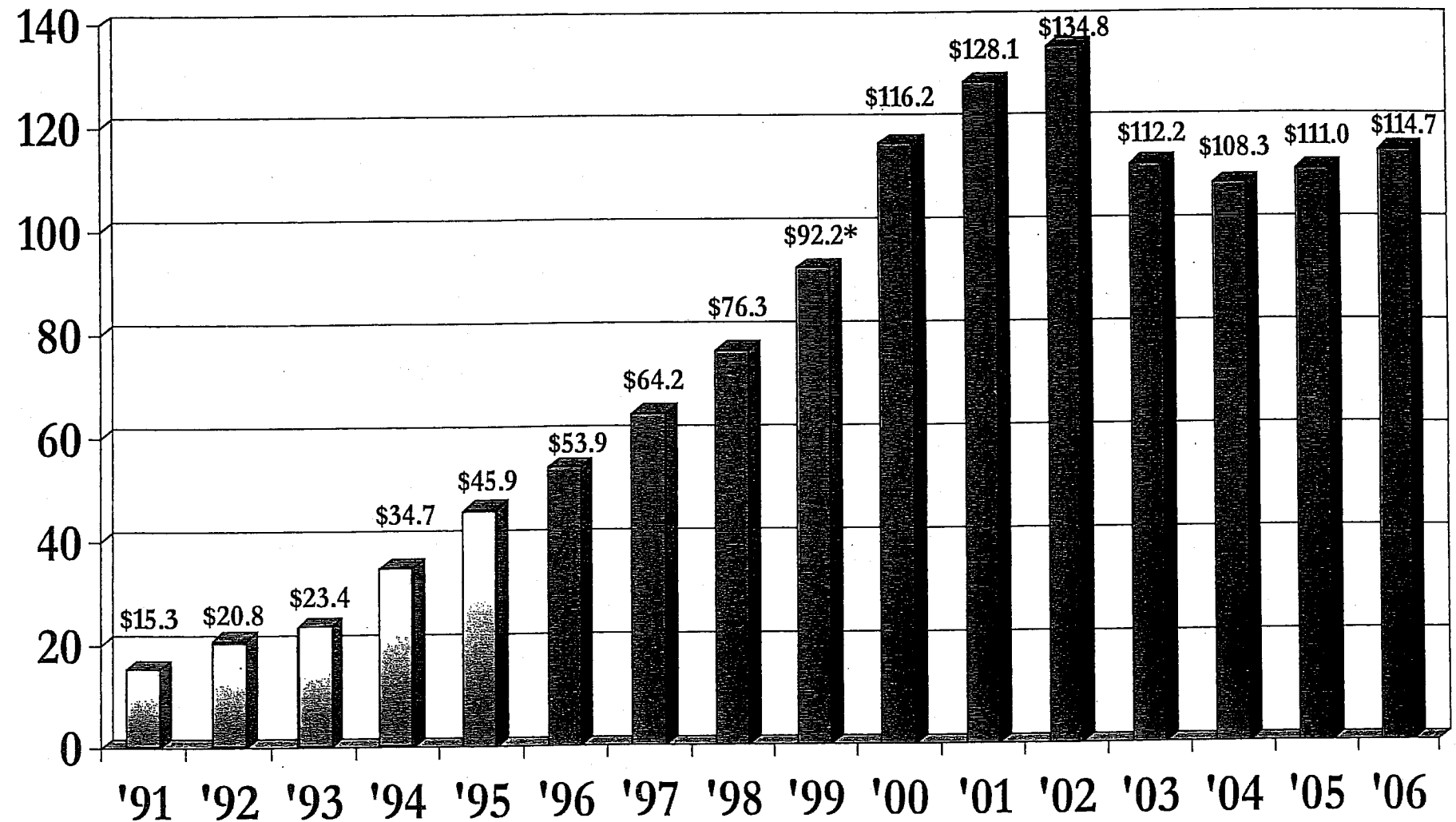
- 101 Programs
- 2,522 Episodes
- 1,562 Hours of Programming



