

This ARTS report is comprised of three reports on progress made towards implementing recommendations addressed to (1) Convention and Entertainment Facilities, (2) Visit KC, and (3) Visit KC Board.

AUDIT REPORT TRACKING SYSTEM (ARTS)

SECTION I: SUMMARY INFORMATION			
Audit Title:	Visit KC Can Improve Reporting to City and Address Conflict of Interest Issues	Audit Release Date:	11/12/2019 Full Report / Highlights
Department:	Convention and Entertainment Facilities	Last Report Date:	First ARTS Report
Department Director:	Oscar McGaskey	This Report Date:	04/15/2020
Contact Person/Phone:	Oscar McGaskey (816) 513-5050	Expected Presentation Date:	TBD
SECTION II: PRIOR ARTS REPORTS			
NA – First ARTS Report			
SECTION III: SUMMARY OF RECOMMENDATION STATUS-			
1. Not Implemented		5. In Progress	
2. In Progress		6. In Progress	
4. In Progress		13. In Progress	
SECTION IV: SUMMARY OF IMPLEMENTATION EFFORTS			
Recommendation 1: The director of convention and entertainment facilities should define penalties in the next contract with Visit KC for noncompliance with contract provisions or unacceptable performance.			
<i>Status of Recommendation: Not Implemented</i>			
There is already a provision in the Visit KC contract that gives the City the option to terminate contract at any time, upon written notice to the other party at least thirty days prior to intent to terminate. It is not industry standard for cities to assess penalties to convention & visitors bureaus, IE. Austin TX, Denver CO, Dallas TX and Nashville TN.			
Recommendation 2: The director of convention and entertainment facilities should clearly define each performance measure and calculation within the next contract.			
<i>Status of Recommendation: In Progress</i>			
The Department will implement this recommendation in the new contract with Visit KC.			
Recommendation 4: The director of convention and entertainment facilities should incorporate additional performance measures in Visit KC's new contract that address efficiency, productivity, or other identified city objectives.			
<i>Status of Recommendation: In Progress</i>			
The Department will implement this recommendation in the new contract with Visit KC.			
Recommendation 5: The director of convention and entertainment facilities should include in Visit KC's next contract a contract provision that specifies the substance and form of financial reports to the city.			
<i>Status of Recommendation: In Progress</i>			
The Department will implement this recommendation in the new contract with Visit KC.			
Recommendation 6: The director of convention and entertainment facilities should include in Visit KC's next contract a contract provision that directs Visit KC to segregate Kansas City, Missouri's, funds and performance data from other sources in its reporting to the city.			
<i>Status of Recommendation: In Progress</i>			
The Department will implement this recommendation in the new contract with Visit KC.			

Recommendation 13: The director of convention and entertainment facilities should ensure Visit KC's next contract specifies that all Visit KC board members are prohibited from having a financial or personal interest in the city's contract with Visit KC and shall not negotiate or arrange to perform services identified in the contract on behalf of Visit KC.

*Status of Recommendation: **In Progress***

The Department will implement this recommendation in the new contract with Visit KC.

SECTION V: ADDITIONAL OUTCOMES

The current COVID-19 pandemic could have a significant impact on Visit KC's ability to market Kansas City as a destination for future years. This pandemic could also potentially reduce Hotel/Motel Tax and Restaurant Tax revenues as well.

