

A Review of the Jackson Convention and Visitors Bureau

Executive Summary

Introduction

House Bill 1637, 2018 Regular Session, authorized PEER to conduct “a review of the [Jackson Convention and Visitor’s Bureau (a.k.a. Visit Jackson)], which shall include, but not be limited to, accounting practices, office operations, administration, staffing, resource utilization and other best practices of facility management.”

PEER limited its review to those items specified in House Bill 1637. Particularly, concerns were raised about the timeliness of appointments to the JCVB Board of Directors; the proportion of the JCVB budget allocated to staffing costs; whether the JCVB is best utilizing its resources to promote tourism in Jackson; and whether the JCVB Board of Directors exercises adequate oversight over JCVB operations.

Section 14(1)(b) of H.B. 1637 provides that the PEER Committee may contract with a private contractor or contractors to conduct the review of the Jackson Convention and Visitors Bureau mandated by the bill. PEER developed and advertised a request for proposal (RFP) that included a scope of work to address the areas of JCVB’s operations included in H.B. 1637. In response to the RFP, PEER received written proposals from three consultants and determined Destination Services submitted the best proposal, which was also lowest cost.

Background

The Jackson Convention and Visitors Bureau is Jackson’s official destination marketing organization, responsible for attracting, promoting, and facilitating tourism to and within the Jackson market with the goal of causing a positive economic impact. It is authorized by H.B. 1637, which also provided for its funding through the levying of a 1% sales tax on hotels/motels and restaurants.

The JCVB functions to generate major economic impact for the city through programs that identify, attract, and service conventions and meetings, trade shows, group tours, and consumer travelers, while having an impact on the quality of life of local citizens.

The JCVB is governed by a nine-member board of directors, and as of April 2018, employed 18 full-time individuals and four part-time staff. Its departmental organization consists of administration, marketing, and sales and services.

Operations of the Jackson Convention and Visitors Bureau

The Jackson Convention and Visitors Bureau operates multiple programs in Marketing, Sales and Services, Funding Support, and Signature Events. Programs and services of the JCVB range from purchasing and placing promotional advertising to providing financial support in the form of grants or sponsorships to various tourism stakeholders (Jackson restaurants, hotels, attractions, local government, etc.).

Programs and Services

Marketing

The JCVB marketing program includes efforts and services to promote Jackson as a travel destination and promote increased patronage of Jackson restaurants and attractions. Marketing efforts include print media advertising, digital media advertising, production of sales videos, and advertising packets designed toward target markets.

The JCVB also develops sales videos and marketing materials and other brochures, which are provided to the Jackson Convention Complex, Jackson hotels, and event space coordinators to utilize in sales efforts.

Sales and Services

Sales and services programs work with various meeting planners, market segments, the community, and other stakeholders to sell Jackson as a destination. Staff procure sales in the following market segments:

- religious, education, and government;
- association and corporate;
- sports, equine, and medical;
- national, fraternal, ethnic, and Jackson State University;
- reunions (military/family) and group tours.

Services offered for conventions and meetings vary based on the level of event/hotel nights brought to Jackson. These services may include research of available meeting space, promotional materials, and publicity.

The JCVB provides local tourism entities such services as JCVB-created sales leads, access to the JCVB database, training classes, sales videos/marketing materials, and brochures.

Funding Support

The JCVB provides funding support, by application or sponsorship, to stimulate tourism or enhance quality of life in Jackson through its Convention & Meeting Support Grant Program; Marketing Match Grant Program; Restaurant Advertising Match Program; and quality of life initiatives and

Mini-Grant program in partnership with the Greater Jackson Arts Council.

Signature Events

The JCVB organizes and promotes several “signature” projects and/or events annually, such as National Travel and Tourism Week, hospitality training, and other hospitality events, such as the Miss Jackson Hospitality pageant.

Strategic Planning

The JCVB utilizes two formal documents in its strategic planning efforts: an overall strategic plan and an annual marketing plan. The strategic plan’s essential purpose is to identify broad goals and direction and overall methodology for accomplishing the goals. The marketing plan is developed at the programmatic level to achieve the strategic plan’s goals and objectives. However, PEER determined that most of the JCVB’s goals and objectives did not include specific measurable and timely performance measures by which to assess the JCVB’s performance in implementing the plans. Additionally, neither plan included a clear path to implement the defined strategies and objectives (e.g., a plan for allocation of resources).

Performance Measurement

The JCVB collects various performance data and measures, but determination could not be made through those performance metrics of how it utilizes these data to steer operations in order to meet the objectives of its strategic plan. Furthermore, outdated or inconsistent measures impede determination of whether the JCVB is utilizing its resources in the most efficient and effective manner.

Measuring Overall Economic Impact

According to the JCVB Board, it primarily utilizes two measures to track overall JCVB performance: annual change in the 1% restaurant and hotel sales tax collections and estimated economic impact of JCVB conventions, meetings, events, etc.

Although the annual change in these sales tax collections is an indicator of overall restaurant sales and hotel bookings in Jackson, such are, in part, affected by environmental factors beyond the JCVB’s control, particularly fluctuations in the economy. Given such, JCVB performance—any one or combination of implemented strategies—may not be directly related to the annual change in the 1% restaurant and hotel sales tax collections. In addition, the formula to calculate estimated economic impact has not been reevaluated in 20-plus years.

