

BEMIDJI CITY COUNCIL

Work Session Agenda

Monday, December 14, 2015

City Hall
Conference Room
5:30 P.M.



1. CALL TO ORDER / ROLL CALL

2. DISCUSSION: VISITBEMIDJI BOARD RESTRUCTURE

3. UPDATES/OTHER ISSUES

4. ADJOURNMENT

NOTE: All cellular telephones, pagers and BlackBerry devices to be switched to a non-audible function during Council and Committee meetings.

COUNCIL AGENDA ITEM



Meeting Date: December 14, 2015

Action Requested: Visit Bemidji Board Restructure

Prepared By: Nate Mathews, City Manager *Nate*

The City of Bemidji has a 3% lodging tax for the purpose of marketing and promoting the City as a convention and tourist center. The City of Bemidji has an agreement with Visit Bemidji to manage this marketing and promotional effort (attached).

In recent weeks and months I have had many constructive and informative discussions in the community and with the leaders of Visit Bemidji regarding the effective use of these dollars, and whether the current makeup of the Visit Bemidji Board is appropriate. Given how the City is growing and changing, most particularly in relation to the positive economic impact the Sanford Center is having on overall tourism/visitors, an adjustment of the Visit Bemidji Board can be a healthy development for the community.

I would like to review and receive input from you regarding the Visit Bemidji Board structure. Our recommendations will be considered by the Visit Bemidji Board. The current President and Executive Director has been invited to the work session to assist in our discussion and to answer questions.

VISIT BEMIDJI BOARD STRUCTURE

The *current* Visit Bemidji Board is made up of the following:

- 3 Directors nominated by the hotel owners
- 3 Directors nominated by the Visit Bemidji Board from the Chamber of Commerce
- 1 Director nominated by the BSU President
- 1 Director nominated by the Visit Bemidji Board from the retail community
- 1 Director nominated by the Mayor and City Council of Bemidji

On October 10 the Public Affairs committee held a joint meeting with Visit Bemidji (minutes attached) to discuss the board structure of Visit Bemidji, and whether changes should be made to ensure that the current board representation is satisfactory. During this meeting, the overall size of a potential restructured board was discussed, as new board member positions and/or organizations were identified that could add value to the Visit Bemidji board: Executive Director of the Sanford Center, City Manager, Airport, Sanford Health, Greater Bemidji Executive Director, Chamber of Commerce Director.

On October 29, the Visit Bemidji Board held a special meeting, to discuss restructuring the Visit Bemidji Board. The Hotelier association attended this meeting to communicate their opinions on a potential Visit Bemidji board restructure. From this meeting the Visit Bemidji Board has provided this recommendation for Council consideration:

Visit Bemidji Board Restructure proposal:

- 3 Chamber of Commerce Representatives
(Category adjusted to reflect 1 Financial, 1 Media and 1 Chamber Executive Director)
- 3 Innkeeper Representatives
- 1 City Representative
- 1 BSU Representative
(Category adjusted to reflect 1 BSU Foundation or Marketing Representative)
- 1 Retail at Large Representative
- 1 Sanford Center Representative
- 1 Visitor Attraction Representative

I would ask you to consider the current makeup of the Board, the minutes of the October 10 and the Visit Bemidji Board proposal, and please provide me feedback on what Visit Bemidji Board representation you would recommend as we evaluate our contract with Visit Bemidji.

RECOMMENDATION

I recommend the Council consider adding an additional City position and the Sanford Center Executive Director to the Visit Bemidji Board, and consider additional board membership from other organizations that would provide benefit to the Board.

VISITBEMIDJI

MARKETING AND PROMOTIONAL AGREEMENT

THIS MARKETING AND PROMOTIONAL AGREEMENT (the "Agreement") is made and entered this 5th day of OCTOBER, 2014 by and between the City of Bemidji, Minnesota, a municipal corporation organized under the laws of the State of Minnesota, hereinafter referred to as the "City", and VisitBemidji, a not for profit corporation under the laws of Minnesota, hereinafter referred to as "VisitBemidji".

RECITALS:

WHEREAS, the City has imposed a 3% tax on gross receipts of the furnishing of certain lodging in the City pursuant to Minnesota Statutes Section 477A.018, now revised and encoded under Minnesota Statutes Section 469.190, to fund a local tourism bureau for the purpose of marketing and promoting the City as a tourist and/or convention center; and

WHEREAS, the City originally contracted with and funded the Bemidji Visitors and Convention Bureau (the "BVCB"), a not for profit Minnesota Corporation and the predecessor of VisitBemidji, to serve as the local tourism bureau; and

WHEREAS, the City and VisitBemidji desire to renew that marketing and promotional relationship through a revision of the terms and conditions of the original agreement.

