

VISITORS AND CONVENTION COMMISSION MEETING MINUTES

February 21, 2006

The regular meeting of the Visitors and Convention (V&C) Commission was called to Order by Chairman Lanty Jarvis on February 21, 2006, at 4:00 p.m. in the Conference Room of Roseburg City Hall, 900 SE Douglas.

Present: Commissioners Jane Green, Georgia Stiles, Lanty Jarvis, Terri Klein, Dotty Randall-Stapleton, Ellen Whitaker and Paul Zegers.

Others Present: City Manager Eric Swanson, Mayor Larry Rich, City Councilors Tim Freeman and Mel Cheney, Human Resources Director Barbara Gershon, Finance Director Cheryl Guyett, Visitors and Convention Bureau Director Jean Kurtz and Administrative Assistant Debi Davidson.

APPROVAL OF MINUTES

Randall-Stapleton moved to approve the minutes of the January 17, 2006, meeting. Motion was seconded by Zegers and carried unanimously.

SPECIAL EVENT FINANCIAL REQUESTS

Financial assistance requests were received for: 1) Roseburg Air Show; 2) Jaycees Fourth of July Fireworks; 3) Optimist Club Jet Boat Races; 4) Music on the Half Shell Police Overtime Funding; 5) Roseburg Area Chamber of Commerce Greeters convention. Swanson presented the request for \$20,000 to support the Roseburg Air Show, and noted the City Council has indicated a desire to take on the fireworks display as a project.

Gershon explained that prior to construction of the V&C facility, 1% of the Hotel/Motel tax funds were dedicated to the City's previous V&C Commission. Once the facility was built, all tourism monies were dedicated to the Chamber's contracted program. The City does have an approximate \$155,000 reserve of funds unexpended by the prior Commission which are now available to this Commission.

Discussion was held on the Air Show which has a budget of approximately \$40,000 to \$50,000. Cheney stated the organizers' intent was to make reimbursement to the Commission after gate receipts are accounted for and accounts payable addressed. Approximately 50% of last year's 4,000 attendees came from outside of the 97470 zip code. Swanson reported that Wing Nuts has taken over as interim airport fixed base operator and may also be interested in serving beyond that interim period.

In general, Commissioners noted support of the air show; however, they were uncomfortable considering grant awards without first establishing criteria and funding availability. Swanson urged Commission consideration of the first two requests inasmuch as they have previously been supported by the City Council. Because of the unfortunate press of event timing, Freeman suggested Council could make the funding decision for the two events for 2006 and allow the Commission the opportunity to prepare their criteria in time for next year's requests.

Stiles made a motion to approve \$20,000 in funding for the Roseburg Air Show subject to submission of the budget by the end of the week and approval by the Commission. Motion was seconded by Whitaker and carried with Zegers voting nay.

2006-2007 PROPOSED BUDGET

Gershon explained that 57.25% of the hotel/motel taxes are allocated to tourism promotion and dispersed quarterly to the Chamber for operation of the V&C Bureau. Staff has not proposed that this tourism percentage be changed. At present there is no continuing source of fund for the Commission, but there appears to be sufficient funds to allocate to the commission without greatly adversely affecting other programs financed by the tax.

Discussed ensued on the following options offered by Staff for consideration:

1. Place carry-over funds (approximately \$50,000 unexpended last year by the Bureau) into the Commission budget.
2. Place the \$50,000 carry-over funds into the Bureau operating budget.
3. Amend the administrative charges to the Hotel/Motel Tax Fund to properly reflect City costs. That would result in an increased charge related to finance management and the two persons staffing this Commission. That charge would be under the same formula and guidelines the City uses for its other similar fund cost allocations.
4. Amend the percentage allocation of the funds to provide annual funds to the V&C Commission via one of these methods. A. Allocate 0.50% from the Tourism Promotion (approximately \$51,000) per year). B. Allocate an amount equal to 0.50% of the Tourism portion by spreading the cost equally among all Hotel/Motel tax recipients (Bureau, Economic Development, Streetlight/Sidewalk). C. Allocate an amount equal to 0.50% of the Tourism portion by spreading the cost proportionally among all Hotel/Motel tax recipients. D. Allocate a fixed amount to the Bureau for the first three years based on the most recent receipts. There would be no impact on the other tax recipients.

Swanson noted the tax was the sole source of revenue for the Economic Development Commission. As an example, those funds are used to support the Umpqua Economic Development Partnership Director, industrial infrastructure related work, fiber optics placement and airport expansion. Discussion was held on administrative cost. Guyett explained that the law provides that the City may retain sufficient tax monies to cover the cost of administering the tax and its program. To date, the Streetlight/Sidewalk Fund has been paying all the administrative cost. In retrospect, the cost should have been equally applied. Freeman noted that the Chamber has funding for their programs. The funds at issue today are strictly those for administering the City's contract for the Bureau. The Chamber will run that program at whatever level the City determines.

