DEPARTMENT: Tourism

BY: Richard J. Benson
PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:
Approve the Contract with the newly formed Yosemite/Mariposa County Tourism Bureau and Authorize the Chairman of the Board of Supervisors to sign the contract; Approve budget action reducing General Contingency $275,000 to fund contract.

Please see the attached staff report for additional information.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
The Yosemite/Mariposa County Tourism Bureau will not be activated at this time and promotion of tourism would continue to remain a function of the County's Tourism Department.

Financial Impact? (X) Yes () No  Current FY Cost: $275,000  Annual Recurring Cost: $
Budgeted In Current FY? ( ) Yes (X) No ( ) Partially Funded
Amount in Budget: $0
Additional Funding Needed: $275,000

Source:
Internal Transfer
Unanticipated Revenue
Transfer Between Funds
Contingency (X) General ( ) Other

4/5's vote
4/5's vote
4/5's vote

Requested Action Recommended
No Opinion
Comments:

There is a current balance of $2,165,856 in General Contingency.

CAO: [Signature]

Revised Dec. 2002
## BUDGET ACTION FORM

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<th>DESCRIPTION</th>
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**TOTAL** $275,000 $275,000

### TRANSFER BETWEEN FUNDS

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**TOTALS** $0 $0

**ACTION REQUESTED:** (Check all that apply)

- [X] Budget appropriation by Board of Supervisors (4/5ths Vote Required): Amending the total amount available in the county budget, or in any one fund of the budget, or appropriating Reserve for Contingencies;

- [ ] Transfer by Board of Supervisors (3/5ths Vote Required): Moving existing appropriations from one budget to another, or between categories within a budget unit;

**JUSTIFICATION:** To fund the newly created Yosemite/Mariposa County Tourism Bureau

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**DEPT HEAD SIGNATURE:** [Signature]  **DATE:** 1-23-07

**APPROVED BY RES NO.:** 02-30  **CLERK:**  **DATE:** 1-23-07

**ADMINISTRATION**

**AUDITOR'S USE ONLY**

**BA #**

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Budget Revision Form Revised 11/95
January 23, 2007

To: Board of Supervisors

From: Richard J. Benson, County Administrative Officer

Subject: Yosemite/Mariposa County Tourism Staff Report

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**Recommendation:**
Approve the Contract with the newly formed Yosemite/Mariposa County Tourism Bureau and authorize Chairman of the Board of Supervisors to sign the contract;
Approve budget action reducing General Contingency by $275,000 to fund contract.

**Background and History:**
On September 21, 2006 your Board directed the Interim Tourism Director to move forward with community members to establish an independent nonprofit tourism bureau. The purpose of this organization would be to assume responsibility for the activities currently conducted by the County’s Tourism Department. Your Board was briefed regarding the bureau on November 16, 2006, and direction was given to continue the process.

The Yosemite/Mariposa County Tourism Bureau is now in place. In order to make the transition to this new organization it is necessary to enter into an agreement.

**Financial Impact:**
When the fiscal year 2006-07 budget was developed your Board reduced funding to the Tourism Department anticipating that the new entity would be formed and funded at midyear. Since midyear budget figures are not yet available, the overall financial picture of the general fund is still unknown. As of December 31 2006, after adjustments, approximately $150,000 remained unspent within the tourism department. While it may be prudent to fund the Tourism Bureau with only those remaining dollars, doing so would severely reduce the new organization’s ability to fulfill its mission.

Attached for your review is the proposed agreement. Per the terms of this agreement, the county will pay the Tourism Bureau $275,000 for the remainder of this fiscal year to conduct activities promoting tourism. This represents a net increase of approximately $125,000 from the current fiscal year budget. If your board sees fit to fund the Yosemite/Mariposa County Tourism Bureau at this level it would still represent a decrease from fiscal year 2005-2006. The agreement also provides the
Yosemite/Mariposa County Tourism Bureau with the equipment, furniture and fixtures formerly used by the County’s Tourism Department.

In addition to making the Yosemite/Mariposa County Tourism Bureau responsible for promotion and marketing activities, the agreement also requires the bureau to make regular progress and financial reports to your Board.

It should be noted that the terms of this agreement are for the current fiscal year only. A request for funding for fiscal year 2007-08 will be presented to your Board prior to budget hearings. Although there is no formal commitment for future year funding, unless the County continues to participate at at least the proposed level, the Yosemite/Mariposa County Tourism Bureau will not be viable. Therefore, the Yosemite/Mariposa County Tourism Bureau is asking for a nonbinding commitment to provide funding for a minimum of five (5) years.

The ultimate goal of this arrangement is to provide for a more effective tourism promotion effort. Doing so will ultimately benefit all of Mariposa County. One objective measure of that effectiveness is the Transient Occupancy Tax (TOT) collected by the County. The County Administrative Officer will provide your Board with quarterly reports of the TOT in order to monitor the organization’s progress and help determine funding levels in the future.

