

**TO:** Mayor and ~~City Council~~  
*Robert G. Wells*  
**THROUGH:** Robert G. Wells, City Manager  
**FROM:** Linda Norris, Assistant City Manager

**FOR MEETING:** 1/2/07

**AGENDA ITEM NO:** 4.2 (b)

**SUBJECT:** Grant of Transient Occupancy Tax Funds to the Salem Convention and Visitors Association to fund the salary and benefits of a Chief Executive Officer for Destination Marketing Services for the Period of January, 2007 through June 30, 2007

**ISSUE**

The Destination Marketing Service operation for Salem is currently managed by the City of Salem; this will continue until the transition of these services from the Salem Convention and Visitors Bureau (SCVB) to the Salem Convention and Visitors Association (SCVA). We anticipate a Chief Executive Officer will be hired by SCVA in January 2007.

**RECOMMENDATION**

1. Staff recommends that City Council authorize a grant of up to \$43,000 from the Transient Occupancy Tax Fund to the Salem Convention and Visitors Association to be expended for salary and benefit costs for the newly hired Chief Executive Officer position.
2. Approve resolution 2007-1 transferring \$43,000 from Cultural and Tourism Fund contingency to Cultural and Tourism Fund materials and services for the grant to the Salem Convention and Visitors Association.

**BACKGROUND**

1. The transition of tourism, marketing and visitor services from the Salem Convention and Visitors Bureau (SCVB) to the Salem Convention and Visitors Association (SCVA) is expected to be completed by April 1, 2007.
2. The recruitment process for the Chief Executive Officer position is underway and the hiring is anticipated to occur in mid-January 2007.
3. The 2006-2007 budget allocation for the Cultural and Tourism Fund was prepared with the intention of transferring the services to the contractor in July 2007 and developed with the understanding that partnership funds would be available to partially fund operations. The transition was delayed due to contract negotiations that concluded in late-September 2006 and a three-month CEO selection process. As a result, the partnership program is under development and there is insufficient money in the 2006-2007 budget to fund the salary and benefit costs for the Chief Executive Officer position.

4. In fiscal year 2005-06, the full allocation of \$250,000 for conference center marketing in the Cultural and Tourism Fund was not expended. Savings to the fund for the unexpended portion of the marketing allocation were approximately \$56,800.
5. Staff met with the Cultural and Tourism Promotion Advisory Board on December 12 to seek their recommendation regarding the grant of up to \$43,000 to SCVA to pay for the salary and benefits for the newly hired CEO position. The Board voted to recommend the grant for City Council's approval.

### **FACTS AND FINDINGS**

On September 18, 2006, City Council received the tourism Marketing and Visitor Services contract that had been successfully negotiated with the Salem Convention and Visitors Association. The contract was executed on September 20, 2006 with a phased transition from the City-managed SCVB to the non-profit SCVA.

One of the final phases of the transition is the hiring of an Executive Director. The recruitment process for this position is underway and the Board anticipates filling the position by mid-January 2007. The transition process will be finalized after the SCVA Board completes its strategic operations plan by March 2007.

Funds for salary and benefit expenses for the position were not included in the 2006-2007 fiscal year budget. The salary for the Executive Director is anticipated to be up to \$72,000 per year – benefits will be approximately an additional thirty percent. Transient Occupancy Tax funds are available to fund the approximately five and one-half months of salary and benefit costs for the Executive Director position from the \$56,800 returned from unspent marketing funds previously allocated to the Salem Conference Center.

With City Council's approval, once the position salary and benefit costs are determined, up to \$43,000 will be granted to the Salem Convention and Visitors Association for funding the salary and benefit costs for the newly hired CEO position through June 2007. The expenditure of these funds complies with City Charter Section 56. Funding for the next fiscal year will be determined through the annual budget process.

**RESOLUTION NO. 2007-1**

A RESOLUTION AUTHORIZING A TRANSFER OF APPROPRIATION TO BE EXPENDED FOR THE PURPOSE OF A GRANT TO THE SALEM CONVENTION AND VISITORS ASSOCIATION FOR FUNDING THE PERSONAL SERVICES COSTS OF A CHIEF EXECUTIVE OFFICER FOR THE PERIOD OF JANUARY 2007 THROUGH JUNE 2007.

WHEREAS, ORS 294.450 allows the Council to authorize transfers of appropriations within a given fund;

NOW, THEREFORE, THE CITY OF SALEM RESOLVES AS FOLLOWS:

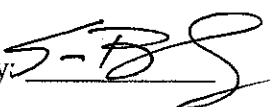
**Section 1.** A transfer of appropriation in the amount of \$43,000.00 from Cultural and Tourism Fund, contingency, 175-60915000-61110, to Cultural and Tourism Fund, materials and services, 175-60911000-54850, to be expended for the purpose of a grant to the Salem Convention and Visitors Association for funding the personal services costs of a chief executive officer for the period of January 2007 through June 2007 is hereby authorized.

**Section 2.** This resolution is effective upon adoption.

ADOPTED by the Council this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

ATTEST:

City Recorder

Approved by City Attorney: 

Checked by: K. Jacobs