

**N A P A
T O U R I S M
I M P R O V E M E N T
D I S T R I C T**

*Local Governing
Committee*

Reynaldo Zertuche
Chairman

Sara Brooks
Co-Chairman

Jamie Cherry
Chair-Elect

Committee Members

Patrick Miller
Craig Smith
Michael Collins
Robin Klingbeil

SPECIAL MEETING AGENDA

City Hall Committee Room (located behind Council Chambers)
955 School Street, Napa, CA 94559
February 22, 2019 | 2:00 p.m. – 3:30 p.m.

Call to Order/ Introductions:

Public Comment:

Public comment for all items on or not otherwise on the agenda.

Information Items:

1) FY 2018-19 Revenue & Budget Report

Staff will update the Committee on the current revenues and budget.

Action Items:

2) FY 2019-20 Budget Approval Recommendation

The Committee will discuss and possibly act upon making a recommendation to the City Council to approve the proposed budget for FY 2019-20.

3) Approval of Minutes

The Committee will discuss and possibly act upon approving the meeting minutes for the February 12, 2018 special meeting.

Adjournment of Committee Meeting:

THE AGENDA FOR THE ABOVE STATED MEETING WAS POSTED AT LOCATIONS FREELY ACCESSIBLE TO MEMBERS OF THE PUBLIC AT CITY OF NAPA COMMUNITY SERVICES BUILDING, 1600 FIRST STREET, NAPA, CA, 94559, ON FEBRUARY 20, 2019.

Napa Tourism Improvement District (TID) Budget Fiscal Year 2019/2020

	<u>FY2018/2019</u>		
	<u>FY2018/2019</u>	<u>Estimated</u>	<u>FY2019/2020</u>
	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>
Beginning Unreserved Fund Balance (estimated for FY 19/20)	\$ 215,947	\$ 215,947	\$ 20,429
Beginning Reserved Fund Balance (per Contingency Reserve Fund Policy)	361,025	361,025	561,025
Revenues			
<i>TID Assessment</i>	1,029,000	901,000	964,000
<i>Interest Earnings</i>	2,500	6,000	5,000
TOTAL REVENUE	1,031,500	907,000	969,000
Expenditures			
<u>Administrative Support</u>			
<i>Salaries and Benefits</i>	36,640	15,463	30,419
<i>Banking Fees</i>	1,000	475	1,000
<i>General Overhead</i>	8,100	8,100	8,100
Subtotal Administrative Support	45,740	24,038	39,519
<u>Collateral Materials</u>			
<i>General Supplies</i>	15,000	-	5,000
<i>Other Purchased Services</i>	15,000	3,080	5,000
Subtotal Collateral Materials	30,000	3,080	10,000
<u>Advertising and Marketing</u>			
<i>Advertising</i>			
- Contract Marketing	588,000	488,000	802,400
- Other Paid Advertising	63,800	-	-
- Visit California Media Reception (included in Contract Marketing budget)	-	1,200	-
- Visit Napa Valley Visitor Guide Magazine	4,700	4,700	-
- SF Travel Moscone Conventon Center	6,500	6,500	-
Subtotal Advertising and Marketing	663,000	500,400	802,400
<u>Funding Grants to Other Organizations</u>			
<i>Contributions/Donations</i>	350,000	350,000	100,000
- Napa Live Inside and Out	10,000	10,000	-
- Downtown Ambassador	5,000	5,000	-
- Social Media Influencer	10,000	10,000	-
Subtotal Funding Grants to Other Organizations	375,000	375,000	100,000
TOTAL OPERATING EXPENSES	1,113,740	902,518	951,919
Net Operating Position	(82,240)	4,482	17,081
<i>Transfer to Reserves</i>	200,000	200,000	17,081
Estimated Ending Unreserved Fund Balance	(66,293)	20,429	20,430
Estimated Ending Reserved Fund Balance (per Contingency Reserve Fund Policy)	561,025	561,025	578,106

Contingency Reserve Fund Policy states that the transfer to reserves will be adjusted based on the final net position of the fiscal year. The transfer to reserves in Fiscal Year 2018/2019 is proposed as a one time increase to the reserve.

*The City and TID board shall have the authority to adjust budget allocations between the categories by no more than 20% of the category budget per year.

DRAFT

**Napa TID Local Governing Committee Meeting Minutes
February 12, 2019 – Special Meeting
Andaz Napa (The Great Meeting Room #1)
1450 First Street, Napa 94559**

Members Present: Reynaldo Zertuche, Jamie Cherry, Craig Smith, Michael Collins, Patrick Miller, Robin Klingbeil

Members Absent: Sara Brooks

Others in Attendance: Evelyn Griffiths, Stephanie Gaul, Vin Smith- City of Napa

Gordon Huether, Gordon Huether Studio
Paul Oseso, Leadership Napa Valley
Jill Cataloni, President, Kiwanis Club
Anne Elcon, Meritage Hotel & Vista Collina Resorts
Shashi Poudyal, Meritage Hotel & Vista Collina Resorts
Wendy Lombardi, resident
Laila Subaie, resident
Rina Falletti, resident

Public Comment:

Gordon Huether recognized the loss of local developer and Napa River Inn owner, Harry Price.

