



AGENDA MEMORANDUM

Action Item for the City Council Meeting February 15, 2022

DATE: February 15, 2022

TO: Peter Zaroni, City Manager

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Second Amended and Restated Management Service Agreement with the Corpus Christi Area Convention & Visitors Bureau (VCC) and approve VCC amended bylaws.

CAPTION:

Motion authorizing the Second Amended and Restated Management Services Agreement between the Corpus Christi Area Convention and Visitors' Bureau ("VCC") and the City of Corpus Christi and approving VCC's amended bylaws.

SUMMARY:

The purpose of this item is to authorize the second amendment to the restated Management Service Agreement last amended June 15, 2021 and approve amended bylaws as approved by the Corpus Christi Convention and Visitors Bureau (CCCVB) Board of Directors on January 27, 2022.

BACKGROUND AND FINDINGS:

The City and the VCC most recently entered into an amended and restated management services agreement on June 15, 2021, and the parties now wish to amend the agreement to better meet the needs of both entities through the amended and restated agreement. The Corpus Christi Convention and Visitors Bureau (CCCVB) Board of Directors approved these changes on January 27, 2022.

Management Services Agreement:

Below is a summary of the proposed changes.

Remove 4.1.B. Performance Measures. Remove 4.1.B which states that performance of the CCCVB under the agreement is based on Hotel Occupancy Tax (HOT) earned for a particular fiscal year if the amount of the City's 7% portion of the HOT earned and received by City for that

fiscal year meets or exceeds the minimum threshold of \$10,000,000, subject to adjustment each year.

Revise 4.1.C. Performance Measures. Change the date the performance measures and any adjustment to the minimum HOT threshold from July 31st to September 30th. The revised section will read:

“The CCCVB will propose the annual set of performance measures by September 30 of each year. The City Manager, or designee must approve the final set of performance measures and any adjustment to the minimum HOT threshold, with such approval expected to occur prior to September 30 of each year.”

Revise 5.1. Business Plan. Revise the dates that the Business Plan is due to the City Manager from July 31st to September 30th. Delete the sentence that states that, “The Business Plan must include annual performance measures that are approved by the City and be in substantially the format attached hereto as Exhibit B.” The revised section will read:

“By September 30 of each year the CCCVB shall provide City Manager with a Business Plan that outlines the overall goals and objectives of the CCCVB. The Plan must be in a similar format to prior years and describe the plan of action for the upcoming year, including strategic segments; a line-item budget; performance metrics and significant initiatives. Opportunities to promote City-funded venues must be specifically identified and included in the Business Plan. Other information necessary to describe the CCCVB's efforts must be included, as well.”

Revise 5.4. Annual Written Report. Change the date that the Annual Report is due to the City from 60 days to 120 days after year end. The revised section will read:

“The CCCVB shall provide a written report annually on the outcomes of the performance measures for the previous year. The Annual Report is due within 120 days after the end of each fiscal year while this Agreement is in effect.”

Revise 10.1. Board of Directors. Change the number of board of directors from 27 to 17. The revised section will read:

“The affairs of the CCCVB shall be governed by a board of directors ("Board"), which must be composed of 17 voting members, with 13 selected directly by the City Council of the City. Those members must be representatives of the following groups.”

Revise 10.2. Board of Directors. Remove the words “a representative from” prior to “Regional Transportation Authority.” The revised section will read:

“The City Council will appoint a representative from the Port of Corpus Christi Authority and the Regional Transportation Authority to serve as ex-officio advisory non-voting members. The CCCVB may appoint additional ex-officio advisory, non-voting persons to assist its board of directors in fulfilling its obligations.”

Revise 10.5. Board of Directors. Add the words, “as an alternate” to explain why an additional individual is being nominated. The revised section will read:

“The CCCVB will make recommendations to the City Council for lodging, attraction and restaurant industry and community at-large directors as directors' terms expire but the CCCVB always shall nominate one more individual as an alternate per category than the total number of positions available. Appointments will be made by City Council from the

provided list with consideration of nominations by the CCCVB Nominations and Executive Committees and Board.”

Revise 10.8. Board of Directors: Add the following two paragraphs to Section 10.8:

“The Board of Directors will operate under bylaws which must be consistent with the terms of this Agreement. The current bylaws are attached hereto as Exhibit B. Any changes to the bylaws must be presented to the City Manager for approval at least two weeks prior to the adoption of the bylaws by the Board of Directors. The City Manager may reasonably object to changes that are not consistent with this Agreement prior to the Board meeting for approval of the changes. The changes to the bylaws will be effective upon approval of the Board of Directors and City Council. The Board of Directors may approve rules of procedure to govern the conduct of its meetings, which will not require City Council approval.

The CCCVB agrees to have one annual meeting per year open to the public, which will include a presentation of the CCCVB’s annual report on its activities and performance.”

Remove 10.8 Board of Directors: Remove this paragraph from Section 10.8 in its entirety.

“The CCCVB agrees that meetings of its board of directors must be open to the public, and the meetings may be closed only when the board determines that an executive session is necessary for the purpose of discussing agenda items that may be discussed in closed session in accordance with the Texas Open Meetings Act or proprietary information that typically would not be public under the Texas Public Information Act. A copy of the agenda for each meeting of the Board shall be provided to the City Secretary at least 72 hours prior to the meeting. Description of the agenda items shall be sufficient to provide advance notice of the items to be considered. The agenda shall not be amended after it is provided to the City Secretary unless an amended agenda is timely provided to the City Secretary for posting at least 72 hours prior to the meeting.”

