



**Auditor of State
Betty Montgomery**

TRUMBULL COUNTY
CONVENTION & VISITORS BUREAU
PERFORMANCE AUDIT

JULY 8, 2004



Auditor of State Betty Montgomery

To the Citizens of Trumbull County:

At the request of the Trumbull County Commissioners, the Auditor of State initiated a performance audit of the Trumbull County Convention and Visitors Bureau (CVB) on February 10, 2004. Given the issues that have arisen between the two entities, the County Commissioners and the CVB Board of Governors determined that a performance audit would help address concerns regarding the relationship between the two parties, and the overall efficiency and effectiveness of the CVB.

This audit report assesses two key areas: compliance with applicable laws, agreements, and bylaws; and financial reporting and accountability. The Auditor of State's Office conducted an independent assessment of these areas with the objective of providing recommendations to enhance the contractual relationship between the County Commissioners and the CVB Board of Governors, to assist the CVB in fulfilling its role and mission, to ensure proper financial reporting and accountability, and to improve the monitoring of marketing outcomes. The County Commissioners and CVB are also encouraged to continue to assess overall operations and develop other recommendations independent of this performance audit.

An executive summary has been prepared which includes the project history, the objectives and scope, methodology of the performance audit, and background. This report has been provided to the County Commissioners and the CVB, and its contents discussed with the appropriate officials and CVB management. The Commissioners and the CVB have been encouraged to use the results of the performance audit as a resource in improving the relationship between the two entities, as well as enhancing the CVB's overall operations and service delivery.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. In addition, this performance audit can be accessed online through the Auditor of State's website at <http://www.auditor.state.oh.us/> by choosing the "On-Line Audit Search" option.

Sincerely,

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
AUDITOR OF STATE

July 8, 2004

Trumbull County Convention and Visitors Bureau

Project History

The Trumbull County Commissioners engaged the Auditor of State's Office (AOS) on February 10, 2004 to conduct a performance audit of the Trumbull County Convention and Visitors Bureau (CVB or Bureau). The audit's overall objectives are to assess selected areas of the Bureau, and to develop recommendations based on comparisons with peer bureaus and other best practice information. Specifically, the performance audit provides an independent assessment of the CVB's and County's compliance with relevant statutes and agreements, and financial reporting and accountability between the County Commissioners and the Bureau. The County Commissioners have acknowledged the need to address these issues to improve the overall relationship with the CVB, and have been proactive in approaching AOS for assistance through the performance audit process. The recommendations resulting from the performance audit will provide a framework for management decision making that can result in improved communications, operational improvements, strengthened controls, and enhanced accountability.

The Auditor of State and staff express appreciation to the Trumbull County Commissioners, the CVB, and the peer bureaus for their cooperation and assistance throughout this audit.

Objectives and Scope

A performance audit is defined as a systematic and objective assessment of the performance of an organization, program, function, or activity to develop findings, conclusions and recommendations. Performance audits are usually classified as either economy and efficiency audits or program audits. Economy and efficiency audits consider whether an entity is using its resources efficiently and effectively. Program audits are normally designed to determine if the entity's activities or programs are effective, if they are reaching their goals, and if the goals are proper, suitable, or relevant. The performance audit conducted on the Trumbull County Convention and Visitors Bureau contains elements of both an economy and efficiency audit and a program audit.

AOS has designed this performance audit to provide recommendations for addressing current compliance and operational issues, and to provide the framework for improving communications and oversight, strengthening management controls, and increasing accountability. Specific objectives of this performance audit include the following:

- Assess compliance with applicable Ohio Revised Code (ORC) and Ohio Administrative Code (OAC) statutes and regulations, County laws and agreements, and CVB Board of Trustees bylaws (Code of Regulations); and
- Review financial reporting and ensure accountability of the CVB and County Commissioners.

This performance audit was conducted in accordance with Generally Accepted Government Auditing Standards, and field work was conducted between February and April 2004.

Methodology

To complete this report, the auditors gathered and assessed data that was significant and relevant to the selected audit areas, conducted interviews with various individuals associated with the County and the CVB, and assessed available information from selected peer bureaus. In addition to reviewing this information, the auditors gathered and reviewed other pertinent documents and information, such as state and national best practices in travel and tourism, and convention and visitor bureau operations and governance practices. For example, the auditors used the *2002 Membership Survey* compiled by the Ohio Association of Convention and Visitors Bureaus (OACVB) to obtain key statistics, benchmarks, and other performance-related data from 47 Ohio CVBs. Data for this performance audit was drawn from fiscal years (FYs) 2001, 2002 and 2003.

The performance audit process involved information sharing with the CVB and the County Commissioners, including preliminary drafts of findings and recommendations. Furthermore, periodic status meetings were held throughout the engagement to inform the County and the CVB of the key issues impacting selected areas, and to discuss proposed recommendations to enhance compliance and improve Bureau operations. Finally, the CVB and the County Commissioners provided written comments in response to various recommendations that were taken into consideration in the reporting process.

Based on demographic data, and with input from the County and the CVB, the following visitor and convention bureaus were selected as peers to facilitate benchmark comparisons: Lake County Visitors Bureau (Lake VB); Lorain County Visitors Bureau (Lorain VB); and Springfield (Clark County) Convention and Visitors Bureau (Springfield CVB).

Background

According to OACVB, a convention and visitor bureau is a “destination marketing” organization. In Ohio, and many other states, most convention and visitor bureaus are not-for-profit organizations that work independently under the auspices of a board of trustees. The fundamental mission of a convention and visitor bureau is the promotion of visitor and business

travel, which generates overnight lodging and participation in area attractions for a particular destination.

Trumbull County Commissioners levied a 2.5 percent lodging excise tax effective October 1, 1980 to be used solely to fund a convention and visitors bureau. On March 26, 1981, the County Commissioners established the Trumbull County Convention and Visitors Bureau and set rules and regulations for its operation. The Bureau incorporated as a not-for-profit organization with the State of Ohio on October 1, 1981. Since the Bureau receives funding based on an approved budget from the Commissioners, it may not receive all of the revenues collected from the lodging excise tax. Therefore, the Trumbull County CVB is a nonprofit organization that is a vendor providing marketing services to Trumbull County.

The purpose of the Trumbull County CVB is to promote tourism and to establish Trumbull County as an attractive and successful convention center in the Northeastern Ohio area. This is accomplished by promoting the area's natural attractions, recreational and cultural activities, entertainment and unique historical sites, as well as lodgings, halls, and noted restaurants which serve individual tourists and organizations visiting the area.

