

## AGENDA

AGENDA OF THE WORK SESSION OF THE MAYOR AND COUNCIL OF THE CITY OF BISBEE, COUNTY OF COCHISE, STATE OF ARIZONA, TO BE HELD ON TUESDAY, JUNE 21, 2011, AT 6:00 PM IN THE BISBEE MUNICIPAL BUILDING, 118 ARIZONA STREET, BISBEE, ARIZONA.

THE MEETING CALLED TO ORDER BY \_\_\_\_\_ AT \_\_\_\_\_ PM.

### ROLL CALL

#### COUNCIL

Councilmember Boyd Nicholl, Ward I  
Councilmember Bennie Scott, Ward III  
Councilmember Luche Giacomino, Ward II  
Mayor W.J. "Jack" Porter  
Councilmember Anna Cline, Ward III  
Councilmember Ransom Burke, Ward II, Mayor Pro Tempore  
Councilmember Ken Budge, Ward I

#### STAFF

Stephen J. Pauken, City Manager  
Gloria P. Gonzalez, City Clerk  
Dee L. Flanagan, Finance Director  
John Charley, Community Development Director  
Jim Elkins, Chief of Police  
Jack Earnest, Fire Chief  
Jennifer L. Graeme, Personnel Director  
Tom Klimek, Public Works Director/City Engineer  
Peg White, Library Director

#### CITY ATTORNEY

John A. MacKinnon

THE FOLLOWING ITEM WILL BE DISCUSSED AND/OR CONSIDERED AT THIS MEETING:

1. Discussion Regarding the Financial Impact of Operating the Bisbee Visitor Center at its Current Location and Potential Cost Saving Measures.  
John Charley, Community Development Director

### ADJOURNMENT

Anyone needing special accommodations to attend this meeting should contact Gloria Gonzalez at (520) 432-6000 at least twenty-four hours before the meeting.



AGENDA ITEM NUMBER 1

**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> June 15, 2011	<b>TYPE OF ACTION:</b> <input type="checkbox"/> RESOLUTION	<b>SUBJECT:</b> DISCUSSION REGARDING THE FINANCIAL IMPACT OF OPERATING THE BISBEE VISITOR CENTER AT ITS CURRENT LOCATION AND POTENTIAL COST SAVING MEASURES.
<b>DATE ACTION REQUESTED:</b> June 21, 2011	<input type="checkbox"/> ORDINANCE	
<input checked="" type="checkbox"/> REGULAR <input type="checkbox"/> CONSENT	<input type="checkbox"/> FORMAL ACTION	
	<input checked="" type="checkbox"/> OTHER: Work Session	

**TO:** Mayor and Council

**FROM:** John Charley, Community Development Director

**RECOMMENDATION:**

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**PROPOSED MOTION:**

DISCUSSION: Beginning in 2004 the City of Bisbee has leased suite 102 of the Bisbee Convention Center for the purpose of housing the Bisbee Visitors Center. Although this current model of the Visitor Center has been highly successful the Center has been running a deficit for the past three years. This is primarily due to a drastic decrease in bed tax revenue. City staff has prepared multiple options for addressing this issue and is seeking feedback from the City Council.

**FISCAL IMPACT:**

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**DEPARTMENT LINE ITEM ACCOUNT:**

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**BALANCE IN LINE ITEM IF APPROVED:**

Prepared by  
  
John Charley, Community Development Director

Reviewed by:  
  
Stephen J. Pauken, City Manager



## A MEMO FROM COMMUNITY DEVELOPMENT

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**TO:** MAYOR AND CITY COUNCIL  
**FROM:** JOHN CHARLEY  
**SUBJECT:** BISBEE VISITOR CENTER DEFICIT/OPTIONS  
**DATE:** 6/16/2011  
**CC:**

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Due to the rapid and steep decline in bed tax revenues (\$54,444 over the past two years) and the current overall economic conditions facing the City, the Community Development Department has begun reviewing options that would allow the Bisbee Visitors Center to operate at its current high level, but at a reduced cost. Typically short falls in bed tax revenue have been closed with the use of reserve funds. Currently the Center has a year end estimate of \$80,427.21 in reserve. This is down from \$127,013.55 in FY 2009. Use of reverses at the current rate would exhaust these funds in approximately two to three years.

