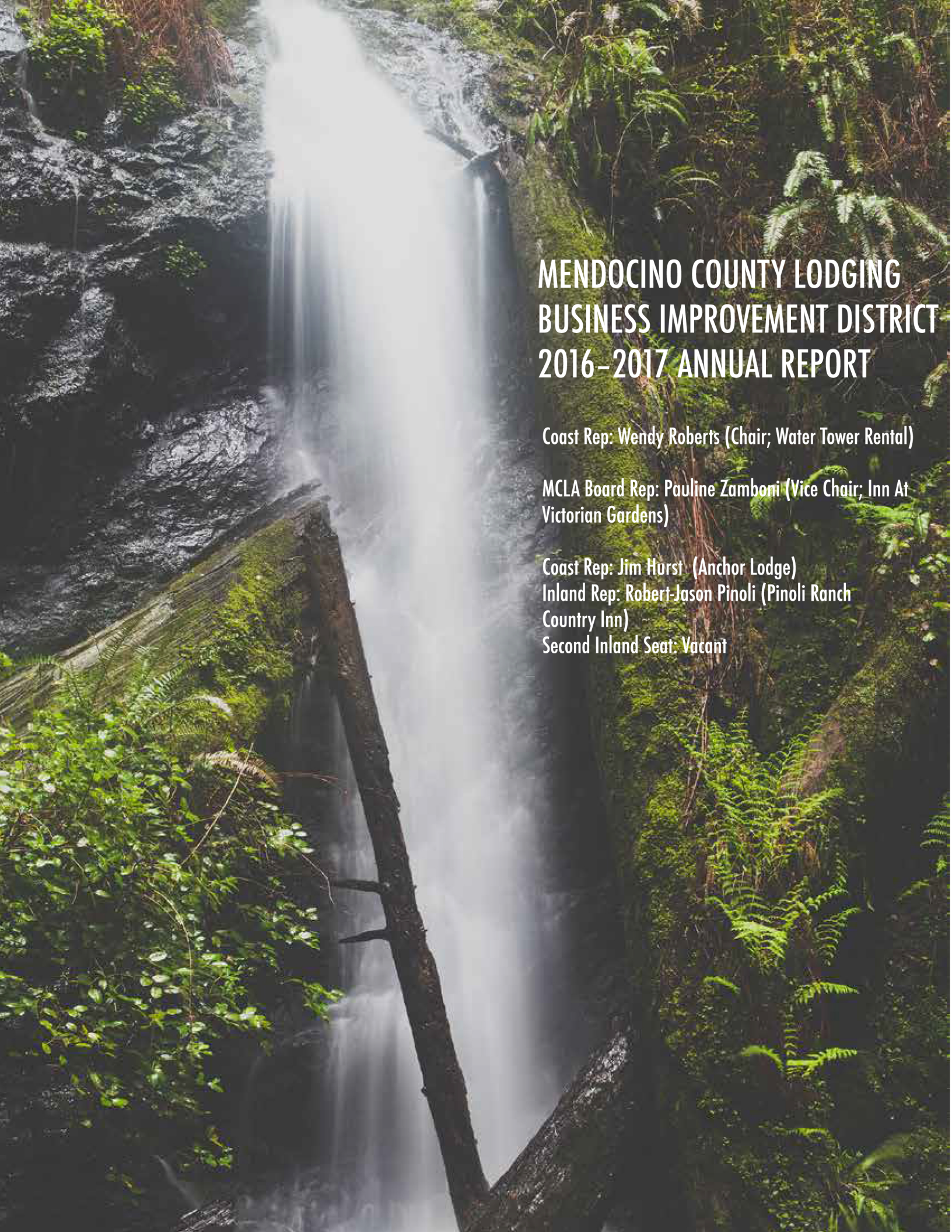




MENDOCINO COUNTY LODGING BUSINESS IMPROVEMENT DISTRICT 2016–2017 ANNUAL REPORT

Coast Rep: Wendy Roberts (Chair; Water Tower Rental)

MCLA Board Rep: Pauline Zamboni (Vice Chair; Inn At
Victorian Gardens)

Coast Rep: Jim Hurst (Anchor Lodge)

Inland Rep: Robert-Jason Pinoli (Pinoli Ranch
Country Inn)

Second Inland Seat: Vacant

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**MENDOCINO COUNTY LODGING BUSINESS IMPROVEMENT DISTRICT
ADVISORY BOARD ANNUAL REPORT FOR FISCAL YEAR 2016-2017
(JULY 1, 2016 THROUGH JUNE 30, 2017)**

I. OVERVIEW

Chapter 5.140.210 to Title 5 of the Mendocino County Code¹ requires that an Annual Report of the Mendocino County Business Improvement District (BID) be prepared and presented to the Board of Supervisors (BOS) by the BID Advisory Board (Advisory Board) approximately ninety (90) days before the start of each new fiscal year in which assessments will be collected. This FY 2016-2017 BID Annual Report conforms to requirements outlined in Section 5.140.220 of the County Code and provides the following:

- An introduction to the role of lodging and tourism in Mendocino County;
- Updates to the overview of BID oversight and accomplishments that were detailed in the FY 2015-2016 BID Annual Report;
- A final report on Visit Mendocino, Inc. (VMC) activities and accomplishments during FY 2014-2015 and through the mid-point of FY 2015-2016 when it was replaced by the Mendocino County Tourism Commission (MCTC);
- A discussion of the transfer to MCTC of assets held by Mendocino County Lodging Association (MCLA) and VMC and redirection to MCTC of all current and future BID assessments and County matching funds formerly held by MCLA and Mendocino County Promotional Alliance (MCPA); and,
- A proposed FY 2016-2017 BID Budget and the Advisory Board's recommendations for consideration and approval by the BOS.

II. INTRODUCTION AND UPDATE OF BID HISTORY

A. Impact of BID on Lodging and Tourism Industry:

Promotion of the travel and tourism industry is vital to Mendocino County's economy because of the profound impacts of visitor spending on tax payers, businesses and employees.

In 2014, the most recent year for which complete baseline information is currently available, visitor spending totaled \$355,000,000, generating approximately \$938 of tax revenue per Mendocino County household. Several hundreds of tourism related businesses throughout the County employed more than 6,200 individuals. Collectively, they earned more than \$157,000,000.² Mendocino County, its incorporated cities and taxpayers have a direct interest in the optimal investment of BID funds to promote County-wide tourism and related industries. Aggressive promotion kept this remote area in the minds and hearts of visitors during the recession and contributed to a full recovery of the tourism industry with revenues now exceeding pre-recession highs. Travel spending boosts tax revenues, creates

¹ The Board of Supervisors adopted extensive modifications to Chapter 5.140.210 to Title 5 of the Mendocino County Code on May 16, 2015. Modifications became effective on June 18, 2015. The official document may be accessed at: https://www.municode.com/library/ca/mendocino_county/codes/code_of_ordinances.

² Source: Dean Runyan and Associates (www.deanrunyan.com/CATravelImpacts/CATravelImpacts.html). Tax revenue per household is based on tax revenue generated from travel in 2014 and dividing by number of households. The source for the number of households is: <http://quickfacts.census.gov/qfd/states/06/06045.html>.

jobs and supports local businesses and non-profit organizations. Protecting and enhancing this essential segment of the County's economy will be an on-going challenge in an increasingly competitive environment.

One measure of the impact of the BID is the amount of Transient Occupancy Tax (TOT) that is collected by lodging. County totals alone brought more than \$4,200,000 to the General Fund in FY 2014-2015.³ This was an eight percent (8%) increase over the prior year. TOT collected by properties within the incorporated cities supports the local city budgets. The entire BID assessment is invested in County-wide promotion.

