



AGENCY: City Council
MEETING DATE: May 14, 2018
DEPARTMENT: Administrative Services
PRESENTED BY: Scott Schneider
EMAIL ADDRESS: sschneider@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Community Development Committee Recommendations on the Marketing and Promotions Action Plan Management Structure and Consider Adoption of City Council Resolution on the Formation of the Visit Fort Bragg Committee

ISSUE:

In 2016, Fort Bragg voters passed Measure AA increasing the Transient Occupancy Tax (TOT) rate from 10% to 12%. As part of the increased revenue, approximately \$200k annually is set aside (through Measure AB) to fund the City's marketing and promotions efforts, in addition to the existing funding of approximately \$80k annually. Prior to the new funding, the City's marketing and promotions were first managed by the Fort Bragg Promotions Committee established in 1999 (Resolution 2330-99) which was ultimately disbanded in 2010 (Resolution 3409-2010). At this point the Chamber of Commerce formed a subcommittee to oversee and administer Fort Bragg promotional efforts. At their April 25, 2017 meeting, the Community Development Committee (CDC) directed staff to summarize alternative management strategies for the City's marketing and promotions efforts. The City Council later directed a new project management model for the implementation of the City's Marketing and Promotions Action Plan, which included hiring an outside project manager and shifting the Visit Fort Bragg (VFB) committee role to an advisory role rather than a decision making role. Since the reorganization, questions have come up regarding the roles of staff, the Project Manager, the VFB Committee and City Council. Additionally, the multi-layered decision-making process has become unwieldy and is impacting the effectiveness of the effort.

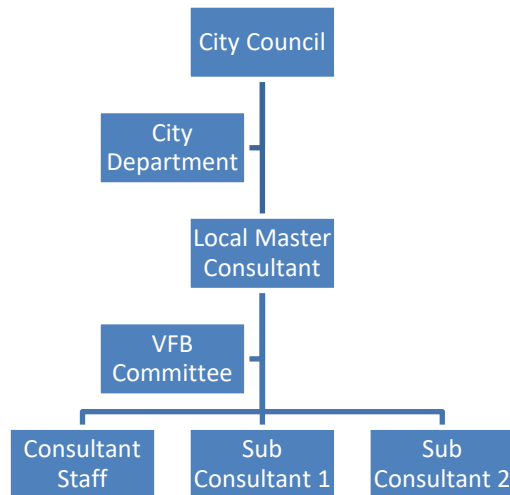
In order to effectively and efficiently utilize the funding available for marketing and promotions, it is paramount that the foundation for these efforts is well-considered and clearly understood. The Community Development Committee reviewed the shortcomings of the existing structure, and provided a recommendation to the full Council on the management structure of the marketing and promotions program moving forward.

ANALYSIS:

At their June 12, 2017 City Council meeting, the Council reviewed new models for the administration of the City's marketing efforts. These options included:

1. Chamber-managed and implemented with consultant support;
2. City-managed and implemented with consultant support;
3. Consultant-managed and implemented activity;
4. Visit Mendocino County-managed and consultant implemented activity; or
5. Destination Marketing Organization (DMO) managed and DMO staff and consultant implemented activity.

The City Council directed staff to pursue the third option and hire a local consultant to manage the Marketing and Promotions Action Plan with the following organizational structure:



Council selected the local consultant-managed option to benefit from their: 1) local knowledge and contacts; 2) marketing and promotions knowledge; 3) ability to subcontract to other firms; and 4) requirement of less staff involvement. Staff later released a Request for Proposals (RFP) for a local consultant to manage the Marketing and Promotions Action Plan, and defined the Project Manager position as follows:

1. Visit Fort Bragg Project Manager to manage the implementation of the Action Plan.
2. City Council makes all final decisions regarding a) adoption of and proposed changes to Marketing and Promotions Action Plan; b) scope of work for all RFPs; and 3) contract approval for all professional services contracts.
3. CDD will manage Project Manager's activities, pay all invoices, prepare contracts and serve as City liaison to the Visit Fort Bragg Committee.
4. The Visit Fort Bragg Committee will serve as an advisory committee for the implementation of the Action Plan and the work of the VFB Project Manager.
5. Project Manager will undertake all of the tasks in the scope of work, which include management of all consultant work, providing administrative support and leadership to the Visit Fort Bragg Committee, and reporting to CDD and City Council.
 - Administer VFB Committee, which will be transferred from the Chamber of Commerce to the Project Manager in January 2018. This activity includes developing and managing the Visit Fort Bragg budget; attending monthly meetings in person, preparing agendas/reports/minutes, soliciting and incorporating Committee input, and all email/phone communications with the Committee.

