

TO: James L. App, City Manager

FROM: Meg Williamson, Assistant City Manager

SUBJECT: Professional Services Agreements for Public Relations & Promotion  
Paso Robles Wine Country Alliance & SLO County VCB

DATE: September 7, 2010

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NEEDS: For the City Council to consider extensions of agreements with the Paso Robles Wine Country Alliance and SLO County VCB for public relations and promotion services.

FACTS:

1. The City's adopted Marketing Plan includes the key elements of: a) Hospitality Services and Visitor Event support; b) Branding and Visitor Website development; and c) Public Relations that build on the platform of the Wine and Culinary industries.
2. The Promotions Coordinating Committee (PCC) actively works to pursue the goals of this Marketing Plan and oversees the programmatic budget to accomplish those coordinated tourism goals.
3. Since March 2008, at the recommendation of the PCC, the City has retained the services of the Paso Robles Wine Country Alliance (PRWCA) to pursue the public relations portion of the City's Marketing Plan. This contract award was made at the conclusion of a competitive process where multiple public relations proposals had been received.
4. In August 2009, at the recommendation of the PCC, the City Council authorized membership participation in the SLO County VCB (SLOCVCB) to support county wide promotional marketing services that benefit Paso Robles' marketing goals. The cost of the membership was shared with the Travel Paso Robles Alliance (TPRA). The PCC's portion of funding was derived by each tourism partner (Chamber, Main Street and Wine Country Alliance) voluntarily reducing their respective service contract funding for FY2009/10.
5. The SLOCVCB membership request for Fiscal Year 2010/11 is \$37,947. At their July 2010 meeting, the TPRA voted to fund \$18,974 towards the SLOCVCB membership, with the expectation that the PCC would fund the remaining half as with the previous year's funding model.

6. At their June and July meetings, the PCC concluded their consensus support of membership in the SLOCVCB, but grappled with how to fund their half portion. The tourism partners (Chamber, Main Street and PRWCA) recognized that membership funding would only result from reduction of their own service contract funding, and some needed authorization from their Boards to offer such budget support.
7. At their meeting of August 24, 2010, the PCC unanimously voted to recommend support of the SLOCVCB in the amount of \$10,000. The Main Street Board offered a \$4,000 reduction in the last year of their 4-year promotions contract. The PRWCA offered a \$6,000 reduction in their proposed public relations contract funding. The Chamber was unable to offer a reduction in their visitor service contract.
8. The funding commitment from the PCC will not meet the full funding request of the SLOCVCB this year. However, it represents the greatest amount that could be negotiated through cooperative discussion. Representatives of the SLOCVCB indicate they will vigorously pursue county wide and Paso Robles promotion without repercussion for the partial funding.
9. At their August 24, 2010 meeting, the PCC also was unanimous in their recommendation that the City Council renew the public relations service contract with the PRWCA for another year, in the amount of \$54,000. Draft minutes with the recommended PCC program budget from this meeting are attached.
10. The Public Relations contract engages the services of the PRWCA to develop key messages consistent with the Paso Robles “Brand” and to work through media contacts and a news bureau data base to reach and host travel and lifestyle writers who will best position Paso Robles for visitor exposure.

#### ANALYSIS &

CONCLUSION: The Promotions Coordinating Committee has shown a significant effort to support the SLOCVCB marketing efforts by appropriating funding from their own service contracts. Support of the SLOCVCB’s county wide marketing strategy enables the City to leverage its marketing dollars and broaden the reach of its advertising and promotion efforts.

Paso Robles Wine Country Alliance has established and continues to advance a public relations campaign that positions Paso Robles as a year round culinary tourism destination, strengthens the name recognition and long-term viability of the Paso Robles brand, and builds demand for week-long events/corporate retreats and seminars that enhance the economic vitality of the City. The PRWCA is

uniquely positioned to leverage dollars with/from their own membership base to deliver these key messages regarding the Paso Robles Brand.

The resulting program budget for the PCC allows for the continued support of service contracts with tourism partners who fulfill our local marketing strategy.

**POLICY**

**REFERENCE:** Economic Strategy; 2007 Marketing Plan; FY 10-11 Budget/Financial Plan; Draft PCC Minutes of August 24, 2010.

**FISCAL**

**IMPACT:** The City's FY 10/11 Budget and Financial Plan established a total base program budget of \$338,100 for Tourism and Promotions efforts. This program has been reduced over the last three years and will continue to be strained in years to come based on General Fund fiscal challenges. The FY 10/11 tourism program budget had contained \$94,743 for Main Street funding, and \$60,000 which was available for PRWCA public relations services. The PCC endorsed changes would reduce funding to each of those contracts by \$4,000 and \$6,000 respectively, to partially fund the SLOCVCB by \$10,000. This program budget recommendation avoids further strain/impact to the general fund.

