



**CITY COUNCIL
AGENDA BILL**

**AB 2587
June 23, 2020
Regular Business**

Agenda Item: 8b
Proposed Action & Subject: Discussion/possible action regarding the Sedona Chamber of Commerce and Tourism Bureau’s (SCC&TB) Destination Services (Recovery) Plan, program of work, and proposed budget for FY21.

Department	City Manager
Time to Present	15 minutes
Total Time for Item	30 minutes
Other Council Meetings	January 8, 2020 Retreat, June 10, 2020
Exhibits	A. FY21 Final Proposed City Budget with Freezes B. FY21 Destination Recovery Plan C. FY21 Final Program of Work

City Attorney Approval	Reviewed 6/16/20 RLP	Expenditure Required
		\$ 2,446,060 (base) \$ 544,440(contingency)
City Manager’s Recommendation	Approve the Chamber budget and associated work plans.	Amount Budgeted
		\$ 2,990,500 (FY2021 Tentative Budget)
		Account No. 10-5220-72-6731 (Description) (Tourism Management & Development)
		10-5220-72-6722 (Visitor Services)
		10-5246-01-6761 (Spendable Contingencies)
		Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

This meeting provides a follow up to the June 10th meeting where the initial budget and workplan were submitted and reviewed.

Background: At the June 10, 2020 City Council meeting, the Sedona Chamber of Commerce and Tourism Bureau (Chamber) submitted their proposed FY21 budget, destination recovery plan, and program of work. The Chamber proposed shifting resources away from sustainable tourism pillars toward traditional destination marketing and increasing

the overall budget as a means of hastening the economic recovery after the COVID-19 pandemic caused significant economic declines.

Council was split on whether or not the Chamber needs all of the funds requested to facilitate an economic recovery. Similarly, Council was split on whether or not funds should be divested from programs from the sustainable tourism plan pillars.

Council ultimately agreed that a base budget should be presented that is much closer to the total budget and workplan for the current fiscal year. However, in order to be prepared for possible contingencies, the Council also directed staff to set aside a contingency amount that reflects the difference between the revised base budget and the initial request from the Chamber. The contingency amount segregated from the base budget reflects fall and spring campaigns for destination marketing and a number of programs from the environment and quality of life pillars of the sustainable tourism plan.

Included in your packets is a revised request that contemplates a base budget of \$2,446,060. The Chamber has removed program costs totaling \$544,440, to be reviewed at two mid-year checkpoints. The first checkpoint is proposed in late July or early August to leave adequate time to release funds for a fall marketing campaign, if necessary. The second checkpoint is proposed in January when the Chamber and City meet during a retreat session. The second checkpoint is proposed to review the need for a spring marketing campaign and to decide on remaining sustainable tourism program funding. The adjusted base budget as proposed is \$46,440 less than the current fiscal year budget.

Staff recommends that Council approve the base budget as well as contingency funds which may result in two amended budgets. The base budget will be distributed in two installments consistent with contract terms, and the contingency funds will remain in the City's budget to be considered for approval and distribution at two mid-year checkpoints.

Community Plan Consistent: Yes - No - Not Applicable

The Economic Development chapter of the Community Plan includes goals to: "support locally owned businesses" and to, "preserve and enhance Sedona's tourist based economic sector."

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): N/A

MOTION

I move to: approve the Sedona Chamber of Commerce and Tourism Bureau's destination services plan, work plan, and annual budget as presented with the base budget to be paid in two installments consistent with the contract between the City and Chamber, and contingency funds being subject to approval and distribution mid-year as may be later determined by Council.