The City hired The Color Mill as the local project manager, and the Project Manager has worked with the branding consultant on the design of a logo with advice from the Visit Fort Bragg Committee. While working through the branding project, City staff has grown concerned about some of the disadvantages of the current management structure, and discussed these concerns with the Community Development Committee on April 5, 2018.

Organizational Issues

1. Public participation

With the increase in the available funding for marketing and promotions, public participation in the use of these funds is necessary and important. Voters approved the increased TOT rate with the expectation that use of the additional funding would be accounted for transparently. Presently,

there is ambiguity about whether or not Visit Fort Bragg Committee meetings are open to the public. Additionally, informal communications between Committee members, staff and consultants can lead to decision making on the use of public funds. Without a formal and concrete set of standards for public participation and transparency, it is difficult for staff to ensure that public participation in the marketing and promotions effort is provided to the extent necessary to make the project successful. Given the level of funding for the activity, the project advisory committee may be subject to the Brown Act, which would result in regular open public meetings located at Town Hall and a published agenda and staff reports in advance of the meetings.

2. Decision Making

The Visit Fort Bragg Committee has historically been involved with numerous projects contributing to Fort Bragg tourism, such as advertising, content production, holiday decorating and shop local initiatives. However, with the increased funding and greatly expanded scope of marketing and promotions activities, the amount of ongoing work and decision making exceeds the capacity of a volunteer committee that meets monthly. Attendance at monthly meetings is variable, with some meetings being held with fewer members than a quorum. The workload associated with the marketing and promotions effort needs to move at a more rapid pace, and the current structure is slowing its progress. Additionally, staff time dedicated to email communications with the VFB committee and preparing for and attending these meetings is considerable.

There are questions concerning who makes certain decisions. In the past, the Visit Fort Bragg Committee voted on all marketing and promotions activities and expenditures, and made periodic reports to Council. It is staff's understanding, based on Council direction at the onset of the new funding and structure, that the Visit Fort Bragg Committee is to be advisory to the consultant, staff and Council. However, it is unclear who the final decision-maker is for certain tasks. For example, it is unclear what decisions require Visit Fort Bragg advice, CDC input or Council direction, or simply staff approval. This ambiguity has significantly slowed action on the project's progress, since some decisions wait for a noticed CDC meeting or Visit Fort Bragg meeting before moving forward when perhaps the consultant or staff could make iterative decisions throughout the process. The ambiguities of the various roles and determining the correct steps forward require a disproportionate amount of staff time compared to time spent carrying out specific activities of the approved Marketing and Promotions Action Plan.

Visit Fort Bragg Reorganization

City management and the City Attorney have discussed the issues that are slowing the project's progress and potentially limiting public participation, and the CDC recommends the following revisions to the marketing and promotions structure to improve the effort moving forward.

Instead of being a "working committee" involved in granular aspects of tourism marketing, the Visit Fort Bragg Committee would focus on the overall marketing and fiscal strategy of the City's marketing and promotions effort. The Committee would provide input into revisions to the annual Marketing and Promotions Action Plan, and provide input into staff's development of an annual budget and marketing plan, which would receive input from the Community Development Committee and ultimately be approved by City Council. Instead of meeting monthly, the Committee would meet quarterly, or as needed, in a combined meeting with the Community Development Committee to create the annual marketing plan and budget, and then review project status and program effectiveness throughout the year.

Clarifying the objectives of the Committee in this way will reduce the number of meetings, while increasing the gravity of the decisions the Committee makes. Instead of discussing smaller

ongoing tasks, the Committee would be providing input which guides the entirety of the marketing and promotions effort. Additionally, ad-hoc committees consisting of community experts in specific areas could be utilized for specific tasks (i.e. website redesign, Christmas decorations, public relations, etc.). These ad-hoc committees would meet to assist the Project Manager in completing the different projects and tasks as outlined in the Action Plan. This would allow for more public participation in the City's promotional efforts rather just the standing Visit Fort Bragg Committee.

