



AGENCY: City Council
MEETING DATE: June 22, 2015
DEPARTMENT: CDD
PRESENTED BY: J. Owen

AGENDA ITEM SUMMARY

TITLE:

RECEIVE REPORT AND CONSIDER APPROVAL OF FORT BRAGG PROMOTION COMMITTEE ANNUAL REPORT AND FISCAL YEAR 2015/16 MARKETING PLAN

ISSUE:

Since December 2010, the Mendocino Coast Chamber of Commerce (Chamber) has provided administrative support and oversight for the Chamber Fort Bragg Promotion Committee (CFBPC) per a Professional Services Agreement (Agreement) between the City and the Chamber. The original 2010 Agreement has been amended and extended each fiscal year end since December 2010 to adjust for new fiscal year timelines, funding, and updated Annual Marketing Plans, but no other terms have been altered.

On May 6, 2015, the Finance and Administration Committee (FAC) met with the FBPC members and members of the public to review the CFBPC 2015-16 Annual Marketing Plan and Budget and to discuss alternatives and suggestions for future administration of the FBPC. At the conclusion of the meeting, the FAC recommended that City Council continue to contract with the Chamber for administration of the FBPC. The FAC also recommended Council approval of the CFBPC 2015-16 Annual Marketing Plan and Budget. Additionally, after receiving input from FBPC members, staff, and community input, the FAC recommended a number of substantive changes be made to the Chamber Agreement Scope of Work to accommodate: 1) requests for greater transparency about meetings and activities; 2) clarity regarding member protocols; 3) closer oversight of contract management; and 4) improved Marketing Plan and Budget performance monitoring. Staff has prepared a new Agreement with the Chamber for Fiscal Year 2015-16 that incorporates the recommendations from the May 6, 2015 FAC meeting. The Agreement, which incorporates the 2015-16 Annual Marketing Plan and Budget as Attachment B, is a consent item on the June 22, 2015 Council agenda. Terms of the new Agreement are further discussed below. Per the terms of the Agreement, the CFBPC Annual Marketing Plan and Budget must be approved by the Chamber board, presented to the Finance and Administration Committee, and then considered for approval by City Council in conjunction with the City's annual budget process. The CFBPC and the Chamber of Commerce will be present at the June 22nd meeting to provide a report of the CFBPC's 2014-15 activities and proposed FY 2015-16 One Year Marketing Plan and Budget.

RECOMMENDED ACTION:

Approve Fort Bragg Promotion Committee Fiscal Year 2015-16 Marketing Plan and Budget.

ALTERNATIVE ACTION(S):

Recommend changes to the proposed FY 2015-16 Marketing Plan and Budget. Per the terms of the Agreement, any recommended changes would in turn need to be approved by the CFBPC and Chamber.

ANALYSIS:

As required in the current Chamber Agreement, the CFBPC and Chamber representatives met with

the FAC on May 6, 2015 to provide a Fiscal Year 2014-15 progress report and to present the draft "2015-2016 One Year Marketing Plan and Budget" (the Marketing Plan). Prior to reviewing the Marketing Plan, the FAC facilitated a vigorous and thoughtful discussion about suggestions to improve the City's promotional activities. The discussion included review of alternatives for administering promotional activities (in-house by the City or outside by the Chamber or some other entity) as well as specific recommendations for changes in how the Chamber administers the CFBPC. Discussion points related to administration options and recommendations are provided below, followed by details of the proposed 2015-16 Marketing Plan.

A. Discussion and Recommendations for Administration of City Promotional Activities

The May 6, 2015 agenda report for the FAC meeting provided the following alternatives for future promotional activities:

