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FINANCE & RECORDS

MEMO

To: Mayor Hopkins and Members of City Council

From: Gregg Mandsager, City Administrator
Nancy A Lueck, Finance Director

Date: May 12, 2015

Re: Proposed Convention & Visitors Bureau Legal Entity Change

Introduction and Background:

The Muscatine Convention & Visitors Bureau (CVB) was part of the Greater Muscatine Chamber of Commerce and Industry through June 30, 2012. At that time the unspent CVB funds from the Chamber operation were forwarded to the City and the CVB staff and operation were moved to the City. A separate CVB Board was also established. The CVB filed the required documents to become an Iowa nonprofit corporation effective approximately July 1, 2013. The intent was for the CVB to become a 501(c)(3) nonprofit tax exempt organization with the Internal Revenue Service. That filing had not yet been done.

Current Information:

The current CVB Manager Nick Cusick, has been reviewing the tax filing and other legal requirements for the CVB operation going forward. As part of this review he and the City Finance Director met with Vicki Beckey of TD&T, Certified Public Accountants, who assisted in comparing tax and other requirements for the CVB entity if they would continue to (1) operate as is, as an Iowa nonprofit corporation, (2) if the CVB would obtain 501(c)(3) status, or (3) if the CVB would be part of the City.

Vicki Beckey attended the CVB Board meeting on May 11 and shared tax filing requirements and other information with the Board. She noted that as an Iowa nonprofit corporation, the CVB needs to file annual income tax returns and that TD&T had recently completed preparation of the first return for the year ended June 30, 2014. The next return that will be required will be for the year ending June, 30, 2015. She noted that income tax may be due if annual income for the CVB exceeds annual expenses. While no taxes were found to be owed for the year ended June 30, 2014, the CVB would need to expend their funding allocations on an annual basis in order to not owe taxes in 2015 or future years under their current nonprofit organizational structure. This would not allow the CVB to grow a fund balance for long-term or one-time expenditures.

Vicki also reviewed requirements to become a 501(c)(3) organization and the annual Form 990 filing requirements for that type of entity . She noted that excise taxes may also be required to be paid under this organizational structure if annual income exceeds annual expenses.

At the meeting the Board discussed the pros and cons of each type of organization. It was noted that if the CVB would become part of the City that (1) income tax returns (or Form 990 filings if the CVB became a 501(c)(3)) would no longer be required as of the date the current entity was dissolved and the CVB became part of the City, (2) that the CVB could accumulate funds for future year projects without a tax consequence, (3) that the change would not have a cost impact to the City as the City currently does all of the accounting for the CVB, and (4) the CVB would become an enterprise fund of the City instead of a discretely presented component unit on the annual financial report of the City.

For the CVB Board, the changes would include (1) becoming an advisory board for the City, but otherwise the Board would look and feel much the same, (2) the CVB board would decrease in size with the actual size to be set by ordinance of the City, and (3) the CVB Manager would officially report to the City Administrator instead of reporting directly to the Board.

After weighing the pros and cons of a structural change, the Board voted to recommend to the City Council that the CVB move towards becoming a city advisory board and having the CVB become part of the City. This would require the City adopt an ordinance establishing the advisory board and the CVB taking a number of actions to dissolve the current nonprofit corporation. For income tax filing purposes it would be advantageous to have the change completed prior to the end of June 2015. A tax return would still need to be filed as of June 30, 2015, but it would be the final filing.

Recommendation:

The CVB Board is requesting City Council consider their request to become part of the City at the May 14 In Depth meeting. If there is concurrence of City Council, City staff will develop an ordinance for this change to be effective July 1, 2015 and the CVB Board can begin actions needed to dissolve their current nonprofit corporation.

Please contact either of us if you have any questions on this request.

CONVENTION AND VISITOR BUREAUS ORGANIZATIONAL MODELS

With Tennessee CVB Examples

(Revised November 2012)



Researched and Prepared by
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WHAT IS A CVB?