Marketing Performance Measures

The JCVB primarily relies upon measurement of the number of tourists traveling to Jackson, and their points of origin, and social media metrics to gauge marketing performance.

Sales and Services Performance Measures

For sales and services, the JCVB primarily measures the number and types of events booked, total revenue from sales compared to targets, quantity of sales leads, and hotel metrics, such as occupancy rate.

Funding Support Performance Measures

The JCVB does not have consistent performance metrics in place to determine the impact of its various funding support programs, which may require information to be provided before receipt of funding or require no actual verification of economic development.

Signature Event Performance Measures

The JCVB has no formal performance metrics in place to determine the impact of or continued need for signature projects to promote the tourism assets and resources in Jackson. It has instead relied upon limited anecdotal feedback in making decisions regarding whether to repeat an event annually.

Jackson Convention and Visitors Bureau Revenues and Expenditures

The JCVB staff develops the agency's annual budget, which is approved by the board. However, there is no formal in-house operating budget, and the JCVB President/CEO approves spending authority on an as-needed basis.

Funding

The JCVB predominantly derives its funding from tourism taxes on restaurant and hotel sales. Tourism tax revenues increased from \$3.1 million in FY 2012 to more than \$3.5 million in FY 2015 but have since plateaued at approximately \$3.5 million per year through FY 2017 (see Exhibit A, page ix).

In addition to tax revenue, the JCVB received revenue from festival income, grant funding, advertising sales, and interest on the JCVB reserve fund.

Exhibit A: JCVB Revenues, by Source, for FY 2012 through FY 2017

Revenues	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Tourism tax	\$3,148,858	\$3,266,677	\$3,381,246	\$3,583,372	\$3,587,300	\$3,539,564
Festival income*	N/A	\$132,539	\$316,958	\$234,943	\$177,856	\$227,370
State grant	\$0	\$0	\$0	\$0	\$50,000	\$0
Investment income**	\$6,912	\$4,746	\$3,177	\$1,934	\$2,108	\$1,718
Other***	\$505	\$4,114	\$16,658	\$17,031	\$412	\$363
Total	\$3,156,275	\$3,408,076	\$3,718,039	\$3,837,280	\$3,817,676	\$3,769,015

*Revenue from Jackson Rhythm and Blues Festival, which began in 2013 and ended in 2017.

**Interest income generated from JCVB's reserve fund.

***Advertising revenue, from sale of ads for JCVB Visitors Guide in FY 2014 and FY 2015. JCVB contracted for production of the visitors guide beginning in FY 2016.

SOURCE: PEER compilation of JCVB annual audits for FY 2012 through FY 2017.

Expenditures

As shown in Exhibit B, Personnel, Programs, and Other constitute the JCVB's primary spending areas. Over the period FY 2012 through FY 2017, JCVB expenditures increased \$1.3 million, from \$2.8 million to \$4.1 million.

Exhibit B: JCVB Total Expenditures by Major Category, for FY 2012 through FY 2017

Major Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Personnel (\$)	\$1,329,452	\$1,327,813	\$1,399,386	\$1,467,000	\$1,449,250	\$1,544,503
Personnel (%)	48%	39%	35%	39%	36%	37%
Programs (\$)	\$1,038,276	\$1,629,272	\$2,132,861	\$1,806,185	\$2,034,893	\$2,117,090
Programs* (%)	38%	48%	53%	48%	51%	51%
Other** (\$)	\$398,845	\$436,217	\$472,006	\$509,760	\$515,098	\$492,165
Other (%)	14%	13%	12%	13%	13%	12%
Total Expenditures	\$2,766,573	\$3,393,302	\$4,004,253	\$3,782,945	\$3,999,241	\$4,153,758

*JCVB funding support, signature events, quality of life initiatives, and advertising and marketing efforts.

**Miscellaneous charges, e.g., supplies, capital outlay, maintenance, rent, professional services, etc.

SOURCE: PEER compilation of JCVB annual audits for FY 2012 through FY 2017.

Current Financial Status

Since FY 2013, the JCVB fund balance (reserve fund) has decreased by \$783,413. The decrease is due in part to increased expenditures for personnel, sponsorships, and a now-defunct music festival. As of fiscal year-end September 30, 2017, the JCVB had a fund balance of approximately \$1.8 million.

Stakeholder Assessment of Tourism in Jackson and JCVB Operations

To obtain stakeholders' impressions of the Jackson tourism environment and their interaction with the Jackson Convention and Visitors Bureau, PEER conducted in-person interviews with 29 stakeholders and the JCVB Board of Directors.

Stakeholders' Impressions of the Jackson Tourism Environment

Stakeholders identified Jackson's history and culture, growing food scene, and plethora of museums and attractions as its strengths. However, stakeholders observed that Jackson does not have an entertainment district, is not walkable, has infrastructure challenges, and locally is hindered by a heightened perception of crime.