Associating the meetings with a CDC meeting would 1) make the Committee's actions subject to the Brown Act; 2) involve the CDC more directly in all decision-making thereby reducing the necessity for redundant meetings; and 3) improve communication between the CDC, VFB, stakeholders, staff and the community. According to the City Attorney, it is best to make meetings public whenever there is any question about whether or not a meeting is subject to the Brown Act. Since the Visit Fort Bragg Committee would be providing advice about the expenditure of public funds, it is appropriate to make the meetings subject to the Brown Act. This would allow for greater public participation in the overall strategy of the marketing and promotions effort, and increases transparency regarding the use of public funds.

The CDC also recommends the number of Committee members be reduced from nine to five or seven. Since the Committee under this structure would meet jointly with the CDC, the seven members between the two groups would call for effective communication and provide the best level of direction on annual strategies and budgets. In addition, CDC recommends members represent a broad spectrum of businesses which make up our local tourism economy with a focus on lodging owners/managers. Finally, the CDC recommends that the VFB committee members be selected by the CDC, following an application process, and that committee members would serve staggered revolving terms. Specific details of length of term and timing of procuring new members following the initial committee development would be brought to the CDC at a future agenda.

Regarding decision on expenditures, the CDC recommends adopting the existing city-wide approval structure for the approval of marketing and promotions expenditures:

Expenditure Amount	Approval Authority
Less than \$5,000	Staff/Department Head
\$5,000 to \$25,000	City Manager
Over \$25,000	City Council

Presently, it is unclear who authorizes and approves marketing and promotions funds. With this large and multi-faceted project, certain decisions should be made quickly to keep the process moving efficiently. Utilizing the existing City policies on expenditures would clearly outline who approves certain actions. For example, once City Council approved the annual marketing plan and budget, the project manager and City Staff would have the authority and responsibility to carry out the plan accordingly. Any changes during the year to the Budget which would cause a 10% increase or decrease would have to be brought back to Council for further consideration. In addition, as is currently practiced citywide, all contracts above \$25,000 would be brought before Council for consideration.

Interim Structure

Should the Council concur with the CDC recommendations, staff suggests the following timeline for reorganizing Visit Fort Bragg:

May 14, 2018, City Council	Council directs staff and the Project Manager to reorganize VFB based on CDC recommendations.
May 15, 2018	Project Manager releases applications and invites the current membership and the community to apply for a seat on the Visit Fort Bragg Committee.
June CDC Meeting	Applications presented to CDC for Visit Fort Bragg membership. CDC interviews and appoints members.
July CDC Meeting	CDC and the newly-appointed Visit Fort Bragg Committee review proposed amendments to FY 2018/2019 marketing and promotions action plan and budget.

RECOMMENDED ACTION:

Adopt Resolution authorizing the formation of the Visit Fort Bragg Committee, meeting jointly with the Community Development Committee, to act as an advisory committee with a focus on the overall marketing and fiscal strategy of the City's marketing and promotions effort.

ALTERNATIVE ACTION(S):

Direct staff to pursue an alternative approach to structuring the marketing and promotions effort.

FISCAL IMPACT:

The City dedicates a portion of TOT revenue to marketing and promotions. Action on this staff report would direct the management of these funds, but would not impact the amount of funding. Adoption of the Resolution would reduce overall staff time and admin costs due to the reduction in meetings and streamlined approval process of tasks.

CONSISTENCY:

The proposed changes to the management structure of the marketing and promotions effort would make more efficient and productive use of the available funding to promote tourism for the City of Fort Bragg including the tasks outlined in the Action Plan, consistent with voter-approved Measure AA and Measure AB.

IMPLEMENTATION/TIMEFRAMES:

As discussed in this report, the direction given will be immediately implemented to revise the management structure of the marketing and promotions effort.

ATTACHMENTS:

1. Resolution

NOTIFICATION:

Tourism and Marketing Notify Me List