B. Establishment and Implementation of the Lodging BID:

The Mendocino County lodging industry and the County of Mendocino collaborated to establish the Lodging Business Improvement District (District) in the spring of 2006 with only twenty-six percent (26%) County-wide opposition from lodging owners.⁴ Ordinance 4170 added the terms of the BID to the Mendocino County Code as Chapter 5.140 to Title 5. It created an assessment equal to one percent (1%) of rents paid for transient occupancy, to be collected by lodging for the purpose of County-wide promotion. The Ordinance also created a County match of fifty percent (50%) of the total BID assessment.

Pursuant to Section 5.140.210 to Title 5 of the Mendocino County Code, and as required by the "Parking and Business Improvement Area Law of 1989," the BOS established a five (5) member BID Advisory Board responsible for preparing a BID Annual Report for each fiscal year. This report is presented to the BOS for approval approximately ninety (90) days before the start of each fiscal year. The BOS appoints Advisory Board members. Currently, appointments are based solely on nominations from the MCLA Board.

Section 5.140.220 outlines specific information to be included in the BID Annual Report: *...the report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used.*⁵ The BID Annual Report advises the BOS on the state of the BID and the proposed Annual Marketing Plan and Budget for the coming fiscal year. State Law requires that this report be prepared and adopted by the BOS annually in order for the BID to be renewed. Once adopted by the BOS, it dictates how BID funds and the County match are to be spent and provides a road map for implementation by the designated Contractor. As a public document, it helps to ensure transparency by communicating to stakeholders how BID and County funds are being invested and how impacts on visitor spending are being evaluated.

As modified on June 18, 2015, Section 5.140.245 now requires that: *The Board of Supervisors shall designate a Contractor that shall be responsible for the administration of the Business Improvement District (BID) including hiring and oversight of the individual or entity charged with implementation of the Annual Marketing Plan that is annually approved*

³ The record of County TOT receipts appears in Appendix I.

⁴ Source: County of Mendocino Board of Supervisors Minutes of May 9, 2006.

⁵ The BID Advisory Board and the BID Annual Report are described in detail in Section 5.140.210 and Section 5.140.220 of the Mendocino County Code attached to this report as Appendix II.

by the Board of Supervisors. Since January 2016, the County has met this requirement by contracting with Mendocino County Tourism Commission (MCTC) to fulfill these functions.

C. MCLA's Role and Responsibility to Implement and Oversee the BID:

MCLA began its management of BID funds in 2006 under contract to the County of Mendocino and with a Board of nineteen (19) regionally elected members. Initially, it hired a marketing agency based in San Francisco and committed seventy percent (70%) of the total BID funds to that agency. Also in 2006, MCLA established a sponsorship and partnership program to fulfill its charge under the BID Ordinance to: *Establish cooperative and financial partnerships with other agencies interested in and/or performing promotional and marketing services, activities and programs in the District to enhance overall promotion of Mendocino County.*⁶

As MCLA, and its local partners gained expertise, more of the promotional work and funds were kept within the County. This created local jobs and leveraged BID dollars within the County's economy. Local and regional partnerships steadily increased both effectiveness and efficiency.

In 2008, MCLA, the Mendocino County Promotional Alliance (MCPA), and the Wine Commission formed a joint marketing committee. The group contracted with Randall Travel Marketing, Inc. of Mooresville, North Carolina to conduct research and formulate recommendations to guide Mendocino County's promotional efforts. The result was the Mendocino County Travel Research Study of 2008 (MCTRS), which contained detailed recommendations on how to strengthen and evaluate destination marketing of Mendocino County.⁷

Acting on these recommendations, MCLA and MCPA collaborated to establish Visit Mendocino County, Inc. (VMC) as a not-for-profit 501(c) (6) organization on July 1, 2009. They entered into contracts with VMC to prepare and implement a County-wide Annual Marketing Plan and Budget prior to the start of each fiscal year.

To ensure broad representation from both lodging and the tourism industry, the VMC Board of Directors consisted of the four MCLA Executive Officers plus one additional MCLA Board Member and one MCPA member representing each of the following: the wine industry, the art industry, the Chambers, culinary/attractions, and a member at-large.

By pooling their resources, MCLA and MCPA enabled the VMC Chief Executive Officer (CEO) and staff to: a) be more efficient in carrying out their marketing and administrative responsibilities; b) reduce duplication of effort; c) coordinate key VMC programs and activities with those of diverse visitor serving businesses and organizations; and, d) keep overhead as low as possible. This resulted in more effective use of funds and development of more focused and better coordinated marketing strategies.

On September 27, 2011, the Mendocino County Board of Supervisors designated Visit Mendocino County, Inc. as the Official Destination Marketing Organization (DMO) of

⁶ The main partnership has been with the Arts Council of Mendocino County. Initially monthly funding was \$800. This was increased to \$1,000/month in July 2009 and to \$1,200/month in July 2012.

⁷ Report available at: www.mendocinotourism.org.

Mendocino County. On July 1, 2012, MCLA signed a second three-year contract with VMC beginning on July 1 2012 and ending on July 1, 2015.⁸

VMC continued its evolution from a promising concept into an award-winning DMO. It earned accreditation from the Destination Marketing Association International (DMAI) by completing a process that included increased data collection for internal assessment and alignment of organizational processes and procedures with industry standards.

With oversight by MCLA and MCPA, through the VMC Board of Directors, VMC, Inc. established a solid foundation for promoting Mendocino County, thereby enhancing the tourism and lodging sector and the overall vitality of the County's economy.

However, also during this time, disagreements emerged within MCLA. One key issue on which members disagreed was whether the BID assessment should be increased from one percent (1%) to two percent (2%) in order to provide additional revenue for marketing and promotion. Some saw this as essential for continued success in an increasingly competitive travel market. Others viewed increased funding as unnecessary and feared wasteful spending. The debate intensified about whether current funds were being spent efficiently, effectively and fairly.

In FY 2013-2014, after a rigorous process of self-assessment failed to resolve organizational issues, MCLA and MCPA collaborated once again and commissioned two independent studies to be undertaken concurrently: a Governance Study, prepared by Michael Ward of *Global High Bar (GHB)*, and a Marketing Study (2014 Marketing Study) conducted by Carl Ribaudo of the *Strategic Marketing Group (SMG)*. Both studies were discussed at length in the FY 2015-2016 BID Annual Report and are available online.⁹

The Governance Study strongly recommended restructuring of the three (3) existing organizations in order to establish a single entity charged with oversight of BID funds and the County match, and the investment of these funds for County-wide promotion. Other recommendations included modifying the process for selecting board members and focusing on policy and outcomes beneficial to the lodging and tourism industries.

The findings and recommendations from these studies were presented to, and were initially adopted and approved for implementation by both the MCLA and MCPA Boards in July 2014. However, in August 2014, a newly seated MCLA Board reversed the decision to implement the Governance Study. A period of instability ensued, and shortly thereafter, MCLA abruptly terminated its contract with VMC. County intervention was required in order for the MCLA contract with VMC to be reinstated to its end date of June 30, 2015.

D. Establishment of a BOS/BID Ad Hoc Committee and the new Mendocino County Tourism Commission:

Responding to the above events, in early 2015, the BOS formed a BOS/BID Ad Hoc Committee to pursue simplification of the existing BID governance structure by establishing a single oversight entity. Supervisor John McCowen chaired the committee with Supervisor Dan Gjerde. Five (5) members were selected by each of the MCLA and MCPA Boards.

Numerous working meetings of the BOS/BID Ad Hoc Committee were held as closed sessions. The Committee's findings and recommendations were presented in a final report,

⁸ A complete copy of the contract is available at: www.mendocinotourism.org/research.

⁹Both studies are available at: www.mendocinotourism.org.

dated March 15, 2015. The seventeen (17) points contained in the report were endorsed by both the MCLA and MCPA Boards. They became the basis of extensive modifications to Ordinance No. 4170 that were adopted by the BOS on May 16, 2015 and became effective on June 18, 2015 through Chapter 5.140 to Title 5 of the Mendocino County Code. The BOS formally discontinued the BOS/BID Ad Hoc Committee on December 15, 2015.

