

TO: MAYOR AND CITY COUNCIL
THROUGH: *Robert G. Wells* ROBERT G. WELLS, CITY MANAGER
FROM: VICKIE HARDIN WOODS, DIRECTOR *AKW*
COMMUNITY DEVELOPMENT DEPARTMENT
SUBJECT: AIRPORT MARKETING FUNDING

ISSUE:

Should Council authorize transferring \$25,000 for air service marketing.

RECOMMENDATION

Approve Resolution 2007-32 transferring \$25,000 from Cultural and Tourism Fund contingency to Cultural and Tourism Fund transfers.

Approve Resolution 2007-33 transferring \$25,000 from Airport Fund contingency to Airport Fund materials and services.

BACKGROUND

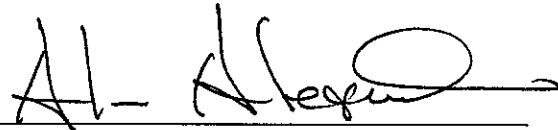
In an effort to recruit commercial air service the City submitted and was awarded a Small Community Air Service Development (SCASD) Grant. As a component of the grant the City is responsible for implementing a marketing program to support the new service. Composed of both private and public funds, the marketing program is being coordinated by the Salem Area Chamber of Commerce. The Chamber's multifaceted marketing program includes print media, cable TV spots, billboard, radio and other "Fly Salem" travel advertising. The Chamber is seeking to leverage their business relationship to gain maximum marketing exposure.

FINDINGS:

Originally scheduled for maximum marketing saturation prior to and during initial start up of the Delta service (April - June), the Chamber has identified marketing opportunities that would extend into July. To gain a more advantageous pricing and advertising effectiveness the Chamber is seeking to sign a contract that would extend into FY 2007-08. To be able to enter into the contract the Chamber will need additional spending authority prior to July 2007.

To accommodate this transfer of spending authority in the current fiscal year without increasing the total funding commitment of the Cultural and Tourism Fund, an errata report will be provided to the Budget Committee requesting to decrease Cultural and Tourism

Fund FY 2007-08 beginning fund balance by \$25,000 and to decrease the appropriation for airport marketing in FY 2007-08 by \$25,000 to a new total of \$125,000. It is necessary to approve two transfer resolutions to move funding from the Cultural and Tourism Fund and to increase appropriation authority in the Airport Fund for the payment to the Chamber.

A handwritten signature in black ink, appearing to read "Alan Alexander", written over a horizontal line.

Alan Alexander
Airport Administrator