



Approved: October 18, 2010

NOTICE OF PUBLIC MEETING

TRANSIENT ROOM TAX TASK FORCE

City Hall

Willamette Room

Monday, September 20, 2010

2:00 p.m.

MINUTES

Attendance: Mayor Sharon Konopa, Ralph Reid, Jr., Steve Terjeson, Oscar Hult, Randy Porter, Jimmie Lucht, Wes Hare, Stewart Taylor, Jim Delapoer, John Pascone

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 2:00 p.m. Introductions were made by all in attendance. Konopa said that this is an ad hoc task force and would be dissolved once the group has developed a recommendation for the City Council for the allocation of the transient room tax revenue.

SCHEDULED BUSINESS

Oregon State Law and Albany Municipal Code

Jim Delapoer said that ORS 320.350 (3) is the most significant statute relating to transient room tax revenue. It states *“A unit of local government that imposed a local transient lodging tax on July 1, 2003, may not decrease the percentage of total local transient lodging tax revenues that are actually expended to fund tourism promotion or tourism-related facilities on or after July 2, 2003. A unit of local government that agreed, on or before July 1, 2003, to increase the percentage of total local transient lodging tax revenues that are to be expended to fund tourism promotion or tourism-related facilities, must increase the percentage as agreed.”*

Delapoer said that we are going to have to go with logic to come up with a disbursement policy. He said that we have historically used a portion of the tax revenue to pay for the Linn County Fair and Expo bonded debt and for tourism. The bonded debt will be paid off this year and is considered “new revenue,” of which at least 70 percent must be used to fund tourism promotion or tourism-related facilities, and 30 percent can be used for general city services.

Ralph Reid said that he believes that the bonded debt was for transportation. Konopa said that she thought that the bonded debt was also used for the property.

Stewart Taylor said that now that the bonded debt will be paid off, 70 percent of that amount must be used for tourism promotion or tourist-related facilities. Wes Hare said that although the bond is being paid off this year, there will be less money than in previous years due to declining transient room taxes. Delapoer said that we have to look back to 2003 (2004 budget year) and look at the percentages that were used. Reid said that if we were spending all of our TRT on tourism except for the debt reduction, then we should only have to apply the 70/30 percent calculation on those debt reduction funds. Hare went over the usage of the TRT revenue in 2004. *[See attached document]*

Reid said that he is concerned that we are locking in the percentages from 2003-2004. Delapoer said that we should use those numbers for figuring out where to go from here. For example: If 40.21 percent was used for tourism promotion and tourist-related facilities and 46.99 percent was used for the debt service reduction, then 40.21 percent must continue to be used for tourist promotion activities and tourist-related facilities. When the debt is retired, the 70/30 percent must be applied to the “new revenue.”

Example:

In FY 2004, 40.21 percent was used for tourism promotion and tourist-related facilities. We must continue with this percentage.

In FY 2009, 35.80 percent was used to fund the final debt payment and needs to have the 70/30 rule applied = 25.06 percent goes for tourism, 10.74 percent goes for general city services.

40.21% + 25.06% = 65.27%, for tourism; 34.73% can be used for general city services.

Hare said that Albany's local transient lodging tax rate has been nine percent since 1999.

Taylor said that we can give an estimate of what our revenues will be for 2011. Konopa asked Taylor to bring those numbers to the next meeting. Taylor said that the statute is not as clear as it could be, but it says that when the debt is retired you apply the 70/30 percent rule to the revenues previously directed to the debt.

Objective of the Task Force

Mayor Konopa said that during the Budget Committee meetings they talked about a policy about how to distribute Transient Room dollars. Konopa said that we have an ordinance of how we bring in the transient room dollars but not a policy to disburse those funds.

Information from the Local Transient Lodging Tax Survey Report Dated May 2008

Reid noticed that Lebanon was not listed as receiving transient room tax revenue. He also noticed that Medford, Klamath County, and Newport raised their tax rates after 2003.

Compiling a "Parking Lot" List from Task Force Members of what Entities/Activities/Events should be Discussed Regarding the Allocation of Transient Room Tax Dollars

Konopa said that she would like the Task Force to come up with suggestions for use of the money. Listed below are the suggestions:

- 30 percent of the debt service payment be used as a capital reserve for the airport. (Reid)
- 30 percent of the debt service payment to be used for business development. (Terjeson)
- Funds for a joint marketing effort between the Expo, AVA, ADA, etc. (Porter)
- Funds for marketing the Northwest Art and Air Festival. (Hare)
- Reimbursement to the Police and Fire Departments for their presence at events. (Konopa)
- Funds for new events and new attractions. (Lucht)
- Funds for fireworks, the Veterans' Day parade, and central service charges. (Hare)
- Funds for countywide promotions. (Konopa)
- Funds for the Monteith Society. (Hult)

BUSINESS FROM THE TASK FORCE

None.

NEXT MEETING DATE: Monday, October 18, 2:00 p.m., Willamette Room

ADJOURNMENT

The meeting adjourned at 3:20 p.m.

Respectfully submitted,

Signature on file.

Diana Eilers
Administrative Assistant I

Reviewed by,

Signature on file.

Stewart Taylor
Finance Director