



NOTICE OF PUBLIC MEETING

TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Wednesday, July 13, 2016
3:00-5:00 p.m.

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MINUTES
➤ June 8, 2016. [Pages 2-6]
Action: _____
4. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. TLT Committee Discussion. [Verbal] (Pierson)
Action: _____
 - c. Staff updates and issues. [Verbal] (Porsche)
Action: _____
5. BUSINESS FROM THE COMMITTEE
6. NEXT MEETING DATE: *July 27, 2016; 5:00-7:00 p.m., City Hall Municipal Court Room*
6. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, advance notice is requested by notifying the City Manager's Office at 541-917-7508, 541-704-2307, or 541-917-7519.



APPROVED: Draft

CITY OF ALBANY
TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Wednesday, June 8, 2016
3:00 p.m.

MINUTES

CALL TO ORDER

Chair Scott Pierson called the meeting to order at 3:00 p.m.

ROLL CALL

Committee Members present: Scott Pierson, Chuck Leland, Mike Martin, Betsy Penson, Steve Reynolds

Committee Members absent: Julie Jackson (excused), Mitch Langjahr (unexcused)

APPROVAL OF MINUTES

May 11, 2016

MOTION: Mike Martin moved to approve the minutes as presented. Chuck Leland seconded the motion, and it passed 5-0.

SCHEDULED BUSINESS

Business from the Public

None.

Presentation – TLT Recipient: Albany Visitors Association

Jimmie Lucht, Executive Director of the Albany Visitors Association (AVA), continued a presentation from the May 25, 2016, meeting. He showed a list of industry partners, noting that the AVA is very connected to the tourism industry. He noted that Melody Johnson had previously discussed package travel and recent successes, including the Food Trekking World Global Food Conference.

Erik Wolf, Executive Director of the World Food Travel Alliance (WFTA), a nonprofit organization based in Portland, explained that Food Trekking World's biannual conference will be held in Portland next April. As part of the event, the WFTA will host media professionals and tour operators from around the world in tours that will include Albany. If the AVA did not exist, Albany would likely have been overlooked as a viable choice; however, the City's location is outstanding in terms of access; and he was impressed with the resources offered. He said that the AVA has been an invaluable resource and that it's organizations like AVA that help WFTA and other groups put together outstanding programs.

In response to questions from the committee, Wolf said his organization's members are interested in unique and memorable experiences that support local economies and local businesses. In Albany, these experiences include the Historic Carousel and Museum, unique wineries, and great dining experiences such as Sybaris and Novak's.

Lucht reviewed potential conferences the AVA is working on for 2018, including the Travel and Words Conference, the Northwest Tandem Bike Rally, and the Oregon Governors Conference on Tourism. He reviewed the AVA's funding wish list as detailed in the presentation. The list included \$74,200 for employee recruitment and retention, \$25,500 to \$30,500 for marketing, \$21,000 for package travel, \$21,100 for hospitality and community development, and \$16,046 for equipment replacement. He discussed community opportunities including a marketing person to fill the Expo Center and other facilities in the area; sponsorship of rural tourism and agri-tourism events; and unique lodging experiences like boutique hotels or bed & breakfasts.

Discussion following regarding potential opportunities for unique lodging experiences, including historic home bed & breakfasts, downtown area boutique hotels, and Airbnb-type lodging. City Manager Wes Hare noted that the Central Albany Revitalization Area (CARA) Advisory Board has had a long-standing interest in the potential rehabilitation of the St. Francis Hotel in Downtown Albany and that there may be a willingness to commit urban renewal funds and find the right partner for that project.

Presentation – TLT Recipient: Albany Veterans Day Parade

Patty Louisiana, President and Parade Director, Veterans Commemoration Association (VCA), provided information about her experience and background, including her role in organizing the Veterans' Day Parade since 2009. The event relies heavily on volunteers with over 100 volunteers helping on parade day. Equipment is donated or obtained through fund-raising. The organization's relationship with the City's Police, Fire, Public Works, and Parks & Recreation Departments is instrumental, as is assistance from Linn County, Oregon National Guard, and others. Everyone works hard so the veterans can shine. There are approximately 8,000 participants in the parade and an estimated 40,000 people lining the parade route. Area hotels are usually filled, and many visitors go to restaurants and shopping.

Louisiana said the event receives \$3,000 in TLT revenue each year, which is used for portable toilets, insurance, and advertising. Other fund-raising efforts bring in about \$20,000 to \$25,000 each year. She presented and reviewed the 2015 Veterans Commemoration Association Income and Expense Report and the VCA 2015 Operating Budget (see agenda file).

