

Community Services Advisory Commission
Special Meeting
Redding Convention Center
700 Auditorium Drive, Redding, CA
March 4, 2010, 5:00 p.m.

Minutes

ATTENDANCE

The meeting opened with the following Commissioners present: Jason Waybright, Leona McCoach, Adam McElvain, John Wilson and Susan Hinz.

Also present were Redding City Manager Kurt Starman, Support Services Director Gerard Kersten, Community Services Director Kim Niemer, Convention Center Manager Chris Gonzalez, Management Analyst Michele Davis, and Executive Assistant Erica Thomas.

PUBLIC COMMENT

Hold

APPROVAL OF MINUTES FOR SPECIAL MEETING OF JANUARY 20, 2010

Motion: To approve minutes from January 20, 2010 (Made by Commissioner Wilson, Seconded by Commissioner Waybright).
Ayes: Commissioners Hinz, McCoach, and McElvain
Noes: None
Abstain: None
Absent: None

REPORT FROM CITY MANAGER, KURT STARMAN, REGARDING CONVENTION CENTER AND CONVENTION/VISITORS BUREAU

With regards to the Convention Center (CC): due to the severe recession, revenue sources have taken a negative hit, budget cuts have been taken, and the Transient Occupancy Tax (TOT), which the CC relies on to fill the gap, is way below what was budgeted.. Time is of the essence for submitting the Community Services Advisory Commission (CSAC) recommendation to Redding City Council.

With regards to the Convention/Visitors Bureau (CVB): the CC and CVB relationship has eroded over time, consideration of the combining the Shasta Cascade Wonderland Association (SCWA) and CVB was suggested. Currently the CVB relies on \$900,000.00 per year from the TOT, which (as indicated above) is way below budgeted revenue expectations. Since Redding City Council has also asked about creative ideas for the contributions currently given to Turtle Bay Exploration Park, City Manager Starman suggested that there is opportunity for a win-win-win for the City of Redding, SCWA, and Turtle Bay, if the combination is made.

Commissioner McElvain inquired as to why the CSAC had not been included in previous

discussions with Turtle Bay representatives along with Steve Gaines (Managing Partner of Best Western) concerning the future of the CC and the CVB and why the media was informed of such meetings before the Commission was. City Manager Starman explained that the meetings held were simply “brainstorming” sessions and the time was not right to present such early ideas.

Chair Hinz requested to rearrange the agenda items, moving Items 6-8 up to positions 5-7. All agreed. In addition, Chair Hinz advised that the open discussion be limited to three minutes each due to the fact that there have been ten prior CSAC Special Meetings and most information has been discussed in one forum or another.

Steve Gaines, Managing Partner Best Western, advised that he has been on the Board of the SCWA since 1982 and that SCWA is the best promotional entity for the City of Redding for regional, state and international marketing. Mr. Gaines advised that even though the City of Redding’s visitor occupancy is down by 11%, it is still performing above the state average which is currently -25%. Mr. Gaines explained the TOT is currently -13% and instead of “cutting” the way out of the downturn, the City of Redding should invest in additional marketing. John Dixon asked the question: will combining the CVB/SCWA produce employee layoffs? Mr. Gaines advised he couldn’t answer the question at this time and would only be giving a “what-if” reply. Mr. Dixon further inquired if the contract between the SCWA and the City of Redding would be on a pro-forma basis? Mr. Gaines advised it would probably be on that basis and currently the statistics of SCWA progress was listed on their website. Mr. Dixon then asked City Manager Starman why the City of Redding is entertaining amenity funding while basic services, such as Police and Fire, are going undone? City Manager Starman replied that all situations were a matter of prioritization.

Nadine Bailey, Sierra Cascade Loggers Association, asked City Manager Starman if marketing and tourism would still be available in the case of a CVB and SCWA merge? Mr. Starman advised that yes, the region and community events would still be marketed. Mr. Starman then called upon Bob Warren, Tourism Officer for the City of Redding and General Manager of the SCWA to present. Mr. Warren reviewed the results of VISA’s major marketing results from multiple countries. That data clearly shows that the countries the City markets in are the countries that show the greatest number of visitors to our region. Mr. Warren further advised that the City of Redding TOT has doubled between the years of 1998-2008, during the time increased investments in marketing were made. Mr. Warren closed with the fact that his belief is less money spent on marketing yields less results.

Russell Hunt asked City Manager Starman what would happen to the CVB building in the event of a CVB/SCWA merger? Would the land agreement be renegotiated? Mr. Starman explained the details would have to be determined at a later time.

Ron Largent advised he has not been made aware of any prior CSAC Special Meetings and agreed that the marketing for the City of Redding should not go away. He believes the CVB and SCWA are already a duplicate entity.

Rob Burrows asked City Manager Starman about possibly merging the CVB, SCWA and Greater Redding Chamber of Commerce (COC). Mr. Starman explained the idea had been explored in the past and the CEO of the COC and the Board is not interested in such a merger.