A convention and visitors bureau (most often referred to as a “DMO” for “Destination Marketing Organization” or more recently “Destination Management Organization”) is the agency in a community whose task it is to represent that community to potential travelers and generate economic benefit to that community through visitor expenditures.

The primary roles of the CVB/DMO in a community are to:

- Provide leadership in the marketing of the destination and the generation of tourism sales
- Serve as the focal point for the coordination of all tourism industry activities
- Provide services that enhance the quality of the visitor experience
- Provide leadership in expanding the beneficial economic impact of tourism
- Serve as a catalyst & facilitator for tourism infrastructure and destination development
- Serve as chief liaison with all levels of government regarding tourism
- Provide specialized services to improve the effectiveness & profitability of the industry
- Coordinate the collection & dissemination of relevant tourism information & research
- Support the development & delivery of tourism/hospitality education & training programs

The Primary Functions of the CVB/DMO are:

Research and Planning

Data gathering and evaluation on both existing and potential target markets, tourism infrastructure, economic impact and business trends

Product Development

Growing, expanding, and assisting current destination offerings and provide leadership in the development of new attractors and services

Marketing, Promotion, and Sales

Based on research, the development of destination image and the communication of that image to target markets; converting potential visitors into actual visitors

Community Relations

Act as the primary tourism advocate, resource, & leader in the community; develop & operate partnerships with government, business, and others; lead community and local tourism industry to embrace and adopt tourism development goals.

Visitor Relations

Through training and partnerships with the local tourism and hospitality stakeholders, the development and implementation of programs and services that enhance the visitor experience

THE CVB AS A GOVERNMENT AGENCY

In this model, the CVB is a department within local (city or county) government. The agency reports directly to the political leadership (mayor, legislative body) or to a local government manager/administrator. They often work with an appointed oversight or advisory committee made up of government representatives and tourism stakeholders.

Generally speaking, the top administrative position(s) serve(s) in an appointed capacity and other staff members fall under whatever level of civil service protection the local government entity may practice.

Advantages:

- Direct accountability to the funding source
- Direct line of administrative supervision (agency head reports to one person)
- Utilizes administrative, personnel, and accounting systems already in place in local government
- Interaction and coordination with other departments; tourism development is perceived as an “equal interest” among the local government programs of work
- Some cost savings (office space rental, administrative costs, etc.)
- Agency is perceived as “neutral”, not favoring any one stakeholder interest
- Overall long-term organizational stability
- Personnel benefits (insurance, retirement, time off, etc.) on a par with local government employees

Disadvantages:

- Possibility of political influence on program of work and/or staffing decisions
- If not involved in an advisory/oversight capacity, stakeholders may feel excluded from decision-making process

Examples of Government Agency CVBs in Tennessee:

Pigeon Forge Department of Tourism: The Dept. of Tourism is a department within Pigeon Forge city government. The Dept. handles all tourism marketing, sales, promotions, and special event functions for the city. The Executive Director of the department reports to the City Manager. Contact person: Leon Downey, Director, (865) 453-8574.

Until 2012, two other Tennessee CVB agencies were government entities:

Gatlinburg Dept. of Tourism: The department was a division of Gatlinburg city government. The Dept. handled all tourism marketing, sales, promotions, and special event functions for the city, and operated the Gatlinburg Convention Center. The Executive Director of the department reported to the City Manager. In 2012, the agency transitioned from a city department to a division and function of the Gatlinburg Chamber of Commerce.

Wilson County CVB: The CVB was a department of County government, with the Executive Director reporting to the County Mayor. In 2012, as a result of local politics, the Wilson County CVB was eliminated by county government with no other agency funded or tasked to perform the function of tourism development.

THE CVB AS AN INDEPENDENT AGENCY

In this model, CVBs are free-standing, independent agencies, most often not-for-profit 501 (c) (6) organizations, with their own governing board of directors who hire the executive director, establish and govern the policies and procedures of the organization, and who give overall direction to the CVB's program of work.