Martin said the parade previously included well-known Grand Marshals such as Bob Hope and Ronald Reagan; he asked if anything is being done to attract other well-known people. Louisiana said the parade attracts distinguished military leaders and others; however, celebrities generally charge between \$2,500 and \$10,000; and the VCA has chosen to instead put that money toward honoring the amazing men and women who are our veterans. By making the parade bigger and better each year, it is hoped that pro-veteran celebrities may choose to come in the future. Martin recalled that about 20 years ago, the Budweiser Clydesdales were involved in the parade after a letter-writing effort. Louisiana said attempts were made to get the Clydesdales again, but they are already in their winter home at that time. This year, organizers are working on getting the Wells Fargo Stage Coach and Horses.

Pierson said he understands that the parade receives \$3,000 in TLT funds annually and that the organization hasn't requested an increase; however, other recipients have received as much as a three percent annual increase. He asked how additional TLT funds would be used if they were made available. Louisiana said that the event receives in-kind donations and publicity in the way of radio ads and television coverage and that any additional TLT funds received would be used for print ads.

Presentation – TLT Recipient: Albany Fire Department

Chief John Bradner presented information about the Albany Fire Department (AFD) use of TLT dollars and critical needs going forward. About five years ago, the AFD was receiving requests to staff a medic unit or have a fire engine on standby for Northwest Art and Air Festival (NWAAF), River Rhythms, and other events. It was necessary to bring in off-duty personnel to cover these events, and a decision was made to utilize some limited TLT revenue to pay for the overtime. They have since provided medic units and standby at multiple events in the community. This last year, Bradner met with the Police Chief, City Manager, and Finance

Director to discuss equipment replacement needs including an unfunded critical need for replacement of heart monitors and defibrillators in six ambulances, a total cost of \$186,000. Through the budget process, it was ultimately determined that \$193,700 in TLT revenues would be allocated to the Fire Department for equipment replacement needs.

Bradner reviewed the Fire Department Equipment Replacement Schedule, History of Equipment Replacement Funds, and Vehicle Inventory & Replacement Schedule. He said that about \$2 million would be required to fund Fire Department equipment replacement needs. Equipment replacement was previously funded by the Public Safety Levy; but tax compression reduced that funding, and it was necessary to prioritize emergency responder positions over equipment replacement.

Martin suggested that it would make more sense to apply the TLT revenues to overtime which is higher due to staffing events. Brief discussion followed, and it was agreed to discuss this further later in the meeting.

Pierson said he respects and supports the City's emergency services, and he encourages bold thinking and new policies that are palatable by the City Council and the community. It's the Council's responsibility to make policy decisions. This committee is asked to review marketing and the future of Albany as it relates to bringing people to the community and getting the best use of this small income source that many organizations have presented is important to their success.

Presentation – TLT Recipient: Albany Police Department

Police Chief Mario Lattanzio explained that the Albany Police Department (APD) has expenses related to TLT payers in two ways. The APD responds to calls for service at the City's hotels regularly, and they have overtime for events including the NWAAF, River Rhythms, and the Veterans' Day Parade. Most of the patrol vehicles and equipment are leased, and a good portion of the APD's funds go to equipment replacement because there is no choice. The APD is still understaffed from 2010 levels, and he believes the department needs additional positions beyond that number. Albany has historically had a high property crime rate and drug problem which the APD is doing its best to address through special task force units and other proactive efforts. From a TLT perspective, if there was a bigger pool of money for equipment replacement, the department wouldn't have to use as much General Fund money for that purpose and additional officers could be hired.

Lattanzio reviewed crime statistics and efforts to keep crime rates down. He noted that last year, the APD responded to calls for service at one of the hotels an average of 1.5 times per day. Since January of this year, that average has risen to 1.7 calls per day; and, over the last 30 days, there has been an average of two calls per day to one of the hotels.

Steve Reynolds asked whether a dollar figure could be attached to each call for service. Lattanzio said he can't attach an accurate dollar figure because each call is different in the time, number of officers, and equipment needed. He reiterated that having another revenue source for equipment replacement would allow for the hiring of additional officers.