If the Board approves the recommendation, staff will return at a later date requesting Board approval regarding recommendations concerning the remaining funding and position allocations in the County’s Tourism Department.
COUNTY of MARIPOSA
P.O. Box 784, Mariposa, CA  95338  (209) 966-3222

JANET BIBBY, CHAIR
LYLE TURPIN, VICE CHAIR
BRAD ABORN
DIANNE A. FRITZ
BOB PICKARD

DISTRICT III
DISTRICT II
DISTRICT I
DISTRICT IV
DISTRICT V

MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO:  RICH BENSON, CAO
FROM:  MARGIE WILLIAMS, Clerk of the Board

SUBJECT:  Approve an Agreement with the Newly Formed Yosemite/Mariposa County Tourism Bureau and Authorize the Chair of the Board of Supervisors to Sign the Agreement; Approve Budget Action Reducing General Contingency $275,000 to Fund Agreement (4/5ths Vote Required)

RESOLUTION 07-30

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on January 23, 2007

ACTION AND VOTE:

Richard J. Benson, County Administrative Officer,
Approve an Agreement with the Newly Formed Yosemite/Mariposa County Tourism Bureau and Authorize the Chair of the Board of Supervisors to Sign the Agreement; Approve Budget Action Reducing General Contingency $275,000 to Fund Agreement (4/5ths Vote Required)

BOARD ACTION:  Chair Bibby advised that public input would be received on this item at this time, after a brief introduction of the item by the County Administrative Officer, and then the matter would be continued to this afternoon for Supervisor Pickard to be present.  Rick Benson presented the staff report.

  Input from the public was provided by the following:
  Ruth Catalan asked for clarification of the funding amounts and whether the funds are in the budget.  She stated she feels that $275,000 for five months is too much and she asked how much is anticipated to be needed for the coming year and questioned what the County is getting for this.  Rick Benson responded relative to the questions concerning the funding.

  Leroy Radanovich, Interim Tourism Coordinator, provided input on the request to transfer the computer and furniture to the Bureau; and on the advertising program for the County.

  Ruth Sellers stated that the privatization is a great way to go; however, she has questions relative to the process.  She asked whether there are any ordinances that tie this function to the County budget and whether there are any documents that need to be changed for the privatization.  She also asked if the County is tied in any way to provide funding on an on-going basis.  Thomas P. Guarino, County Counsel, advised that the tourism function is assigned under the supervision of the County Administrative Officer.  He advised that today's action is on a contract for services with the Bureau; and the Department will remain intact as no positions have been abolished.  There are issues that still need to be resolved with the transition.  Future funding is a budgetary decision to be made on an annual basis.  Rick Benson noted that this agreement ends with this fiscal year, and that it is anticipated that the Tourism Bureau will come back and make requests for future funding and the Board will need to make the decisions.  However, if the Board does not provide funding, the Bureau will not be able to exist.  Leroy Radanovich noted that this is a performance-based agreement.

The matter was continued to later this date.
Continued discussion was held relative to the agreement with the newly formed Yosemite/Marioposa County Tourism Bureau and approval of the budget action reducing General Contingency $275,000 to fund the agreement. Leroy Radanovich introduced Kevin Shelton, Chair of the new Tourism Bureau, Incorporated. Rick Benson presented the staff report and reviewed the recommended actions. Leroy Radanovich noted that the new non-profit will be operating as a business providing advertising and marketing for the County; and he provided input on the status of the budget and the request to transfer equipment. Rick Benson advised that he will be bringing back an item to the Board with recommendations for staffing in the Department and changes that go with this transition. In the interim, the Senior Office Assistant will still be a County position and will be supervised and assigned tasks by the County Administrative Officer; and they will work cooperatively with the transition. Leroy Radanovich stated he feels that he will be under contract with the Bureau for a few months to finish projects and to help train the new Director. Supervisor Bibby asked about the status of paying for the rent and utilities for the Bureau. Rick Benson advised that the County will continue to pay for these things through the fiscal year as they will be occupying space. He further advised that he will be bringing a proposal to the Board to move the Business Development Coordinator to be located with the new Tourism Bureau and she can use the Senior Office Assistant. Supervisor Bibby noted that this is a contract for services and initiated further discussion relative to the County retaining ownership of the computer and the furniture and allowing the Bureau to use it versus an outright transfer. Rick Benson noted that all of the data that is on the computer will be copied for the County at the time of the transition.

4:20 p.m. Recess

4:31 p.m. Further discussion was held, including the website issues. Additional input from the public was provided by the following:

Paul Chapman stated he feels that this sounds like County employees will be kept working for the private corporation. He does not feel that this was well-thought out and he feels the cost is high versus other areas on a per capita basis. He feels that nothing is changing – the advisory committee members are now the non-profit group.

Ruth Catalan asked why the contract did not go out for bid. She feels that there are agencies that would like a contract like this and may have come back with something different and better. Supervisor Bibby asked County Counsel about the contract and bid requirements. County Counsel advised that the contracts for services do not require a mandatory bidding process.

(M)Pickard, (S)Fritz, Res. 07-30 was adopted approving the agreement and the budget action as recommended. Board members thanked Leroy Radanovich for his work on this matter. Ayes: Aborn, Turpin, Fritz, Pickard; Noes: Bibby.

Cc: Chris Ebie, Auditor
Leroy Radanovich, Interim Tourism Coordinator
Mary Hodson, Deputy CAO
File