The Bureau consists of a public committee, an executive board and the office of the Bureau director. Any organization or individual may join the public committee. However, based on a review of Board meeting minutes, the public committee does not appear to be active. According to the contract between the Bureau and the County Commissioners, the executive board is composed of seven members appointed by the County Commissioners, and all vacancies shall be filled by the Commissioners. The powers of the Board include:

- Adopt and approve the budget;
- Resolve any membership questions;
- Establish policies, activities, and plans for execution by the Bureau;
- Create committees and task forces it deems necessary;
- Appoint, remove, and establish the salary of the Bureau director;
- Authorize all contracts in which the Bureau is a party;
- Call the regular meetings of the public committee at least once a quarter;
- Consider and respond in writing to all written recommendations of the public committee; and
- Preside at the meetings of the public committee in the event the committee does not elect its own officers.

The Bureau director is responsible for implementing policy and administering day-to-day operations. Each year, the director must develop a plan which establishes short-term and long-term objectives, devises an evaluation process, and sets an annual budget and staff requirements. The Board must approve the director's plan before it is operational.

On December 22, 2003, the County Commissioners amended and increased the County's lodging excise tax, originally adopted on June 26, 1980, from 2.5 percent to 4.0 percent. The Commissioners designated 2.0 percent of the lodging excise tax for the support of the Western Reserve Port Authority and the remaining 2.0 percent for the support of the Bureau. However, in accordance with Trumbull County CVB's contract with the County, the Bureau receives a budgeted amount rather than the entire designated 2.0 percent. On March 30, 2004, the Commissioners amended the December 22 resolution to designate the entire 4.0 percent of collections to the Port Authority. Therefore, the continued County lodging tax funding of the Bureau is currently uncertain (see **Recommendations 1 and 5**).

Organizational and Operational Overview

Trumbull County CVB does not directly provide programs and services. Rather, the Bureau markets Trumbull County to visitors in three areas: packaged travel, meetings/conventions, and leisure. To assist local nonprofit organizations in promoting or marketing events, the Bureau operates a grant program. The Board is responsible for reviewing grant applications to ensure they meet established eligibility criteria, and will attract visitors and promote tourism to the County.

During the course of the audit, the Bureau's staffing changed. Initially, the Bureau employed 1.0 full-time equivalent (FTE) interim director and 1.0 FTE administrative assistant. The interim director resigned in March 2003. Thereafter, the Board hired 1.0 FTE tourism manager who is responsible for implementing the marketing plan. The Board decided not to fill the executive director position for FY 2004. As a result, the remaining Bureau staff and the Board have assumed the executive director's duties.

Comparative Statistics

Table 1-1 provides benchmark data for comparative purposes.

Table 1-1: FY 2003 Benchmarking Statistics

| | Trumbull County CVB | Lake County VB | Lorain County VB | Springfield Area CVB | Peer Average |
|-----------------------------|------------------------|-------------------|---------------------|-------------------------|--------------|
| Revenues | \$252,629 | \$542,199 | \$378,564 | \$341,471 | \$420,745 |
| Expenditures | \$308,456 | \$441,909 | \$303,730 | \$353,437 | \$366,359 |
| FTEs | 2.00 ¹ | 2.00 | 4.60 | 4.12 | 3.57 |
| Revenues per FTE | \$126,315 | \$271,100 | \$82,297 | \$82,881 | \$145,426 |
| Expenditures per FTE | \$154,228 | \$220,955 | \$66,028 | \$85,786 | \$124,256 |

Source: Financial statements and CVB executive directors

¹ During the course of the audit, Trumbull County CVB's interim director resigned. Thereafter, the Board hired a tourism manager. The total number of FTEs did not change.

As shown in **Table 1-1**, Trumbull County CVB's revenues per FTE and expenditures per FTE are both the second highest overall. The *2003 Organizational and Financial Profile Report* by the International Association of Convention and Visitor Bureaus Foundation (IACVB) reports average revenues per FTE for CVB's of \$142,748 and expenditures per FTE of \$137,146. Although Trumbull County CVB's ratios deviate somewhat from IACVB's, they are the most similar when compared to the peers. Therefore, the Bureau's staffing levels appear reasonable and allow it to allocate sufficient funding to marketing efforts (see **Table 1-3**). However, tracking performance measures would better enable the Bureau to assess staffing levels and corresponding workload, thereby ensuring that staffing levels are appropriate (refer to **Recommendation 6**). Furthermore, Trumbull County CVB's reserve covered the operational deficit in FY 2003 (see **Recommendation 5** for reserves).

Audit Conclusions

As a private nonprofit agency, the Trumbull County CVB serves as a vendor to the County Commissioners, and their relationship is contractually based. The contract between Trumbull County CVB and the County Commissioners differs significantly from peer CVB contracts. The contract is for one year, while peer contracts are multi-year. Additionally, reasons for termination are not explicitly stated in the agreement and investment of funds received from the County is prohibited. Further, the contract contains two unique provisions; the attachment of the Bureau's Code of Regulations, or bylaws, and the requirement of a County-approved budget. Attaching the Code of Regulations to the contract has resulted in several areas of contention between the parties, such as approval of amendments and authority for Board appointments.

By working together to develop a revised, mutually agreeable contract, Trumbull County CVB and the County Commissioners would be able to concentrate their efforts on promoting and marketing Trumbull County. The revised contract language should clearly articulate each party's responsibilities, such as financial and performance reporting, to enhance accountability. In addition, appointing a County Commissioner to serve on the CVB Board, similar to Lake and Lorain Counties' CVBs, would allow the County to have input regarding the Bureau's operations, without requiring formal approval from each commissioner on every proposed amendment or change.

Trumbull County CVB's Code of Regulations does not address several areas found in peer CVB Codes of Regulations or best practices. The Bureau's Code of Regulations does not clearly define the composition of the Board, eligibility criteria, and reasons for removal of Board members and officers. Defining these areas in its bylaws would minimize ambiguities and potential confusion. Doing so could also result in appointing individuals to the Board who have the experience and interest in travel, tourism and the promotion of Trumbull County, enabling them to better assist the Bureau in achieving its ultimate mission. Furthermore, both the Bureau and County maintain a reserve of funds collected from the lodging tax. While maintaining a reserve provides nonprofit entities with long-term organizational and operating stability, an

excessive reserve limits the funds available to expand existing programs or create new programs. Finally, creating a policy manual that addresses standard operating procedures and developing a method to obtain, analyze, and report the results of performance would aid the Bureau in improving operations, outcomes, and accountability.