14 TV & Cable Stations in PBC

Channel	Station ID	Network Affiliation
5	WPTV	NBC
12	WPEC	CBS
17	WHDT	INDEPENDENT
18	WPB City TV 18	INDEPENDENT
19	TEN	SCHOOL BOARD
20	PEG	GOVERNMENT
25	WPBF	ABC
29	WFLX	FOX
34	WTVX	UPN
42	WXEL	PBS
57	WBWP	INDEPENDENT
61	WFGC	INDEPENDENT
67	WPXP	ION – F.K.A. PAXSON
44	WHDT	MIG HIGH DEFINITION

Production Revenue Chart (in millions)



*Year studied by the Florida Governor's Office of Film and Entertainment, which recorded a production revenue of \$96.7 million (approximately 5% higher than the FTC's findings) for Palm Beach County in 1999₁₁

County Department Public/Private Agency



**Palm Beach
County
Florida**

2006/2007
PRODUCTION
GUIDE

film, television &
still photography

- Focus
on
Film**

**NEWS
FROM
BEHIND
THE
SCENES
OF
THE
COUNTRY
FILM
PLANS
COMMISSION**

A recently unveiled branch of development is for the film industry, the National Endowment for the Arts (NEA) has announced a new program to support the development of new films. The program, called "Focus on Film," is designed to help filmmakers develop their ideas and bring them to the screen. The program will provide grants to filmmakers for the development of new films, and will also provide grants to filmmakers for the production of new films. The program will be administered by the National Endowment for the Arts, and will be open to filmmakers of all backgrounds and ethnicities. The program will be open to filmmakers who are currently working on a film, or who are planning to work on a film in the near future. The program will be open to filmmakers who are currently working on a film, or who are planning to work on a film in the near future. The program will be open to filmmakers who are currently working on a film, or who are planning to work on a film in the near future.

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THE NATIONAL ENDOWMENT FOR THE ARTS
The National Endowment for the Arts is a federal agency that provides financial support for the arts. It was established in 1965 by the National Endowment for the Arts Act. The agency is responsible for the distribution of federal funds to the arts, and for the promotion of the arts. The agency is also responsible for the administration of the National Endowment for the Arts Act. The agency is currently working on a number of projects, including the development of new films, and the production of new films. The agency is also working on a number of other projects, including the development of new films, and the production of new films.

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FTC Website Visibility

(Search Conducted on February 5, 2007)

Key Word Search	Google (Results for the Palm Beach County Film & Television website on search engines)	Microsoft Search (Results for the Palm Beach County Film & Television website on search engines)
“FILM STUDIO INCENTIVES”	8 th result	3 rd result
“FILM INCENTIVES”	45 th result*	11 th result

* The State of Florida was the 12th result. New York City was the 42nd result. 13

State Incentives

<u>STATE</u>	<u>TOTAL FUND</u>	<u>CAP PER PRODUCTION</u>
New York	90,000,000	No Cap
Hawaii	Unlimited	8,000,000
Louisiana	Unlimited	No Cap
New Mexico	Unlimited	No Cap
Florida	20,000,000	2,000,000

**GOVERNOR'S 2008 BUDGET INCLUDES
\$75 MILLION FOR INCENTIVES**

Production Space Incentive

- **Palm Beach County:** The G-Star Studio, Charter School
- **Hawaii Studios:** State-owned Studio
- **Austin Studios:** Public/Private
- **Cleveland Studios:** City Owned

G-Star Production Revenue

Since their inception in 2004,
G-Star Studios has contributed the following
to Palm Beach County's economy:



Films	10
Recorded Production Days	264
Estimated Personnel	540
Estimated Crew	1,110
Hotel Nights	2,053
Production Revenue	\$12,876,000

