



AGENCY:	City Council
MEETING DATE:	October 9, 2018
DEPARTMENT:	Administrative Services
PRESENTED BY:	Scott Schneider
EMAIL ADDRESS:	sschneider@fortbragg.com

## AGENDA ITEM SUMMARY

### **TITLE:**

**Receive Report and Consider Adoption of City Council Resolution Approving the Visit Fort Bragg FY18/19 Marketing Budget and Amending the FY18/19 Budget to Appropriate \$24,281 of Unencumbered Funds from the FY17/18 Budget to the FY 18/19 Budget for Marketing and Promotions Professional Services Account #110-4321-0319 (Budget Amendment #2019-03)**

### **ISSUE:**

Beginning April 1, 2017, lodging properties began collecting an extra 2% of Transient Occupancy Taxes (TOT) from their overnight guests (guests staying from one, but no more than 30 nights). The increase, approved as Measure AA in November 2016 provided guidance to allocate 50% of the increase to be utilized for the promotion of Fort Bragg (known as Measure AB) and overseen by the Visit Fort Bragg Committee. These funds are used in addition to the .5% TOT allocated to the Visit Fort Bragg program over the past several years.

To better inform increased marketing and promotions efforts, City Council approved a contract with Strategic Marketing Group (SMG) in September 2016 to prepare a Tourism Market Research Study. SMG's study, adopted by City Council on March 13, 2017, is comprised of the *Marketing Research-Tourism* report, *Tourism Marketing Recommendations*, and *Visitor Survey Results*.

Using information from the *Tourism Marketing Recommendations* report as well as input from the Visit Fort Bragg committee, local hotel operators, and numerous tourism industry stakeholders, staff developed a detailed three-year *Visit Fort Bragg Marketing & Promotions Action Plan* reviewed by Council in June of 2017.

City staff proceeded to hire a project manager to oversee the multitude of activities throughout the Action Plan. On September 11, 2017, Aspen Logan of Playhouse Creative, Inc. was hired to implement the approved Action Plan with a contract expiration date of June 30, 2019. Over the past year, Ms. Logan has worked to implement as much of the Action Plan as possible but was hindered by the reorganization of the Visit Fort Bragg management and administrative structure. As a result, \$45,081 of the \$221,500 FY 2017/2018 budget remained unspent while the reorganization took place.

Council approved the new formation of the Visit Fort Bragg Committee on June 11, 2018 (Resolution 4093-2018). The role of the Committee is defined: "To act as an advisory committee with a focus on the overall marketing and fiscal strategy of the City's marketing and promotions efforts." The one main project which was started and is still in process is the rebranding of Fort Bragg. This project is close to completion with the updated logo presented to the Visit Fort Bragg Committee at its September 25, 2018 meeting.

The updated Budget includes a significant amount of work over the next nine to ten months, much of which will be undertaken by outside contractors being selected through a "Promotion of Fort Bragg Request for Proposals" (RFP). The RFP includes five scopes of work previously reviewed by the Community Development Committee: (1) Website Design, Development and Deployment, (2) Social Media Content Creation, (3) Design/Creative, (4) Public Relations and (5) Marketing/Advertising. Consideration of the approval of a Professional Services Agreement for four

of these five scopes of work is on tonight's Council agenda with work, if approved, starting immediately.

The draft budget includes the amount approved in the FY18/19 City Budget for Marketing and Promotions (\$258,437) as well as use of \$24,281 of the total unencumbered funds from FY 17/18 of \$45,081. Budget Amendment #2019-03 is included in the proposed Resolution amending the FY18-19 Budget to include these unencumbered funds in Account #110-4321-0319. The remaining amount of unencumbered funds from FY2017/18 of \$20,800 will be available should the Visit Fort Bragg Committee find an opportunistic project or program to bring to Council for consideration.

The Visit Fort Bragg Committee (including the Community Development Committee) reviewed the draft Budget at its September 25, 2018 meeting and is recommending the City Council adopt a Resolution approving the FY18/19 Visit Fort Bragg Marketing Budget including use of FY2017-18 unencumbered funds for promotions of \$24,281.

**RECOMMENDED ACTION:**

Adopt the proposed City Council Resolution including Budget Amendment #2019-3.

**ALTERNATIVE ACTION(S):**

Provide alternate direction to Staff regarding marketing and promotions activities for FY2018/19.

**FISCAL IMPACT:**

The proposed budget to implement the Marketing Plan totals \$346,121. Of the total amount, \$258,437 is allocated in the FY2018/19 City Budget. Additionally, \$42,603 has been carried forward from FY 2017/18 for Project Management contract with Playhouse Creative.

Measure AB, passed by voters in November 2016, provided guidance that 50% of the TOT increase should be used for marketing and promotional purposes. Due to the transition of the Visit Fort Bragg Committee earlier this year, not all of the approved tasks in the Visit Fort Bragg Action Plan were completed during the FY 2017/18. As a result, unencumbered funds of \$45,081 budgeted for marketing and promotions were placed in the General Fund Balance at the close of that Fiscal Year. Budget Amendment #2019-03 appropriates \$24,281 of those unencumbered funds back to Marketing and Promotions Professional Services (Account #110-4321-0319). With the approval of Budget Amendment #2019-03, sufficient funds exist to fully implement the proposed Marketing Plan and Budget.

**IMPLEMENTATION/TIMEFRAMES:**

Staff will begin implementation of the Marketing Plan and Budget upon adoption of the proposed Resolution.

**ATTACHMENTS:**

1. Resolution
2. FY 18/19 Visit Fort Bragg Marketing Budget

**NOTIFICATION:**

Aspen Logan, Visit Fort Bragg Project Manager  
Visit Fort Bragg Committee  
Economic Development Plan Notify Me Subscriber List  
Fort Bragg Downtown Businesses Notify Me Subscriber List