NOW, THEREFORE, it is agreed by and between the parties as follows:

ARTICLE I. TERM

The term of the Agreement shall be for one (1) year from the date of execution (the above written date) and shall be automatically renewed on a year to year basis unless the City or VisitBemidji notifies the other in writing of its intention not to renew the Agreement no later than the thirty (30) days prior to the renewal date. Both parties shall reserve the right to terminate the Agreement upon sixty (60) days written notice from either party. In the event of the City's repeal of its Lodging Tax, which repeal must be by the City's legislative ordinance process, this Agreement shall automatically terminate without further written notice by the City, effective the date of the repeal. Written notice required herein shall be considered effective if mailed certified mail to the following addresses:

City Manager
Bemidji City Hall
317 4th Street NW
Bemidji, MN 56601

Executive Director
VisitBemidji
P.O. Box 66
Bemidji, MN 56619

ARTICLE II. DUTIES OF BEMIDJI VISITOR'S CONVENTION BUREAU

Section 1. Structure of the Board of Directors

VisitBemidji is managed by a nine (9) member Board of Directors. Directors are appointed, and their activities governed, as set forth in the approved By-Laws for VisitBemidji. However, VisitBemidji's By-laws notwithstanding, the Board of Directors shall include one (1) Director appointed by the Mayor and City Council of the City. Moreover, VisitBemidji may formulate rules and revise By-laws to govern its operations as long as the rules and By-laws are not inconsistent with the Lodging Tax Statute, the City's Lodging Tax Ordinance, or the terms of this Agreement, as the same may be amended from time to time.

Section 2. Services

All funds received by VisitBemidji from the City shall be administered and expended for the purposes of marketing and promoting the City of Bemidji as a tourist and/or convention center and for all other purposes contemplated by the Lodging Tax Ordinance, as the same may be amended from time to time.

Section 3. Budget

VisitBemidji shall submit an annual program budget by January 1 each year to the VisitBemidji Board of Directors for their approval. The budget shall detail projected outlays and expenditures in administering the funds received from the City pursuant to this Agreement. VisitBemidji shall provide the City a copy of the budget for City Staff and City Council review.

Section 4. Financial Reporting

VisitBemidji shall provide the City Manager with a copy of its Quarterly Financial Statement showing the monthly, year-to-date, and budget figures properly itemized and verified by the Executive Director of VisitBemidji.

Section 5. Status Reports

VisitBemidji shall provide the City Manager with quarterly updates on the status of VisitBemidji's promotional programs.

Section 6. Audit

VisitBemidji shall permit the City Manager and/or its designated representative the right of access to the books and records of VisitBemidji, as they pertain to the use of the funds provided by the City pursuant to this Agreement. Access to the books and records shall be during normal business hours to audit any item of revenue or expenditure for the term of this Agreement.

Section 7. Employees

Any and all employees of VisitBemidji or any other person, including all VisitBemidji members and directors, while engaged in the performance of any service provided by VisitBemidji under this Agreement shall not be considered employees of the City of Bemidji. VisitBemidji is an independent contractor.

Section 8. Equal Rights—Discrimination

In the provision of services under this Agreement, VisitBemidji shall comply with the provisions of Minnesota Statutes Section 181.59 as the same may be amended from time to time. Minnesota Statutes Section 181.59 is incorporated in this Agreement as though set forth in its entirety and VisitBemidji shall not discriminate against any person or firm in any of its activities hereunder on the basis of race, color, religion, creed or sexual preference.

Section 9. Insurance/Indemnity

VisitBemidji shall carry comprehensive general liability, covering premises liability, personal injury, and property damage, including automobile liability coverage for any owned, hired and Non owned vehicles, with limits of \$1,000,000. VisitBemidji shall also carry personal property coverage for its contents, improvements and betterments to any office space it may lease (currently at the Sanford Center). VisitBemidji shall also carry employee dishonesty insurance to cover its employees, with limits of \$60,000, while performing services pursuant to this Agreement. VisitBemidji shall also carry Workman's Compensation coverage as required by Minnesota Statute 176.182.

At the time of the execution of this Agreement, VisitBemidji shall provide the City with Certificate(s) of Insurance for the coverage(s) required herein. The cancellation provision of each policy must provide for a thirty (30) day notice of cancellation by the issuing company to the City should the policy be cancelled for any reason before its expiration date. Annually, prior to October 1, VisitBemidji shall provide the City (file with the City Clerk) a Certificate of Insurance evidencing the required coverages.

