

MOTIONS PASSED AT THE COMBINED BOARD MEETING, Tuesday, Jan 13, 2026

Approved Dec 9, 2025, Meeting Minutes

Mr. Jarman Moved; Seconded by Mr. Johns

Action Item A (TDC/CVB)

Mr. Johns Moved; Seconded by Mr. Jarman

Discussion Item A- Discussion of CVB Accounting & Finance Structure, Dan Rowe and Bill Kinsaul (TDC/CVB)
(Board changed the order from B to A)

Mr. Patronis Moved; Seconded by Mr. Dibenedictis

Board Appoint New Treasurer, Mr. Dibenedictis Nominated by Mr. Johns (TDC/CVB)

Mr. Johns Moved; Seconded by Mr. Jarman

Discussion Item B- Discussion of CVB Investigation Related to Fraud, Cole Davis (TDC/CVB)
(Board changed the order from A to B)

Mr. Dibenedictis Moved; Seconded by Mr. Johns

COMBINED BOARD MEETING
Bay County Tourist Development Council
Panama City Beach Convention & Visitors Bureau, Inc.
Panama City Beach

Tuesday, January 13, 2026

09:00 a.m.

Council Room, PCB City Hall

I. CALL MEETING TO ORDER

Chairman Pease called the meeting to order at 9:00 a.m.

II. ROLL CALL

Board Members:

Jason Branks

Jeff DiBenedictis

Clair Pease (Chairman)

Yonnie Patronis (Treasurer)

Mike Jarman

Ethan Register

Reggie Johns (Vice-Chair)

Seven Members Present at the time of Roll Call.

Absent: Mr. Phillips & One Open Seat (formally Mr. Walsingham)

- A. Invocation
Mr. Jarman
- B. Pledge of Allegiance
Ms. Pease
- C. Approve Dec 9, 2025, Meeting Minutes
Mr. Jarman Moved; Seconded by Mr. Johns to approve
Motion passed unanimously.

III. REQUESTS TO ADDRESS THE BOARD ON AGENDA ITEMS (3 Minutes)

Members of the public addressed the Board.

IV. ACTION ITEMS

- A. Accept the bid from the La Quinta by Wyndham PCB for housing FHP officers, Dan Rowe (TDC/CVB)

Mr. Rowe stated that we brought to you a request of beach police to house 20 rooms of highway patrol officers during spring break. From mid-March to mid-April, Steve and our sales team put it out across to all of our collectors and we got a series of responsive bids. The La Quinta by Windham on Thomas Drive was the lowest responsible bid with a room rate of \$68 93 cents for a total for the period of \$28,401 and 60 cents. And I would ask for you to approve this and allow us to enter into an agreement to house 20 rooms of highway patrol during spring break.

Mr. Johns Moved; Seconded by Mr. Jarman to approve
Motion passed unanimously.

V. DISCUSSION ITEM

- A. Discussion of CVB Accounting & Finance Structure, Dan Rowe and Bill Kinsaul (TDC/CVB) (board asked to move discussion item b to discussion item a)

Mr. Kinsaul discussed Resolution 26-01 drafted by Mr. Cole Davis, which recognizes the Bay County Clerk of Court & Comptroller's authority to oversee the CVB's accounting and financial management operations. The board also agreed to add Mr. Bill Kinsaul to the list of signatories on all CVB bank accounts.

Mr. Patronis asked to read a statement:

I'd like to acknowledge the unsettling recent and unfortunate events involving the misappropriation of public funds have been for this council in our community. It's never easy to reconcile professional image of someone we worked alongside with conduct that later comes to life. This experience is a sobering reminder of the limits of our ability to fully know what is happening behind the scenes and the responsibility we carry as stewards of the public trust. It's important to note that he clearly acted alone and his actions do not define this organization or its people. What matters most now is that the council remain focused, unified, and forward looking. Our duty is to ensure that the proper safeguards, controls, and transparencies are in place so that the public can have complete confidence in how the resources are protected going forward.

In light of this event, I believe it is prudent and responsible for this council to take deliberate steps to strengthen the systems and safeguards that protect the financial integrity of the TDC. Following thoughtful and constructive discussions with Bill Kinsaul, the Bay County Clerk of court has become clear that his office operates within an environment of strong checks and balances that is independent of the internal systems of the TDC. And this is specifically designed to prevent occurrences of this nature and to provide layered objective protection of public funds. These mechanisms enhance accountability and transparency and importantly establish durable safeguards that remain effective as council members, administrators and staff changes over time. Aligning with their financial processes with this independent framework of oversight would provide a strong foundation for protecting public resources now and well into the future. Such alignment would reinforce public confidence, promote best practice and fiscal governance and ensure continuity of protection regardless of personnel transitions. Accordingly, I would like to formally make the motion that the Bay County Tourist Development Council through the adoption of resolution 26 0 1 align itself in full cooperation and harmony with the Bay County Clerk of Court's office with the objective of implementing these enhanced independent checks and balances and oversight measures for the administration of TDC finances. I believe this will represent a proactive, responsible and forward-looking step that reflects our shared commitment to stewardship, transparency and public trust. So that's my motion.