The funding for these organizations and their programs of work come primarily from local governments who enter into a contracted arrangement with the CVB to provide tourism development activities for the community and pay for such services through a dedicated or designated portion of local lodging tax collections. Independent CVBs also often have other revenue streams through special event production, service fees, advertising sales in CVB publications and on the CVB's Web site, commissions on package program sales, product/gift shop sales, and in some cases, membership fees.

There are two primary types of these agencies: non-membership and membership based. Non-membership independent CVBs provide full tourism development programs and activities to all tourism stakeholders in the community; membership-based independent CVBs (often referred to as "pay-to-play" CVBs) provide limited programs and activities to all stakeholders in the community while providing a much higher level of service and benefit to members. The paradigm in the CVB industry over the past 10 – 20 years has been steadily shifting away from membership-based CVBs.

In recent history, a third type of agency, the "For-Profit Corporation" or "Destination Management Company (DMC)" has been introduced and adopted in some communities. This model began as an outgrowth of the fact that the operation and marketing of many large convention centers, meeting facilities, and sports venues and events had been successfully contracted out to private, for-profit companies. The success of these companies has led to some governments contracting with those companies to also manage and operate (for a fee) the overall tourism development services for the community that are traditionally provided by a CVB.

Advantages:

- Independent CVBs tend to be less bureaucratic in structure and are free to operate more on a business model
- Independent CVB Board of Directors tend to be individuals who have experience in the tourism industry and who have a direct vested interest in seeing the work of the CVB being successful
- CVB administrative and staff direct accountability to a board of directors and to the agenda and program of work established by the board
- Salary and benefit programs in independent CVBs tend to be closer to market equivalency, making it easier to attract and retain experienced and qualified professionals
- Since they are not government agencies, independent CVBs have the freedom to develop non-lodging tax generated revenue streams

Disadvantages:

- Local government may feel a sense of diminished control of a program of work they are largely responsible for funding
- If non-tax revenues become an overly important source of CVB funding, a larger portion of management and time resources may have to be directed to that function rather than to the primary function of marketing the destination

- If a membership-based CVB model is used, there is an inherent structural bias towards marketing and promoting members over non-members, often leading to dissatisfaction among non-members
- Membership-based CVBs often have to allocate personnel resources to a Membership Director/Manager, whose responsibility it is to recruit and retain members and to provide member services rather than the function of marketing the destination
- If a Destination Management Company (DMC) model is used, some financial resources that would have been spent marketing the destination have to be reallocated to management fees
- In some cases, DMCs appear to be less responsive to the needs of smaller, less influential stakeholders in the community

Examples of Non-Membership based independent CVBS in Tennessee:

Williamson County/Franklin Convention and Visitors Bureau: The WCCVB transitioned several years ago from a function of the local Chamber of Commerce to an independent, non-membership based 501 (c) (6) agency. While still funded by government collected lodging tax collections from Williamson County and the City of Franklin, the CVB is controlled by an independent board of directors that includes both public and private stakeholder representatives. Contact person: Mark Shore, Executive Director, (615) 791-7554.

Sumner County Convention and Visitors Bureau: The SCCVB transitioned several years ago from a joint function of the combined Chambers of Commerce of Sumner County to an independent, non-membership based 501 (c)(6) agency. While still funded by government collected lodging tax collections from Sumner County government, the CVB is controlled by an independent board of directors that includes both public and private stakeholder representatives. Contact person: Barry Young, Executive Director, (615) 230-8474.

Examples of Membership-based independent CVBs in Tennessee:

Memphis CVB: The Memphis Convention and Visitors Bureau is a member-based organization with membership categories including attractions, general business services, catering, churches, lodging, dining, shopping, transportation and tour services, sports, and entertainment/meeting venues. The CVB is responsible for all tourism and convention marketing, sales, promotions, and special event functions for the city, and in 2011 became responsible for the operation and marketing of the Memphis/Cook Convention Center. Different levels of membership result in different associated benefits. Contact persons: Kevin Kane, President/CEO, (901) 543-5300 or Mary Schmitz, Vice President of Business Development, (901) 543-5327.

