



# AGENDA ITEM MEMORADUM

Item No. 17 a. v.

**Town Manager**

Department

**Connie Hoffmann** *CH*

Department Director

<b>COMMISSION MEETING DATE (*) - 7:00 PM</b>	<b>Deadline to Town Clerk</b>
<input type="checkbox"/> June 19, 2012	June 16
<input checked="" type="checkbox"/> June 26, 2012	June 22
<input type="checkbox"/> July 24, 2012	July 13

**\*Subject to Change**

- |                                       |   |                                       |  |
|---------------------------------------|---|---------------------------------------|--|
| <input type="checkbox"/> Presentation | <input type="checkbox"/> Reports        | <input type="checkbox"/> Consent      | <input type="checkbox"/> Ordinance               |
| <input type="checkbox"/> Resolution   | <input type="checkbox"/> Quasi-Judicial | <input type="checkbox"/> Old Business | <input checked="" type="checkbox"/> New Business |

**FY2012 DESIGNATED HIGH PRIORITY ITEM - PRIORITY TOPIC**

**SUBJECT TITLE: BUDGET: CHAMBER OF COMMERCE REQUEST FOR FUNDING FOR FY 2013**

**EXPLANATION:** We did not receive the Chamber of Commerce's request for funding until late Friday afternoon, although we had been requesting it for weeks. As a result, I only saw it after the business day had ended and was not able to discuss it at all with the Chamber. But since we are so far into our budget preparation process and running out of time, I am placing it on the agenda for discussion with the Commission.

**Funding Request for FY 2013**

In FY 2012, the Town agreed to provide funding in the amount of \$38,861 to the Chamber of Commerce for the operation of the Tourist Information Center/Welcome Center. They have requested \$40,664 next fiscal year for the Welcome Center. The Chamber indicates the personnel costs will keep the Welcome Center open eight (8) hours each day, seven (7) days a week throughout the year with one (1) full-time employee (5 days per week) and one part-time employee (2 days per week).

The Chamber has also submitted a request for funding for FY 2013 in the amount of \$40,644 for the Welcome Center operation and \$22,000 for marketing as follows:

- Newspaper and magazines - \$3,000
- Radio- \$2,000
- Television - \$6,000
- Online - \$11,000

The comparison of the current year's funding and the requested funding for next fiscal year is provided below.

	<b>Town's FY 2012 Contribution</b>	<b>Requested FY 2013 Town Contribution</b>
Welcome Center Personnel	\$ 38,861	\$ 40,664
Marketing Activities	-	22,000
	\$ 38,861	\$ 62,664

**Costs of Providing the Chamber with a Building**

Since the Commission always asks this question, please be advised that the Town's out-of-pocket costs for utilities, maintenance and grounds maintenance at the Town building from which the Chamber operates will be



approximately \$30,000 next year. These costs are down from prior years because we do not anticipate any costly building repairs next year.

### **Christmas by the Sea**

In their letter, the Chamber has also advised that they will **not be able to fund or organize** the Christmas by the Sea event in 2012 because they expect an operating shortfall in their annual budget (which ends December 31) as a result of this event. They report that the Christmas tree that is erected annually around the Pelican sculpture is in poor condition and is expected to last only one more season. They estimate the cost of a new tree to be \$33,000. They indicate that the tree is in storage with a third party and that they (the Chamber) will not spend the \$4,346 necessary to have it erected this year.

We had had some discussions with the Chamber's Executive Director about the Christmas tree and suggested they determine what they could raise from the business community towards the cost of replacing the tree, but their letter does not address that issue.

### **STAFF RECOMMENDATION:**

a) Welcome Center Funding

I do recommend that the Town provide the funding requested for the operation of the Welcome Center.

b) Marketing Funds

There is no indication in the Chamber's letter that they have a marketing plan (target audience, message, etc.) or of how they will track the impact of their marketing efforts. We did not receive the Chamber's funding request until Friday afternoon, so have not had the opportunity to discuss what they are proposing with them. I do not believe there is sufficient time to delve into this right now with the Chamber, given that we are deep into the process of completing the Manager's recommended budget for next year.

I am going to be proposing that we include in the Town budget funds for development of a marketing plan and strategy and set aside funds for marketing. I think it is best to make no commitment to the Chamber of funding for marketing, but to ask them to appoint several Board members to work with Town staff and the Town's marketing consultants to develop a marketing strategy and plan. Who executes that plan and the amount of funding needed to execute it will have to be determined as the plan is developed.

c) Christmas by the Sea

Most cities do sponsor Christmas displays and I am comfortable recommending that the Town acquire a replacement for the Christmas tree out the current year's budget because we should be able to acquire it at less cost now, than in the fall.

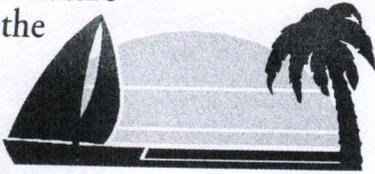
I had no idea that the Chamber was not going to sponsor Christmas by the Sea, so I am not prepared with a recommendation on that matter and would appreciate the Commission's ideas on that. Perhaps if the Town handles the Christmas tree, the Chamber would reconsider sponsoring the event.