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Audit Title:	Visit KC Can Improve Reporting to City and Address Conflict of Interest Issues	Audit Release Date:	11/12/2019 Full Report / Highlights
Department:	Visit KC	Last Report Date:	First ARTS Report
Department Director:	Jason Fulvi	This Report Date:	04/27/2020
Contact Person/Phone:	816-691-3815	Expected Presentation Date:	TBD
SECTION II: PRIOR ARTS REPORTS			
NA – First ARTS Report			
SECTION III: SUMMARY OF RECOMMENDATION STATUS			
3. Implemented 01/01/2020		10. Implemented 12/17/2019	
8. In Progress		11. In Progress	
9. In Progress			
SECTION IV: SUMMARY OF IMPLEMENTATION EFFORTS			
<p>Recommendation 3: The president/CEO of Visit KC should exclude events held outside Kansas City city limits from reported numbers and develop written policies and procedures to count multi-year bookings consistently, guide staff in the development of supporting documentation, and include steps necessary to ensure reported performance measures are consistent, accurate, and verifiable.</p> <p><i>Status of Recommendation: Implemented</i></p> <p>-November 12 – Notified of the need to ensure that performance within the city limits and outside be reported as such.</p> <p>-December 2019 – Sales staff was notified of new reporting procedure.</p> <p>-January 2020 – New procedure was established. Visit KC’s Market Research Manager started to exclude groups outside KCMO on reporting to the City of KCMO.</p> <p>- April 2020 – Q1 reporting would provide a breakdown.</p> <p>Procedures were addressed by giving direction to staff responsible of reporting. All changes were implemented in the system to ensure the requested reporting measure. Q1 2020 council reporting already reflects those changes. SOPs created for the following: (attached)</p> <ul style="list-style-type: none"> • Reporting Room Nights to Stakeholders with separation of KCMO Taxing District Definite Room Nights from Overall Definite Room Nights. • Turning Annual and Multiyear Bookings Definite • Minimum Documentation Required for Turning Business Definite 			
<p>Recommendation 8: The president/CEO of Visit KC should adopt RFP policies and procedures from recommended practices.</p> <p><i>Status of Recommendation: In Progress</i></p> <p>A new RFP policy has been drafted and will go to Visit KC’s Executive Committee for approval on June 23. Board’s final approval will take place at Q2’s board meeting on July 21.</p>			
<p>Recommendation 9: The president/CEO of Visit KC should develop a policy to identify maximum term length for contracts</p> <p><i>Status of Recommendation: In Progress</i></p> <p>The new RFP policy just drafted, which final approval will take place at Visit KC’s Q2 board meeting, will include term length on all contracts.</p>			
<p>Recommendation 10: The president/CEO of Visit KC should ensure contracts are only signed by authorized signers.</p> <p><i>Status of Recommendation: Implemented</i></p> <p>In December 2019, management updated and asserted Visit KC’s existing contract policy. All contracts are now signed by either the CEO or CFO. Additionally, an updated version of the contract policy has been drafted and will go to Visit KC’s Executive Committee for approval on June 23. Board’s final approval will take place at Q2’s board meeting on July 21.</p>			

Recommendation 11: The president/CEO of Visit KC should reissue RFPs for the advertising “agency of record” contract and any other contracts that do not adhere to Visit KC RFP policies and procedures.

Status of Recommendation: **In Progress**

- RFP for advertising “agency of record” will be issued upon completion of revised RFP policy in July 2020.
- Visit KC is currently in the midst of our current marketing campaigns and programming activations already established for 2020, the RFP process for advertising agency will take place in fall 2020 for award and implementation in calendar year 2021.

SECTION V: ADDITIONAL OUTCOMES

SOP for reporting room nights to stakeholders

Effective Jan 1, 2020

Visit KC is a metric-driven organization with established annual Key Performance Indicators (KPI's), and as such, reporting these metrics to our stakeholders is critical to the evaluation of the organization. These metrics must be relevant, accurate, and defensible.

One of these metrics is the reporting of "turned definite future room nights" which are defined as group contracted room nights at our partner hotels.

As Visit KC has hotel partners which privately support Visit KC in various jurisdictions ranging from different cities, counties, taxing districts, and even states (Missouri & Kansas), it is important to distinguish the relevance of our "turned definite future room night" production to our various stakeholders. As such, Visit KC will report "turned definite future room night" production as outlined below:

- **Overall Turned Definite Room Nights** – representing all group business contracted at all of our hotels across all jurisdictions that our hotel partner base resides in. This report is produced monthly, quarterly, and annually and is available for public consumption at those intervals.
- **KCMO Taxing District Turned Definite Room Nights** – representing the group business contracted within the hotels that reside within the official KCMO taxing district. This report will be run annually and provided for public consumption as a result of our year-end annual reporting.

Process:

Market Research Manager, following the end of each month, will begin the process of calculating, auditing, and ultimately reporting of the "Overall Turned Definite Room Nights" report.

This process will be finished by no later than the 20th day of each successive month. (i.e. January report will be available by February 20 of the following month, February report by March 20th, March report, by April 20th, and so on....)