Recommendations from the BOS/BID Ad Hoc Committee resulted in a restructuring of the governance and oversight of BID monies, County matching funds, and related activities by establishing a new eleven (11) member entity called the Mendocino County Tourism Commission and setting criteria and processes for selection of MCTC members.

Pending completion of the selection process, MCLA entered into an extended contract with VMC to run through June 2016 or until a new oversight Board had been selected and seated. Under this contract, MCLA retained its BID oversight function during the process to modify the BID Ordinance, establish Mendocino County Tourism Commission, transfer VMC assets to the new Commission, and seat the elected and appointed members of the MCTC Board.

It should be noted that in spite of MCLA's continued responsibility for BID oversight during these turbulent times, participation in this important role by MCLA Board members steadily diminished. Several seated Board Members regularly failed to attend monthly meetings. In compliance with the MCLA Bylaws, some were removed for a lack of attendance. Other Board Members resigned. By November 2015, when MCLA approved its FY 2015-2016 Annual Plan, based on the BOS approved budget for the year, only ten (10) of the nineteen (19) Board seats were filled. Vacant seats included two (2) of eight (8) North Coast seats, three (3) of five (5) South Coast seats, and four (4) of six (6) Inland Corridor seats.

The MCLA Board also proved unable to recruit candidates for the BID Advisory Board and submit nominations for the open seats in a timely manner. In order to seat the BID Advisory Board in time for its first annual meeting in November, the BOS needs to receive these nominations by September. Instead, the MCLA Board finally reviewed nominees for the 2015-2016 appointments at an MCLA special Board meeting on February 10, 2016. At that time two nominees were discussed for the open coastal seat. No nominees were proposed for the vacant inland seats. An application for one Coastal seat was finally submitted in April.

No MCLA Board meeting was scheduled in December. The January 2016 meeting was cancelled for lack of a quorum. The required transfer of funds from MCLA to MCTC was discussed by the MCLA Board at the February 10, 2016 meeting and a transfer of \$300,000 was approved. President John Dixon then followed up with the County and with the MCTC Finance Committee before transferring the balance of \$33,270 in March, 2016.

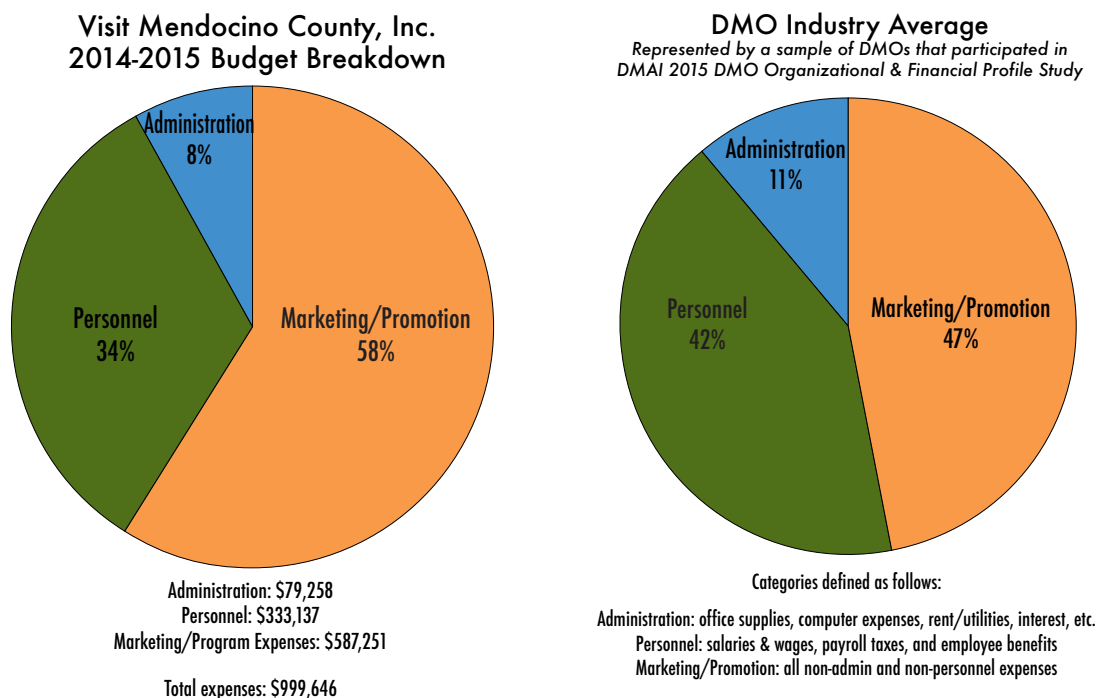
E. VMC Impact and Accomplishments:

Fiscal year 2014-2015 is the most recent year for which complete financial information is available. Mendocino County's TOT revenue continued its upward trend begun in FY 2010-2011, climbing by more than eight percent (8%) to \$4,254,785.

During this time, the MCLA and MCPA Boards were responsible for ensuring proper use of the BID assessments and County matching funds. VMC implemented the MCLA approved Annual Marketing Plan and Budget based on the BOS approved budget as presented in the FY 2014-2015 BID Annual Report.

As part of the DMAI accreditation process, in FY 2013-2014, VMC adopted standardized budget categories to permit it to benchmark against organizations of comparable size. The graphs below compare actual VMC spending in FY 2014-2015 to industry averages for each budget category. Expenses are allocated into standardized categories and average percentages determined for spending on administration, personnel and marketing by typical DMOs of similar budget size.

COMPARISON OF VMC SPENDING BY CATEGORY WITH DMO INDUSTRY AVERAGE



VMC also adopted the practice of reviewing key salaries against benchmarks provided by the DMA of the West annual *CEO and Staff Salary and Benefits Survey*. This survey is conducted annually and gives average salaries for many of the key positions found in typical DMOs based on budget size. VMC job descriptions with salary ranges have been available from VMC on request.

VMC's goal in FY 2014-2015, as adopted from the 2014 Marketing Study and approved by the MCLA Board, was ***...to increase overall demand for overnight visitation (leisure and group) during key times of the year in an effort to raise revenues, employment and taxes in Mendocino County.*** Strategic objectives adopted by the MCLA Board as a result of recommendations in the 2014 Marketing Study were to:

1. ***Continue to effectively position Mendocino County as one of California's premier leisure destinations;***

- 2. Educate consumers on the different coastal and inland experiences that can be found within the county;*
- 3. Increase marketing focus to key lifestyle and passion segments including outdoor/recreation, wine, food and romance;*
- 4. Increase the role of technology and digital marketing efforts in order to broaden the reach and increase effectiveness;*
- 5. Develop and implement a marketing dashboard that tracks key indicators for the destination and VMC and distribute that information in an effort to educate and support the tourism industry; and,*
- 6. Implement research that tracks the effectiveness of the VMC website and the influence it has on persuading visitors to visit Mendocino County.*

Tactical goals in the FY 2014-2015 Marketing Plan were closely aligned with these strategic objectives through the on-going assistance of SMG Consultant Carl Ribaudo who has continued to advise VMC. For the first time, measurable Key Performance Indicators (KPI) were established in seven (7) areas and a marketing dashboard was developed and implemented to track outcomes. VMC's year-end report for FY 2014-2015 represented a quantum leap forward in the organization's ability to communicate with its constituents and achieve data-driven continuous improvement. Outcomes showed strong process toward all established goals. Most were met and some were exceeded. The seven (7) key performance areas with examples of goals, outcomes and accomplishments include:

1) ADVERTISING AND PAID MEDIA GOALS: Drive traffic to new website through targeted paid online advertising, SEO, and viral sharing of editorial pieces.