Presentation – TLT Recipient: City of Albany Equipment Replacement Fund

Hare said that from his perspective the TLT is a City revenue, a sales tax to help cover the cost to the City of dealing with visitors. In the original statute, there was no restriction on how the money would be used; and many cities use it as a general fund revenue source allocated by the City Council in the annual budget process. The revenue source is now encumbered due by state legislation that states cities must continue to spend the same percentage on tourism promotion that they were spending at the time the legislation passed in 2003. The City has calculated that about \$500,000 must be spent on tourism-related activities. The law hasn't been challenged in Oregon courts, and cities use the revenue for a lot of different things. Albany has used the TLT more for tourism than is required, in his opinion.

Hare reviewed the history of TLT amounts, noting that the revenue source is very sensitive to the state of the economy. After dropping in 2008, TLT revenues had a 9 percent increase in 2014, followed by a 17 percent increase in 2015. The City's property tax revenues are less volatile and are just this year starting to see significant recovery from compression losses in the Public Safety Levy. If Levy revenues had been received at the level approved by the voters, there would have been a steady increase and the City wouldn't be in this position with the equipment replacement fund. Last year, the City had excess TLT funds and no good plan on how they would be spent under the existing policy while at the same time that there was a desperate need for equipment replacement in Police and Fire. He recommended that the excess TLT funds be used for equipment replacement, and a budget was approved that directed those funds would be used for heart monitors and defibrillators in ambulances. This year, TLT revenues were budgeted at \$942,000, and those projections will be exceeded by \$150,000 or more. He again proposed to Council that it would be in the City's best interest to put this unanticipated revenue into an area where there is an immediate need – Police and Fire equipment replacement – to help ensure that it isn't necessary to contemplate having fewer positions in those departments because of the need to contribute more to equipment replacement. He is not arguing that money be taken away from the other very worthy recipients of TLT revenue; he is just saying that there is a compelling need in equipment replacement and suggesting that some of the excess TLT revenue be used for that purpose.

Martin said he supports public safety and he doesn't dispute the need for equipment replacement; however, he feels that it would be clearer and easier to understand if it was presented as using TLT revenues for overtime for events. Hare noted that the overtime costs for events don't equal what is needed for equipment replacement. Brief discussion followed.

Betsy Penson said the uses of TLT funds are often contentious because the category of business being taxed wants to see some return on the taxes they are collecting on the City's behalf. In many cases, funds are allocated with certain amounts going to the general fund, the local visitor center, and tourism promotion in some form. Since the committee is asked to advise the City Council on the tourism portion of TLT revenue, she wonders whether it is necessary to discuss the other portions. Hare said he thinks that the City Council does want to hear from the committee on how these dollars should be spent. Some might make the case for spending all of the funds on tourism promotion; however, he would make a very strong case that part of having an accommodating community is having a lower crime rate.

Penson said the more that is spent in getting heads in beds, the more revenue will be generated. Hare said he thinks it's appropriate to spend a certain percentage to help the industry continue to generate revenue; however, it's difficult to tie down the variables that determine the amount of revenue that will be received because the number one controlling factor is the state of the economy.

Pierson said he would like this committee to recommend a policy that puts things in multiple categories not only for excess funds but also for when there is a shortage of funds. He would like to consider categories of funding, terminology, priorities, and recommendations that will help the City Council determine how TLT funds should be distributed. Hare noted that the current policy had some consideration that this is a volatile revenue source and included a \$100,000 reserve so it would be possible to continue the base level of support to key recipients in times of reduced revenue. He suggested that the committee be wary of recommending additional allocations that there may not be revenue to support in the future.

Martin reiterated that it would be simpler if the TLT funds going to Police and Fire were designated for overtime costs rather than equipment replacement. Pierson suggested that allocating a certain percentage of TLT revenues to Police and Fire may be better understood as reasonable to the community. Reynolds said he would like to consider what Police and Fire would charge to staff events if they were contracted as a vendor. It was noted that tourism in general draws upon the departments' activities in ways that can't be quantified. Brief discussion followed.

Staff updates and issues

None.

BUSINESS FROM THE COMMITTEE

Penson said that, as Manager at Heritage Mall, she attended a national convention in Las Vegas last month at which Albany's kids' shopping event received three awards. She is excited to be able to present a \$10,000 check for that program which will allow for the participation of 100 additional kids. She talked about the Kids Shop event at Heritage Mall.

NEXT MEETING DATE

Wednesday, June 22, 2016, 5:00 p.m., City Hall Municipal Court Room.

ADJOURNMENT

Hearing no further business, Chair Pierson adjourned the meeting at 5:05 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Recorder

Wes Hare
City Manager