Information Items:

- 1) Napa Gateway Sign Presentation.
Paul Oseso, Jill Cataloni, and Gordon Huether presented information on the plan to replace two existing gateway signs into Napa. It is a project involving Leadership Napa Valley and the Kiwanis Club of Napa, with pro-bono assistance from Gordon Huether Studio. The project, still in its preliminary stage, would replace “Welcome to Napa” service club signs that have been installed for decades and need attention. Oseso asked the Committee to consider supporting this effort through sponsorship. The Committee discussed options for funding the project, estimated at \$100,000 per sign, through various community civic organizations, arts advocacy groups and other interested foundations. A formal request will be made later when more information about cost, design, participation, maintenance and timing is confirmed.
- 2) Napa Lighted Art Festival.
The Committee tabled the item until the next meeting.
- 3) 2019 Meeting Schedule.
The Committee reviewed the proposed schedule of regular TID meetings. Chair Zertuche asked that the November meeting date be moved from November 26th to November 19th due to schedule conflicts with Thanksgiving Day holidays.
- 4) FY 2018-19 Revenue & Budget Report.
The most recent Revenue & Budget Report was presented by Stephanie Gaul. She noted that the revenue was consistent with what had been forecast, and about fifty percent of the Augustine Agency marketing contract had been spent to date. There was discussion regarding available funds in the categories “Funding Grants to Other Organizations” and “Collateral Materials”, and that opportunities remained for funding activities from these line items prior to the June 30 fiscal year close.

DRAFT

**Napa TID Local Governing Committee Meeting Minutes
February 12, 2019 – Special Meeting
Andaz Napa (The Great Meeting Room #1)
1450 First Street, Napa 94559**

5) FY 2019-20 Preliminary Budget Discussion.

Stephanie Gaul distributed a budget template for the Committee to review in preparation for the next year's budget. She noted that the City Finance Department had estimated next year's revenue to be approximately \$969,000. Chair Zertuche asked about the Administrative Support line item for staff salary totaling \$30,419. Gaul stated that the salaries and benefits budget is estimated based upon the time staff currently devotes to TID matters.

Action Items:

6) Approval of Minutes.

- a. Craig Smith motioned to approve the minutes from September 4, 2018 and November 8, 2018. Reynaldo Zertuche seconded, and the motion passed unanimously.

7) Operating Policy Amendment.

- a. Robin Klingbeil gave a history of the Committee's reserve policy, explained how the revenue goal of the CRF was established, noting that it had been achieved. She stated that the TID fund will have approximately \$561,000 in the reserve at the end of the current fiscal year.

Stephanie Gaul summarized the updates to the reserve policy including a more flexible approach to annual funding of the reserve, the mechanics of how the reserve is funded annually, the method to replenish the reserve if it is utilized, and a potential upper limit on the reserve. Stephanie asked the committee to discuss and determine if an upper limit should be placed on the reserve policy.

Jamie Cherry and Patrick Miller stated that they believed the reserve fund should have at least one year's worth of contingency for activities during an economic downturn or post-disaster such as earthquake or fires as had been experienced. Michael Collins agreed. Chair Zertuche proposed that the Committee determine the upper limit of the reserve to be 100%. Michael Collins made a motion to approve the updated language in the Operating Policy and insert 100% to be the upper limit of the reserve. Jamie Cherry seconded the motion. The motion passed unanimously.

8) Marketing Contract.

Members of the TID's subcommittee for the Marketing Contract discussed the decision to recommend awarding two contracts for tourism-related marketing during FY 2019-2020.

- a. Augustine Agency, with a base contract amount of \$315,600, with optional services of up to \$180,000 (for a total not-to-exceed budgeted amount of \$495,600); and
- b. Astra Digital Marketing Services, with a base contract amount of \$194,800, with optional services of up to \$112,000 (for a total not-to-exceed budgeted amount of \$306,800).

DRAFT

**Napa TID Local Governing Committee Meeting Minutes
February 12, 2019 – Special Meeting
Andaz Napa (The Great Meeting Room #1)
1450 First Street, Napa 94559**

It was noted that this new approach would include a one-year contract for each firm.

Craig Smith motioned to approve the two contracts in the amounts above for recommendation to the City Council. Jamie Cherry seconded the motion. The motion passed unanimously and will be forwarded to the City Council for final approval.

Adjournment:

With no further business, the Chair adjourned the meeting at approximately 11:15 a.m.