



# City of Corpus Christi

1201 Leopard Street  
Corpus Christi, TX 78401  
cctexas.com

## Meeting Minutes

### City Council Workshop Session

---

Thursday, August 22, 2019

9:00 AM

City Council Chambers

---

#### Hotel Occupancy Tax, Convention & Visitors Bureau, American Bank Center, Airport

**Public Notice - - ITEMS ON THIS AGENDA ARE FOR COUNCIL'S INFORMATIONAL PURPOSES ONLY. COUNCIL MAY GIVE DIRECTION TO THE CITY MANAGER, BUT NO OTHER ACTION WILL BE TAKEN AND NO PUBLIC COMMENT WILL BE SOLICITED.**

**THE USE OF CELLULAR PHONES AND SOUND ACTIVATED PAGERS ARE PROHIBITED IN THE COUNCIL CHAMBERS DURING MEETINGS OF THE CITY COUNCIL.**

**A. Mayor Joe McComb to call the meeting to order.**

Mayor McComb called the meeting to order at 9:01 a.m.

**B. City Secretary Rebecca L. Huerta to call the roll of the required Charter Officers.**

Assistant City Secretary Paul Pierce called the roll and verified that a quorum of the City Council and the required Charter Officers were present to conduct the meeting. Council Member Everett Roy arrived at 9:15 a.m. City Attorney Miles K. Risley arrived at 10:38 a.m.

**Charter Officers:**

**City Manager Peter Zaroni, Assistant City Attorney Buck Brice and Assistant City Secretary Paul Pierce.**

**Present** 9 - Mayor Joe McComb, Council Member Roland Barrera, Council Member Rudy Garza, Council Member Paulette Guajardo, Council Member Gil Hernandez, Council Member Michael Hunter, Council Member Ben Molina, Council Member Everett Roy, and Council Member Greg Smith

**C. BRIEFINGS TO CITY COUNCIL:**

**1. FY 2019-2020 Budget Workshop on the Hotel Occupancy Tax Collections and Programs, the Convention & Visitor's Bureau, the American Bank Center, and Airport Operations.**

Mayor McComb referred to Item 1.

City Manager Peter Zaroni stated that the purpose of this item is to present FY2019-2020 budget-related information for hotel occupancy tax collections and programs, the Convention and Visitors' Bureau (Visit Corpus Christi) and

the American Bank Center (ABC) and to present the FY2019-2020 proposed budget for the Aviation Department. City Manager Zanoni discussed the upcoming Council budget workshop and public input session.

Director of the Office of Management and Budget Eddie Houlihan presented information on the following topics regarding hotel occupancy taxes: tax rate; major uses; and the FY2020 proposed budget.

General Manager of the American Bank Center Matt Blasy presented information on the following topics related to the American Bank Center: mission statement; about the American Bank Center; SMG's organizational structure; FY2019 achievements; performance indicators; services; FY2020 proposed budget; and FY2020 enhancements.

Chief Executive Officer of Visit Corpus Christi (VCC) Paulette Kluge presented information on the following topics related to Visit Corpus Christi: mission statement; about VCC; advertising; organizational structure; FY2019 achievements; performance measures; and FY2020 proposed budget and plan.

Council members, City Manager Zanoni, Director Houlihan, Mr. Blasy and Ms. Kluge discussed the following topics: funding for gulf and inland beach lifeguards; learn-to-swim programs; addressing concerns regarding recent drownings; the ABC's revenue projections; the lead time to book events at the ABC; the ABC's sales goals and revenue targets; if hotel occupancy taxes from AirBnB are included in the proposed budget, as presented; the use of digital advertising by VCC; attendance trends, the number and type of events, event goals, expense controls and energy efficiency initiatives at the ABC; the number of deaths on gulf beaches annually; that VCC is working to make ReverseAlert available to area hotel guests via an app; efforts to bring Broadway shows to the ABC and the reasons shows do and do not come to the ABC, including challenges related to Corpus Christi's geographic location; the importance of relationships in bringing shows to the ABC; VCC's promotion of direct flights to Corpus Christi from Dallas Love Field; advertising in relation to direct flights from DFW International Airport to Corpus Christi; clarification regarding room occupancy data; capital projects and savings realized from in-house management of capital projects at the ABC; and the City working with Nueces County in relation to maintaining an appropriate level of lifeguard staffing at area beaches.

Director of Aviation Fred Segundo presented information on the following topics related to the Aviation Department: mission statement; about the Aviation Department; organizational structure; FY2019 achievements; FY2020 and 2022 goals; performance measures; services; FY2020 proposed Airport Fund budget; and FY2020 highlights.

Council members and Director Segundo, the Aviation Department's Public Relations and Marketing Coordinator Kim Bridger and Finance and Administration Manager Nicole Zapata discussed the following topics related to the Aviation Department: marketing efforts; partnering with the Convention and Visitors' Bureau / VCC; Federal Aviation Administration funding restrictions related to marketing expenditures; the annual marketing budget; the current digital marketing campaign that re-directs locals to a total cost calculator when locals look for flights departing from regional airports other than Corpus Christi International Airport; that the Saturday-only direct flight from Dallas' Love Field

will be ending at the end of this year; new marketing methods; that the military represents 60% of the airport's operations; the purpose of monies proposed for professional services; parking revenue versus related costs; the purpose of computer- / IT-related expenses; using the City's IT Department versus private contractors; that the Airport's IT network is a closed network; airport-specific software and related costs; that American Airlines will be adding capacity at the airport; the relationship between enplanements and capacity; the annual economic impact of the airport; revenue lost to leakage to other regional airports; adding flights from discount carriers; landing fee revenue; that the military does not pay landing fees, but instead pays the airport six cents from each gallon of fuel they purchase as well as a fee when military planes stay at the airport overnight; the portion of total revenue derived from military operations at the airport; and the financial impact to the airport if the military component were to be discontinued.

Council members and City Manager Zanoni discussed the following additional topics: when the Council will receive the report it requested as part of its recent directive relating to winter quarter averaging and separating a stormwater rate from the current utility rate structure; clarification regarding the requested increase in the water rate and averting an increase in the wastewater rate due to performing some aspects of maintenance in-house; and a request that the Council be provided background information and a timeline related to the change from winter quarter averaging to the current wastewater rate structure.

#### **D. ADJOURNMENT**

The meeting was adjourned at 10:45 a.m.