Local Film Festivals

Palm Beach INTERNATIONAL Film Festival



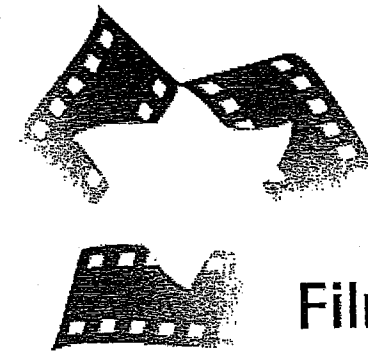
April 19 – 26, 2007



Spring 2007



March 13 – 18, 2007



Palm
Beach
Jewish
Film Festival

December 2007

2005 Film Festival Funding Statistics

Film Festival	Budget	Percent of Government Funding	Government Money
AFI Los Angeles International Film Festival	\$30,790,641	38%	\$11,237,837
Toronto International Film Festival	\$13,200,000	22%	\$2,959,399

Economic Impact of Toronto Film Festival (2003)

Tourism	\$33,000,000
Film Sales	\$22,200,000
Restaurant & Bar Expenditures	\$6,500,000
Transportation Expenditures	\$1,600,000
Travel Expenditures	\$2,800,000
Entertainment/Recreational Activities	\$1,250,000
Retail Expenses	\$7,800,000
Total Economic Impact	\$67,000,000

Economic Summit Strategy

2007 - 2012

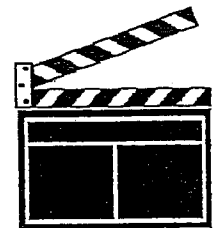
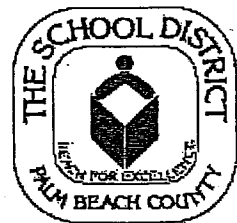
Branding of PBC Through:

- Incentives
- Education Programs
- World Class Film Festival

Tomorrow's Leaders Are In PBC Classrooms Today!



There are currently
+2800 students
involved in Film & TV
programs in PBC.



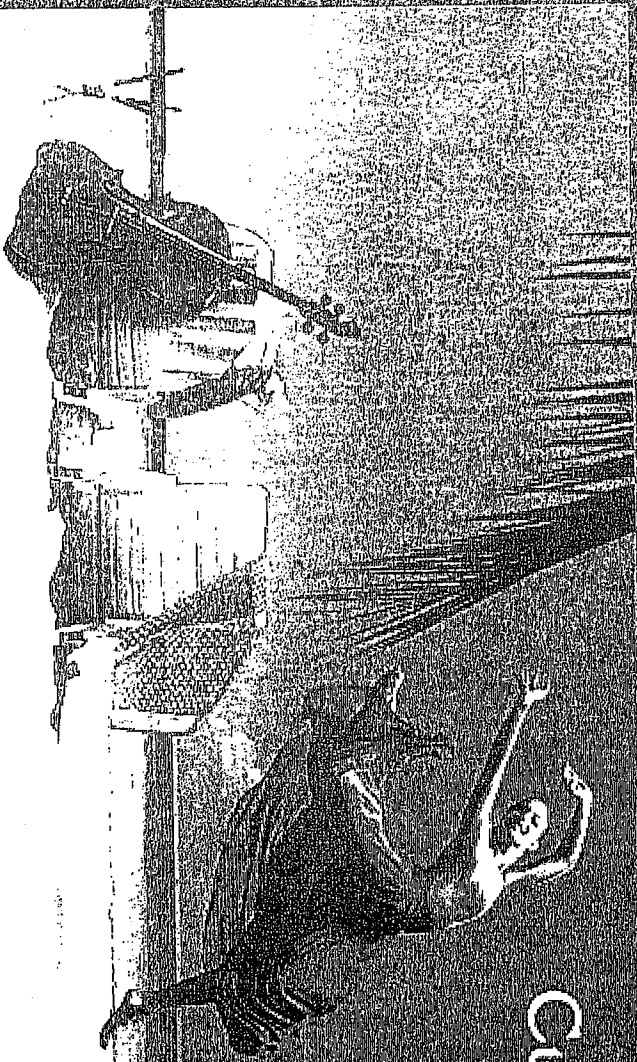
Palm Beach Film School



Culture has found
its place in the sun.