Mr. Cole Davis stated:

So just to make it clear to the public as to what exactly is going on, obviously over the last couple of weeks we've been working with the Clerk's office and their staff and their counsel to work through a process by which Mr. Kinsaul's recommendations could be implemented. We prepared this resolution. What I would ask, for the public's purpose, is that I read the title, explain the resolution and then have you allow public comment on that because you are taking action on this.

Mr. Davis then read the Resolution 26-1:

Resolution 26 1, a resolution of the Panama City Beach Convention of Visitors Bureau Inc. Recognize the Bay County Clerk of Court and comptroller's authority to oversee the CVB accounting and financial management operations and providing an effective date.

And this resolution does three things that are important to note. First, the board is authorizing the Clerk of Court's office to take over financial management of all the financial operations of the CVB. The second, authorizing the Clerk of Court to serve as a signatory on all bank accounts and transactional accounts along with the Chair of the CVB or the Vice Chair in the Chair's absence. The third thing that it does is it directs the present CEO, the finance staff, my office as well as the clerk's office to undertake a comprehensive review of all internal financial policies, operating

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procedures and the CVBs agreement with the county related to marketing services to make sure that we are implementing the goals that you have just directed us to do if you pass this resolution. That is the action that you are taking on this item. I would ask that you open it up for public comment before you vote.

Ms. Pease stated: We've got a motion and a second. We'd like to now open it up for public comment.

Mr. Kinsaul made an additional statement:

We have, as I mentioned, full team processes and things in place that we'll be able to take on this. We are going to absorb the cost for the time being, but probably we'll have to get a person or two. That is something that's going to be brought later to a Board of County Commissioners, that we probably will need some increase in the budget and adjust that. We go to the board of County commissioners for my particular budget and what that comes out of. But this is something we're going to absorb right now that needs to be done right now. And I just thank you all for your consideration.

**Mr. Patronis Moved; Seconded by Mr. Dibenedictis to approve
Motion passed unanimously.**

Mr. Patronis then stated: Now that resolution 26 0 1 has been passed and approved and many of the duties that were at the level of the treasurer and board are now shifted to the Clerk of court's office, I would like to formally announce my desire to step aside as treasurer. This decision is made solely to allow the counsel to move forward with complete focus on strengthening the financial systems and restoring confidence and eliminate any potential distractions or misinterpretation. It is not an acknowledgement of any wrongdoing or fault on my part. I remain fully committed to serving on the board and support the council in all efforts to ensure transparency, accountability, and protection of public lives.

A-1 Appoint new Secretary/Treasurer. (TDC/CVB)

Ms. Pease then asked the Board for the nomination of a new Treasurer. Mr. Johns made a motion for Mr. Dibenedictis to be Treasurer.

**Mr. Johns Moved; Seconded by Mr. Jarman
Motion passed unanimously.**

B. Discussion of CVB Investigation Related to Fraud, Cole Davis (TDC/CVB)

Mr. Davis stated: I would like to provide some updates on what we have been doing and what we are doing. January 2nd, the CEO president alerted me to a suspicion of fraud from Mr. Lee. At that moment he authorized me to begin an internal investigation into Mr. Lee's actions. Since that time, we have closely coordinated with the Bay County Sheriff's Office to begin that investigation. Essentially, we have been operating on two different planes, which is working through the measures needed to be taken to stabilize the organization and, which in many ways was the resolution you just passed, but also to fully investigate Mr. Lee's actions. The scope of that investigation is something that I'm asking your direction on. As Mr. Rowe assigned me the investigation that had to do with everything from essentially Mr. Lee's hire until he was placed on admin leave without pay. That is what I'm looking into and I want to make sure that that is your direction of me as a board. As you know, I answer to the board and this is the first opportunity that you have had to consider that investigation and direct me as to the scope of that investigation. So I'll leave you with that for a moment. In addition to the internal investigation, right now we are collecting records and beginning to interview witnesses. All of that is subordinate to the Bay County Sheriff's Office. We understand the sensitive nature and the broad nature of the sheriff's investigation as it relates to Mr. Lee's activities. We are mindful not to do anything that would jeopardize that investigation. We are in close coordination with the sheriff's office to

make sure that we are hand in hand in all of this and I want to thank them for all of their hard work because they're working very hard and they're taking this very seriously.