OUTCOMES: Implemented a highly targeted media plan focused on niche markets, including radio, digital billboards, online banner ads and print. Print ads focused on the California Visitor Guide, produced by Visit California with 500,000 print copies plus online. A wide array of online outlets produced more than 10,000,000 impressions and 39,000 clicks. Digital billboard ads at the Bay Bridge toll plaza and on the Nimitz freeway were seen by 230,337 drivers. Radio promotions produced a \$74,500 value, almost three times the investment of \$25,000. A Spring Getaway direct mailer drew 1,004 online entries from consumer leads for whom no email address was formerly known.

2) PUBLIC RELATIONS GOALS: Generate \$4,600,000 in measured advertising equivalency; reach an estimated audience of 110,000,000; achieve 170 placements in key media outlets; pitch/secure 26 media to visit the destination; and, support VMC Marketing and Promotional objectives.

OUTCOMES: Public Relations staff met or exceeded established goals, achieving ad equivalency of \$16,057,000 and 352 media placements. They conducted 30 familiarity (FAM) tours; completed two media missions; supported two events; and attended two trade shows.

3) WEBSITE AND SOCIAL MEDIA GOALS: Launch a redesigned website; increase visitor time on site and average pages visited; reduce bounce rate; continue to grow and engage with VMC social media and database of customers; and, make use of targeted Facebook advertising to support partner events and promotions.

OUTCOMES: Social media reach via Facebook showed steady growth, with 41,000 fans by the end of June. The Spring Adventure Giveaway gained more than 8,000 fans. The website Data Dashboard showed a steady rise with 14,490 unique visits recorded for the month of June, 2015. Work began on a comprehensive redesign of the VMC website.

4) SALES GOALS: Acquire 7,000 consumer leads and sell 1,000 room nights as a result of VMC sales efforts to administer and lead the partnership with the North Coast Tourism Council (NCTC) and continue partnership activities with Visit California, including travel to travel shows, sales missions and media missions throughout the year. (All travel paid for by Visit California.)

OUTCOMES: At least 1,200 room nights were directly attributable to sales efforts and 6,745 new leads were added to the consumer database. Sales staff hosted Visit California FAM tour groups, including French and Chinese tour operators.

5) VISITOR SERVICES GOALS: Increase and lengthen overnight stays; working with partnerships, develop new events that highlight unique aspects of the County; increase partner participation and visitor attendance; produce and distribute County-wide event calendar; continue to build on the Party for the Planet festival.

OUTCOMES: Staff gathered events for VMC's three County-wide shoulder season festivals, worked with the Festival Committee, posted events on the VMC website and submitted event information to outlets such as the Visit California website, VIA Magazine and other publications and websites. The Event and Partner Relations Manager joined the Greater Ukiah Chamber of Commerce and partnered with Mendocino Winegrowers Inc. on the 5th Taste of Mendocino event. More than 100,000 County materials were distributed including tear off maps, wine maps, pet-friendly guides, Visitor Guides, mini-Visitor Guides and 10,000 Mendocino County Event Calendars. Staff worked with Bay Area Media Masters to capture footage of the County. Planning continues for installation of a gateway sign along Highway 1 in Gualala. More than 4,800 visitors passed through the office/ market space and made purchases of \$8,253.

6) OPERATIONS ACCOMPLISHMENTS:

VMC staff developed and implemented a marketing dashboard that tracks key indicators for the destination and VMC initiatives and distributed regular reports to the Board and partners to support the tourism industry; finalized the FY2015-2016 Annual Marketing Plan and Budget, which gained approval from the MCLA, MCPA and VMC Boards of Directors; worked with the BID Advisory Board to finalize FY 2015-2016

BID Annual Report which gained approval of the BOS; attended numerous networking events; CEO Scott Schneider completed his Chairmanship of the California Travel Association; worked on annual VMC non-profit audit and MCLA/MCPA financial reviews and assisted with annual MCLA election of new Board Members; and, administered monthly VMC Board meetings.

7) STAFFING ACCOMPLISHMENTS:

VMC completed the process to earn Destination Marketing International Association accreditation and maintained a qualified, engaged and enthusiastic team of staff and contractors to implement programs and initiatives. CEO Scott Schneider earned certification as a Certified Destination Management Executive (CDME); and with staff support, he continued to administer activities of the North Coast Tourism Council and administered Mendocino County Lodging Association, Mendocino County Promotional Foundation, and the Mendocino County Promotional Alliance while supporting the transition to the new Mendocino County Tourism Commission.

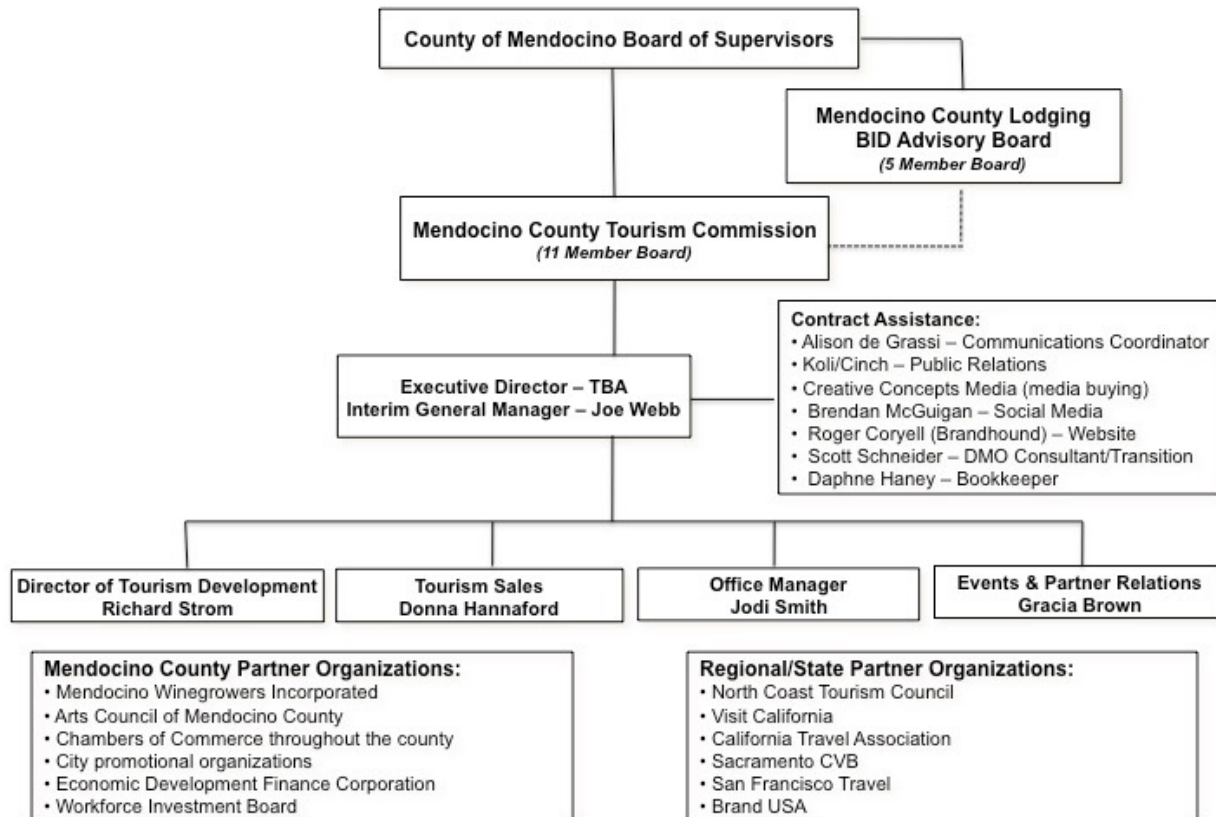
Accomplishments continued to mount in the first half of FY 2015-2016. The marketing data dashboard was completed and implemented to track key indicators for the destination and VMC initiative; www.visitmendocino.com, the official travel website for Mendocino County, was re-created to be more visitor-facing, content driven and user-friendly. Site statistics show increasing stability and higher engagement with December 2015 page views up 49.88% and pages per session up by 43% compared to December 2014. Assessments for FY 2015-2016 are budgeted at \$641,000, an increase of 9.57% over the prior year.

