



NOTICE OF PUBLIC MEETING

TRANSIENT ROOM TAX TASK FORCE

City Hall
Willamette Room
Monday, January 24, 2011
2:00 p.m.

AGENDA

1. CALL TO ORDER (Mayor Sharon Konopa)
2. ROLL CALL
3. APPROVAL OF MINUTES
 - January 10, 2011. [Pages 1-2]
Action: _____
4. SCHEDULED BUSINESS
 - a. Clarification of one of the proposed program line items. [Verbal]
Action: _____
 - b. Public comment on task force's proposal for allocation of transient room tax dollars. [Pages 3-4]
Action: _____
5. BUSINESS FROM THE TASK FORCE
6. NEXT MEETING DATE: *TBA*
7. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you need special accommodations to attend or participate, please notify the Human Resources Department in advance by calling (541) 917-7500.



NOTICE OF PUBLIC MEETING

TRANSIENT ROOM TAX TASK FORCE

City Hall

Willamette Room

Monday, January 10, 2011

MINUTES

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 2:05 p.m.

Task Force Members in Attendance: Mayor Sharon Konopa, Ralph Reid, Jr., Oscar Hult, Randy Porter, Jimmie Lucht, Wes Hare

Task Force Members Absent: Steve Terjeson (excused)

Staff: Ed Hodney, Parks & Recreation Director; Stewart Taylor, Finance Director; Chris Bailey, Airport & Transit Manager

APPROVAL OF MINUTES

MOTION: Oscar Hult made a motion to approve the December 13, 2010, minutes; Ralph Reid seconded. All approved.

SCHEDULED BUSINESS

Continued Discussion on Proposed Transient Room Tax (TRT) Allocations

Konopa discussed the two different reports included in the agenda packet. She said that the first report shows the allocation all dollars to existing and new programs. The second report shows maintaining existing programs and allocating the remaining dollars to new programs. Discussion followed.

Konopa asked which report the task force preferred. Hult, Porter, and Lucht said that they preferred the second report because it maintains existing programs and sets a higher reserve.

Konopa asked Reid what his thoughts were. Reid said that he thought that the three percent increase to the existing programs was inappropriate. He said that he didn't like the high reserve fund taking funding from the new programs. He thinks that each new program should include a reserve fund in its own budget. He didn't want to see one program using the reserve funds because they ran short of funds.

Taylor clarified that the reserve wouldn't be used by a single program. He said that it would be used to maintain funding levels. Konopa said that the only time that the reserve would be used is if Transient Room Taxes came in lower than expected. She said that it will be like a rainy day fund.

Discussion followed.

Hult suggested taking \$10,000 from the reserve fund and moving it into the Airport Capital Reserve to maintain the funding level that was previously discussed. Taylor stated that he could increase the projected beginning balance to offset the \$10,000 from the reserve fund.

Konopa asked Reid if that would be acceptable. Reid asked what would happen if there was a shortfall in TRT dollars. Taylor said that the existing programs would be kept whole and that the new programs would receive funding from the reserve to keep them whole or as close to whole as possible.

Reid said that he disagrees with this. He said that he doesn't think it is right that the new programs should have to lose out on funding while the existing programs are kept whole.

Hodney suggested moving the Airport Capital Reserve program into the existing expenditures so that it would be kept whole when tax revenues were low.

Reid said that he would agree with this plan.

Konopa went over the proposed action:

- Existing programs will maintain current funding with reasonable cost-of-living increases.
- The Airport Capital Reserve will be treated as an existing program and will have a beginning funding amount of \$60,000.
- New programs will be identified with an initial funding amount and relative ongoing funding.
- A reserve account (rainy day fund) will be established and maintained at a designated target balance.
- The reserve account is only to be used to offset actual fluctuations in TRT dollars. This reserve is not a contingency account for unforeseen changes in individual program costs.
- Fluctuations in actual TRT dollars will be offset with corresponding increases and decreases first in the reserve account up to the designated target amount and secondly in new programs on a prorated basis according to percent of total allocation to the new programs.
- The task force will meet on a six-month basis to review the policies and recommend any changes to the City Council.

The task force was in agreement over this proposed plan.

Process for Public Comment

Konopa said that there will be time allocated for public comments at the next meeting before the policy goes to the City Council.

BUSINESS FROM THE TASK FORCE

None.

NEXT MEETING DATE: Monday, January 24, 2011, 2:00 p.m., Willamette Room

ADJOURNMENT

The meeting adjourned at 3:45 p.m.

Respectfully submitted,

Diana Eilers
Administrative Assistant I

Reviewed by,

Stewart Taylor
Finance Director

Transient Lodging Tax Task Force
Elements of a policy

Purpose: establish direction regarding allocation of transient lodging tax dollars in consideration of ORS requirements, maturity of the fairground bonds, and new and ongoing programs.

- Existing programs will maintain current funding levels and will grow with reasonable cost of living increases.
- A new appropriation for an airport capital reserve will be treated as an existing program.
- New programs, apart from the airport capital reserve, will be identified with an initial funding amount and relative ongoing funding.
- A reserve account will be established and maintained at a designated target balance.
- The reserve account is only to be used to offset actual fluctuations in transient lodging tax revenues and is not a contingency account for unforeseen changes in individual program costs.
- Fluctuations in actual TLT revenues will be offset with corresponding increases and decreases first in the reserve account up to the designated target amount and secondly in new programs on a prorated basis according to percent of total allocation to the new programs.
- The task force will meet on a six month basis to review the policy and recommend any changes to the City Council.

Maintain existing programs and allocate remaining dollars to new programs.
 (Include airport capital reserve with existing programs)

211 Economic Development
11 City Manager/City Council
1101 Economic Development Activities

	Current Budget 2010-2011	Requested 2011-2012	Proposed 2011-2012	Estimated 2012-2013
Revenues				
40105 Transient Room Tax	507,800		592,250	610,018
48010 Interest	2,500		2,575	2,652
49025 From CARA Program	103,900		107,017	110,228
49905 Beginning Balance	(50,000)		128,358	100,000
Total Revenues	<u>564,200</u>		<u>830,200</u>	<u>822,898</u>

Expenditures					
Personnel Services	116,800		116,800	3.0%	120,304
Other	46,000		46,000	3.0%	47,380
60304 Albany Downtown Assoc	38,400		38,400	3.0%	39,552
60310 Albany Visitors Assoc	320,300		320,300	3.0%	329,909
60311 AMEDC	42,700		42,700	3.0%	43,981
Airport Capital Reserve			60,000	3.0%	61,800
Total	<u>564,200</u>		<u>624,200</u>		<u>642,926</u>
Collaborative Tourism Promotion		30,000	20,000	18.9%	15,091
ADA Tourism/Business Development		39,500	20,000	18.9%	15,091
NWAAF		50,000	30,000	28.3%	22,632
Public Safety Reimbursement		30,000	20,000	18.9%	15,091
Veterans' Day parade/PW Staff OT		3,000	3,000	2.8%	2,263
Monteith House Capital Reserve		5,000	5,000	4.7%	3,775
Trolley Maint and Operations		10,000	8,000	7.6%	6,038
Total		<u>167,500</u>	<u>106,000</u>		<u>79,981</u>
Reserve		40,000	100,000		100,000
Total Expenditures	<u>564,200</u>	<u>207,500</u>	<u>830,200</u>		<u>822,907</u>

Revenues - Expenditures*	-	-	-	(9)
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*Negative balance is due to rounding.