Nashville CVB: The Nashville CVB is a stand-alone membership-based agency that services as the contract agency for and receives funding from its program of work from the Metropolitan Nashville/Davidson County government. The CVB has a board of directors to who the President reports. Member benefits include: annual report recognition, brochure rack distribution, convention calendar, advertising opportunities, customer service training program, e-newsletters, rental opportunities for displays at the Visitors Information Center, leisure sales program, press tour inclusion, listings in publications, partnerships for road shows, research information, sales leads, visitor inquiry lists, Web site listing and link. Contact persons: Butch Spyridon, President, (615) 259-4760 or Anne Elizabeth McIntosh, Director of Membership, (615) 259-4751.

Chattanooga CVB: Membership in the Chattanooga CVB is made up of the city's hospitality, business, cultural, recreational, and political communities. While major CVB funding comes from lodging tax collections, membership provides the forum for businesses from these communities to link with the efforts of the CVB. Membership benefits include: inclusion in the CVB's Annual Directory, quarterly newsletter, annual convention calendar & semi-annual addendum, visitor center discounts, referral service, tourism leads and listing on the CVB's Web site. Members also have a number of advertising opportunities (at an additional cost to the member.) Contact person: Veda Bucher, Membership Services, (423) 424-4418.

Example of a Destination Management Company operation in Tennessee:

Visit Knoxville: Visit Knoxville (formally the Knoxville Tourism and Sports Commission) was created in August 2002 by merging the marketing, sales, and support efforts of the Greater Knoxville Sports Corporation and the Knox County Tourism Commission, which governed the Knoxville Convention and Visitors Bureau. The GKSC began in 1991 as a 501(c) 3 not-for-profit organization. The Women's Basketball Hall of Fame Board of Directors signed an exclusive contract with GKSC in 1997 to develop, market and operate the Women's Basketball Hall of Fame in Knoxville. KCVB was created in 1979 by the state to market Knox County and recruit conventions, motor coach groups and leisure travelers to the area. It has maintained a strong presence by meeting the needs of tourists through visitor center locations all over the city of Knoxville. Contact person: Kim Bumpas, President, (865) 523-7263.

THE CVB AS A CHAMBER OF COMMERCE OR OTHER ECONOMIC DEVELOPMENT AGENCY FUNCTION

The program of work of tourist development for a community often has its foundation as a function, division, or department of a chamber of commerce or other economic development agency (EDA). This is particularly true for start-up and small destinations, where the community has neither the resources nor staff to operate a separate tourism program.

In some cases, larger and more well-established destinations continue to successfully operate their tourism programming through a chamber of EDA. In these cases, the chamber/EDA usually acts on a contractual basis to perform the program of work of tourism development for the community, with funding for the program coming from local government lodging tax collections. In some cases, the Chamber also makes a financial commitment to the program, most often through personnel and/or physical office costs. Some chambers charge and receive a management fee for performing this function for a community.

Advantages:

- If the chamber/EDA has good standing/reputation in the community, that good standing lends credibility to the CVB and the program of work of tourism development
- Chambers of commerce/EDAs generally represent a very broad cross-section of a community's business, government, and civic leadership, and those resources, skills, and influence in the community can be made available to assist and enhance the work of the CVB
- There is often a cost savings for both the chamber/EDA and the CVB through the sharing of administrative, personnel, and operating expenses

Disadvantages:

- Chambers of commerce/EDAs and CVBs have somewhat different missions and objectives
- Chamber/EDA boards of directors are not generally experienced in or focused on tourism development
- If the chamber/EDA does not have a good standing/reputation in a community, that lack of good standing can be detrimental to the program of work of tourism development
- In communities with multiple chambers of commerce, the placement of the CVB within any one chamber can lead to feelings of favoritism, exclusion, or preferential treatment towards one community over another on the part of the CVB

Examples of CVBs as a function of Chambers of Commerce in Tennessee:

Rutherford County CVB: The Rutherford County CVB is a fully integrated department of the Rutherford County Chamber of Commerce. Funding for the program of work comes from dedicated portions of lodging tax collections. The chamber's Vice President of Convention and Visitors Bureau reports to the Chamber CEO and the chamber board of directors. Contact person: Mona Herring, Vice President of CVB, (615) 278-2014.