VMC's continued success through December 2015 is particularly noteworthy given persistent distractions and uncertainties that led to the resignation of its CEO and subsequent staff turnover. During its tenure as the County's official Destination Marketing Organization, VMC earned credibility and trust with local businesses and organizations as the "go to" place for assistance with marketing and promotion of their individual unique events, stories, specials, packages, news, etc. VMC also provided many opportunities for local travel related businesses to partner, grow, and use their own marketing dollars effectively. When the excessively complex governance structure led to dysfunctional politics, VMC and its CEO remained focused and supported an essential transition to a simplified leadership structure. The VMC brand has gained widespread recognition among travel professionals and potential visitors. As such, it constitutes the most valuable asset transferred to MCTC.

III. GOVERNANCE TRANSITION

Approval of this FY 2016-2017 BID Annual Report by the Mendocino County Board of Supervisors will mark the beginning of the eleventh year of the Mendocino County Lodging Business Improvement District and the first full year of operation after substantial revisions to the BID Ordinance that became effective on June 18, 2015. Significant modifications included: a) establishment of MCTC as the County's Contractor with an eleven (11) member Board to oversee the BID and County matching funds; b) an increase in the County administrative fee from one percent (1%) to three percent (3%); and, c) a transfer of all VMC assets to MCTC. Henceforth, MCTC will fulfill functions formerly undertaken by the Mendocino County Lodging Association, Mendocino County Promotional Alliance, and the Visit Mendocino County, Inc. Board of Directors.

Mendocino County Destination Marketing Organizational Chart



Current as of: April 2016

A. MCTC Board Selection and Orientation:

Section 5.140.250 establishes the composition of the eleven (11) member MCTC Board and the method by which members are to be selected. The five (5) Lodging members are to be elected by their peers, grouped according to the amount of assessments paid. All “Large Lodging” operators elect one (1) seat; “Large Coastal” operators elect one (1) seat; “Large Inland” operators elect one (1) seat; All “Medium” operators and all “Small” operators each elect one (1) seat. The remaining tourism industry seats are appointed by the BOS based on a defined application process. Under the Code, terms of the initial appointments vary. Subsequent appointments will be for three (3) year terms.

To attract nominees for the lodging seats, the County Treasurer’s Office included an insert in the quarterly tax statements sent to all licensed hotel and lodging operators. Ballots were distributed using the same method to ensure that licensed lodging operators in each assessment category were reached. After a lengthy period of outreach, only one (1) of the five (5) lodging seats attracted more than a single candidate. When no applications were received for some non-lodging seats, a press release was issued on October 28, 2015 extending the application deadline for these seats. Ultimately, twenty (20) applications were received for the six (6) BOS appointed seats. The BOS made its MCTC appointments on

December 8, 2015, based on a slate proposed by Supervisor John McCowen as Chair of the BOS/BID Ad Hoc Committee. Among the appointments was a sixth lodging member.¹⁰

The MCTC Board held its first meeting and elected officers on January 12, 2016 and engaged in board development training and its second organizational meeting on February 8th and 9th, 2016. The Board development sessions included: 1) the required Brown Act and Ethics Training; 2) a presentation by Bill Geist, author of Destination Leadership for Boards; 3) a series of presentations on the current FY 2015-2016 Annual Marketing Plan by SMG Consultant Carl Ribaudo, MCTC/VMC staff, and VMC contractors responsible for promotional activities including Public Relations, Media Buying, Social Media, and Website; and, 4) an overview of BID Advisory Board Roles, Responsibilities and Activities. MCTC Board business conducted on February 9th included appointment of Board and at-large members to standing committees, creation of an ad hoc Bylaws committee, a decision to hire a consulting firm to lead the search for an MCTC/VMC Executive Director, and adoption of a consent calendar through which MCTC approved a series of pre-existing VMC contracts through June 30, 2016.

B. Legal Transition from VMC to MCTC and Transfer of Assets:

The transition from VMC, Inc. to MCTC was accomplished by amending the organization's name in the VMC Articles of Incorporation and modifying the Bylaws. The name change required a majority vote of a quorum of the VMC Board of Directors at a public meeting. Bylaws were amended by the VMC Board to provide for the new MCTC Board to be established, to rename the position of CEO/President to Executive Director, and to add provisions regarding Brown Act compliance. In order to retain the VMC brand as the public face of the organization, the transition also included steps to establish MCTC as "doing business as" (DBA) Visit Mendocino County/VMC. Once created, the DBA will bring clarity, simplicity and transparency to the every day operations of MCTC.

IV. BASIS FOR FY 2016-2017 PLANNING AND BUDGETING

Prior to the start of FY 2015-2016, a protest vote led to withdrawal of the City of Point Arena from the Business Improvement District. Should the current District boundary for the BID assessment remain without further changes for FY 2016-2017, then the classification of businesses would also remain unchanged; and would therefore, continue to include all "hotel" or "lodging business," as defined in Section 5.140.030 of the Mendocino County Code, in the County of Mendocino, City of Ukiah, City of Willits and City of Fort Bragg, California.

Pursuant to Section 5.140.060 each hotel or lodging business which collects rent and benefits from overnight guests, and operates in the District will be assessed a share of the costs of the services, activities and programs, according to the rent revenues and the benefits to be received; with the assessment levied as one percent (1%) on gross rent. This assessment is calculated on a daily basis from gross rent revenues collected by each lodging establishment.

As previously discussed, planning for FY 2016-2017 has been strongly influenced by the 2014 Marketing Study and is based on the prevailing BID Boundary and Ordinance.

¹⁰ A Mendocino County Tourism Commission roster is attached as Appendix III showing the incumbent for each seat and the length of the initial term.

V. PRELIMINARY PLAN FOR FISCAL YEAR 2016-2017

The services, activities and programs to be provided through the BID in FY 2016-2017 are defined by Section 5.140.050 of the Mendocino County Code for the purpose of benefiting lodging by promoting tourism in the District. Those services, activities and programs, which are to be accomplished through implementation of the approved Annual Marketing Plan and Budget by MCTC, are as follows:

- *The general promotion of hotels operating within the District;*
- *The marketing of products and events that have a connection with the hotel industry operating in the District;*
- *The marketing of the District to the media and travel industry in order to benefit local tourism and the hotels in the District; and,*
- *Any activities permitted under the Parking and Business Improvement Law of 1989, (being Section 36500 to 36551 of the California Streets and Highways Code) that are included as costs specified in the Annual Report, subject to adoption by the Mendocino County Board of Supervisors. Activities means, but is not limited to, the following:*
 - 1) Promotion of public events which benefit businesses in the area and which take place in public places within the area;*
 - 2) Furnishing of music in any public place in the area;*
 - 3) Promotion of tourism within the area; and,*
 - 4) Activities which benefit businesses located and operating in the area.*

Operational tasks undertaken by the MCTC Board and VMC staff to ensure accountability and effective communication among members of the lodging and tourism industry include, but are not limited to:

- Providing public outreach and community relations to connect District funded services, activities and programs with lodging business operators in the District;
- Establishing cooperative and financial partnerships with other agencies interested in and/or performing promotional and marketing services, activities and programs in the District to enhance overall promotion of Mendocino County;
- Providing administration and project management of District activities and efforts, including research and development of statistical reports for quantitative evaluation of District marketing strategies;
- Maintaining the established Reserve Fund to ensure financial viability and flexibility in the support of services, programs, and activities that benefit lodging business operators in the District;
- Planning and budgeting for on-going board training and development; and,
- Communicating with lodging business operators about BID-funded promotional activities via web, written newsletters, an annual membership meeting, and other outreach channels.

VI. FY 2016-2017 ESTIMATED REVENUE AND COST OF SERVICES

Pursuant to Section 5.140.245 of the Mendocino County Code, the County of Mendocino has entered into an agreement with MCTC as its Contractor to provide

promotional services, activities and improvements for the District. The balance sheet and profit and loss statements regarding budget vs. actual reports are to be provided to the County on a quarterly basis.