In addition to that internal investigation, we are preparing a civil action against Mr. Lee for civil theft. Civil theft is a statutory remedy by which we can, if Mr. Lee does not pay back anything that we believe he has taken from the organization, recover damages in triple of that amount as well as our attorney's fees. We have drafted that complaint and intend to file it at the appropriate time. In addition to that, we are also going to seek a civil injunction that would freeze any assets that Mr. Lee may have and make a claim on any assets that may have been seized so at the conclusion of the investigation we are able to recover as much as possible that we are to prove was fraudulently taken. Those are other actions we are taking. Another action that we are taking in coordination with the county and the sheriff's office is we have asked the county to hire a forensic audit firm. My understanding is either today or tomorrow, the engagement letter with Thomas Howell Ferguson, a CPA firm out of Tallahassee will be engaged to conduct that forensic audit. We asked the county to do that so that both the sheriff's office and the CVB could participate in the findings of that audit with kind of a clearing house at the county. That is how we're moving forward on the forensic audit.

Moving forward in the next few weeks, the internal investigation will really ramp up as we have put band-aids on some of the financial operations moving forward. My question to you is what you would like the scope of this investigation to be. Right now, it is essentially everything from day one of Mr. Lee's hire to the last day of Mr. Lee's active employment. I need to know if there are any additions that you would like to add to that investigation.

Mr. Davis also stated that there is employee theft coverage. The coverage is the maximum amount of a hundred thousand dollars, and a claim has already been made. My research has found that it is about the maximum amount of coverage you can buy in employee theft coverage.

The Board discussed the attorney's investigation as well as streaming board meetings in the future, reviewing hiring practices, and have financials presented at each meeting.

Ms. Pease stated: Mr. Davis is asking us what his role should be in the fraud investigation. He needs to turn over every stone. The auditors are going to give us strict guidelines on what we should do to make changes. We don't need to do anything that would upset the sheriff's investigation, but we need to do our own and we need to do it thoroughly.

B-1 ADDED ITEM: Ms. Pease act as CEO/President while Mr. Rowe is on leave. (TDC/CVB)

Mr. Davis pointed out that as written in the Bylaws, the chairman will act as CEO/President in the absence of the current CEO/President. Mr. Dibenedictis made the motion.

**Mr. Dibenedictis Moved; Seconded by Mr. Johns
Motion passed unanimously.**

VI. PRESIDENTS REPORT
NONE

VII. CHAIRMAN'S REPORT

Ms. Pease stated: Bay County has engaged the independent auditors, Thomas, Howell, & Ferguson to conduct the comprehensive forensic audit of the CVBs past expenditures and financial controls. Even though the Clerk is going to put financial controls in place, we are also asking that in the scope of work from the independent auditor to have a

list of financial controls. The audit will include recommendations to strengthen oversight, internal controls, financial transparency, keeping that in line with best practices of the Government Accounting Standards Board. We are looking at best practices to be in line with how Bay County operates. Immediately upon discovery of theft, the Bay County Clerk of Court and the comptroller's office began putting a plan in place, transitioning the CVBs financial process under their oversight to ensure the same level of scrutiny required with all Bay County departments. When I was informed about the possible fraud, we immediately called the clerk's office and started to get a plan in place.

A Clerk's office employee will be embedded at the CVB to provide ongoing financial oversight and monitoring of new procedures. Although there are many procedures in place already, we are going to have new processes. The Clerk's office has gone over that with the accounting department at the CVB. A lot of things will change immediately, but the new procedures and processes must be directed to the CVB. However, a lot of things relating to the CVB are different from what they're looking at as Bay County would normally have. The concerts and all the different things that are not a normal thing with the county, so they're going to be looking at new procedures that fit our organization.

Additionally, accountability measures being implemented or considered would include processes including multiple layers, document approval for all expenditures and contracts, regularly scheduled financial reporting to county commission via the clerk's office, stronger segregation of financial duties to eliminate unilateral control and potential of single points of failure. Broader and more specific scopes for the annual independent audit, updating procurement, travel and reimbursement policies aligned with the county standards, mandatory and annual ethics and compliance training for leadership and staff. These actions are intended to restore public trust, safeguard public funds, and ensure tourism dollars are transparent and solely used for their intended public purpose. I don't think that I have anything else if the board has anything else before we move to our audience participation.

The board also discussed Lullwater Lake and asked Mr. Davis if there are any specifics on that or can we get some direction on that and what that looks like. Mr. Davis said we are currently in discussions with DEP and undergoing our own research as to the ownership of the lake, the ability to do anything on the lake to clean the lake requires sufficient property interest in the lake. And that is something that we are looking into. We are looking back to the early 19 hundreds as to how the lake became acquired and by who, because that governs the jurisdiction of the TDC as to the ability to clean the leak. That's something that we're looking at pretty closely and in discussions with DEP about. I don't have a definitive answer for you yet, but I will, and when I do, I'll give it to you.

VIII. AUDIENCE PARTICIPATION

Members of the public addressed the Board.

IX. ADJOURNMENT

Respectfully submitted,
Sharon Cook, Recording Secretary