- OPTIONS:**
- a. For the City Council to adopt Resolution No. 10-XX authorizing the City Manager to enter into an extended professional service contract with the Paso Robles Wine Country Alliance for Public Relations Services for the amount of \$54,000 and to participate in funding support to the SLOCVCB in the amount of \$10,000 for FY 2010/11.
  - b. Amend, modify or reject above option.

**Attachment:**

- 1. Resolution authorizing the City Manager to enter into extended professional services contract with the PRWCA and participate in SLOCVCB membership funding.
- 2. Draft August 24, 2010 PCC Minutes



## PROMOTIONS COORDINATING COMMITTEE MINUTES

Tuesday, August 24, 2010  
3:30 P.M. to 5:00 P.M.

**MEETING LOCATION: CITY HALL, LARGE CONFERENCE ROOM, UPSTAIRS  
1000 SPRING STREET, PASO ROBLES**

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**CALL TO ORDER** 3:40 p.m.

**PRESENT** Committeemembers Vivian Robertson, Stacie Jacob, Norma Moye, Mike Gibson, Margaret Johnson. City Staff: Meg Williamson and Shonna Howenstine.

**ABSENT** Matt Masia and Pam Lyon

**PUBLIC COMMENT** None.

### DISCUSSION

#### 1. Approve Minutes of July 13, 2010 meeting

Norma Moye moved and Mike Gibson seconded approval of minutes as read. Motion passed unanimously.

#### 2. SLOCVCB Funding Decision

Meg Williamson gave a recap of the PCC and TPRA action to date on the funding request. The group discussed their ability to fund the effort. Main Street and the PRWCA opted to fund the effort. Mike Gibson reported that the Chamber of Commerce is unable to participate in the funding of the SLOCVCB regional promotional effort.

Norma Moye moved and Stacie Jacob seconded a motion to fund the SLOCVCB by \$10,000 by reducing existing contracts with Main Street by \$4,000 and the PRWCA by \$6,000, and encouraged other groups to reevaluate funding capabilities through the remaining fiscal year. Additionally, the motion included the recommendation for the City Council to renew the public relations contract with the PRWCA for one more year. The motion passed unanimously.

#### 3. Silver Buckle Club Update

Mike Gibson reported that Vivian Robertson and Matt Masia had each solicited two members of the Silver Buckle Club, bringing the total to 8 members. There is a website in process, the logo is done and branded items are being prepared for the sponsors to receive at the fall and spring shows.

#### 4. PCC Budget FY 2011

Meg Williamson reviewed the budget for FY 2010/2011. Vivian Robertson moved and Margaret Johnson seconded a motion to make the adjustments decided in Item #2 and recommend the revised budget (attached) to Council at the 9/7/2010 City Council meeting. The motion was unanimously approved.

#### 5. PCC Updates

Vivian Robertson reported that they had a great fair. Attendance and food were up, beer sales were down very slightly.

Mike Gibson reported that car show preparations and promotions are going well. The PCC is invited to come to the VIP tent on Friday during the cruise. There will be about 200 cars cruising. Registration is way down from what he had hoped.

Stacie Jacob reported that September is California Wine Month; the PRWCA is hosting a Legislative Tour on 8/27 about water conservation practices in the Paso Robles wine industry; SAVOR the Central Coast is the pinnacle of upcoming events; Harvest Wine Weekend and CRAVE are coming up in October.

Norma Moye reported that Main Street had a very successful Olive Festival with an estimated attendance of 10,000; the pre-Olive Festival mixer was also a success where olive oil producers were on hand, awards were given out for best olive oil and an art auction fundraiser took place; Norma reported that there is currently not a lot of downtown vacancy; upcoming events include the Pajama Party movie "Cat Ballou", followed by Taste of Downtown, then right into holiday events.

Margaret Johnson reported that occupancy is up this summer; the Fair occupancy was way up from last year; Olive Festival brought in rooms; Everyone's efforts are paying off for hotels. Midweek is stronger this year through midweek packages; the Paso Robles Inn is upgrading their restaurant, banquet room, bar and patio in advance of SAVOR; they have a new chef, Darren Robey.

