

**CITY OF COOS BAY
JOINT CITY COUNCIL / URA WORK SESSION
Agenda Staff Report**

MEETING DATE June 13, 2017	AGENDA ITEM NUMBER
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TO: Mayor Benetti and City Councilors (or URA Chair Kramer and Board Members)

FROM: Rodger Craddock, City Manager

ISSUE: Amendment to the Contract for the Management of the Visitor Information Center

SUMMARY:

The current contract between the City and Bay Area Chamber of Commerce (Chamber) for management of the City's Visitor Information Center (VIC) has not been adjusted, other than a reduction in costs for non-labor related expenses, since 2009. The cost for the Chamber to provide the services has risen over the past years; and as such, the Chamber has requested an amendment to cover the costs to provide the services. The proposed amendment also includes language for annual rate adjustments linked to changes in the Consumer Price Index (CPI). In addition, the proposed amendment includes an addition to the scope of work which requires that the VIC will be open for extended hours during special events such as July 4th Fireworks Celebration, Blackberry Arts Festival, Fun Festival, Tall Ship events, annual Christmas Tree Lighting event, etc.

ACTION REQUESTED:

Staff is seeking the Council's review and comments on the proposed amendment. The proposed amendment to the contract for the management of the Visitor Information Center is scheduled for consideration at the City Council meeting on June 20, 2017.

BACKGROUND:

The Bay Area Chamber of Commerce has been operating the City's Visitor Information Center for more than 20 years. The current contractual agreement was entered into in November of 2009; and the cost for the service adjusted since that time with the exception of an agreed upon annual reduction for non-labor related costs of \$3,360 in November of 2010.

Based on negotiations between myself and the Chamber's Executive Director Timm Slater, we have negotiated the following proposed amendments to the current contract:

- A 13% increase to labor related expenses. It should be noted that since the signing of the original contract in November of 2009 and the effective date (January 2017) of the proposed amendment, we have experienced a 13% inflation based on CPI W B/C inflation index (the same index the City uses for all our labor contracts).
- A 13% decrease to non-labor related expenses. The proposed adjustments are based on a combination of expenses related experience and expected future costs.

- Annual rate adjustments for labor related expenses linked to changes in the Consumer Price Index (CPI).
- An amendment to the scope of work which requires that the VIC will be open for extended hours during special events such as July 4th Fireworks Celebration, Blackberry Arts Festival, Fun Festival, Tall Ship events, annual Christmas Tree Lighting event, etc.

BUDGET IMPLICATIONS:

Funding for the operations of the VIC comes from the City's transient tax (aka lodging tax) fund. The adopted FYE2018 budget was prepared in anticipation of an amendment to the contract with the Chamber. Thus, there is sufficient funds available both this budget year and next year to meet the proposed increased contractual obligations.

AMENDMENT TO TOURISM MANAGEMENT AGREEMENT

DATE: June__ 2017

BETWEEN: City of Coos Bay, a municipal corporation ("City")
500 Central Avenue
Coos Bay, OR 97420

AND: Bay Area Chamber of Commerce, an Oregon ("Chamber")
Non-profit corporation

WHEREAS, the parties entered into a management agreement on or about November 5, 2009, which has been amended in part twice: in June 2010 and November 2010;

WHEREAS, the cost to provide management services of the Coos Bay Visitors Information Center (VIC) by the Chamber has increased since entering into the original agreement in 2009;

WHEREAS, the payment to the Chamber for contractual costs for services rendered since entering into the original agreement in 2009 have not increased;

WHEREAS, the Council, by consensus, has directed staff to negotiate amendments to the original agreement to include an expanded scope of work;

WHEREAS, it is in the best interests of both parties to the management agreement to amended section 2.2 and attachments "A" and "B";

IT IS HEREBY AGREED, that section 2.2 and attachments "A" and "B" of the November 5, 2009 Tourism Management Agreement are amended effective January 1, 2017 to read as follows:

2.2 The City shall pay to the Chamber for the latter's use in providing the services outlined in Attachment A, a monthly payment of Six Thousand Five Hundred Seventy-One dollars and Twenty-Five cents (\$5,428.50) for a total yearly payment of \$65,142. The annual budget for services rendered to the City is listed in Attachment B. Such monthly payments shall be made on or about the last day of each month the payment is due.

The cost for "Labor Expenses" as listed in Attachment B shall be increased annually in the month of January beginning in 2018 equal to the US CPI-W-Size B/C, January of the previous year to the January of the current year.

If, during any contract year, the actual non-labor expenses are less than the estimated non-labor expenses for that year, then Chamber will pay to City a rebate in an amount equal to seventy-five percent (75%) of the difference no later than sixty (60) days after the expiration of that contract year. The agreed upon non-labor expenses are listed in the annual budget in Attachment B.

The City's obligation to make such payments is subject to the City's yearly appropriation during the budget process. Should this agreement terminate prior to the end of any given month, the funding provided pursuant to this section shall be apportioned on a pro rata basis, and any unexpended portion shall be retained by the City.

ATTACHMENT A

Scope of Services

The Bay Area Chamber of Commerce will provide the following services as agreed upon by the City of Coos Bay

1. Establish operating hours of the Visitor Information Center (VIC) as follows:
 - a. Peak Tourist season, May 1st to October 15th - Monday through Friday 9:00 a.m. to 5:00 p.m., and Saturday & Sunday 11:00 a.m. to 3:00 p.m.;
 - b. Non-peak season, October 16^h through April 30th - Monday through Friday 9:00am to 3:00 p.m. and Saturday 11.00 a.m. to 3 p.m. These hours may be modified upon written confirmation by the City.
 - c. During special events, such as but not limited to July 4th Fireworks Celebration, Blackberry Arts Festival, Fun Festival, Tall Ship events, annual Christmas Tree Lighting event, etc.
2. Manage the day to day operations of the VIC which shall include answering telephone, e-mail and in person inquires at a minimum of 40 hours per week.
3. Chamber will make no distinction between chamber members and non-chamber members when providing information to any inquiry.
4. Chamber will provide semi-annual presentations to the City Council regarding tourist inquiries, counts and detail of revenues and expenditures during the preceding half of a year.
5. Provide current copies of all job descriptions for employees and volunteers to the City.
6. Develop policies governing the operation of the VIC in concert with the City and keep approved polices on site as well as providing the City with policy manual. This manual should include such things as the reader board; communication with the City; displays provided by others' such as businesses, non-profits, etc.
7. Provide to the City a monthly cost accounting for City funds used in the following two categories:
 - a. Labor Expenses (Personal & Oversight and Supervision)
 - b. Non-Labor Expenses (Volunteer Training, Meetings & Travel, Association memberships, and Office Supplies & Misc.)
8. If, during any contract year, the actual non-labor expenses are less than the estimated nonlabor expenses for that year, then Chamber will pay to City a rebate in the amount equal to seventy-five percent (75%) of the difference no later than sixty (60) days after the expiration of that contract year. The agreed upon nonlabor expenses are listed in the annual budget in Attachment B.

ATTACHMENT B

Detailed Annual Budget

The Chamber agrees to provide the services listed in Attachment A. The Chambers detailed CY2017 annual budget for providing those services to the City is as follows:

		Expenses
Labor Expenses	Personnel	\$48,601
	Overhead & Supervision	\$9,941
Non-Labor Expenses	Volunteer Training	\$1,100
	Meetings & Travel	\$2,970
	Association Memberships	\$550
	Office Supplies & Misc.	\$1,980
		\$65,142

City of Coos Bay

Rodger Craddock, City Manager

Dated

Bay Area Chamber of Commerce

Timm Slater, President

Dated