Assessments Not Yielding Recommendations

Assessments of the following areas were conducted, but did not warrant any changes or yield any recommendations:

- **Ohio Revised Code and Ohio Administrative Code Compliance:** Trumbull County appears to be in compliance with statutes related to CVBs and the excise lodging tax. County Commissioners adopted resolutions to establish the lodging tax, and have changed the tax designations as permitted by ORC § 5739.09.
- **Revenue Sources:** Trumbull County CVB, similar to the peers, relies on the lodging tax for the overwhelming majority of its total revenue. **Table 1-2** compares the Trumbull County CVB's lodging tax revenue as a percent of total revenue to the peer bureaus.

Table 1-2: Revenue Comparison for FY 2001 – FY 2003

| | Trumbull County CVB | Lake County VB | Lorain County VB | Springfield Area CVB |
|--|------------------------|------------------------|---------------------|-------------------------|
| FY 2001 Total Revenue | \$431,005 | \$391,040 | \$418,826 | \$340,592 |
| Lodging Tax Revenue | \$349,000 | \$339,946 | \$409,761 | \$334,134 |
| Lodging Tax Revenue as Percent of Total Revenue | 81.0% | 86.9% | 97.8% | 98.1% |
| FY 2002 Total Revenue | \$349,417 | \$364,725 | \$377,447 | \$335,501 |
| Lodging Tax Revenue | \$292,300 | \$312,270 | \$368,898 | \$333,464 |
| Lodging Tax Revenue as Percent of Total Revenue | 83.7% | 85.6% | 97.7% | 99.4% |
| FY 2003 Total Revenue | \$252,629 | \$542,199 ¹ | \$378,564 | \$341,471 |
| Lodging Tax Revenue | \$250,000 | \$641,734 | \$365,501 | \$332,024 |
| Lodging Tax Revenue as Percent of Total Revenue | 99.0% | 118.4% | 96.6% | 97.2% |

Source: Trumbull County CVB and peer financial audits

¹ Lake County VB had reserves of \$140,086 for a minor league baseball stadium and \$41,665 for the Arts.

As illustrated in **Table 1-2**, the amount of lodging tax revenue varies from bureau to bureau and from year to year. Lodging tax revenue depends on several variables beyond a CVB's control, such as the percent of tax levied, the number of hotels, and the number of hotel rooms. Additionally, a CVB may only receive a portion of the funds generated by the lodging tax, as funds are allocated by the County Commissioners.

The significant decreases in Trumbull County CVB's annual revenues are due to smaller budgets approved by the County Commissioners, and the Commissioners not providing additional funding for special projects, such as Cafaro Field and the LPGA Classic. The funding for these projects was in addition to the lodging tax revenue received by the Bureau prior to FY 2003. As a result, its reliance on lodging tax revenue as a percent of total revenue increased. In FY 2003, Trumbull County CVB used its reserve funds to cover the decrease in funding from the County, while the County maintained a reserve in its lodging tax fund (see **Recommendation 5**). Because the Bureau does not track performance data (see **Recommendation 6**), the impact of decreased funding on the marketing of Trumbull County cannot be determined.

- **Expenditures:** Trumbull County CVB's expenditures are comparable to the peer bureaus' expenditures and to statewide averages for bureaus with similar budgets. **Table 1-3** compares Trumbull County CVB's FY 2003 expenditures to those of the peer bureaus.

Table 1-3: FY 2003 Expenditures

| | Trumbull County CVB | Lake County VB | Lorain County VB | Springfield Area CVB | Peer Average |
|-------------------------------------|------------------------|-------------------|---------------------|-------------------------|------------------|
| Administrative Subtotal | \$182,872 | \$245,849 | \$218,807 | \$237,056 | \$233,904 |
| Percent of Total | 59.3% | 55.6% | 72.0% | 67.1% | 63.8% |
| Salaries and Benefits | \$108,822 | \$131,816 | \$167,503 | N/A | \$149,660 |
| Office Related | \$74,050 | \$114,033 | \$51,304 | N/A | \$82,669 |
| Travel Subtotal | \$6,231 | \$7,985 | \$1,552 | \$5,523 | \$5,020 |
| Percent of Total | 2.0% | 1.8% | 0.5% | 1.6% | 1.4% |
| Promotion/Marketing Subtotal | \$119,353 | \$188,075 | \$83,371 | \$110,858 | \$127,435 |
| Percent of Total | 38.7% | 42.6% | 27.4% | 31.4% | 34.8% |
| FY 2003 Total Expenditures | \$308,456 | \$441,909 | \$303,730 | \$353,437 | \$366,359 |

Source: Trumbull County CVB and peer financial audits

As illustrated in **Table 1-3**, the Bureau's administrative expenditures were lower than the peer average and second lowest overall. Program expenditures, while higher than the peer average and the second highest overall, decreased from FY 2001 and FY 2002 levels of approximately 46 percent. This is due to decreased funding from the County Commissioners in both the annual budget and special projects.

The Bureau's percent of total expenditures in administrative areas is lower than the peer average, and the second lowest overall, while its percent of total expenditures on promotion/marketing is higher than the peer average and second highest overall. Furthermore, Trumbull County CVB's expenditures are comparable to those of CVBs in Ohio with similar budgets. According to the Ohio Association of Convention and

Visitors Bureaus' *2002 Membership Survey*, CVBs comparable to Trumbull County CVB spent 52.8 percent of their budgets on administration, 8.2 percent on travel, and 37.4 percent on promoting and marketing.

- **Board Oversight:** The level of Board oversight and their responsibilities appear appropriate and comparable to the peers. Board members receive activity updates from Bureau staff at each board meeting, and either the chair or treasurer/secretary must co-sign all checks.
- **Contract Management:** Trumbull County CVB has only has two small contracts (e.g., custodial services and printing of the annual visitors guide) and appears to follow its bylaws regarding contract bidding.