### Option #1

Maintain the Center at its current location. Reduce paid staff for a potential yearly savings of \$16,500

#### Factors in Favor

- Reduced impact on reserve fund
- Maintain the same level of public service

#### Factors Against

- Continued deficit spending
- Continued spending of reserve fund

### Option #2

Relocate the Center to a new location that offers a significant savings in rent (40%-50%).  
Reduce paid staff for a combined yearly savings of \$23,074

Factors in Favor

- Potential yearly savings of \$23,074
- Greater visibility for the visitor center

Factors Against

- Continued deficit spending
- Continued decline in revenue

**Option #3**

Relocate the Center to the Queen Mine Tour. Reduce paid staff, eliminate internet, phone and fax expenses for a combined yearly savings of \$33,974.

Factors in Favor

- Potential yearly savings of \$33,974
- The QMT hosts nearly identical number of visitors as the current VC (50,000)
- Greater exposure and possible increase of revenue for the QMT
- Allows the VC manager to commit more time to the overall marketing of Bisbee
- A future relocation of the VC back to the core business district would allow the infrastructure of the VC to remain at the QMT. This would essentially give the City two locations for visitor information
- Savings may be reallocated for other projects (directional signage, expanded advertising)

Factors Against

- Significant change in operation. Change is hard.
- Reduced experience for visitors

<u>Account Number</u>	<u>Account Description</u>	<u>FY 2010 Budget</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Budget</u>	<u>YTD 12/31/10 Actual</u>	<u>FY 2011 Y/E Estimate</u>	<u>FY 2012 Proposed</u>
<b>Visitor Center</b>							
20-30-22500	GRANT REVENUE	33,099	13,848	0	3,415	3,415	0
20-31-20200	TRANSFER FROM QM	8,625	8,625	16,000	8,000	16,000	16,000
20-31-20300	TRANSFER FRM GEN FUND - BED TAX	115,000	99,781	115,000	26,881	73,643	95,000
20-38-51000	USE OF RESERVES	3,560		24,352	0	38,444	20,154
	<b>Total Revenue-Visitor Center</b>	<b>160,284</b>	<b>122,254</b>	<b>155,352</b>	<b>38,296</b>	<b>131,502</b>	<b>131,154</b>
<b>Visitor Center Personnel Costs</b>							
20-40-11000	SALARIES - GENERAL	32,032	32,953	35,048	18,048	35,048	35,048
20-40-11001	OVERTIME - GENERAL	2,000	2,587	2,000	1,251	2,500	2,000
20-40-11050	SALARIES - PART TIME	14,040	12,839	14,040	5,625	14,040	14,040
20-40-11100	F.I.C.A.	3,031	3,042	3,218	1,566	3,218	3,218
20-40-11200	MEDICARE	709	709	753	366	753	753
20-40-11300	A.S.R.S.	4,543	4,539	5,032	2,455	5,032	5,492
20-40-11500	MEDICAL INSURANCE	4,717	4,764	5,277	2,199	5,277	5,333
20-40-11501	STANDARD DISABILITY INSURANCE	399	244	243	122	243	243
20-40-11505	DEFERRED COMP	811	811	811	338	811	811
20-40-11510	DENTAL INSURANCE	221	222	228	95	228	228
20-40-11600	LIFE INSURANCE	108	108	108	45	108	108
20-40-11700	WORKERS COMPENSATION	136	113	144	66	144	160
	<b>Visitor Center Personnel Costs</b>	<b>62,747</b>	<b>62,931</b>	<b>66,902</b>	<b>32,176</b>	<b>67,402</b>	<b>67,434</b>
20-40-12000	BUSINESS TRAVEL	500	353	1,000	132	500	1,000
20-40-12100	CONFERENCES	500	595	500	0	500	500
20-40-24000	TELEPHONE & FAX	2,500	2,394	2,500	1,082	2,200	2,500
20-40-24001	INTERNET ACCESS FEES	1,200	0	1,200	500	1,000	1,200
20-40-34000	PROFESSIONAL FEES - COMPUTER	500	0	0	0	0	0
20-40-34010	COCHISE COUNTY TOURISM	11,000	10,572	11,000	0	11,000	11,000
20-40-36000	MAINTENANCE &SUPPORT AGREEMENTS	200	0	200	0	200	200
20-40-41500	OFFICE SUPPLIES	1,500	334	1,500	272	600	1,500
20-40-41700	CONTRACT SERVICES	700	489	2,750	125	500	2,750
20-40-43500	POSTAGE	1,200	36	1,200	314	1,200	1,320
20-40-51000	PRINTING/REPRODUCTION	1,500	1,522	1,500	0	1,500	1,650
20-40-52000	CITY ADVERTISING FUND	27,095	23,675	50,000	16,780	30,000	25,000
20-40-52001	ADVERTISING - GRANT REIMBURSED	33,099	15,442	0	0	0	0
20-40-54500	PROPERTY LEASES - VARIOUS	13,000	13,059	13,775	6,724	13,775	13,775
20-40-62000	FUEL & LUBRICANTS	800	129	400	0	400	400
20-40-71000	SUBSCRIPTIONS & MEMBERSHIPS	200	0	0	0	0	0
20-40-73000	MISCELLANEOUS	1,618	0	500	0	500	500
20-40-75002	FEES - COLLECTIONS	25	25	25	25	25	25
20-40-75100	OFFICE FURNISHINGS	200	0	200	65	200	200
20-40-91000	COMPUTER HARDWARE & SOFTWARE	200	0	200	0	0	200
	<b>Total Expenses-Visitor Center</b>	<b>160,284</b>	<b>131,556</b>	<b>155,352</b>	<b>58,195</b>	<b>131,502</b>	<b>131,154</b>