Palm Beach County
Florida's Cultural Capital



Who We Are and Our History

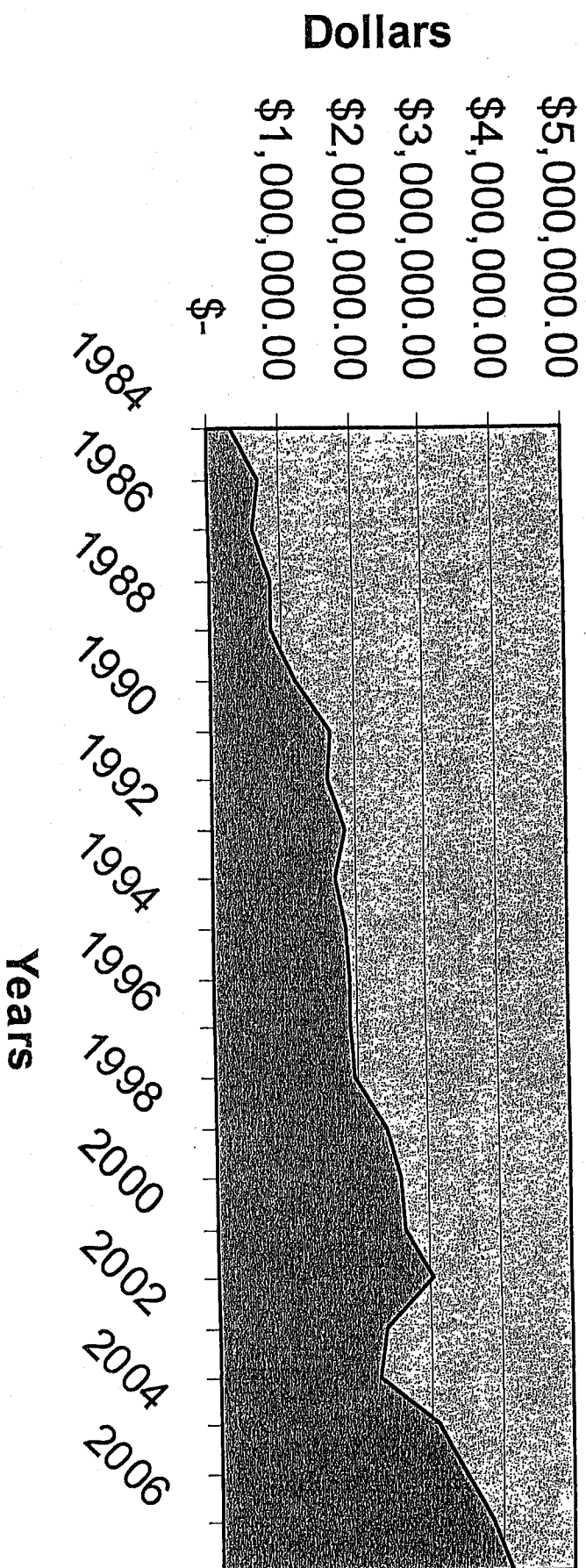
- Founded in 1978, the Cultural Council is the oldest TDC agency in the County, and one of the oldest local arts agencies in the nation.
- The Cultural Council was the leader in establishing the bed tax, which has contributed more than \$269 million to the development of the community.
- Founded by and because of BUSINESS.
- These bed tax dollars are funds that this community can use for the “highest and best purpose”.

- Vision: To be the primary catalyst for arts and cultural excellence in Florida.
- Mission: The Palm Beach County Cultural Council, a community-based organization, enhances the quality of life by creating a cultural destination through support, education and promotion of arts and culture within Palm Beach County.

Palm Beach County is home to more
Major Cultural Organizations than
ANY OTHER County in Florida.

(23 cultural organizations with annual
budgets over \$1 million)

Total Annual Grant Funds Provided Through The Cultural Council



- Palm Beach County enjoys this rich environment of art and culture due to three factors:

- Stable government funding since 1984
- Generous private funding from individuals
- A growing population

Governance and Accountability

- As a 501c3 corporation, the Council is a private organization that manages two County contracts annually.
- The Council is governed by a Board of Directors consisting of 15-30 individuals (currently 25) whose term of service is 3 years with a limit of two terms to be served consecutively.
- A strong committee structure provides stable governance.