Recommendations

Compliance, Contract, and Bylaws

1. **Trumbull County CVB and the County Commissioners should work cooperatively to develop a revised, mutually agreed upon contract for the collection and expenditure of lodging taxes to promote conventions and attract visitors to Trumbull County. The contract should revise any outdated provisions and clarify those identified as ambiguous. Furthermore, the language should clearly articulate each party's responsibilities, such as financial and performance reporting to enhance accountability.**

When developing the contract, the parties should also address provisions which are unique, and determine if the provisions adversely affect the Bureau's mission. Additionally, the Bureau and County Commissioners should consider provisions similar to the peers, which address the following issues:

- **Length of contract;**
- **Reasons the contract may be terminated;**
- **Submission of performance reports; and**
- **Authority to hold and invest lodging tax funds received by the Bureau in excess of expenditures.**

Trumbull County CVB and the Board of County Commissioners entered into a contract in 1981. An updated contract was developed and signed between the two parties in 1983, effective December 1 through November 30, with the Bureau's Articles of Incorporation and Code of Regulations (bylaws) included as exhibits. The contract has been renewed annually 'as is' by the County Commissioners every year up until the last renewal of April 3, 2003 for fiscal year 2003-04. However, it contains several provisions which are either outdated or ambiguous. For example, reference is made to ORC § 5739.024, which was replaced by ORC § 5739.09 in June 2002. Additionally, the contract includes a statement that funds are only to be used for operations and not for investments, but does not define either term.

The contract has created several areas of contention between Trumbull County CVB and the County Commissioners on matters involving obligations and responsibilities of the parties. First, the parties disagree as to who has authority to appoint Board members because the Code of Regulations states only County Commissioners have the authority to appoint Board members. However, the Board contends the bylaws were amended, giving it authority to appoint two Board members. Refer to **Recommendations 2 and 3** for additional information regarding this issue. A second area of contention concerns the

process and procedures for hiring and funding legal counsel to the Bureau and the disclosure of information regarding these matters to the County Commissioners.

Another area of concern involves the Bureau's authority to maintain and invest reserve funds. Although the contract requires the Bureau to use all funds received from the lodging tax for operations and prohibits the investment of funds, it does not define investments. Trumbull County CVB placed excess lodging tax funds in certificates of deposit and does not consider them as an investment because of their liquidity. However, the County considers certificates of deposit an investment. See **Recommendation 5** for additional information on reserve funds.

The County and Board should address these matters and clearly articulate each party's responsibilities to enhance accountability and better ensure that the mission of the Bureau is fulfilled.

Two of the peer CVBs also have contracts with their respective County Commissioners. Lake County VB does not have a contract with the Lake County Commissioners because one of the Commissioners serves as a board member. In the *2002 OACVB Membership Survey*, of 15 CVBs comparable to Trumbull CVB, six had contracts and nine did not. The length of contracts with a specified time limit varied from three years (renewable) to 20 years. **Table 1-4** compares Trumbull County CVB's operating contract with the peers.

Table 1-4: CVB Operating Contract Comparison¹

| Contract Provisions | Trumbull County CVB | Lorain County VB | Springfield Area CVB |
|---|--|---|---|
| Duration | December 1, 1982 – November 30, 1983 and for consecutive one year terms unless terminated | April 1, 2001 – March 31, 2006 with automatic five year renewal unless terminated | September 1, 2000 – August 31, 2004 |
| Termination | By written notice from either party at least 60 days prior to the then effective date of termination | By written notice at least 30 days prior to the expiration of the initial term Reasons for termination are included | For violation of one party, complaining party must serve notice to the other two parties and the party or parties in violation have 60 days to correct the violation, if the violation is not corrected in 60 days, the Agreement terminates |
| CVB Performance Reports | Not specified | Annual report to the Board of Commissioners of Lorain County, which includes an annual financial audit and activities accomplished | Annual marketing plan submitted to City Manager and Township Clerk with Board approved budget Annual progress report, including summary of programs and marketing plan, submitted to the City Manager and President of the Springfield Township Trustees |
| CVB Financial Reports | CVB shall make available to the County and the Trumbull County Auditor all cash receipts and disbursements with copies of supporting documentation | Annual financial audit by licensed or certified public accountant | Annual audit report, certified by the Auditor of the State of Ohio, to the City Manager and the Clerk of the Springfield Township Trustees |
| Budget Requirements | Trumbull County shall pay to the Bureau its cost of operations which shall be determined in an annual budget agreed on by the parties | Bureau receives net proceeds of lodging tax after reimbursement to Lorain County for the costs of collection and any 3 percent distribution to local governments | Board approves budget and CVB submits budget to City Manager, City's Finance Department, and Township Clerk |
| Lodging Tax Disbursements | Budget amount shall be paid to the CVB in 12 equal installments on the 1 st day of each month | Not specified | City and Township pay the Bureau their respective contributions by the 15 th of each month |
| Lodging Tax Funds remaining at Fiscal Year End | Funds paid pursuant to this agreement are for the operation of the CVB and shall not be used for investment purposes | All fund paid to the Bureau in excess of actual operating costs are invested as specified | Held by the CVB to expand programs and fund special projects, subject to reasonable budget approval by the Board |
| County or City/Township Rights and Duties | The County, or its duly authorized agent, shall have the right to inspect all books, records, reports, and operations of the CVB | The Bureau's Articles of Incorporation and Code of Regulations are made available to the County upon request Lorain County Treasurer and Auditor have the right to inspect all books, records, reports, and operations of the Bureau One of the County Commissioners shall be a voting member of the Bureau's Board | Collect full tax from all properties within the collections area and distribute tax in accordance with specified formula Perform annual audits of all properties subject to the tax Appropriate funds in accordance with terms established in the Agreement |

Source: Trumbull County CVB and peer operating contracts

¹ Lake County VB does not have an operating contract with the Lake County Commissioners

As illustrated in **Table 1-4**, Trumbull County CVB's contract differs significantly from the peer contracts. Both Lorain County VB's and Springfield Area CVB's contract is multi-year, while Trumbull County CVB's is for consecutive one-year terms. Further, Trumbull County CVB's contract does not contain two provisions which are included in both the Lorain County VB and Springfield Area CVB contracts. Each of these CVB's is

required to submit performance reports highlighting its activities to the County. These contracts also specify who holds any lodging tax funds collected in excess of the amount disbursed to the CVB or how such funds are to be used. For example, Lorain County VB must invest lodging tax funds received in excess of its actual operations costs. Lorain County VB's contract defines investments as the following:

- Bonds or obligations with principal and interest guaranteed by the United States of America;
- Obligations of the Federal National Mortgage Association of the Government Media Credit Banks; and
- Certificates of deposit in banks and/or savings and loans, not in excess of insurance provided by the FDIC and FSLIC.

Further, Springfield Area CVB holds excess funds to be used for expanding programs and special projects, as approved by its Board.