				Detail Allocations			
	STP			Base Budget	Contingency budget 1 - August 2020	Contingency budget 2 - January 2021	Maximum Budget
1			QUALITY OF ECONOMY				
2			6011: Marketing Outreach				
3			Recovery Campaign				
4			Summer campaign	\$ 315,000			\$ 315,000
5			Fall campaign		\$ 150,000		\$ 150,000
6			Winter Campaign	\$ 295,000			\$ 295,000
7			Spring Campaign			\$ 180,000	\$ 180,000
8			Misc other: visitor guides, national park program, content, digital, FB, etc.	\$ 123,500			\$ 123,500
9			6012: Marketing Support				
10			Booking Engine	\$ 16,000			\$ 16,000
11			Creative Development, graphics	\$ 65,000			\$ 65,000
12			Misc other: website updates, development, database, hosting, webcam, TripTuner, content creation, professional services, etc.	\$ 144,000			\$ 144,000
13			6020:Marketing Collateral				
14			Maps	\$ 10,000			\$ 10,000
15			Brochures	\$ 10,000			\$ 10,000
16			Experience Sedona Guides, Destination Services Plan, Annual Report	\$ 17,900			\$ 17,900
17			6030:Media & Communications				
18			PR Database	\$ 12,000			\$ 12,000
19			PR Support, media assistance, promo	\$ 21,000		\$ 11,000	\$ 32,000
20			Media events (IPW, LA, AZ)	\$ 13,000			\$ 13,000
21			Social Media feeds and photo usage	\$ 16,000			\$ 16,000
22			ATTA program with AOT	\$ 15,000			\$ 15,000
23			6035:Meetings/Sales				
24			3rd Party Meeting Planners & Industry Organizations	\$ 38,850			\$ 38,850
25			Trade Shows & Sales Missions	\$ 13,016		\$ 10,500	\$ 23,516
26			FAMs & Site Visits			\$ 18,500	\$ 18,500
27			Sales Outreach Programs	\$ 4,494		\$ 5,640	\$ 10,134
28			Incentive Programs	\$ 2,000		\$ 10,000	\$ 12,000
29			ATTA AdventureElevate	\$ 4,000			\$ 4,000
30			Industry Fees	\$ 1,000			\$ 1,000
31			6040:Research	\$ 20,500		\$ 14,000	\$ 34,500
32			6050: Trade Shows & Sales Missions				\$ -
33			Trade Shows	\$ 41,600			\$ 41,600
34			Sales Missions & Outreach Programs	\$ 23,400	\$ 2,200	\$ 12,400	\$ 38,000
35			FAMs & Site Visits	\$ 3,500			\$ 3,500
36			Travel Trade Industry Coop Programs	\$ 10,900	\$ 5,000	\$ 7,000	\$ 22,900
37			Industry Fees	\$ 4,000			\$ 4,000
38			6350:Dues & Subscriptions				\$ -
39			Industry and association Fees	\$ 13,200			\$ 13,200
40			6410, 6722, 6725:Postage & Delivery & Distribution	\$ 132,200			\$ 132,200
41			ECONOMY - SUBTOTAL	\$ 1,386,060	\$ 157,200	\$ 269,040	\$ 1,812,300

42		ENVIRONMENT (+\$50,000 STK private \$, \$171,000 total)				\$	-
43	A1.1	Recycling Resources				\$	-
44	A1.2	Understanding Recycling Capabilities				\$	-
45	A1.3	Sustainability Alliance Business Certification Expans				\$	-
46	A1.4	Zero Waste Meetings & Events Campaign	\$	2,000		\$	2,000
47	A1.5	Water Refilling Stations Campaign				\$	-
48	A1.6	Waste Prevention & Recycling				\$	-
49	A1.7	Reduce Waste Campaign and Recycle By City (see	\$	6,000		\$	22,000
50	A1.8	Single Use Plastics				\$	-
51	A2.1	Water Conservation Programs				\$	-
52	A2.2	Voluntourism Programs - Water				\$	-
53		Oak Creek Watershed voluntourism				\$	5,000
54		Signage and website development	\$	1,500		\$	1,500
55	A2.3	Water Quality Testing with Oak Creek Watershed	\$	7,500		\$	7,500
56	A3.1	EV Charging Stations				\$	-
57	A4.1	Trail Fund Programs				\$	50,000
58	A4.2	Public Private Land Advocacy	\$	-		\$	-
59	A4.3	Monitor Trail Utilization	\$	-		\$	-
60	A4.4	Impacts of Trailhead Parking	\$	-		\$	-
61	A4.5	Dark Sky	\$	-		\$	-
62	A4.6	Voluntourism Programs - Trails & Land				\$	-
63	A4.7	Eliminate Pesticides & Herbicides	\$	-		\$	-
64	A5.1	Leave No Trace	\$	12,000		\$	12,000
65	A5.2	Recognition Programs to Highlight Local				\$	-
66	A5.3	Sedona Cares Pledge Campaign	\$	15,000		\$	15,000
67		ENVIRONMENT - SUBTOTAL	\$	44,000	\$	-	\$ 77,000 \$ 121,000
68		QUALITY OF LIFE - \$271,000				\$	-
69	B.1	Locals Nite Out (promotions, ads) weekly	\$	18,000		\$	18,000
70		Business forums, education and seminars (free)	\$	18,000		\$	18,000
71		Roundabouts & Bike Etiquette Video	\$	9,000		\$	9,000
72	B1.2	Walkability Programs				\$	-
73		Promotion	\$	8,700		\$	8,700
74		GPS Web Map Updates	\$	10,000		\$	10,000
75		Gallery Walk Program	\$	4,500		\$	4,500
76		Wellness Walk Program	\$	7,800		\$	7,800
77	B1.3	Parking facilities, Jordan Road	\$	71,700		\$	71,700
78	B1.4	Traffic Congestion Mitigation				\$	-
79	B1.5	Sedona Transit - Verde Lynx Marketing	\$	30,000		\$	30,000
80	B2.1	Real-Time Parking	\$	-		\$	-
81	B3.1	Communication (local) weekly articles, eNewsletters, content, research, promotion	\$	20,000		\$	20,000
82	B4.1	Sedona Reinvestment Committee Expansion	\$	-		\$	-
83	B4.2	Visitor & Resident Shared Experiences	\$	-		\$	-
84	B4.3	New Product Development	\$	-		\$	-
85	B5.1	Short-Term Rentals - Legislation	\$	-		\$	-
86	B5.2	Short-Term Rentals - Engagement	\$	3,700		\$	3,700
87	B5.3	Short-Term Rentals - Research	\$	2,100		\$	2,100
88	B5.4	Community Planning & Development	\$	-		\$	-
89	B6.1	Educational/Marketing Program for OHVs				\$	-
90	B6.2	Heli Noise				\$	-
91		Sustainable Tourism Planning and Reporting	\$	2,500		\$	2,500
92		Love Our Locals Campaign	\$	-		\$	5,000
93	B7.	Support destination drivers that enhance quality of life				\$	-
94		Local Event Support	\$	23,800		\$	16,200
95		Co-working space				\$	20,000
96		QUALITY OF LIFE - SUBTOTAL	\$	229,800	\$	-	\$ 41,200 \$ 271,000