In FY 2014-2015 the Mendocino County Tax Collector recorded BID payments to MCLA in the amount of \$747,466 to provide services, activities and programs on behalf of the District. To date, this is the highest amount collected since the inception of the BID. Based on a conservative estimate, anticipated new revenue for FY 2016-2017 is \$800,000. The total budgeted cost of services, activities, and programs for the District in FY 2016-2017 is \$1,563,270 including \$130,344 to be held as a Reserve Fund.

Pursuant to Section 5.140.240 the County of Mendocino is entitled to charge an amount equal to its actual costs for the collection of assessments and administration. Effective June 18, 2015, the cap on this fee was raised from one percent (1%) to three percent (3%) of the total BID assessments (excluding the County match). Section 5.140.260 of the Mendocino County Code excludes enforcement costs from the cap on administration fees.

The proposed Annual Marketing Plan and Budget for FY 2016-2017 recommends a further contribution to the Reserve Fund account even though prior contributions have reached the \$100,000 goal that was recommended by the BID Advisory Board and approved by the BOS in FY 2009-2010. It is now recommended that the Reserve Fund be equal to \$100,000 or ten percent (10%) of the annual budget, whichever is greater. This sum should be placed into an interest bearing account as a Reserve Fund and at no time, unless under emergency circumstances, and as approved by MCTC, should the account balance fall below \$100,000.

The purpose of the Reserve Fund account is to provide funds that can be accessed to address shortfalls in revenue projections or for unexpected expenses consistent with applicable laws and the annual contract between the County of Mendocino and MCTC. Allowable uses might include promotional expenditures required to assist the District's recovery from a natural disaster or other adverse, unexpected circumstance in which inadequate funding for administrative and program costs could pose a threat to the local tourism economy.

The FY 2014-2015 BID Annual Report, as adopted by the Board of Supervisors, recommended that MCLA revise its balance sheet to reflect the Reserve Fund account. Expenditures from this account could only be made with MCLA Board approval. This recommendation was made to ensure full transparency and proper use of BID funds. When MCLA failed to comply, the 2015-2016 Advisory Board recommended that these funds be transferred to VMC and appropriately reflected on its balance sheet. Once again, MCLA failed to comply. The 2016-2017 Advisory Board strongly recommends that MCTC adopt the practice of reflecting the Reserve Fund on its balance sheet.

VII. CONTRIBUTIONS FROM MENDOCINO COUNTY MATCHING FUNDS

By contractual agreement, the County of Mendocino currently provides matching funds in an amount equal to fifty percent (50%) of the total BID assessments collected, less the three percent (3%) administrative fee. The matching funds may only be directed to the County's Contractor, pursuant to Section 5.140.250 of the Mendocino County Code.

Before any matching funds can be allocated, the County and the recipient organization must enter into a contract. Currently the County contracts with MCTC as the

recipient of the matching funds and the entity responsible for ensuring that they are used to provide allowed services, activities, and programs to benefit the District.

The FY 2016-2017 Budget contained in this BID Annual Report is based on projected assessment revenues of \$800,000. This would result in the County of Mendocino budgeting \$400,000 for matching funds for FY 2016-2017. The matching funds, together with the estimated assessments, will be used to implement the approved FY 2016-2017 Annual Marketing Plan and Budget in support of County-wide marketing and promotional activities.

Section 5.140.250 (C) establishes how the County match will be calculated and paid to the County Contractor. While changes to this Section are being considered, it currently states that: *...The fifty percent (50%) County match shall be calculated based on the prior calendar year's gross receipts and shall be directed to the Contractor in twelve equal monthly installments on a fiscal year basis. Increased matching funds generated by increased assessment receipts in the subsequent calendar year shall be allocated in the following fiscal year as recommended by the Annual Report, including establishment or addition to a District prudent reserve fund. Decreased income received in the subsequent calendar year may be covered, in whole or in part, by transfers from the prudent reserve, as recommended by the Annual Report, contingent on availability. The County may provide an advance in funds to the District and the contract shall provide for the terms and conditions of the advance.*

VIII. PROPOSED FY 2016-2017 BUDGET

BID assessment revenue has surpassed pre-recession highs. While further growth is expected, Advisory Board members concur with the VMC staff proposal to submit a budget based on conservative projections. The attached budget shows a carryover of \$333,270 and projects \$800,000 in new assessments and \$400,000 in matching funds. Priorities for spending the revenue transferred from MCLA include \$40,000 earmarked by the MCTC Board for the Executive Director Search and \$20,000 for Partnerships. The balance will be used to enhance the budget for advertising and media and engage in cooperative marketing with Visit California. Both the base budget and recommendations for additional spending reflect findings of the 2014 Marketing Study and the Marketing Plan and on-going consultation with SMG Consultant Carl Ribaudo.

**PROPOSED FY 2016-2017 ANNUAL BUDGET
INCLUDING BID ASSESSMENTS, MENDOCINO COUNTY MATCHING FUNDS
AND MISCELLANEOUS INCOME**

INCOME		
	MCLA BID Assessment	\$800,000
	County of Mendocino Matching Funds	400,000
	Other Income (visitor guide and calendar advertising)	30,000
	Funds Transferred from MCLA	333,270
TOTAL INCOME		\$1,563,270
EXPENSES		
	Advertising/Media	\$305,000
	Website & Electronic Marketing	85,000
	Cooperative Marketing with Visit California	150,000
	Public Relations	200,000
	Updated Market Research/Board Development	40,000
	Visitor Guide Distribution, Signage, Visitor Services	60,000
	Festivals & Events	25,000
	Consumer & Group Sales	40,000
	Arts Council Sponsorship	14,400
	Partnership Investments	20,000
	Searchwide ED Search	40,000
	Operations	79,526
	Personnel	350,000
	Reserve/Contingency Account	130,344
	County Administrative Fee	24,000
TOTAL EXPENSES		\$1,563,270

IX. BID ADVISORY BOARD RECOMMENDATIONS

A. Recommendations Actionable by Mendocino County Tourism Commission:

- 1) Maintain the DMAI certification earned by VMC, Inc. and give preference to candidates for the Executive Director position who are already Certified Destination Marketing Executives or who are willing to pursue this certification.
- 2) Complete the legal transition from VMC to MCTC and establishment of the DBA.
- 3) Continue to track and report budget percentages for administrative expenses as compared to the DMAI industry-wide averages for DMOs of similar budget size.
- 4) Continue to benchmark key salaries and staff benefit packages against the *CEO and Staff Salary and Benefits Survey* produced annually by Destination Marketing Association of the West (DMA-West).
- 5) Allocate \$14,400 in addition to the \$20,000 budgeted for Partnerships to continue the sponsorship of the Arts Council of Mendocino County through FY 2016-2017 at the current level of \$1,200/month in return for specific deliverables.
- 6) Maintain a Reserve Fund equal to \$100,000 or ten percent (10%) of the annually projected expenses, whichever is greater, with the conditions that this sum is to be held in an interest bearing account and be reflected as a line item on the MCTC balance sheet, and that expenditures require approval of the MCTC Board. Allowable uses would remain those recommended and approved in the FY 2007-2008 BID Annual Report with the additional allowance for use to cover lower than budgeted assessment income, as discussed in the FY 2009-2010 and FY 2014-2015 BID Annual Reports.¹¹
- 7) Include line items in each annual budget to fund: a) on-going Board training and development; and, b) periodic research and on-going consultation to continue to strengthen marketing and assessment.

