



City of Port Orchard

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Lodging Tax Advisory Committee April 10, 2019; 5:30 p.m. at City Hall

Committee Members present: Chair Jay Rosapepe; Keith Woyshnis, Saints Car Club; Kathy Garcia, Port of Bremerton; Jack Edwards, Days Inn; and staff City Clerk Brandy Rinearson.

Absent: Lorraine Olsen, Mrs. Howe's Bed and Breakfast

Chair Rosapepe reminded the committee that there was prior discussion with the City Council about fund balance and a reserve policy. He provided an update on a meeting he had with the Finance Director, regarding use of funds, the collection, fund balance, allocation for the biennial budget, and a strategic plan. Chair Rosapepe provided a copy of what Bainbridge had for their criteria of allocation and shared they have a years' worth of a balance, a reserve. The City's balance/reserve is at \$95,000.

Chair asked the committee to think about during this years' allocation is if we want to set aside some funds for "new" events, then at mid-year review to see if applications have come in and if not, allocate the set aside. Also, to think about setting aside a certain amount each year to be put towards a future "one-time" big event. And lastly, ask the committee to think about how to measure heads in beds to meet the required criteria.

In response to Chair Rosapepe, Mr. Edwards said that when gathering data for heads in beds by groups quantifying the numbers keep in mind that from May to September his hotel will be full every weekend. No matter if there is an event going on or not it is just the nature of the season. Events do help, as they provide a basis to start with and after certain occupancy rates can be raised. As the rooms fill, the rates go up. He asks his staff when guests are checking in ask why they are here; anything we can do to help; and welcome to our town; an informal survey. We do always ask the event organizers, that if they can't do a pre-questionnaire then try and send something out after the event; not necessarily about lodging but how did you like our event, will you come back next year, did you stay at a hotel this year, etc. This survey would be feedback on the event, as well as lodging information. The City of Bremerton does a good job of tracking this and have lots of data.

Ms. Garcia wonders how this can be done for events that don't have registration, like Seagull Calling Festival, when they are just inviting the general public.

Mr. Woyshnis clarified that typically the people that are showing their cars are not staying in the hotel, it is more for people coming to see the cars.

Mr. Edwards included that if so, even those are not large numbers if they do stay in a hotel.

Chair Rosapepe said that hotels are filled anyways during the summer and it is getting harder and harder to get this information to meet the criteria. Specifically, those that put on nice events are they putting heads in beds, unsure.

In response to Ms. Garcia, Mr. Edwards stated that the Washington State Science and Engineering Fair (WSSEF) keeps track of events that are registered and a list of who has attended.

Mr. Edwards mentioned a way that events could be tracked is by providing “blocked rooms” at hotels, but not all hotels will do it the way we do. Some may require you to pay for rooms, even if they don’t get booked.

Chair Rosapepe asked if the committee was interested in a strategic plan and what should go into it.

Clerk Rinearson provided a brief history of how previous committee representative used a rating sheet of some sort. The committee has since gone away from that method but mentioned the City’s recently adopted Economic Develop Strategic plan states it should be done that way.

Mr. Edwards said he would be interested in looking at the [Kitsap] County’s criteria and Chair Rosapepe agreed. The Chair stated we will move forward with some sort of criteria to be in the development of the strategic plan.

Chair Rosapepe asked what about the reserve, we are almost at what Bainbridge Island does with their reserve; keeping a year’s worth in the reserve. And do we want to hold some aside for new events or a major event and develop criteria of what it would be for?

Clerk Rinearson clarified that set-aside funds require the same process for distribution, as the yearly process, before funds are distributed.

Committee discussed options for set-asides; which includes separate “pots” for new events or a big major event to build up over time. Some were not interested in funds being held overtime as it is not being redistributed back into the community right away.

Chair Rosapepe summarized some topics to be included in the draft polity. To include yearly set-aside for major events that come up, if an event falls short on funds identify what would qualify for use of the funds, and a plan to identify what the reserve would look like and used for. In addition, prepare a sample survey that could be used for event organizers to gather data that supports the increase of heads in beds.

Staff was directed to move forward with the opening of the 2020 funding applications, work with the Chair on a draft polity for the committee to review, and the Chair will meet with the finance director prior to opening the applications to receive a final dollar amount.

There being no further business, Chair Rosapepe adjourned the meeting at 6:25 p.m. Audio-only, recording was successful.

Next meeting: TBD [October 1, 2019]

cc: Council/Mayor/Committee Members