- A staff re-organization nearly three years ago provided new financial leadership at the Council – a full-time Controller and a full-time Bookkeeper.
- A new auditing firm was hired two years ago to conduct annual audits.
- New controls were put into place at the same time and continue to be monitored.

- Regular governance training, Board assessment, and performance reviews are a part of everyday business.
- The Council provides this sort of training for the arts and cultural community, sometimes also partnering with the Center for Non-profit Excellence.

- A comprehensive five year Strategic Plan was adopted by the Board in May 2005, and monthly management review keeps us on track.
- Over the years, the Council's sources of operating revenue have remained stable at approximately 50% from Government sources and 50% from private sources.

What We Do



- As a private corporation, the Council is able to efficiently manage County cultural activities (grants and marketing) and ALSO provide other needed services to the community:

- Grants
- Marketing
- Advocacy
- Services (technical support/training)
- Education

Grants



Distributed over \$50 million since 1984

Currently 75+ organizations receive grants

Competitive, transparent process using
community panels

Stable and predictable system

Marketing

Debut of *art&culture*

Advertise in 30+ publications

Website redesign

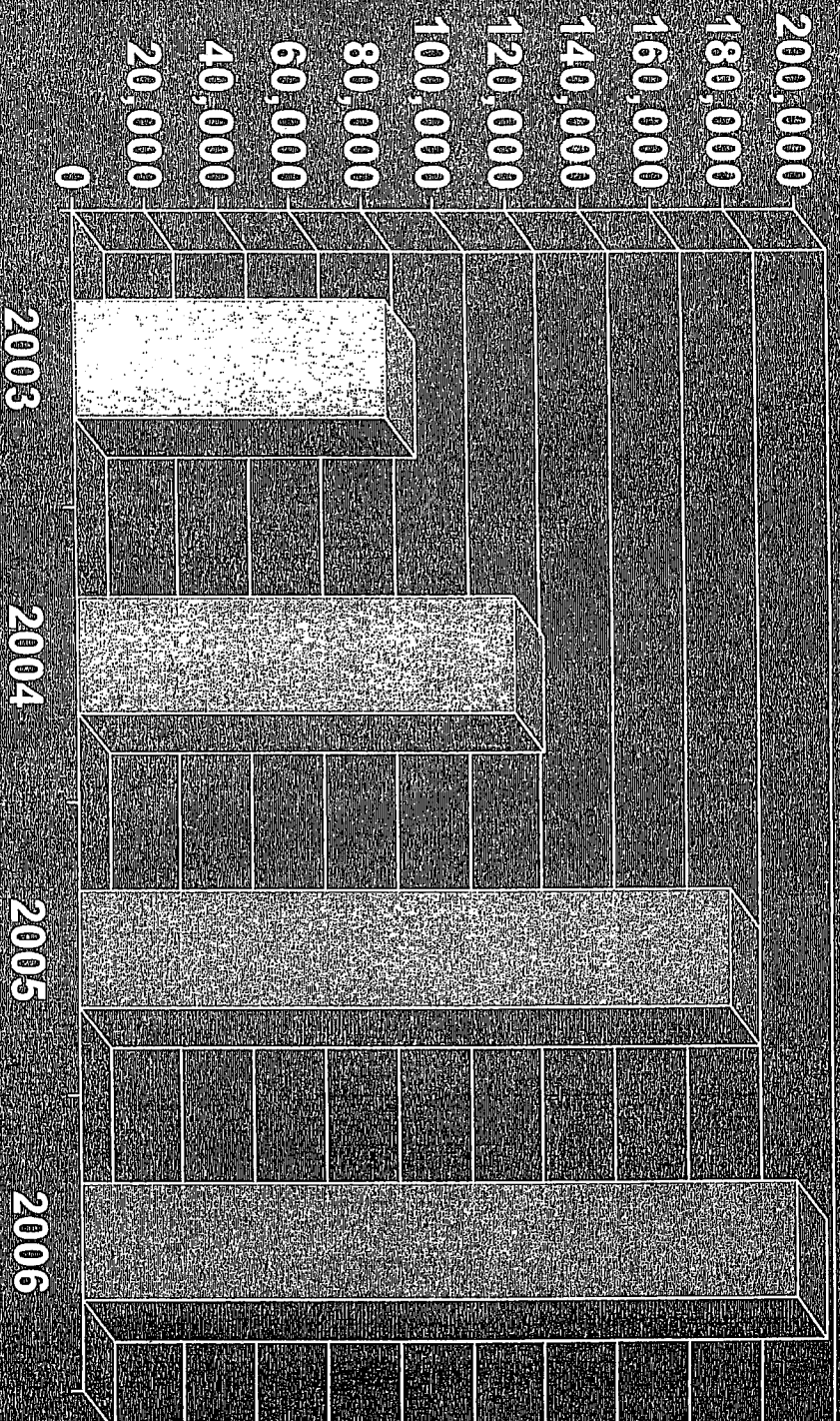
Annual report published

National visibility for our cultural tourism
program



MARKETING

Website Visitors



Visitors

Advocacy

County and municipalities

Tallahassee

D.C.