B. Recommendations Actionable by the County of Mendocino:

- 1) The BID Advisory Board recommends the following modifications to Chapter 5.140 of the Mendocino County Code:

¹¹ As approved by the Board of Supervisors, the FY 2007-2008 BID Advisory Board Annual Report establishes the following allowed uses for the Reserve Fund: ... *unexpected District expenses that are consistent with applicable laws and the annual contract by and between the County of Mendocino and the Mendocino County Lodging Association. Those expenses could include promotional events, special publications, or promotional and public relations efforts to help the District recover from natural disaster or other adverse, unexpected events having extreme administrative and program costs and threat to the local tourism economy.* The approved FY 2009-2010 and FY 2014-2015 Annual Reports state that the funds may also be used cover lower than budgeted assessment income.

- To better correspond with County and MCTC budget processes, establish that the total BID assessments from the prior fiscal year (rather than the prior calendar year) will be the basis for payment of the County match.
- To ensure timely nominations for seats on the BID Advisory Board, the BID Advisory Board recommends the following modification to Chapter 5.140.210 to Title 5 of the Mendocino County Code: 1) The Tax Assessor shall insert a BID Advisory Board nomination notice in the June/July TOT package that is sent to all member properties; 2) Applications shall be made available online or by calling the CEO's Office. The insert shall direct interested lodging owners to submit an application to the CEO's Office by July 15; 3) The CEO's Office shall forward all applications to the MCLA and MCTC Boards in time for discussion at their properly noticed August Board meetings; and 4) All names that are nominated either by the MCLA Board or the elected lodging representatives on the MCTC Board shall be forwarded to the BOS prior to September 1.
- Exclude Point Arena from the physical description of the District.
- Define the "BID Annual Report" as the report prepared by the BID Advisory Board and submitted to the BOS for approval, not to be confused with the "Annual Marketing Plan" and "Annual Report" which have been prepared by VMC staff for approval by the Contractor's Board (formerly MCLA, now MCTC) and are provided to the BID Advisory Board to be used in preparation of its report.

2) Regarding future BOS appointments to the MCTC Board, it is recommended that:

- Prior to future MCTC Board appointments a protocol with selection criteria and a process be established and adopted to ensure meaningful public interviews of qualified applicants.¹²
- All five (5) Mendocino County Supervisors participate in interviews with the candidates and consider them individually for open MCTC seats rather than voting on a proposed slate.

3) To further strengthen assessment of programs and staff performance, the Advisory Board recommends that the County Tax Collector's Office implement long anticipated software as soon as possible to facilitate collection of: a) occupancy by month; b) Average Daily Rate; and, c) Revenue Per Room Sold with the monthly TOT and BID reporting process.

4) Include a clause in the County contract with MCTC requiring continuation of the partnership with the Arts Council of Mendocino County.

¹² Appendix IV provides recommended criteria and a process for selection of MCTC Board Members appointed by the BOS.

C. Recommendations for Revenue Enhancement:

- 1) The County-wide lodging community has strongly encouraged the County of Mendocino to revisit the feasibility and benefits of adding Transient Occupancy Tax and BID assessment requirements to private campgrounds throughout the County. For the third consecutive year, the BID Advisory Board supports this action. The result would not only bring more tax resources to the County, but would also enhance the budget for County-wide promotions that benefit lodging and local communities. While lodging is in support of private campgrounds collecting TOT and BID assessments on fees paid for by short term visitors, it agrees with public input calling for exempting camp sites designated as affordable long term and/or temporary residential shelter.
- 2) In its FY 2015-2016 BID Annual Report, the Advisory Board endorsed the three part implementation process recommended by Supervisors John McCowen and Dan Gjerde in their March 21, 2015 BOS/BID Ad Hoc Committee memorandum to the BOS.

Congratulations are due to all concerned that Steps One and Two have been accomplished: The current BID has been renewed, including the one percent (1%) assessment, and the governance structure has been reformed in line with recommendations supported by the MCLA and MCPA Ad Hoc representatives and their Boards. However, the Third and most challenging step remains: ... *Subsequently to propose an increase in the BID assessment to 2% as a stand alone action subject to the protest process as mandated by state law.*

It is the opinion of the BID Advisory Board that County-wide tourism promotion remains underfunded relative to surrounding counties and competing markets and that it will become increasingly difficult to remain competitive if revenue is not significantly increased in the not too distant future. MCTC has been established on a solid foundation of successfully branded programs, experienced staff, contractors and consultants, and effective assessment tools. Its new leadership has the opportunity to focus on the future, and rebuild the trust and confidence of the lodging community so that, when the time is right, there will be strong support for undertaking the process required to increase this assessment, resulting in revenues that are much needed for adequate promotion of lodging and tourism.

APPENDIX I

Quarterly reports of Transient Occupancy Tax and BID Assessment receipts are updated annually by the Mendocino County Tax Collectors Office. Only TOT collected from Mendocino County lodging properties located outside of the incorporated cities are reported in the TOT Table below. TOT collected by Fort Bragg, Ukiah, Willits and Point Arena remain in the city budgets.

The BID Assessment Table includes the 1% BID collected county-wide, including that paid by properties in Fort Bragg, Ukiah and Willits. Properties in the City of Point Arena opted out of the Business Improvement District in FY 2015-2016.

TREASURER-TAX COLLECTOR COUNTY OF MENDOCINO (Data as of September 1, 2015)

Transient Occupancy Tax (TOT) Collections by Calendar Quarter

Fiscal Year	1st Quarter (July - Sept.)	2nd Quarter (Oct. - Dec.)	3rd Quarter (Jan. - March)	4th Quarter (April - June)	Fiscal Year Collections
2010-11	\$ 1,159,719.11	\$ 738,511.75	\$ 509,140.81	\$ 870,434.86	\$ 3,277,806.53
2011-12	\$ 1,257,060.10	\$ 783,491.93	\$ 602,664.62	\$ 923,797.70	\$ 3,567,014.35
2012-13	\$ 1,293,150.61	\$ 783,528.36	\$ 613,430.09	\$ 977,352.50	\$ 3,667,461.56
2013-14	\$ 1,362,634.23	\$ 870,973.88	\$ 661,883.06	\$ 1,036,754.27	\$ 3,932,245.44
2014-15	\$ 1,455,198.14	\$ 956,640.67	\$ 761,704.07	\$ 1,081,242.31	\$ 4,254,785.19

Business Improvement District (BID) Assessment Collections by Calendar Quarter

Fiscal Year	1st Quarter (July - Sept.)	2nd Quarter (Oct. - Dec.)	3rd Quarter (Jan. - March)	4th Quarter (April - June)	Fiscal Year Collections
2010-11	\$ 200,655.00	\$ 120,203.22	\$ 88,787.28	\$ 146,915.70	\$ 556,561.20
2011-12	\$ 214,346.16	\$ 127,920.14	\$ 102,902.19	\$ 158,148.81	\$ 603,317.30
2012-13	\$ 227,902.39	\$ 154,927.41	\$ 107,768.03	\$ 170,397.35	\$ 660,995.18
2013-14	\$ 242,312.84	\$ 147,595.27	\$ 115,318.87	\$ 181,990.46	\$ 687,217.44
2014-15	\$ 256,222.12	\$ 163,860.55	\$ 137,639.24	\$ 189,745.01	\$ 747,466.92

PLEASE NOTE:

The collections reflected above represent the actual quarters in which the lodging establishments collected the taxes and assessments. Due to collection efforts and various projects undertaken, approximately 5% of the total TOT and BID collected during the 2014-15 fiscal year (per final budget actuals) was applicable to a previous fiscal year.

APPENDIX II

Excerpt from Chapter 5.140.210 to Title 5 of the Mendocino County Code

- **Sec. 5.140.210 - Advisory Board.**

(A) Pursuant to the Business and Improvement Area Law of 1989, an advisory board with five members shall be appointed by the Mendocino County Board of Supervisors only for fulfilling the purposes of the Business and Improvement Area Law of 1989. Members of the advisory board shall be selected and appointed by the Mendocino County Board of Supervisors from a list of nominees prepared by the Board of Directors of the Mendocino County Lodging Association. All nominees must be owners or operators of Hotels within the District, or employed by the operator of a Hotel within the District. Two members shall be appointed to represent the inland area of the District. Two members shall be appointed to represent the coastal region of the District. One member shall be appointed to represent the Mendocino County Lodging Association. Members of the advisory board shall serve two year terms, with two members appointed in every even numbered year and three members appointed in every odd numbered year.