**FUTURE AGENDA ITEMS**

1. Silver Buckle wrap-up
2. Discuss PCC recommendations on Signage and promotional “Tool Kit” available to events.

**ADJOURNMENT 5:10 pm.**

DRAFT

**Visitor Promotions Budget  
Recommended by PCC 8-24-10**

	FY 2009/2010	FY 2010/2011	FY 2010/2011
	Actual	Adopted	Recommended
<b>Employee Services</b>	77,700	85,100	85,100
<b>Operations</b>	253,000	253,000	253,000
<b>Total Program - Base Budget</b>	<b>330,700</b>	<b>338,100</b>	<b>338,100</b>
<b>Service Contracts</b>			
Chamber of Commerce	85,500	80,000	80,000
Main Street	88,559	94,743	90,743
PRWCA	57,000	60,000	54,000
<b>Total Contracts</b>	<b>231,059</b>	<b>234,743</b>	<b>224,743</b>
<b>Sponsorship</b>			
PCCHA	10,000	10,000	10,000
Kruse International	5,000		
<b>Total Sponsorship</b>	<b>15,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Print Material</b>	-	-	-
<b>SLOCVCB</b>			
Partial Annual Sponsorship	19,600	-	10,000 **
<b>Employee Services</b>			
Salary & Benefits	77,700	83,500	83,500
<b>Billboard Lease</b>			
Smith & Smith	6,600	6,950	6,950
<b>Visitor Website</b>			
Kraftwerk	10,000	2,000	2,000
NIT	7,000	100	100
	17,000	2,100	2,100
<b>Allocated Total</b>	<b>366,959</b>	<b>337,293</b>	<b>337,293</b>

**Over Base\***

Covered w/ carryover from 08/09

36,259 \*

**NOTES:**

1. Council ADOPTED 2010/11 budget covers bare bones operations.
2. Reality is City is overspending revenues by \$200K per month.
3. To balance all portions of the budget requires us to reduce by 15% across the board (a \$49,908 operations deficit).
4. Funding to SLOCVCB is not part of the base budget calculation.
5. \$18,974 represents half of the 2010/11 request by the VCB.

\*\*As recommended, \$8,974 of SLOCVCB budget remains unfunded.

**RESOLUTION NO. 10-xxx**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
AUTHORIZING THE CITY MANAGER TO ENTER INTO AN EXTENDED  
PROFESSIONAL SERVICE CONTRACT WITH THE PASO ROBLES WINE  
COUNTRY ALLIANCE FOR PUBLIC RELATIONS SERVICES AND SUPPORT  
SLOCVCB MEMBERSHIP FOR FY10/11**

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WHEREAS, the City's adopted Marketing Plan includes the key elements of: a) Hospitality Services and Visitor Event support; b) Branding and Visitor Website development; and c) Public Relations that build on the platform of the Wine and Culinary industries; and

WHEREAS, the Promotions Coordinating Committee (PCC) actively works to pursue the goals of this Marketing Plan and oversees the programmatic budget to accomplish those coordinated tourism goals; and

WHEREAS, since March 2008, at the recommendation of the PCC, the City Council has retained the services of the Paso Robles Wine Country Alliance (PRWCA) to pursue the public relations portion of the City's Marketing Plan, and this contract award was made at the conclusion of a competitive process where multiple public relations proposals had been received; and

WHEREAS, the Public Relations contract engages the services of the PRWCA to develop key messages consistent with the Paso Robles "Brand" and to work through media contacts and a news bureau data base to reach and host travel and lifestyle writers who will best position Paso Robles for visitor exposure; and

WHEREAS, the PCC budget for Fiscal Year 10/11 includes a line item for the continuing efforts of the PRWCA for Public Relations services; and

WHEREAS, the PCC at its meeting of August 24, 2010 voted unanimously to support funding to the San Luis Obispo County Visitor and Conference Bureau (SLOCVCB) in the amount of \$10,000 through voluntarily offered and agreed upon budget line reductions to the Main Street service contract (by \$4,000) and the available funds for PRWCA services (by \$6,000); and

WHEREAS, at their meeting of August 24, 2010, the PCC unanimously acted to recommend the extension of the PRWCA contract effective July 1, 2010 through June 30, 2011 in the amount of the remaining \$54,000 for public relations services, and

WHEREAS, the Paso Robles Wine Country Alliance has established and continues to advance a public relations campaign that positions Paso Robles as a year round culinary tourism destination, strengthens the name recognition and long-term viability of the Paso

Robles brand, and builds demand for week-long events/corporate retreats and seminars that enhance the economic vitality of the City; and

WHEREAS, the PRWCA is uniquely positioned to leverage dollars with/from their own membership base to deliver these key messages regarding the Paso Robles Brand.

WHEREAS, the PCC recommendation to fund the PRWCA public relations service contract is consistent within the current adopted FY 10/11 budget and financial plan.

THEREFORE BE IT HEREBY RESOLVED that the City Manager is authorized to negotiate and enter into an extended professional service contract with the Paso Robles Wine Country Alliance for Public Relations Services associated with activities which will promote tourism and benefit the industry in accordance with the City's adopted Marketing Plan.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 7<sup>th</sup> day of September 2010 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Duane Picanco, Mayor

ATTEST:

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Caryn Jackson, Deputy City Clerk