Services

Cultural Executives Committee

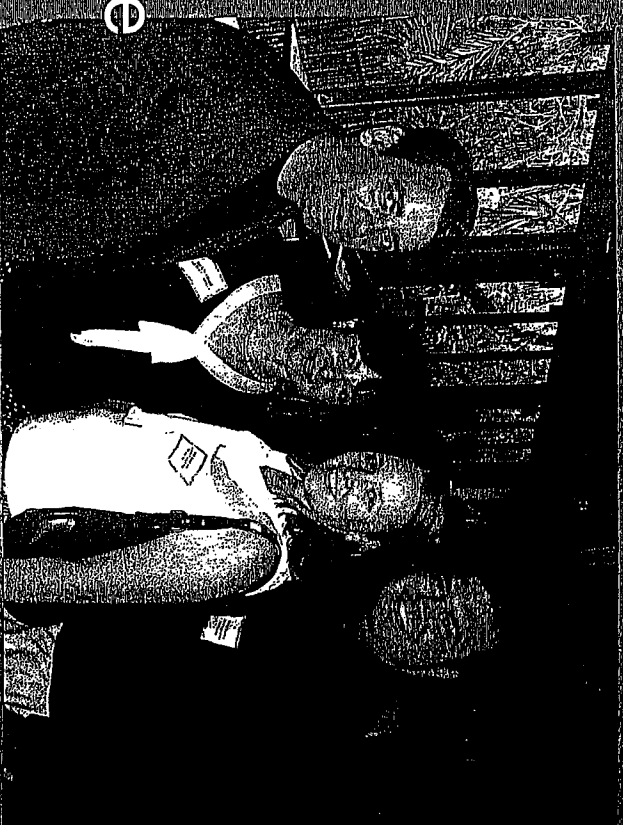
Regular meetings with artists

Economic development plan for facilities

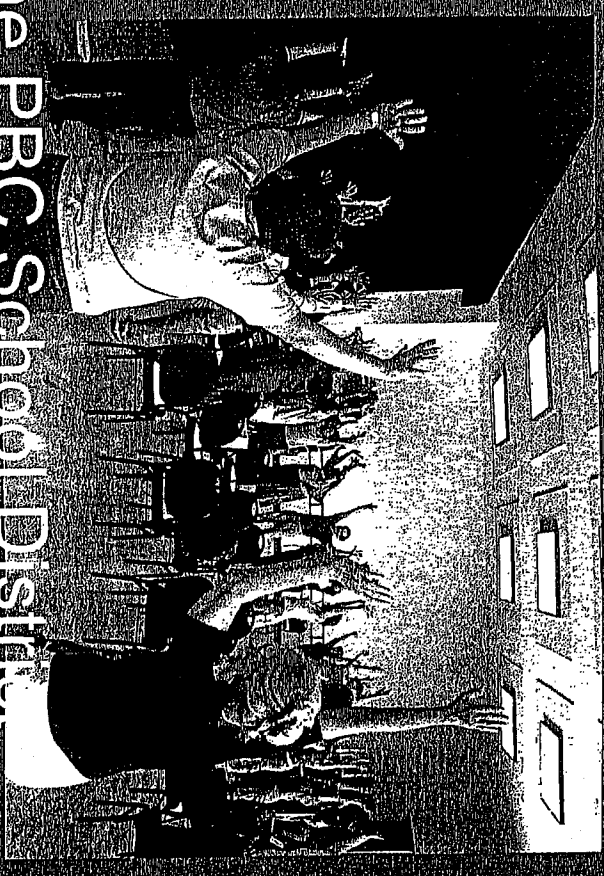
Training and workshops

One on one assistance

Muse Awards



Arts and Cultural Education