By-Laws:

Below is a summary of the proposed changes.

Revise Article, Section 2. Mission: Replace the word “mission” with “role” in the first sentence and add a second sentence to describe what the Board’s mission is. The revised section will read:

“The role of the CCCVB is to positively impact the city’s economy by marketing the city as a travel destination. The board approved mission is to create a better community by sharing Corpus Christi with the world.”

Revise Article II –Section 1.

Change the composition of the Board of Directors from 24 to 17 members.

Add the words “four (4)” to indicate how many people, remove “or entities”, and add “voting” to define the members in the following sentence:

“The following four (4) persons, or their designees or representatives, shall serve as additional voting members of the Board by virtue of position held:”

Remove “President and CEO of Whataburger Field” and replace with “General Manager of Corpus Christi Hooks”

Revise Article II-Section 10.4 Director Terms

Remove this section in its entirety:

“The Board may make recommendations to the City Council for directors in the lodging, restaurant, attractions and at-large categories as director’s terms expire, but the Board always shall nominate one more individual than the number of positions available in each category. The City Council will provide serious consideration to the Board’s recommendations but is not restricted to select members submitted by the Board or any other group.”

And replace with:

“The CCCVB will make recommendations to the City Council for lodging, attraction and restaurant industry and community at-large directors as directors’ terms expire but the CCCVB always shall nominate one more individual as an alternate per category than the total number of positions available. Appointments will be made by City Council from the provided list with consideration of nominations by the CCCVB Nominations and Executive Committees and Board.”

Revise Article II-Section 10.4 Director Terms Subsection 1

Remove “shall” and replace with “must” and add “for lodging, attraction, restaurant industry and community at-large directors” to the first sentence to read:

“Unexcused absences from more than twenty-five percent (3 meetings) of regularly scheduled meetings during a term year shall result in an automatic vacancy, which vacancy for lodging, attraction, restaurant industry and community at-large directors must be promptly reported to the City Council.”

Revise Article II-Section 10.4 Director Terms Subsection 5

Remove “or at a management level” after officer in the first sentence to read:

“Each Director elected to represent the lodging industry, the restaurant industry, or area attractions must be an owner, operator, or officer in his or her organization at the time of his or her nomination and throughout his or her term as a Director.”

Revise Article IV-Section 3

Remove “Nominations” and replace with “Board Development” in the section title, first sentence and second sentence.

Add “identifying and “ to the first sentence to read:

“The Chairman shall appoint a Board Development Committee of five (5) Directors for the purpose of identifying and nominating candidates for the Board of Directors for those positions whose terms are expiring at the end of each fiscal year.”

Replace “Vice Chair“ with “Past Chair” in the second sentence.

Revise Article IV-Section 4

Remove “two to four members” and replace with “three” in the first sentence.

Add "investment strategy " to the second sentence to read:

"The purpose of the Finance Committee shall be to oversee the finances of the CCCVB, monitor and make recommendations concerning financial policies and procedures, investment strategy, examine audit reports, review and support the development of the annual budget and handle such other matters as may from time to time be assigned."

Revise Article IV-Section 5

Add "and Contracts" to the title and each sentence after "Bylaws".

Add " as well as the city contract with the City of Corpus Christi to ensure consistency between the two documents" to the second sentence to read:

"The purpose of the Bylaws and Contracts Committee shall be to oversee the bylaws of the CCCVB as well as the city contract with the City of Corpus Christi to ensure consistency between the two documents."

Add "and/or city contract" to the third sentence to read:

"The Bylaws and Contracts Committee may make recommended changes of the bylaws and/or city contract and present to the board in according to city contract processes."

Remove the follow sentence:

"The committee also reviews the city contract to ensure consistency between the two documents."

Revise Article V-Section 3

Remove "telephone conference" and add "e conference phone or similar communications equipment" to the title and each sentence after "Bylaws".

Add " as well as the city contract with the City of Corpus Christi to ensure consistency between the two documents" to the second sentence to read:

"A single board member may attend a regular meeting via conference phone or similar communications equipment a maximum of three (3) times per fiscal year, except as permitted by the Chairman."

Revise Article VII

Remove the following "No amendment shall be finally effective unless and until (1) written notice of the amendment has been given to the City not less than 60 days prior to the effective date of the change, and (2) the City has approved the amendment." and replace with the following:

"Any changes to the bylaws must be presented to the City Manager for approval at least two weeks prior to the adoption of the bylaws by the Board of Directors. The City Manager may reasonably object to changes that are not consistent with this Agreement prior to the Board meeting for approval of the changes. The changes to the bylaws will be effective upon approval of the Board of Directors and City Council."

ALTERNATIVES:

City Council could choose not to approve the second amended and restated Management Services Agreement.

FISCAL IMPACT:

There is no financial impact associated with this item.

Funding Detail:

Fund:	N/A
Organization/Activity:	N/A
Mission Element:	N/A
Project # (CIP Only):	N/A
Account:	N/A

RECOMMENDATION:

Staff recommends approving the second amended and restated Management Services Agreement.

LIST OF SUPPORTING DOCUMENTS:

Second Amended and Restated Management Service Agreement- Redline copy