Stakeholders' Impressions of the JCVB

Stakeholders contend that the Jackson Convention and Visitors Bureau should be more proactive in developing a comprehensive tourism plan for the city, improving its communication with stakeholders, and providing training and technical assistance for them.

Opportunities for Improvement Provided by Stakeholders

Stakeholders also believe there are opportunities for the JCVB to improve its operations to be a more effective tourism entity for Jackson, specifically as follows:

- *The JCVB, as the destination marketing and tourism entity for the city, should take the lead in developing a comprehensive tourism plan for Jackson.*
- *The JCVB should partner with stakeholders to develop collaborative marketing campaigns to promote Jackson as a destination and to promote particular aspects of the Jackson tourism industry.*
- *The JCVB should reassess how it tracks its performance and develop programmatic performance measures that will aid the JCVB in assessing its own performance and communicating such to stakeholders.*
- *The JCVB should collaborate with and develop relationships with stakeholders, including establishing avenues for constructive communication.*
- *The JCVB should develop strategies to support and enhance existing events. In contrast, the JCVB should not devote significant resources to developing its own events in-house.*
- *The JCVB should consider revising its funding support process to require all funding support recipients to initially submit an application to the JCVB, or, if applicable, the Greater Jackson Arts Council, and submit documentation*

demonstrating the funding support was utilized to generate an economic impact for Jackson. In addition, the JCVB should consider reviewing its policies for funding support in regard to when to allocate funding (i.e., either through reimbursement or prior to event).

Recommendations

1. In view of the fact that H.B. 1637 (2018 Regular Session) changed representation and qualification requirements for two of the JCVB Board member positions—i.e., an individual representing the Capital City Convention Center Commission and an individual representing the attractions industry nominated by the Metro Jackson Attractions Association—the Mayor of the City of Jackson should immediately comply with the provisions of this act by making appointments to these positions, which should have occurred within 90 days of the effective date of the bill. In addition, the JCVB CEO should advise the JCVB Board Chair that the member whose position was eliminated by H.B. 1637 should no longer actively participate as a board member by attending meetings and casting votes.

Regarding all future board appointments, including those for which past appointees are lawfully holding over, the JCVB CEO should advise the Mayor and applicable nominating associations regarding pending board vacancies to ensure that board positions are filled in a timely manner. In instances in which the Mayor chooses to retain a member of the board after the member's term has expired, the JCVB CEO should request that the Mayor make the reappointment in writing rather than allowing the board member to hold over by operation of law. If the member to be reappointed is required to be nominated by an association, the JCVB CEO should coordinate with the relevant association regarding the reappointment.

2. With regard to the JCVB's governance, the board of directors should
 - a. conduct a self-assessment to compare its practices to benchmarks and then prioritize its own development. A self-assessment can help identify issues needing clarification, gaps in skills that board members need for the board to be successful, and topics for future board education;
 - b. comply with its bylaws by annually electing its officers each October and annually conducting a performance review of the JCVB President/CEO;
 - c. reevaluate the current utilization and need of its standing committees and, where applicable, update its bylaws accordingly;
 - d. activate the JCVB Board's Community Relations Committee to actively seek measurable feedback from stakeholders on the operations and impact of the JCVB, as well as input on the current and future direction of the JCVB; and

- e. reevaluate its sponsorship process to include establishing a maximum amount in its annual operating budget for such sponsorship that will not be exceeded during the board's fiscal year. In addition, the board should require recipients of sponsorship funds to meet established performance requirements for the receipt of such funds.
3. The Jackson Convention and Visitors Bureau should reevaluate its organizational structure and its allocation of resources. The reevaluation should include adjustments in work activities to lower the time expended on administrative tasks, reallocating staff functions, assessing current JCVB programs, and determining if such programs should continue or whether funding could be better reallocated toward other alternatives.
4. To enhance the JCVB's communication with stakeholders and its own performance monitoring, the Jackson Convention and Visitors Bureau should develop goals and action plans, with defined performance measures and a plan for allocation of resources, to include in its strategic plan and marketing plan. The JCVB should also consider conducting research that will support and enhance the tourism market, such as visitor profile studies and economic impact studies (including reassessing and updating how the JCVB calculates economic impact).
5. The Jackson Convention and Visitors Bureau should reassess its sales strategy, including seeking stronger partnerships with the Jackson Convention Complex, the Mississippi State Fairgrounds, the Mississippi Hotel and Lodging Association, and the Mississippi Hospitality and Restaurant Association. JCVB managers should conduct regular sales meetings and coordinated sales strategies/partnerships with tourism-related stakeholders in the Jackson area.
6. As the Jackson Convention and Visitors Bureau moves forward to promote tourism and seek to enhance the tourism market in Jackson, it is incumbent that the bureau formally reach out to and seek feedback from its stakeholders, at both the board level and staff level.
7. The Jackson Convention and Visitors Bureau should take the lead in working with stakeholders to develop a comprehensive tourism plan for the Jackson area. The plan should address transportation gateways into the city, coordinated signage, city ordinances to promote tourism, infrastructure improvements, coordinated marketing and sales efforts, a tourism branding campaign, and other strategies to enhance the tourism sector.

For more information or clarification, contact:

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