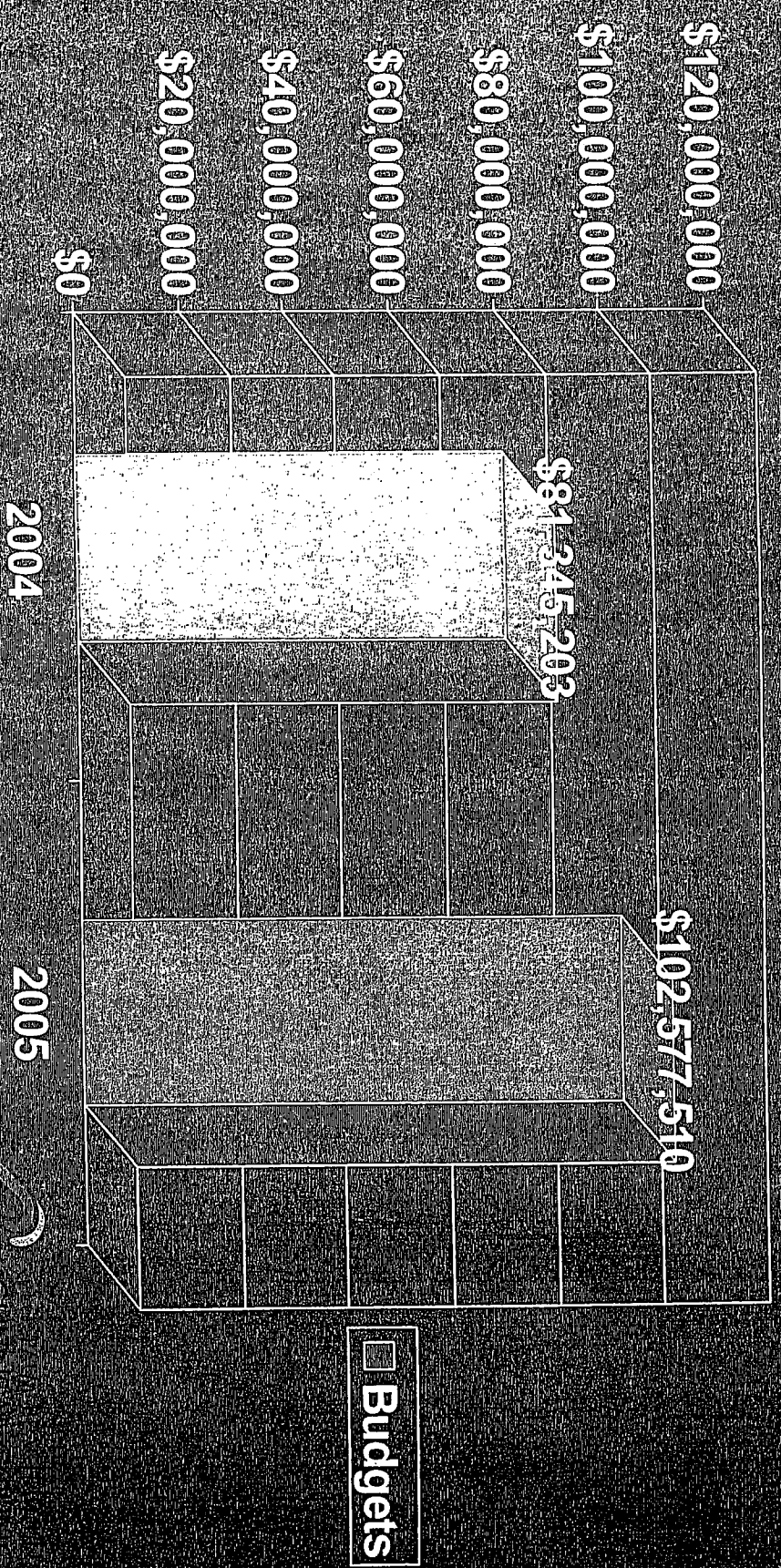
Official the liaison to the PBC School District
Training for Principals and Teachers
New training offered to cultural educators
Teacher's guide published
Summer guide for parents
Newspaper in Education to all 4th graders