Additionally, after the completion of December 31, the Market Research Manager, in addition to running the "Overall Turned Definite Room Nights" report will also generate a "KCMO Taxing District Turned Definite Room Night" Report that will outline the room nights generated within hotels that reside within the official KCMO taxing district. This report will be available for public consumption no later than January 31 following the end of the calendar year.

SOP for turning Annual and Multiyear bookings

Effective Feb 1, 2020

Current defined Annuals

Planet Comicon
Watt Global Media / Pet Food Forum
American Academy of Family Physicians
Educational Testing Service (ETS)
MultiMedia Animal Care, LLC (Fetch)
Cerner
USA Volleyball (Show Me Qualifier)

As of February 1, 2020, the following SOP (standard operating procedure) has been adopted by Visit KC relative to multi-year bookings that are booked on February 1, 2020 and for all future dates:

Defined Annual: can be turned at any point during the booking calendar year

Multi-Year Bookings (Defined)

- A multi-year booking is defined as any booking that is confirmed by Visit KC for three (or more) years at the same date of confirmation.

Process:

- Once the meeting/convention is confirmed by Visit KC for Kansas City, the sales manager/director will take credit for two (2) years at the time of confirmation, and then will be able to take credit for each additional year the meeting/convention is confirmed for Kansas City in the following calendar year in Q1. They can then take credit for each additional year confirmed in every following year, Q1, for as many years as the meeting/convention is confirmed for Kansas City.

Example:

Group books a 5-year deal in March 2020 for 2023, 2024, 2025, 2026 and 2027, credit will be taken as outlined below:

- 2023 & 2024 turns definite immediately upon signing
- 2025 will be turned definite in Q1 2021
- 2026 will be turned definite in Q1 2022
- 2027 will be turned definite in Q1 2023



MINIMUM DOCUMENTATION REQUIREMENTS FOR TURNING GROUPS DEFINITE

Documentation on definite bookings must be complete and saved in the appropriate place before the incentive plan will provide a payout to an individual sales manager. This includes but is not limited to the following:

- ▶ Fully Countersigned Letter of Intent (for citywides or groups receiving Opp Fund Contributions) and/or copy of fully signed hotel contract(s) or Hotel Contract Confirmation Form (for in-houses) attached to the event in Idss
- ▶ **IF APPLICABLE** - KCCC proposal/booking acknowledgment or signed contract attached to the event in iDSS
- ▶ **IF APPLICABLE** - Hotel Grid of proposed citywide room block options and cumulative total of rooms being accommodated if not specifically outlined in the Letter of Intent.
- ▶ **IF APPLICABLE** - Expense Report Tab – specifically the Promises Made section - completed in iDSS as necessary (required for ALL Groups we provide financial assistance too)

Additional Documents to upload as they become available:

- ▶ Signed Hotel contracts / Overflow Hotel contracts (for citywides / multi-property bookings)
- ▶ Other applicable supporting documents as appropriate for service purposes.

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Department:	Visit KC Board	Last Report Date:	First ARTS Report
Board President:	Cindy Circo	This Report Date:	04/15/2020
Contact Person/Phone:	816-616-9520	Expected Presentation Date:	CAO will enter
SECTION II: PRIOR ARTS REPORTS			
NA – First ARTS Report			
SECTION III: SUMMARY OF RECOMMENDATION STATUS			
7. In Progress		12. In Progress	
SECTION III: SUMMARY OF IMPLEMENTATION EFFORTS			
Recommendation 7: The Visit KC Board Chair should ensure board members submit financial disclosures to the city clerk annually in accordance with City Code Section 2-2024 and contract requirements.			
<i>Status of Recommendation: In Progress</i>			
-Visit KC staff is committed to collect and/or provide disclosures to the City Clerk in accordance with City Code Section 2-2-24			
-As of 04/14/2020 only 7/39 members are pending (City Code's deadline is June 1 st).			
Recommendation 12: The Visit KC Board Chair should develop an ethics policy and procedures that address conflicts of interest and the appearance of a conflict of interest for all Visit KC board members.			
<i>Status of Recommendation: In Progress</i>			
-An ethics policy has been drafted and it is currently under review of City Attorney's office.			
-Final policy will be up for approval during the July 2020 board meeting.			
SECTION IV: ADDITIONAL OUTCOMES			