97	VISITOR EXPERIENCE					\$	-
98	D1.1	Promotional Materials Assessment				\$	-
99	D1.2	Star Party	\$	3,000		\$	3,000
100	D1.3	Recreation on Oak Creek & Verde River				\$	-
101	D1.4	Local Story				\$	-
102	D2.1	Visitor Dispersion				\$	-
103		Secret 7				\$	-
104		Digital Advertising	\$	2,500		\$	2,500
105		Site Updates	\$	2,500		\$	2,500
106		Visitor Dispersion				\$	-
107	D2.2	Regional Coordination - Verde Front	\$	1,000		\$	1,000
108	D2.3	Regional Programs				\$	-
109		Nat Geo Map Guide Updates	\$	2,500		\$	2,500
110		Nat Geo Map Guide Hosting	\$	5,500		\$	5,500
111		SVWTC Sedona Contribution	\$	10,000		\$	10,000
112		SVWTC Meetings	\$	250		\$	250
113		Regional Programs				\$	-
114	VISITOR EXPERIENCE - SUBTOTAL		\$	27,250	\$	-	\$ 27,250
115		Operations				\$	-
116		Storage & Handling	\$	6,400		\$	6,400
117		Building & Grounds Maintenance	\$	9,300		\$	9,300
118		Commercial Liability Insurance	\$	2,400		\$	2,400
119		Computer/Technology	\$	8,500		\$	8,500
120		Credit Card/Bank Charges	\$	3,250		\$	3,250
121		Total Equipment Repair & Lease	\$	8,800		\$	8,800
122		Total Professional Fees (audit, taxes, NTG)	\$	13,400		\$	13,400
123		Licenses, permits	\$	2,300		\$	2,300
124		Supplies	\$	10,700		\$	10,700
125		Phone, Internet	\$	13,800		\$	13,800
126		Utilities - Gas, Elec., Water, Sewer, Trash	\$	6,650		\$	6,650
127		Mortgage interest	\$	7,250		\$	7,250
128		Salaries and benefits	\$	256,200		\$	256,200
129	OPERATIONS - SUBTOTAL		\$	348,950	\$	-	\$ 348,950
130	TOTAL EXPENSES TOURISM BUREAU		\$	2,036,060	\$	157,200	\$ 2,580,500
131	TOTAL EXPENSES VISITOR CENTER		\$	410,000			\$ 410,000
132	TOTAL		\$	2,446,060	\$	157,200	\$ 2,990,500