(B) The advisory board shall convene to cause to be prepared the annual report for the purposes of the Business and Improvement Area Law of 1989.

(C) The advisory board shall attempt to submit its annual report to the Board of Supervisors at least ninety (90) days preceding the fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report.

(D) The Board of Supervisors hereby gives authority to the Chief Executive Officer or designee to convene the advisory board, approve the bylaws, and approve the annual work plan for the advisory board.

(E) Nothing in this Chapter shall preclude the advisory board from convening at a meeting with the Board of Directors of the Mendocino County Lodging Association to prepare and discuss the annual report with other countywide promotional and marketing organizations.

(Ord. No. 4336, 5-19-2015)

- **Sec. 5.140.220 - Annual Report.**

(A) Pursuant to the Business and Improvement Area Law of 1989, the advisory board shall cause to be prepared an annual report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used.

(B)The report shall be filed with the clerk and shall refer to the parking and business improvement area by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following:

(1)Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.

(2)The improvements and activities to be provided for that fiscal year.

(3)An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4)The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

(5)The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6)The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(C)The Board of Supervisors may approve the report as filed by the advisory board or may modify any particular contained in the report and approve it as modified. The Board of Supervisors shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments.

(D)The BID Advisory Board annual report, as approved by the Board of Supervisors, shall, as it pertains to the improvements and activities to be provided, the estimated revenue, and the estimated costs of the improvements and activities to be provided, be deemed the BID Annual Marketing Plan.

(Ord. No. 4336, 5-19-2015)

Modifications effective June 18, 2015

APPENDIX III

Mendocino County Tourism Commission Roster—February 8, 2016

Sharon	Davis	Coastal Chamber of Commerce. Regional Promotional Organization Member. Appointed. Term expires 12/31/2018. Elected Secretary.
Marcus	Magdaleno	Inland Chamber of Commerce. Regional Promotional Organization Member. Appointed. Term expires 12/31/2017. Elected Treasurer 1/12/2016.
Bernadette	Byrne	Winery/Winegrower Member. Appointed. Term expires 12/31/2018.
Jennifer	Seward	Arts Organization/Attractions Member. Appointed. Term expires 12/31/2017. Elected Vice Chair 1/12/2016
Deborah	DeGraw	Food/Beverage Business Member. Appointed. Term expires 12/31/2016.
John	Kuhry	At-Large Member. Appointed. Term expires 12/31/2016. Elected Chair 1/12/2016
Jitu	Ishwar	Large Lodging Operator Member Term expires 12/31/2018.
Susie	Plocher	Coastal Large Lodging Operator Member. Term expires 12/31/2016.
Jan	Rodriguez	Inland Large Lodging Operator Member. Term expires 12/31/2017.
Jo	Bradley	Medium Lodging Operator Member. Term expires 12/31/2017.
Deborah	Kettner	Small Lodging Operator Member. Term expires 12/31/2018.

APPENDIX IV

Mendocino County Tourism Commission Board of Directors Qualifications, Selection Criteria and Questionnaire

QUALIFICATIONS:

All current and applicant Board members must meet the following requirement to be considered for a seat on the Board of Directors - whether appointed by the Board of Supervisors or placed on a lodging industry ballot:

- Be 21 years or older
- Have a strong belief in and commitment to enhanced development, growth and future capacity of tourism as an important economic driver throughout Mendocino County
- Be a resident of the County and/or have evident business or community interest in the tourism industry of the County
- Be prepared to function as a Board of Director member at both a strategic level and related to operational oversight of the organization
- Be willing to operate within a policy-oriented governance model
- Be prepared to fulfill the Director's role as a volunteer with no compensation
- Have the ability to contribute the time necessary to fulfill the Director's role, as well as other committee, and tourism industry related roles that may emerge from the organization's strategic plan, annual marketing plans, initiatives, etc
- Be prepared to represent the organization, both within and outside the county, at various forums, events and/or special functions
- Accept the governing by-laws of the organization and the policy of the Board of Directors, and apply appropriately to the decision making process
- Have commitment to fulfill a minimum three year term of office as a Board of Director member (unless otherwise stipulated)
- Have the capacity and potential interest to hold Board Leadership positions in the future, ranging from committee chairs to Board of Directors Chair
- Have the ability to work in a team oriented environment that builds on consensus and represents a diverse industry with a multitude of interests and needs
- Indicate interest in participating in industry professional development and governance training opportunities as needed and/or required
- Ability to follow the Ralph M. Brown Act

SELECTION CRITERIA:

Prior to being considered by the Board of Supervisors for appointment or being considered on a lodging industry ballot, individuals must demonstrate the following criteria to, at least, a satisfactory level:

- Competency and experience as a board member
- Proven track record of creating value for stakeholders
- Ability to apply strategic thought to key issues
- Willingness to understand and commit to the highest standards of governance
- Ability to take a countywide view
- Proven leadership qualities
- Ability to develop a clear vision for the industry and monitor its implementation
- Proven skills in at least one of the following:
 - o Marketing
 - o Tourism
 - o Legal
 - o Financial Management
 - o Strategic Planning and Development
- Company, industry or organization which is directly impacted by the tourism industry and the work of the Bureau
- Proven interest in serving on behalf of the entire county and the entire tourism industry, not just a special interest, nor any single socioeconomic or geographic sector. (organization's purposes and interests above their own)
- Professional experience, skill sets and education required to lead an innovative and successful tourism bureau
- Willingness, the necessary time and enthusiasm to serve on the board
- Committed to the mission and philosophy of the organization

QUESTIONNAIRE:

Aside from basic information (such as name, business, title, etc), the following should be included in a questionnaire to all prospective board members - whether by appointment or election:

- What overall qualities will you bring to the Board of Directors?
- What is your current or previous involvement with Mendocino County destination marketing?
- What do you see as the organization's major priority and/or opportunity and how do you see addressing it?
- What do you see as the organization's major challenge and how do you see addressing it?

- What leadership experience would you bring to the Board of Directors?
- Where do you see the organization in 3-5 years?
- Why do you want to serve on the Board of Directors?
- How long have you owned your business and/or been in a leadership role with your organization in Mendocino County?
- Is your business for sale?
- Please provide up to three professional references related to prior service related to a Board of Director.

Mendocino County Tourism Commission

Board of Directors

Roles and Responsibilities

The Board of Directors is responsible for the development of tourism throughout Mendocino County. Some functions of the Board may be delegated to Board committees and the Executive Director. However, the Board has final responsibility for the successful operation of the organization.

Key roles of Board members include, but are not limited to:

- Setting of major goals and strategic direction for the Bureau
- Approval of all major plans
- Determine all policies governing the Board
- Establishing and determining the duties of Board committees
- Approving the annual budget and all major items of capital expenditure as defined by written expenditure protocols
- Ensuring compliance with legal and ethical requirements
- Monitoring the implementation of strategic plans
- Commitment to the mission and philosophy of the organization
- Place the organization's purposes and interests above their own professional and personal interests when making decisions
- Insure the long range image of the organization is a positive one
- Follow the Ralph M. Brown Act
- Attending 10-12 Board meetings annually of approximately two hours duration
- Attending 1-2 potential special meetings per year of under two hours duration
- Attending at a minimum of one, and potentially two planning, strategy, orientation sessions per year ranging from three to six hours in duration

- Participating in at least one Board committee and possible additional special task groups or ad hoc committees
- Undertaking of adequate preparation for all Board meetings and events
- Participating actively and fully at Board meetings in order to advance agenda discussion, reach consensus and provide strategic direction and operational oversight to the organization
- Being an advocate for the organization taking an active role in industry partner relations
- Keeping confidential information confidential
- Participating annually in a Board self-assessment and board training workshop