The contract between the Bureau and the County expresses that to terminate the agreement, a written notice from either party must be received at least 60 days prior to the then effective date of termination, but it does not detail the reasons for which termination can occur. In contrast, Lorain County VB's contract enumerates the following reasons for contract termination:

- Repeal of the Lorain County lodging excise tax;
- Failure of the Lorain County VB to perform its functions and duties pursuant to the contract and/or its Articles of Incorporation or bylaws;
- Amendment or repeal of ORC § 5729.024(A) or enactment of other statutes so as to eliminate the requirement that monies from the lodging excise tax must be contributed to the CVB; and
- Any other good cause.

Although Springfield Area CVB's contract does not state reasons for termination, it provides an opportunity to correct violations prior to termination.

The status of contract between the County and the Bureau appears uncertain. The County Commissioners amended the lodging tax resolution in December 2003, and part of the revenue was designated for the Bureau. However, when Commissioners amended the resolution for a second time in March 2004, none of the revenue was designated for the Bureau. In May 2004, \$100,000 in bed tax funding was provided to the Bureau.

Additionally, Trumbull County CVB's contract has two unique provisions which may adversely affect the CVB's mission. The Bureau's Articles of Incorporation and Code of Regulations (bylaws) are attached to the contract as exhibits (see **Recommendation 2**)

and the budget must be approved by the County Commissioners (see **Recommendations 2 and 5**).

By clearly defining the use of funds and investments (see **Recommendation 5**), and the appointing authority (see **Recommendations 2 and 3**), the CVB and County would ensure a sufficient understanding of each parties' responsibilities, avoid potential areas of contention, and work to improve CVB's overall mission and outcomes. Removing and updating outdated provisions would further ensure a sound understanding of each party's role and responsibilities, while establishing a performance reporting process could enhance accountability and ensure the attainment of successful outcomes. Additionally, creating a multi-year contract with the aforementioned accountability measures could better enable the Bureau to establish a long-term tourism marketing plan for Trumbull County by assuring a consistent funding stream, and help attract an executive director to lead the Bureau over the long-term.

2. **Trumbull County CVB and the County Commissioners should resolve the ambiguities caused by different versions of the Code of Regulations, with the resolutions documented in a new contract between the parties (see Recommendation 1) and the development of a new Code of Regulations (see Recommendation 3). Specifically, a new contract between both parties should specify the size of the Bureau's board to finally clarify the issue and help resolve other areas currently in contention (e.g., appointing authorities). A new contract should also update and define the fiscal year to ensure consistency and accuracy in financial reporting.**

To avoid confusion, and considering that it is only intended to guide Trumbull County CVB's operations, the County Commissioners and the Bureau should consider not including the Bureau's Code of Regulations as a part of the contract. Ultimately, areas that should be defined in the Code of Regulations by the Bureau's Board members, similar to the peers, include the following:

- **Authority to appoint Board members and fill vacancies (also see Recommendation 3);**
- **Quorum;**
- **Budget requirements (also see Recommendation 5); and**
- **Amendments or alterations (also see Recommendation 3).**

The inclusion of the Code of Regulations in the contract has caused inherent problems between the CVB and the Commissioners. The ability of the Board to amend or alter the Bureau's Code of Regulations has not changed since the 1982 version, which was attached as an exhibit to the contract between the Bureau and County Commissioners. However, the Trumbull County CVB has amended its Code of Regulations, or bylaws,

four times since the Bureau was established in 1981. **Table 1-5** illustrates changes made by the Board to the Bureau’s bylaws.

Table 1-5: Changes to Trumbull County CVB Code of Regulations

| | 1981 Rules & Regulations | 1982 Code of Regulations | 1995 Code of Regulations | 1997 Code of Regulations | 2003 Code of Regulations |
|-------------------------------------|--|--|--|--|--|
| Authority | All authority and management vested in Board of up to 7 trustees | All authority and management vested in Board of up to 7 trustees | All authority and management vested in Board of up to 8 trustees | All authority and management vested in Board of up to 9 trustees | All authority and management vested in Board of up to 9 trustees |
| Designation of Board Members | Appointed by County Commissioners | Appointed by County Commissioners | Appointed by County Commissioners | 7 trustees appointed by County Commissioners and 2 trustees appointed by Board | 7 trustees appointed by County Commissioners and 2 trustees appointed by Board |
| Board Vacancies | Filled by County Commissioners | Filled by County Commissioners | Filled by County Commissioners | Filled by appropriate appointing authority | Filled by appropriate appointing authority |
| Quorum | Majority of Members | 4 Board Members | Majority of Board | Majority of Board | Majority of Board |
| Fiscal Year | March 1 – February 28 (or 29) | December 1 – November 30 | January 1 – December 31 | January 1 – December 31 | January 1 – December 31 |
| Budget | Board of Trustees shall adopt budget by April 15 | Board of Trustees shall adopt budget by November 15 | Board of Trustees shall adopt budget by November 15 | Board of Trustees shall adopt budget by November 15 | Board of Trustees shall adopt budget by November 15 |
| Amendments | Not specified | Amended or altered by two-thirds vote of Board of Trustees | Amended or altered by two-thirds vote of Board of Trustees | Amended or altered by two-thirds vote of Board of Trustees | Amended or altered by two-thirds vote of Board of Trustees |

Source: Trumbull County CVB Rules and Regulations and Codes of Regulations

As shown in **Table 1-5**, in 1995 and again in 1997, the Board amended the number of trustees to eight and nine. With the 1997 revision, the Commissioners retained appointing authority for only seven members while the Board gained appointing authority for two members. In 1995, a quorum changed from four Board members to a majority of Board members, but the Code of Regulations does not specify if it is a majority of filled positions or total positions. Additional changes to the Code of Regulations deal with the Bureau’s fiscal year and budget process. The fiscal year has been changed three times. Currently, January 1 to December 31 constitutes the fiscal year in the Code of Regulations, while the fiscal year governing the contract is from December 1 through November 30.

The different versions of the Code of Regulations have created ambiguity and several areas of contention between Trumbull County CVB and the County Commissioners, ultimately taking energies away from promoting Trumbull County. The Bureau operates under the 2003 version while the County Commissioners appear to operate under several different versions. In 1999, the County Commissioners amended the 1981 version to remove term limits for Board members. The 1981 version was also used by the Trumbull County Prosecutor’s Office to determine if the Board has the authority to appoint its own members. However, the 1982 version is attached to the contract between the Bureau and the Commissioners, which the Commissioners renewed through 2003. Moreover, the budgets approved by the Commissioners for the Bureau in 2001, 2002, and 2003 were for

the period ending December 31 of each year, which is the fiscal year stated in all Codes of Regulations since the 1995 version.