Dwayne Lyon inquired as to why the CVB and CC were at a “break even” point ten years ago and now there is a deficit? Management Analyst Davis replied that the TOT is down and since it is a subsidy only, that explains the deficit. The fact is there is still an outstanding balance of a General Fund loan that is being paid back annually because it never ran as a break-even operation. Funding greater than revenue generated directly by the Convention Center historically came from the General Fund but has been coming from TOT instead now for many years.

Chloe Winston commented that out of the six travel magazines she received per month she has seen marketing for Redding contained in them zero times.

Motion: Formal memo to be prepared by Support Services Director Kersten (with CSAC Chair signature) to be transmitted to Redding City Council for combination of CVB and SCWA for performance based contract (Made by Commissioner McCoach, Seconded by Commissioner Waybright).

Ayes: Commissioners Wilson, McElvain and Hinz.
Noes: None
Abstain: None
Absent: None

DISCUSSION OF FOLLOW UP RESPONSES OF REQUEST FOR INFORMATION (RFI’S) - GLOBAL SPECTRUM, SMG/CORRESPONDENCE FROM CONVENTIONS SPORTS AND LEISURE INTERNATIONAL

Commission Hinz reviewed the entire CSAC inquiry since 2009, including financial records, private management agencies and proposals. Support Services Director Kersten advised private management companies were sent RFI’s and their return responses didn’t provide specifics. Another letter was sent and only response was given. Commissioner Wilson commented that the only viable options were to close the CC, raise the CC rates, or give the CC away since apparently private companies couldn’t make money. Commissioner McElvain explained he was not prepared to make a recommendation during this meeting regarding the CC. He believes a long term and short term plan should be compiled for the future recommendation and obviously the privatization option was not looking promising. Commissioner McCoach advised she was in agreement with the other Commissioners, however she may like to explore the operational audit suggested by ‘Convention Sports and Leisure International’ (CSLI). Commissioner Waybright agreed with the other Commissioners and advised he believed all privatization efforts have been exhausted.

Jane Wittman, Shasta Community Concert Association, questioned the potential rate increase. How much would it be and when would it go into effect? Support Services Director Kersten explained approximately a 25% increase has been discussed and would take effect on or about July 1, 2010, depending on the Redding City Council decision.

Tom Spade explained that CC is not really a Convention Center and it should be used as a Civic Center. Non-profit organizations should pay more money to use it and marketing in the region should not solely list the building as a Convention Center.

Nadine Bailey explained every ticket sold through the CC Box Office takes in a Facility Fee for

the building and that most non-profit organizations are not producing events to make money.

Commissioner Wilson discussed the need to review capital improvement needs. He suggested that staff should present a schedule of projects ranked by highest safety need first.

Commissioner McElvain advised for the next Special Meeting, the CC staff should be prepared to discuss recommended rate increases (Schedule of Fees) along with prioritized capital improvements requests.

Motion: Cease privatization efforts (Made by Commissioner Wilson, Seconded by Commissioner Waybright).

Ayes: Commissioners McElvain, McCoach..

Noes: None

Abstain: None

Absent: Hinz (Chair Hinz left the meeting early to fulfill a prior obligation.)

Motion: Send letter of inquiry for CC audit to CSLI (Made by Commissioner Wilson, Seconded by Commissioner McCoach).

Ayes: Commissioners Waybright, McElvain, and Hinz.

Noes: None

Abstain: None

Absent: None

CONSIDERATION OF ADOPTION OF NUTRITIONAL STANDARDS FOR VENDING AND CONCESSIONS AT PARKS AND RECREATIONAL FACILITIES POLICY

Community Services Director Niemer reported the Healthy Community Resolution supported by the Commission was adopted by the City Council in January 2010. Among the recommendations included in the Resolution was a policy to require healthy food and beverage options at concession areas and vending machines in parks and recreation areas. The proposed policy requires concession stands and vendors to offer a menu in which 50% of the offerings meet minimum nutritional guidelines and vending machines located within recreation centers to contain inventories that all meet minimum nutrition standards.

The proposed policy would pertain to the Community Services Department-sponsored events and programs as well as organizations that use city park facilities, such as Little League. Events held at parks but sponsored by non-profit or private parties would not be subject to the policy.

Sherry Brooks with Shasta County Public Health endorsed the policy. She noted families like hers want a healthy choice available at community events and park facilities. Melinda Shaffer with Healthy Shasta complimented the City of Redding for setting a positive model for other jurisdictions.

Motion: Support and approve proposed policy (Made by Commissioner Waybright, Seconded by Commissioner Wilson).

Ayes: Commissioners McCoach, McElvain, Hinz, Waybright and Wilson

Noes:	None
Abstain:	None
Absent:	None

NEXT STEPS

Next CSAC Special Meeting scheduled for March 23, 2010, at 4:00pm at the Redding Convention Center, Room 125.

City Manager Starman thanked the CSAC for their public service.

ADJOURNMENT

There being no further business, at the hour of 7:16pm Chair Hinz declared the meeting adjourned.

Susan Hinz, Chair