



Pam Childers

Clerk of the Circuit Court and Comptroller, Escambia County

Clerk of Courts • County Comptroller • Clerk of the Board of County Commissioners • Recorder • Auditor

January 14, 2025
(delivered via e-mail)

Wes Moreno
Escambia County Administrator

Commissioner Mike Kohler
Chairman of the Board of County Commissioners

Re: Northwest Florida Tourism Council – Denial of Payment (\$86,250)

On October 3, 2024 the Board of County Commissioners approved an updated listing of *Approved Memberships*, an item submitted by County Administrator Moreno. The list provides organizations that are preapproved for County departments/staff to hold as a membership and have dues are paid from public funds. The list also applies to Visit Pensacola. There were several new agencies added, but the one at issue here is Florida's Coastal Northwest Communications Council, Inc. (doing business as Northwest Florida Tourism Council-NWFL Tourism Council). We have received a request to reimburse Visit Pensacola, Inc. for membership dues and other contributions it paid to Northwest Florida Tourism Council in the amount of \$86,250. I have serious concerns regarding the propriety of the payment.

These concerns start with a conflict of interest in the transaction of public funds between the two entities. The registered address with the Florida Department of State for Northwest Florida Tourism Council is the same address as Visit Pensacola. Also, the chairman and registered agent for Florida Tourism Council is Darien Schaefer. Mr. Schaefer is the Executive Director of Visit Pensacola, the County's Destination Market Organization responsible for promoting tourism in Pensacola. The documentation reveals that the two entities are closely connected. Mr. Schaefer, in his capacity as Executive Director for Visit Pensacola, authorized and submitted an invoice to Escambia County for \$86,250 as a reimbursement for payment to Northwest Florida Tourism Council. The backup for this request from Northwest Florida Tourism Council states the \$86,250 is comprised of:

Dues for NWFL Tourism Council \$28,750
Triumph Gulf Coast Grant contribution \$57,500

These details should have been reviewed in the BCC vetting and approval process of the Approved Memberships or in the pre-payment review by the County. Unfortunately, when those processes fail, the onus is put on the Comptroller to review, vet, research, deny, and communicate, all of which may create animosity between our two agencies.

Visit Pensacola

Visit Pensacola is an extension of the County deemed to be the Designated Market Organization (DMO) for Escambia County. Mr. Schaefer is hired by a county process to carry out the promotion of tourism for Escambia County with a 2024 budget of approximately \$14,000,000 equaling 65% of the tourism dollars collected in our county (\$24,000,000). Every county in our geographic area has, in one form or another, a DMO. It is not the responsibility of Escambia County tourism dollars to carry out the mission of Northwest Florida Tourism Council by providing an office paid for using our tax dollars or furthermore, allowing the Executive Director for Visit Pensacola to divert his attention to a wider geographic location.

Northwest Florida Tourism Council

Northwest Florida Tourism Council is not registered on Sunbiz. It is an organization established under Florida's Coastal Northwest Communications Council, Inc. - Sunbiz entity #N02000009798, registered as a nonprofit company. The Chairman for Florida's Coastal Northwest Communications Council, Inc is Darien Schaefer with a VP address. The Vice Chairman resides in Santa Rosa Beach, Florida. There are no other members listed. If there are paid staff members, this is unknown and probably nonexistent. This organization was established in 2012 and primarily operates in the Communication Services industry, NAICS Code 517919 with an operating revenue of approximately \$91k.

As I have expressed, I have serious concerns regarding use of public money to pay for membership dues in the amount of \$28,750 to Northwest Florida Tourism Council. First, there is no deliverable for such exorbitant membership fee. This raises questions regarding the proper use of Escambia County tourist development tax dollars. Two, Mr. Schaefer is connected with both entities. He is the Executive Director of Visit Pensacola and is also the chairman and registered agent of Northwest Florida Tourism Council. Mr. Schaefer in his role of chairman for Northwest Florida Tourism Council invoiced Visit Pensacola of which the expectation is for Escambia County tourism dollars to reimburse an expensive NWFL Tourism membership of \$28,750.

Furthermore, the invoice contains an exorbitant contribution to Triumph Gulf Coast of \$57,500. The invoice indicates the \$57,500 is for a "regional match for Triumph Gulf Coast Grant marketing campaign to grow regional awareness and visitation." Triumph Gulf Coast is a nonprofit organized to oversee the expenditure of 75% of all funds recovered by the Florida attorney general for economic damages that resulted from the 2010 Deepwater Horizon oil spill. They administer the distribution of the funds to be used for recovery, diversification, and enhancement of select counties. The purpose of this organization is not to specifically promote tourism. The same concerns apply to this portion of the invoice, including conflict of interest, lack of deliverables, and demonstrated/documented connection with tourism.

Navy Days

As discussed with Mr. Schaefer a few months ago, it is a conflict of interest for the Executive Director of Visit Pensacola to hold a position such as Chairman or Executive Director for another

nonprofit organization for which Escambia tourist development funds are distributed. This new situation with Northwest Florida Tourism Council is no exception.

Summary and Recommendation

I am denying the reimbursement of \$86,250 payable to Visit Pensacola to fund Northwest Florida Tourism Council dues and contribution to Triumph Gulf Coast. I would recommend that County Administration review the Approved Membership List, review the deliverables expected from NWFL Tourism Council, review or establish the criteria for which Visit Pensacola spends tourism dollars on memberships, and possibly better outline the responsibilities for an executive director for Visit Pensacola.

I am open to a conversation regarding this expenditure, however, from the details it appears to be an expenditure that is not consistent with requirements under the law and is a direct conflict of interest.

Sincerely,

A handwritten signature in black ink that reads "Pam Childers". The signature is written in a cursive, flowing style.

Pam Childers
Escambia Clerk of Court & Comptroller