Johnson City CVB: The Johnson City CVB is a fully integrated department of the Johnson City Chamber of Commerce. Funding for the program of work comes from dedicated portions of lodging tax collections. The Executive Director of the CVB reports to the Chamber CEO and the chamber board of directors. Contact person: Brenda Whitson, CVB Executive Director, (423) 461-8000.

Sevierville Chamber of Commerce/CVB: As Sevier County is so heavily focused on tourism, the Sevierville Chamber of Commerce also acts as the Sevierville CVB and is responsible for all programming related to tourism development for Sevierville, including marketing, sales, publications, e-marketing, and visitor services. The Chamber has specific staff positions responsible for the program of work, all of whom report directly to the Chamber CEO who in turn reports directly to the chamber board of directors. Contact person: Brenda McCroskey, CEO, (865) 453-6411.

Example of CVB as a function of an Economic Development Agency (EDA) in Tennessee:

Clarksville/Montgomery County CVB: The Clarksville-Montgomery County Tourism Commission, d/b/a the Clarksville/Montgomery County Convention and Visitors Bureau, is an agency of the Clarksville/Montgomery County Economic Development Council (C/MCEDC). The C/MCEDC is a private, non-profit economic development umbrella organization that provides staffing, management, and a unified direction for the Clarksville Area Chamber of Commerce, the Industrial Development Board of Montgomery County, and the Clarksville/Montgomery County CVB. By contract, the C/MCEDC provides management and staffing for the CVB. Governance of the CVB consists of a board of directors with nine voting members serving three-year terms and selected by joint approval of the city and county mayors. The CVB is funded by dedicated portion of the lodging tax and other non-dues income. Contact person: Theresa Harrington, CVB Executive Director and Vice President C/MCEDC, (800) 530-2487 ext. 223.

Appendix: 2011 Profile of Destination Marketing Organizations

Source: *2011 DMO Organizational & Financial Profile Study*

By The Destination Marketing Association International, 2025 M St., NW, Ste 500, Washington, D.C. 20036

- The majority of DMOs (70%) are independent, not-for-profit organizations with 501(c)(6)s dominating (64%). An additional fifth are government agencies (city, county, state/province, authority)
- Slightly fewer than half are membership organizations, averaging 590 members.
- The average DMO has 14 full-time and two regular part-time employees. Two-thirds of DMOs report stable employee counts for the current fiscal year while 23% expect staff size to grow.
- Almost three-fourths (70%) manage visitor information centers. The average number managed is one year-round center and one seasonal center.
- DMO budgets have stabilized this year with a median average of \$2.8 million, but have yet to recover from their peak in 2008.
- The vast majority (89%) receive hotel tax funding, averaging 79% of all revenue. In terms of private funding, 42% receive membership dues.
- DMOs spend almost half (47%) of their budget on sales and marketing efforts, with media advertising the top activity (18% of total expenses). The remainder is spent on personnel (41%) and administrative (12%).

ORDINANCE NO. 2324

AN ORDINANCE AMENDING SECTIONS 20-27, 20-28 AND 20-29, AND REPEALING SUBSECTION 20-28(C) AND ENACTING A NEW SUBSECTION 20-28(C) IN LIEU THEREOF, ALL OF DIVISION 1, GENERALLY, OF ARTICLE II, DEPARTMENT OF HUMAN AND LEISURE SERVICES, TO PROVIDE FOR VISITORS AND TOURISM SERVICES AND PROGRAMS; ADOPTING A NEW DIVISION 7, VISITORS AND TOURISM SERVICES DIVISION, OF ARTICLE II, DEPARTMENT OF HUMAN AND LEISURE SERVICES; AND ADOPTING A NEW ARTICLE VIII, VISITORS AND TOURISM BOARD, ALL OF CHAPTER 20, PARKS AND RECREATION, OF THE CODE OF ORDINANCES OF THE CITY OF CEDAR FALLS, IOWA.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CEDAR FALLS, IOWA:

Section 1. Section 20-27, Duties, of Division 1, Generally, of Article II, Department of Human and Leisure Services, of Chapter 20, Parks and Recreation, of the Code of Ordinances of the City of Cedar Falls, Iowa, is hereby amended by adding thereto a new subsection (a)(5), as follows:

- (5) Visitors and tourism services and programs.