- 1. Continue with Chamber management of the promotional budget and the FBPC with the following changes:**
 - a. Requests that Proposals for sub-contracts, as well as draft sub-contracts, be reviewed and approved by the FAC prior to issue.
 - b. All sub-contracts should include a termination clause.
 - c. All sub-contracts should include timelines, budgets, and accountability measures so that progress toward goals can be objectively measured and shortcomings can be timely addressed.
 - d. All sub-contracts should clearly indicate that the Chamber is responsible for sub-contract implementation and monitoring. FBPC members may assist the Chamber in sub-contract management, but the Chamber is ultimately responsible for sub-contracts.
 - e. The Chamber should use the Annual FBPC Marketing Plan and Budget as a tool to develop and plan monthly activities, timelines, expenditures, and goals. Progress towards timelines, expenditures, and goals should be evaluated at each FBPC meeting.
 - e. Current and prior FBPC meeting agendas and minutes should be posted at the FortBragg.com website.
- 2. Keep promotional dollars at the City and operate the FBPC as an advisory committee.**
 - a. This model would require dedicated City staff time to manage contracts and committee activities.
 - b. The FBPC fulfills an important role and should be retained as an advisory board to act as a liaison to the business community, to provide promotional expertise, and to provide information and advice regarding promotion activities and expenditures.
 - c. The Community Development Committee (CDC) would be an appropriate committee to oversee expenditure of promotional funds and to liaison with the FBPC.
 - d. The FBPC should be expanded to include up to 10 community members.
 - e. A Marketing Communications contract should be issued and managed by the City, through the CDC, to implement Fort Bragg promotion activities, to include public relations, web content development, and other activities approved in the annual marketing plan and budget.
 - f. Website development and maintenance will also require either dedicated City staff or issue of a new contract.

Due to limited staff resources that would hinder the City's ability to assume administration of the

promotion budget and FBPC management by July 1, 2015, combined with the Chamber and current FBPC willingness to implement transparency and other recommendations provided by the FAC, staff and members of the public, the FAC recommended that the Chamber should continue to manage the promotional budget and the FBPC. However, changes to the Chamber Agreement and Scope of Work were recommended. These changes have been incorporated into the Chamber Agreement Scope of Work, which is included as Attachment 1 (see June 22, 2015 Consent Calendar for the full Chamber Agreement, Exhibit A – Chamber Agreement).

Changes to the Agreement Scope of Work (see Attachment 1) to address concerns noted at the May 6, 2015, FAC meeting include the following:

1. Chamber of Commerce Standard Guidelines for committees, which have been required since the original 2010 Chamber Agreement was approved, will be posted at the FortBragg.com website. Per prior terms, Standard Guidelines include CFBPC Goals, Desired Member Skills/Requirements, Expected Time Commitment, Duties, Grounds for Removal from Committee, and Election of Officers (see Attachment 1, Section I-C).
2. Other documents that explain the purpose and activities of the CFBPC will be posted at the FortBragg.com website, including the Chamber Agreement, CFBPC Bylaws, Agendas, Minutes, Marketing Plan and Budget, and CFBPC member lists (see Attachment 1, Section III-C).
3. The Chamber will ensure that CFBPC regular and special meeting agendas are consistently and timely posted so that members of the public can access this information, and the Chamber is to ensure that meetings are open to the public, except for discussions of confidential matters (see Attachment 1, Section III-B).
4. The Chamber and CFBPC will provide regular reports to the City's Community Development Committee. Previously, the CFBPC reported to the FAC (Attachment 1, Section IV).
5. Clarification is provided to ensure that any sub-contracts procured and paid with CFBPC funding include sufficient oversight, standard terminology including termination clauses, and scopes of work that include timelines, milestones, and clear schedules of charges so that progress can be sufficiently monitored and accountability is ensured (see Attachment 1, Section V-B).
6. CFBPC's responsibility for maintenance of the FortBragg.com website is clarified to emphasize that all of its components, including the Business Directory, must be regularly and accurately updated (see Attachment 1, Section V-D).

Other terms of the Agreement and Scope of Work are substantially similar to the prior version. The new Agreement Recitals include a provision, also present in the prior version, that states "*Consultant represents and warrants that it will perform such professional and promotional services for the City in a manner that benefits all businesses within the City without regard to whether or not they are members of the Mendocino Coast Chamber of Commerce*", which addresses a concern raised at the May FAC meeting. Other terms addressed in the Scope of Work include description of the Chamber's administrative role and responsibilities, required approval processes, and reporting requirements.

B. 2015-16 Marketing Plan

The 2015-2016 Marketing Plan, included as Attachment 2, was adopted by the CFBPC on April 14, 2015, and approved by the Chamber Board on April 15, 2015. It was presented to the FAC on May 6, 2015, and the FAC did not recommend any changes to the proposed Plan.

The proposed 2015-16 CFBPC budget totals \$72,570, which is an increase of 7% (\$4,743) over the prior year budget. As in prior years, the CFBPC budget is comprised of:

- (a) 4% of the prior year Transient Occupancy Tax (TOT for 2013-2014) or \$66,570; plus
- (b) an additional City contribution of one-half of the annual Chamber Administration fee, equal to one-half of \$12,000 or \$6,000, which has been provided per the original Agreement and subsequent annual amendments since November 2010.