VisitBemidji further agrees to defend, indemnify, and save harmless, the City, its employees, agents, and elected officials from and against any and all liability, loss, damage, claims, actions, costs or expenses, including attorney's fees, which may be claimed against the City, its agents, employees, or elected officials and arising out of VisitBemidji's performance of or failure to perform the marketing and promotional services and activities required under this Agreement.

Section 10. Open Meeting Law Requirement

Meetings held by VisitBemidji respecting the marketing and promotional activities conducted pursuant to this Agreement shall be subject to the Minnesota Open Meeting Law; however, VisitBemidji shall not be required to print or publish written notice of VisitBemidji meetings.

ARTICLE III. DUTIES OF THE CITY

Section 1. Funding

On or before the 20th day of each month, the City shall remit to VisitBemidji, for funding of VisitBemidji, a sum equal to 95% of the lodging tax payments less refunds, imposed and collected in the preceding month during the term of this Agreement.

Section 2. (reserved)

ARTICLE IV. MISCELLANEOUS

Section 1. Laws

Both the City and VisitBemidji shall comply with all applicable Federal, State and Local laws in the performance of their respective obligations hereunder.

Section 2. Modification

Any alteration, modification or variation of this Agreement shall be reduced to writing as an amendment and signed by the parties.

Section 3. Integration

It is understood and agreed that the entire Agreement of the parties is contained herein and that this Agreement supersedes all oral Agreements and negotiations between the parties relating to the subject matter. All items referred to in this Agreement are incorporated or attached and deemed part of this contract.

Section 4. Severability

The provisions of this Agreement shall be severable and the invalidity of any paragraph, sub-paragraph or sub-division, thereof, shall not make void any other paragraph, sub-paragraph, sub-division or any part thereof.

Section 5. Data Practices

The City and VisitBemidji must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq, as it applies to all data created, collected, received, stored, used, maintained, or disseminated by VisitBemidji under this Agreement. If VisitBemidji receives a request to release the data referred to in this clause, VisitBemidji shall immediately notify the City. The City will give VisitBemidji instructions concerning the release of the data to the requesting party before the data is released. VisitBemidji's response to the request shall comply with applicable law.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

CITY OF BEMIDJI

By

Rita C. Albrecht
Rita C. Albrecht, Mayor

By

John M. Chattin
John M. Chattin, City Manager

VISITBEMIDJI

By

Christina A. Lundquist President

APPROVED AS TO FORM AND CONTENT:

By

Alan R. Felix
Alan R. Felix, City Attorney

PUBLIC AFFAIRS COMMITTEE

October 10, 2015

(Administration, Personnel, Legal, Finance, PEG Access, Municipal Liquor, Police & Fire)

Present: Ron Johnson, Reed Olson, Michael Meehlhause, Rita Albrecht

Staff: City Manager Nate Mathews, City Attorney Alan Felix, Police Chief Mike Mastin,
Parks & Recreation Director Marcia Larson, Deputy City Clerk Michelle Miller

Others: Susan Goudge, Mitch Rautio, Curt Lundquist, Curtis Webb, Dave Hengel

Chair Olson called the meeting to order at 5:00 p.m.

The purpose of the meeting is to discuss the VisitBemidji Board structure.

Mathews stated that he would like the focus of the conversation to be on the board structure of VisitBemidji. Johnson stated that the reason the committee started talking about the board structure was because there seems to be a lot of potential to collaborate and communicate better with the City, the Chamber and the Sanford Advisory Board. Johnson gathered information from Rochester, Duluth, St. Cloud and Mankato. He feels that once the Sanford Center was built the City of Bemidji became a destination competing with those four cities. He provided information on board structures from all four cities. He also provided a summary and comparison of the board information. Initially, he thought the board needed to be changed but after his research, concluded that adding members to the board is a better option. Our board currently has nine members and feels that some key members are missing from our board compared to the boards of the four comparable cities.

Committee members and VisitBemidji representatives discussed the following:

- Concern about having a board that is too large.
- Ideal board size is recommended at 9-12 members.
- VisitBemidji representatives will bring this discussion and suggestion to their next board meeting.
- Possible additional members could be the City Manager, the Executive Director of the Sanford Center, the Executive Director of the Chamber of Commerce, an airport representative and the Executive Director of Greater Bemidji.

Adjourn

There being no further business the meeting adjourned at 5:45 p.m.

Respectfully submitted,



Michelle R. Miller
Deputy City Clerk