Issues such as appointing authority, quorum, budget requirements, and amendments are not addressed in Lorain County VB's or Springfield Area CVB's contract, nor are the peer bylaws attached to their contracts. Therefore, the peers have sole authority to amend their respective bylaws, without formal approval of each County Commissioner or the City Manager and Township Trustees (see **Recommendation 3** for additional information).

3. **Trumbull County CVB should amend its Code of Regulations to be more in line with the peers and best practices for nonprofit organizations. The Board and County Commissioners should discuss changes to the appointment process, including the number of Board members, appointing authority, composition of the Board, eligibility criteria, and removal of Board members.**

The Bureau and County Commissioners should include one County Commissioner, selected by the Board of County Commissioners, on the CVB Board. This would allow the County to have input regarding the Bureau's operations, without requiring formal approval from each Commissioner on every proposed amendment or change. Ideally, the Board should assume authority to appoint all remaining Board members using clearly defined eligibility criteria which would help ensure the appointment of individuals with relevant experience, skills, or interests.

Prior to making any changes to the Code of Regulations, however, the Bureau and the County should resolve the issues related to the current contract and Code of Regulations and address them accordingly (see Recommendations 1 and 2) to allow the CVB Board members to make the suggested changes to the Code of Regulations.

Table 1-6 compares key areas of Trumbull County CVB's bylaws with those of the peer CVBs.

Table 1-6: Comparison of CVB Bylaws

| | Trumbull County CVB | Lake County VB | Lorain County VB | Springfield Area CVB |
|---|---|---|--|--|
| Maximum Number of Board Members | 9 members | 10 members | 17 members | 7-9 members |
| Composition of Board | <ul style="list-style-type: none"> 7 appointed by County Commissioners 2 appointed by Board | <ul style="list-style-type: none"> 9 unspecified 1 County Commissioner | <ul style="list-style-type: none"> 16 unspecified 1 County Commissioner | <ul style="list-style-type: none"> 2 selected by Springfield/Clark County Chamber of Commerce President of Springfield/Clark Chamber of Commerce 2 selected by City of Springfield 2 selected by Springfield Township 2 additional members appointed by majority of Board members |
| Board Member Eligibility | Not specified | Must work, own a business, wholly or in part, or reside in Lake County and must have been a dues paying member (individual or organization’s designee) for one year | Must engage in tourist related business or have an interest in economic development of Lorain County through tourism | Of members appointed by the Board – one must be a member of the Springfield/Clark County business community and one must have tourism experience |
| Appointing Authority for Board Members | Trumbull County Commissioners or Board of Trustees | Board of Trustees appoints all but Lake County Commissioner | Board of Trustees appoints all but Lorain County Commissioner | Refer to <i>Composition of Board</i> |
| Appointing Authority for Board Vacancies | Trumbull County Commissioner or Board of Trustees | Board of Trustees | Board of Trustees | Board of Trustees |
| Removal of Board Members | Not specified | Board may remove member for malfeasance, misfeasance, dereliction of duty, or missing 3 consecutive regular meetings by written notice to member and majority vote of 7 members present | Board may remove member for not attending 66 percent of meetings in a fiscal year | Board may remove any member, with or without cause, by two-thirds vote of Board members |
| Quorum | Majority of the Board | 5 members | 5 members | Two-thirds of voting members |
| Budget Requirements | Board prepares budget by November 15 prior to the new fiscal year | Board adopts budget prepared by Executive Director, presented at the meeting prior to the first meeting of the new fiscal year | Not specified | Not specified |
| Authority to Invest Funds (see Recommendation 5) | Not specified | Not specified | Board has the power to invest funds | Executive Committee and any duly appointed special committee has the power to invest funds |
| Amendments | By two-thirds vote of Board at any regular or special meeting, notice for such meeting must include proposed amendments | By majority vote of Board members at the meeting, with at least 7 members in attendance and 10 days prior notice | Not specified | By Board members at a duly called meeting or by unanimous written consent of the Board |

Source: Trumbull County CVB and peer Bylaws or Code of Regulations

As illustrated in **Table 1-6**, there are significant differences between Trumbull County CVB's Code of Regulations and those of the peers. Trumbull County CVB is the only Board which does not include a local government representative. The Boards of the other two county Bureaus, Lake County VB and Lorain County VB, both include a County Commissioner. Additionally, the Boards for Lake County VB and Lorain County VB have the authority to appoint all members, except the County Commissioner. Springfield Area CVB's Board members are appointed by a broad cross-section of government or nonprofit entities. Trumbull County CVB's appointments are different from the peers. The County Commissioners contend, and the Trumbull County Prosecutor's Office concurs, they have sole appointing authority. The Board contends it has the authority to appoint two of the nine members because it amended its bylaws in 1997 in accordance with Article 8 of the Code of Regulations, which states the Code of Regulations may be amended or altered by two-thirds vote of the CVB's Board of Trustees.

Lake County VB's and Springfield Area CVB's Board, like Trumbull County CVB, have the authority to amend their respective Codes of Regulations. Neither Bureau requires the approval of the local government that levies the lodging tax or has a contract with the Bureau to make such amendments. Appointing a County Commissioner to serve on the CVB Board would allow the County to have input regarding the Bureau's operations, without requiring formal approval from each commissioner on every proposed amendment or change. This could also improve the timeliness in which decisions and amendments are made, and communication between the Commissioners and the Bureau.

Furthermore, Trumbull County CVB's Code of Regulations does not address eligibility requirements for appointment to, or removal from, the Board. However, each of the peers has clearly defined criteria for eligibility. Lake County VB and Lorain County VB also have defined reasons for which Board members can be removed. Although Springfield Area CVB does not detail specific reasons for removal, the Board has the authority to remove members with a two-thirds vote.

Table 1-7 compares Trumbull County CVB's Code of Regulations to areas frequently addressed in nonprofit bylaws, as identified by *The Nonprofit Board's Guide to Bylaws*, (1996 / National Center for Nonprofit Boards (BoardSource)).