<u>Account Number</u>	<u>Account Description</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Y/E Estimate</u>	<u>FY 2012 Proposed</u>
<b>Visitor Center</b>						
20-30-22500	GRANT REVENUE	29,224	20,569	13,848	3,415	0
20-31-20200	TRANSFER FROM QM	5,013	8,491	8,625	16,000	16,000
20-31-20300	TRANSFER FRM GEN FUND - BED TAX	129,207	120,055	99,781	73,643	95,000
20-36-10552	EVENT PROCESSING FEES					
20-38-51000	USE OF RESERVES	0	0	0	38,444	20,154
<b>Total Revenue-Visitor Center</b>		<b>163,444</b>	<b>149,115</b>	<b>122,254</b>	<b>131,502</b>	<b>131,154</b>
<b>Visitor Center Personnel Costs</b>						
		<b>61,675</b>	<b>59,902</b>	<b>62,931</b>	<b>67,402</b>	<b>67,434</b>
20-40-12000	BUSINESS TRAVEL	116	812	353	500	1,000
20-40-12100	CONFERENCES	132	370	595	500	500
20-40-24000	TELEPHONE & FAX	844	2,191	2,394	2,200	2,500
20-40-24001	INTERNET ACCESS FEES	0	0	0	1,000	1,200
20-40-34000	PROFESSIONAL FEES - COMPUTER	0	0	0	0	0
20-40-34010	COCHISE COUNTY TOURISM	10,575	10,434	10,572	11,000	11,000
20-40-36000	MAINTENANCE & SUPPORT AGREEMENTS	25	0	0	200	200
20-40-41500	OFFICE SUPPLIES	1,141	1,296	334	600	1,500
20-40-41700	CONTRACT SERVICES	186	473	489	500	2,750
20-40-42300	SOFTWARE					
20-40-43500	POSTAGE	635	179	36	1,200	1,320
20-40-51000	PRINTING/REPRODUCTION	1,203	1,328	1,522	1,500	1,650
20-40-52000	CITY ADVERTISING FUND	40,330	31,108	23,675	30,000	25,000
20-40-52001	ADVERTISING - GRANT REIMBURSED	18,117	19,821	15,442	0	0
20-40-54500	PROPERTY LEASES - VARIOUS	11,696	12,419	13,059	13,775	13,775
20-40-62000	FUEL & LUBRICANTS	44	82	129	400	400
20-40-71000	SUBSCRIPTIONS & MEMBERSHIPS	0	0	0	0	0
20-40-73000	MISCELLANEOUS	0	0	0	500	500
20-40-75002	FEES - COLLECTIONS	0	25	25	25	25
20-40-75100	OFFICE FURNISHINGS	0	0	0	200	200
20-40-91000	COMPUTER HARDWARE & SOFTWARE	0	180	0	0	200
20-40-99999	TRANSFER TO CIP	10,000	0	0	0	0
<b>Total Expenses-Visitor Center</b>		<b>156,719</b>	<b>140,620</b>	<b>131,556</b>	<b>131,502</b>	<b>131,154</b>