The format of the proposed 2015-2016 Marketing Plan is the same as adopted in prior years, with focus on three major promotional strategies:

- Goal 1: Increase Transient Occupancy Tax (TOT)
- Goal 2: Generate Sales Tax Revenue; and
- Goal 3: Enhance the Image of Fort Bragg

The CFBPC proposes to continue most efforts in place in prior years to implement the above strategies. A side-by-side comparison of the approved FY 2014-15 and draft FY 2015-16 Plan and Budget are included as Attachment 3. The most significant changes in the proposed FY 2015-16 implementation tasks and/or budget allocations include:

- In Goal 1-A, removal of the “coordination/implementation of FBPC activities” task. With limited staff resources, the FBPC proposes to focus its funding on promotion of activities rather than development and implementation of activities.
- In Goal 1-B, increase of \$900 to the FortBragg.com website enhancement line item, to provide for on on-going website improvements.
- In Goal 1-C, increase of \$5,500 in the Advertising and Collaterals budget to provide for development of new promotion efforts focusing on “Visit Fort Bragg”, the Coastal Trail, and Noyo Center.
- In Goal 2, removal of costs related to production of Special Events and substitution of development and production of a Fort Bragg shopping map.
- In Goal 2-C, reduction of budget for development of a product directory and change in effort to focus on enhancement and population of the FortBragg.com business directory.
- In Goal 3-A, increase in Decorations budget of \$2,000.

Other line items remain substantially the same as the prior year.

FISCAL IMPACT:

The CFBPC’s promotional activities have a beneficial fiscal impact as they focus on promoting Fort Bragg as a travel and retail destination for the purpose of increasing spending within the City and generating additional tax revenue, thereby sustaining and expanding tourism and retail income and employment within Fort Bragg. The formula for funding the CFBPC at 4% of Transient Occupancy Tax (TOT) has been in place since before the transfer of administration of the CFBPC to the Chamber. In addition to transfer of TOT, the City also provides funding for one-half of the \$1,000 per month CFBPC administration cost with the remainder funded from the CFBPC budget. This administrative funding provides a net fiscal benefit to the City because it has resulted in a significant reduction in City staff time devoted to CFBPC activities.

CONSISTENCY:

Funding and tasks included in the proposed CFBPC 2015-16 Marketing Plan and Budget are consistent with objectives and strategies included in the City’s Economic Development Strategy 2014-2019. Specifically, support for the CFBPC web-based activities is included in the Economic Development Strategy Priority 1: Jobs, Strategy 1.5, Tactic 3, re: the online Business Directory. Funding of the CFBPC is also recommended in Priority 2: Tourism, Strategy 2.2 “Continue to

Provide Excellent Tourism Marketing & Support Eco-Tourism (Ongoing); and in Strategy 2.4, regarding provision of downtown events.

IMPLEMENTATION/TIMEFRAMES:

If approved by City Council, the CFBPC Marketing Plan and Budget will guide Promotion Committee activities for FY 2015-16. The CFBPC budget is contingent upon City Council's adoption of the City budget on June 22, 2015. The necessary Agreement between the City and the Chamber of Commerce for continued administration of the CFBPC by the Chamber for FY 2015-16 is to be considered by City Council as a Consent Calendar item on this agenda, after adoption of the City's FY 2015-16 Budget.

ATTACHMENTS:

- 1. Draft Chamber Agreement Attachment 1 – Consultant's Scope of Work
- 2. Draft FBPC 2015-16 One Year Marketing Plan and Budget
- 3. Worksheet: FBPC Marketing Plan and Budget Proposed FY 2015-16 compared to FY 2014-15

NOTIFICATION:

- 1. Fort Bragg Promotion Committee members
- 2. Chamber of Commerce Board President Sam Kraynek

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Agency Action	<input type="checkbox"/> Approved	<input type="checkbox"/> Denied	<input type="checkbox"/> Approved as Amended
Resolution No.:	_____	Ordinance No.:	_____
Moved by:	_____	Seconded by:	_____
Vote:	_____		
<input type="checkbox"/> Deferred/Continued to meeting of:	_____		
<input type="checkbox"/> Referred to:	_____		