The majority supported Option 4.C. of spreading the cost proportionally without having too much impact on one program over another. However, Freeman suggested it may be difficult to convince the City Council to reduce funds to economic development and the streetlight fund.

Due to time constraints, the meeting recessed at 5:33 p.m. The Commission reconvened at 4:00 p.m. on March 2, 2006, in the City Hall Conference Room. Attendees at that time were:

Chairman Lanty Jarvis, Commissioners Georgia Stiles, Dotty Randall-Stapleton, Ellen Whitaker and Paul Zegers. Others Present: City Manager Eric Swanson, City Councilor Mel Cheney, Human Resources Director Barbara Gershon, Visitors and Convention Bureau Director Jean Kurtz and Administrative Assistant Debi Davidson. Commissioners Jane Green and Terri Klein were absent.

AIR SHOW

The Air Show budget was presented. Stiles moved to approve the Air Show budget, seconded by Whitaker. It was noted the budget outlined a "City Event Fund" of \$10,000. Cheney explained that at the time of budget preparation the Commission was unsure where requested funds would be generated - the \$20,000 requested would be in lieu of that \$10,000. Conservatively tickets sales estimates are at 2,000 per day. Last year, \$1,055 was returned to the City.

Zegers emphasized that he was not opposed to the air show but would vote against any funding until criteria, priorities, timelines and public notice about fund availability are prepared and distributed. Drew Bailey, Regional Representative for the Southern Oregon Restaurant and Lodging Association, 455 N Laurel Street, Ashland, stated the Association and industry members were concerned about the Commission's process and fund allocation.

Cheney noted early commitment was requested in order to get a commitment for the War Birds to participate in the Air Show. He was confident repayment to the City would be more than last year's 5% and more likely approximately 75%. He understood the concern regarding process and agreed the process should be established as soon as possible.

Question was called. Motion was voted on and carried with Whitaker and Zegers voting against the motion.

VISITORS AND CONVENTION BUREAU REPORT

Kurtz outlined the Bureau budget (fiscal year June-July) which undergoes review by an Advisory Subcommittee, Chamber subcommittee and full Chamber Board. She stressed that the Bureau focuses on marketing the City and surrounding area to bring in visitors. To that end, there are four major categories of emphasis. 1) Marketing Outreach; 2) Visitor Services; 3) Convention Sales and Services and 4) Industry Support.

Of the 57.25% funds received, the Chamber Foundation holds \$25,000 per year (per City agreement) to maintain/upgrade center displays. Through partnership with the Forest Service and BLM, a satellite center is operated in Glide. Therefore, there is \$3,500 in pass through funds to help pay for the center's coordinator. Miscellaneous income of \$7,400 is derived through interest and sales. Because the previous year resulted in a carry-over of unexpended funds, \$50,000 was placed into a seed program to assist those wishing to start events in October through May.

Expenses are allocated as follows: \$136,360 (27%) for administration/staff; \$57,560 (11%) for operations such as overhead, supplies, displays, utilities; balance of \$322,000 (62%) is dedicated to promotional activities, i.e. advertising, marketing, association dues, hospitality training, newsletter, printing, event promotion and seed grant money. Criteria for the seed money are similar to the City's previous V&C Commission, to provide local event support.

Prior to that new program, the bureau has provided up to \$2,500 for local event marketing. In 2005, a total of \$37,000 was spent on event marketing.

Staff consists of the Director, Convention Sales Person, Part-Time Volunteer Coordinator, Part-Time Administrative Assistant and Part-Time Weekend Staffer. Swanson questioned a Convention sales person since there are no convention facilities in Roseburg and suggested the funds may be better used for a local event organizer. Kurtz indicated the position was created at the request of the hoteliers and “creativity” is required for those sales. There are many conventions that don’t require a Hilton Hotel type facility. We have them in the area where all activities are centered at a school, recreational center, etc., but extensive use is made of the Roseburg hotels and restaurants. This situation will be greatly improved when the Cow Creek Band of the Umpqua Tribe of Indians opens their convention facility. Considerable discussion was held on the need to have an outreach program since most of the attributes in promoting Roseburg are in the surrounding area. Since countywide promotion is involved, Whitaker suggested getting Douglas County financial assistance to pay for the convention coordinator.

Discussion then turned to financing Commission programs. Cheney pointed that allocating tourism funds to the Commission versus the Chamber, does not take anything away from the Chamber’s operations. The Bureau is capable of putting forth a successful tourism program regardless of the amount they are allocated. The previous year carry-over of \$50,000 is indicative of that. Jarvis noted the Commission is responsible for oversight of all tourism dollars. He expressed concern that there seemed to be push to protect the Chamber’s interest and reiterated Cheney’s comments that the Chamber program can operate regardless of their allotment.

Swanson indicated Staff would report back to the Commission with more budget suggestions for the next meeting. The Commission can recreate what was historically done for grant award and move forth with that.

Meeting adjourned at 5:10 p.m.

Debi Davidson
Administrative Assistant