**Exhibits: Letter from the President of the Chamber of Commerce**

Reviewed by Town Attorney

Yes  No

Town Manager Initials at



June 21, 2011

Mayor Roseann Minnet  
Town of Lauderdale-By-The-Sea  
4501 Ocean Drive  
Lauderdale-By-The-Sea, FL 33308

Dear Mayor Minnet:

On behalf of our Board of Directors, we sincerely appreciate the support we have received from the Town in the past, and are formally requesting the funding to continue for 2013 in the amount of **Sixty-two Thousand, Six Hundred and Sixty-four Dollars, (\$62 664)**, for the Welcome Center Staff Payroll, Town Marketing Costs and Transfer of Christmas Tree.

**1) COST OF SALARIES REQUIRED TO OPERATE WELCOME CENTER**

These figures are based on being open 7 days/week throughout the year with 1 full-time employee (5 days a week at \$13/hr) and 1 part-time employee (2 days a week at \$10/hr):

52 weeks - 7 days - 8 hours = 2 912 hours.

1 full-time employee @ \$13 for 2080 hrs = \$27 040  
+ 15% payroll taxes & benefits = **\$31 096**

1 part-time employee @ \$10 for 832 hrs = \$8 320  
+ 15% payroll taxes & benefits = **\$9 568**

Total salaries: \$33 488 + \$9 568 = **\$40 664**

**TOTAL UNPAID VOLUNTEER HOURS AT NO COST TO THE TOWN** (excludes special events volunteering) = 914 hours

Multiplied by an average salary of \$10 = \$ 9 140  
+ 15% payroll taxes & benefits = **\$10 511 – SAVINGS**

Other costs incurred with the operation of the Welcome Center (computer maintenance, printing, internet & cable, new TV, new artwork, furniture upgrades, cleaning products, candies for visitors, etc...) will be paid from Chamber Funds as has been done in the past.

## 2) COST OF ADVERTISING & MARKETING FOR THE TOWN

We are committed to promoting Lauderdale-By-The-Sea and will continue to print and distribute the Visitors Guide. This iconic booklet is currently undergoing a facelift so that it will be even more appealing to those who seek it out at the Welcome Center, at member businesses or by mail. In addition, many new events such as a revamped Taste of the Beach, improved Arts & Crafts shows, Power Breakfasts, Resident Appreciation and Charity Gala on the Pier and "Food Truck/Art Walk" evenings will be created to attract visitors to the Town.

Lastly, we will maintain a vibrant website and Facebook page while sending out frequent e-blasts to our large database of visitor e-mails, thus aggressively marketing the Town of Lauderdale-By-The-Sea as a vacation destination.

But for more in-depth and comprehensive marketing, the Chamber would respectfully request a budget of \$22 000 to cover the costs of print, radio, television and online advertising for 2013.

- Newspaper and magazine: \$3000
- Radio: \$2000
- Television: \$6000
- Online: \$11 000

Total marketing: **\$22 000**

## 3) CHRISTMAS BY THE SEA

For fiscal year 2012, the Chamber is projecting a shortfall of the operating fund in the 4<sup>th</sup> Quarter due to the Christmas By The Sea event. The cost to put on this event, which is of great benefit to the community, is approximately \$12 106. This includes police support, Christmas tree assembly, entertainment, etc...

Please see breakdown below:

BSO Detail	\$ 700
Children's Home Society	\$ 500
Parade Bands, Vehicles, etc...	\$ 2 500
Entertainment	\$ 350
Set-up Crew	\$ 500
Rental Chairs & Tables	\$ 400

Snow Machines – Repairs & Maintenance	\$ 500
Snow Fluid	\$ 75
Printing & Design	\$ 500
Face Painting Elf	\$ 225
Perfect Party Ponies	\$ 450
Christmas Tree Assembly	<u>\$ 5 406</u>
<b>Total</b>	<b><u>\$12 106</u></b>

The LBTS Chamber of Commerce has already made the first installment payment of \$1,060.00 to dismantle the tree in 2011 which includes cleaning and storage. The remaining balance to *take the Tree out of storage and put it up* in Pelican Square by Thanksgiving 2012 is: **\$4 346**

Additionally, the Chamber has been informed by Brandano Displays (Christmas tree vendor) that the tree has a projected life span of one more season (2012). They have recommended that the present tree be refurbished for \$27 000 or a new one be bought at an approximate cost of \$33 000

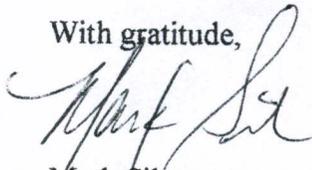
Respectfully, due to budget constraints, the Chamber will not be able to fund this event in December 2012. We will gladly transfer ownership of the current Christmas tree (including balance due \$4 346) to any other party who would like to organize this upcoming Holiday Town Event.

**WELCOME CENTER PAYROLL, TOWN MARKETING & TRANSFER OF CHRISTMAS TREE:**

**Grand Total: \$40 664 + \$22 000 = \$62 664**

Please feel free to contact me for further discussion.

With gratitude,



Mark Silver  
President, LBTS Chamber of Commerce

Cc: Vice Mayor Scot Sasser                      Commissioner Mark Brown  
       Commissioner Chris Vincent              Commissioner Stuart Dodd  
       Town Manager Connie Hoffmann        Chamber Board of Directors