Table 1-7: Comparison to Best Practice Bylaws

| BoardSource – Areas Frequently Covered in Bylaws | Trumbull County CVB Code of Regulations, 2003 |
|---|---|
| General Official name of the organization Location of principal office Statement of purposes Any limitations required for tax exemption Procedure for amending the bylaws Procedure for dissolving the organization Disposition of assets upon dissolution | Yes No Yes N/A Yes No Yes |
| Board of Directors Number of members Qualifications for membership Terms of office and term limits Selection process Process for filling vacancies Frequency of meetings Quorum requirements Powers of the executive committee Descriptions and powers of other standing committees Meeting procedures Compensation Circumstances under which directors may be removed | Yes No Yes Yes Yes Yes Yes Yes N/A Yes No No |
| Officers Qualifications for holding office Duties of officers Process for selecting or appointing officers Terms and term limits Provision for a chief executive (if not an officer) Circumstances under which officers may be removed | No Yes Yes Yes Yes No |
| Fiscal Matters Audit committee and audits Duties of treasurer Indemnification | Yes Yes Yes |

Source: Trumbull County CVB Code of Regulations and The Nonprofit Board’s Guide to Bylaws

As illustrated in **Table 1-7**, Trumbull County CVB’s Code of Regulations does not address seven areas frequently found in nonprofit bylaws. The Bureau’s Code of Regulations does not address qualifications for Board membership or for holding an office, thereby not ensuring qualified, experienced individuals are serving on the Board. Further, the nature of the appointment process may create tension among Board members. Establishing qualification and eligibility requirements would ensure an objective selection process and could result in the appointment of individuals to the Board who have experience and interest in travel, tourism, and the promotion of Trumbull County; thereby enabling them to better assist the Bureau in achieving its ultimate mission.

The Code of Regulations also does not address the circumstances under which a Board member or officer may be removed, whether with cause or without cause. As noted in **Table 1-6**, each of the peers has indicated reasons or criteria on the removal of Board members. During 2003, the Commissioners removed two long-serving Board members from office without stating the reason for removal and appointed four new members, who later resigned. The Board's current secretary/treasurer was also removed, but later reinstated because two of the three Commissioners did not approve the removal. According to BoardSource, "removal without cause can help avoid a suit for reinstatement by the person removed, diminish internal discord regarding the removal, and help avert possible claims of defamation of character. However, removal without cause can be abused for political purposes, can make a board appear to be acting arbitrarily, and may, in extreme cases, chill dissenting views or vigorous debate." Therefore, appropriate objective standards should be employed to prevent claims of arbitrary removal that may diminish the effectiveness of the Board's mission and activities.

Additionally, the Bureau's Code of Regulations does not address compensation for board members. While noting most members of nonprofit boards serve as unpaid volunteers, including Trumbull County CVB Board members, BoardSource advises that whether or not board members are to be compensated should be specified in the bylaws.

4. Trumbull County CVB should create a policy manual that addresses standard operating procedures for the Bureau, including the following areas:

- **Board member conflict of interest statements;**
- **Bureau finances, including an operating reserve (see Recommendation 5);**
- **Grant program guidelines; and**
- **Office procedures.**

The manual should be reviewed by the Board annually to ensure it is current and in compliance with all relevant laws and contracts.

The Trumbull CVB requires Board members to sign conflict of interest statements, and it has grant program guidelines. However, these documents are not included in a comprehensive standard operating manual. In addition, the Trumbull CVB lacks formal, written policies and procedures for the conflict of interest statements. While the Trumbull CVB's bylaws outline some financial procedures, they do not detail other important financial issues that could be encompassed in a policy manual (e.g., an operating reserve). The Bureau's employee manual addresses compensation and benefits; standards of conduct; disciplinary action; and key personnel policies, such as equal opportunity/affirmative action and sexual harassment. In contrast, Lorain County VB's personnel policy manual is more comprehensive, addressing organizational

structure, employment policy, employee benefits, employee relations, employee conduct and safety, and office administration. The office administration section contains policies on business expense reporting, travel and entertainment, and purchasing, among others.

Springfield Area CVB, as part of the Springfield-Clark County Chamber of Commerce, has an extensive policy manual which establishes the parameters within which the board, management, and staff are to operate. The manual distinguishes between board policies and management policies, noting management policies are those policies developed and implemented by the executive that outline how the organization and staff are to operate within board policies. Personnel policies are considered management policies. All board policies require approval by a majority vote of the board at a board meeting. Springfield Area CVB's policy manual addresses the following areas:

- Responsibilities and function of the president;
- Employment policies;
- Board committees;
- Springfield-Clark County Chamber of Commerce facilities;
- Corporate structure/board organization;
- Board officers;
- Board member job description;
- Board meetings; and
- Organizational finance.

Springfield Area CVB's policy manual is reviewed annually by the board or a committee of the board for accuracy and appropriateness, with recommendations made to the board for amendment, addition, or elimination. In addition, *The Nonprofit Board's Guide to Bylaws*, National Center for Nonprofit Boards (1996), states organizations should develop policies to address issues that are less directly related to how the organization is governed. For example, board policies regarding investment, travel, and reimbursement should be maintained in a separate policy document rather than in the bylaws.

Without a policy manual, Trumbull County CVB's standard operating procedures are not clearly communicated to staff, Board members, and stakeholders. Given the significant turnover in both staff and Board members in recent years, a policy manual will help ensure individuals new to the organization understand how the Bureau conducts business, thereby avoiding unnecessary tensions.

Financial Reporting and Accountability

5. **Trumbull County CVB should continue to maintain a reserve for long-term organizational and operating stability, but should decrease the reserve amount.**

However, the current contract includes a clause prohibiting investment of funds. If the parties determine that the Bureau would be permitted to invest funds, a formal investment policy should be developed. Additionally, the County Commissioners should consider allocating the full amount of the lodging tax to the Bureau, as designated in authorizing resolutions. Revising the contract (see Recommendation 1), implementing additional guidelines in the Code of Regulations (see Recommendations 2 and 3), and developing a performance measure reporting process (see Recommendation 6), would ensure that the County's funds are used appropriately and effectively.

At the end of FY 2002, Trumbull County CVB had approximately \$255,000 in reserve funds, including approximately \$115,000 in certificates of deposit. The Bureau used some of the reserve in FY 2003 because the budgeted amount from the County Commissioners did not fully fund its operations and programs. As shown in **Table 1-2**, significant cuts in funding could impact Trumbull County CVB's marketing and promotion efforts. At the end of FY 2002, Trumbull County had approximately \$118,000 in its motel levy fund and during FY 2003, collected approximately \$58,000 in bed taxes which were not disbursed.

While Trumbull County does not allocate to the CVB the full amount of lodging tax designated for its use, Lake County VB and Lorain County VB each receive the full amount. Lorain County VB must invest lodging tax funds received in excess of its actual operation costs and Springfield Area CVB holds excess funds for use to expand programs and special projects.