Impact



FINANCE

Combined Budgets of ALL Cultural Organizations in Palm Beach County



- 34% of those surveyed who saw a Cultural Council ad visited the County within 12 months. (2006 conversion study)
- 9% were new visitors.
- This represents a 21% increase over 2003 when 28% visited.

- 2.9 million people visited our cultural venues last year
- This is an increase of 29% over 2003 (630,000 more people)
- The number of out-of-county visitors to culture remains stable – 34%



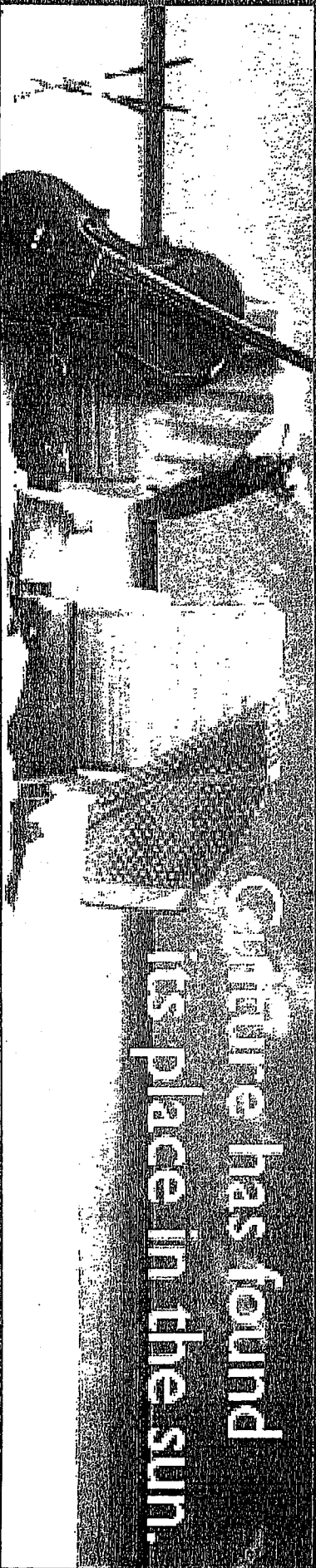
- Almost 9,000 hotel rooms were occupied in 2006 due to cultural organizations alone.
- 1.63 million hotel room nights were occupied by people who participated in cultural activities.
- Visit Florida - over 51% of visitors to the State participated in cultural activities during their trip – 49% of these did not plan these activities before they left home.

- In 2006, a quarter of a BILLION dollars was spent by Palm Beach County audiences who attended major cultural organizations. (audience survey)
- For every \$1 the County invests, \$61 is returned.

Palm Beach County spends less on culture per capita than most:

- Dade: \$16 million; 2.8 million people
= \$6.73 per capita
- Broward: \$6.5 million; 1.8 million people
= \$3.62 per capita
- Hillsborough: \$7.6 million; 1.1 million people
= \$6.91 per capita
- Palm Beach County: \$5.1 million; 1.2 million people
= \$3.91 per capita

- Where else is there such a unique blend of natural resources such as weather, beaches and environment, as well as entertainment like golf and shopping COMBINED with one of the best cultural destinations in the world?
- What are the best ways to communicate our destination to outsiders?
- What strategies will most effectively leverage the public investment in culture with the private contributions?
- Our County has had a long, esteemed history of business and arts partnerships. How do we continue to honor that legacy and build on it?



Comfort has found
its place in the sun.