According to the Alliance for Nonprofit Management website (2004 / www.allianceonline.org), it is desirable to build a reserve of cash for the sake of long-term organizational and operating stability for the following situations:

- Cash flow shortages which arise when expenses fall due before the income to pay for them is received;
- Cash flow shortages which are caused by the unpredictability of delivering services which are part of the organization's basic mission;
- Cash flow shortages which are caused by unexpected emergencies, such as the withdrawal of a key funder or the loss of a key asset;
- Cash is needed to start a new program or take advantage of an unexpected opportunity which will significantly contribute to your mission.

The Alliance for Nonprofit Management notes each of these areas should be considered with the board and staff to determine how large a cash reserve is desirable because there is no one answer as to how large a reserve is "right" for nonprofits.

Each of the peer CVBs has reserve funds, including investments, which fluctuate from year to year. However, the contract between Trumbull County CVB and the County Commissioners prohibits the Bureau from investing funds received from the County. Furthermore, the amount of the Bureau's FY 2002 reserve was slightly more than its FY 2003 budget, as approved by the County Commissioners. The Bureau's reserve is currently more than the amount needed for emergencies or unexpected situations. At the end of FY 2002, Trumbull County CVB and Trumbull County had approximately \$373,000 in reserve which could have been used to expand existing programs or create new programs designed to increase travel and tourism within the County.

6. **Trumbull County CVB should develop a method for obtaining, analyzing, and reporting the results of performance. More specifically, the Bureau should develop performance measures similar to those recommended by GASB and IACVB, to help gauge progress in achieving its strategic priorities. Further, the Bureau should work with the Ohio Division of Travel and Tourism (ODTT) to obtain economic impact statistics for Trumbull County, which can be used to generate return-on-investment calculations. The use and reporting of performance measures may increase the Bureau's efficiency and effectiveness as they can be used to identify areas in need of improvement, adjust marketing strategies, and serve as a basis for reallocating resources.**

Trumbull County CVB does not have a formal process in place to determine the efficiency and effectiveness of its activities. The Bureau tracks the number of leads received at various tradeshows and the number of visitor requests, whether from walk-in, Internet, phone, or magazine response cards. However, the Bureau does not collect information needed to determine the outcomes, or impact, of its marketing programs.

According to the Government Accounting Standards Board (GASB), once a government or department has set goals and objectives, it is necessary to determine some way to measure whether progress is being made toward achieving them, and whether such progress is being made in a reasonably efficient manner. In addition to measuring results, performance measures also allow an organization to judge process, production, and efficiency. Six common types of performance measures include the following:

- **Measures of Efforts (Inputs):** The financial and non-financial resources that are used in providing services or operating programs, including administrative, capital, and personnel costs.
- **Activity or Process Measures:** Such measures gauge the process or strategy used in providing a service. Normally used for internal management purposes, activity measures are used to evaluate the activity used to convert inputs (resources) to

outputs. Typically, these measures enable an organization to determine whether there might be more efficient or effective ways of producing a desired output.

- **Output Measures:** The quantity of the service provided or the product of an organization's activities.
- **Service Quality Measures:** Also referred to as effectiveness measures, service quality measures evaluate the quality of the service, often in terms of timeliness and customer satisfaction.
- **Outcome Measures:** The results achieved from the outputs. Outcome measures can be used in different intervals, such as on initial, interim, and long-term bases.
- **Efficiency Measures:** Such measures evaluate how well resources are used. They are often expressed in terms of outputs versus inputs.

An organization's strategic and program plans should identify what data will be tracked for various programs, including data on goals, objectives, desired results, inputs, outputs, activities or processes, service quality, outcomes, and efficiency. As part of the overall plan, and in the process of identifying measures, some mechanism should be created or identified through which such data will be verified as accurate and reliable.

According to the IACVB, performance indicators most commonly used by CVBs include the following:

- Return-on-investment calculations;
- Hotel occupancy rates;
- Visitor expenditures;
- Economic impact;
- Inquiry tracking (e.g., number of visitor guides distributed);
- Number of visitors; and
- Visitor profiles (e.g. interests).

IACVB recommends a CVB use the standard business return on investment (ROI) formula to quantify its financial impact on the local community for convention and leisure travel. The ROI for a CVB is the total dollars spent within the destination by visitors, relative to the funding (hotel taxes received) spent in order to attract them to the destination. The adoption of industry standards for reporting performance will enable the CVB community to use recognized benchmarks to assess its internal performance over time as well as to accurately compare its performance to other CVBs. Most importantly,

with the increased emphasis from stakeholders on accountability, the use of industry norms will reinforce confidence in CVB operations and reporting practices.

Trumbull County CVB does not obtain its county-specific economic impact study from the Ohio Division of Travel and Tourism (ODTT). Every other year, ODTT commissions a statewide study on the economic impact of travel and tourism, which is completed by an outside firm specializing in tourism research. In addition to providing a narrative summary of travel and tourism activities, the study provides the following information:

- Total travel expenditures;
- Travel expenditures by sector (food, retail, auto and transportation, lodging, recreation and attractions);
- Direct payroll;
- Direct and indirect state and local taxes; and
- Full-time equivalent jobs.

As a result of the program structure, CVBs or other organizations representing the tourism interests of a county may purchase county-specific economic impact reports. The reports are subsidized in part by ODTT because statewide data is collected at the county level, which significantly reduces the cost for counties, as compared to the independent commissioning of such studies. ODTT's assistant state tourism director noted the cost for each county report depends on the number of accommodations in the county and estimated a cost of \$3,000 for Trumbull County's report. During the course of the audit, the Bureau contacted ODTT and purchased Trumbull County's report that will be available by the end of July or early August 2004.

Without methods in place to track performance, it is more difficult for Trumbull County CVB to accurately gauge its efficiency and effectiveness in attracting visitors to the County. Performance measures form a basis for management to plan, budget, and evaluate results. Establishing performance measures can help ensure the Bureau meets its goals and objectives, thereby increasing accountability to stakeholders, including County Commissioners, tourism partners, and citizens.



TRUMBULL COUNTY COMMISSIONERS

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Ms. Jennifer Pae
Senior Audit Manager
Auditor of State
615 Superior Ave.
Twelfth Floor
Cleveland, Ohio 44113

June 18, 2004

Dear Ms. Pae:

The Trumbull County Board of Commissioners have declined to provide a official response to the Trumbull County Convention and Visitors Bureau Performance Audit.

Sincerely,

A handwritten signature in blue ink that reads "Anthony J. Carson Jr.".

Anthony J. Carson Jr.
County Administrator