Section 2. Section 20-28, Director of human and leisure services - Generally, of Division 1, Generally, of Article II, Department of Human and Leisure Services, of Chapter 20, Parks and Recreation, of the Code of Ordinances of the City of Cedar Falls, Iowa, is hereby amended by adding thereto a new subsection (b)(4), as follows:

- (4) Visitors and tourism services.

Section 3. Subsection (c) of Section 20-28, Director of human and leisure services - Generally, of Article II, Department of Human and Leisure Services, of Chapter 20, Parks and Recreation, of the Code of Ordinances of the City of Cedar Falls, Iowa, is hereby repealed and the following new subsection (c) is enacted in lieu thereof, as follows:

(c) The director is empowered to exert supervisory and management control over each division and is empowered to appoint a recreation division manager, a parks division manager, a cultural services division manager and a visitors and tourism services division manager. The division managers are individually charged by the director to carry out all of the statutory duties mandated by federal, state and local regulations of their respective divisions.

Section 4. Section 20-29, Same - Duties relative to boards and commissions, of Article II, Department of Human and Leisure Services, of Chapter 20, Parks and Recreation, of the Code of Ordinances of the City of Cedar Falls, Iowa, is hereby amended by adding thereto a new subsection (4), as follows:

(4) Visitors and tourism board.

Section 5. Article II, Department of Human and Leisure Services, of Chapter 20, Parks and Recreation, of the Code of Ordinances of the City of Cedar Falls, Iowa, is hereby amended by adding thereto a new Division 7, Visitors and Tourism Services Division, as follows:

DIVISION 7. VISITORS AND TOURISM SERVICES DIVISION

Sec. 20-133. Created.

The visitors and tourism services division of the department of human and leisure services for the city is hereby created.

Sec. 20-134. Powers and duties.

(a) It shall be the duty of the visitors and tourism services division of the department of human and leisure services to provide visitors and tourism programs and services for the visitors and tourists to the city, that promote overnight lodging, purchase of goods and services from Cedar Falls businesses, and promote special events, festivals, and attractions in the city.

(b) The division shall have the power to operate and maintain the visitors and tourism services offices, in compliance with the operations and programming policy prescribed by the city visitors and tourism board, the director of human and leisure services, and the city council.

Sec. 20-135. Manager.

(a) *Appointment.* A visitors and tourism services division manager shall be appointed by the director of human and leisure services. Such appointment shall be in accordance with all statutory civil service procedures.

(b) *Powers and duties.* The visitors and tourism services division manager shall supervise, direct and manage the visitors and tourism services division. The manager's powers and duties shall be as follows:

- (1) To promulgate orders, rules and regulations for the conduct and guidance of the members of the visitors and tourism services division within the parameters of city, departmental, and visitors and tourism board policies.
- (2) To make an annual report of the activities of the division for each fiscal year, to be filed with the human and leisure services director, the visitors and tourism board, and the city council.
- (3) To assign the personnel of the visitors and tourism services division as deemed necessary to carry out the functions of the visitors and tourism services division, and to prescribe rules and regulations for the conduct and management of the division consistent with city, departmental, and visitors and tourism board policies.
- (4) To peremptorily suspend or discharge any subordinate under his/her direction for neglect of duty, disobedience of orders, misconduct or failure to properly perform the subordinate's duties in accordance with law, city, departmental, and visitors and tourism board policies.
- (5) To perform or cause to be performed any other duties as directed by the director of human and leisure services.
- (6) To manage the visitors and tourism services offices, programs and projects in accord with operations and programming policies established by the city visitors and tourism board, the director of human and leisure services, and the city council.

- (7) To implement a full range of visitors and tourism programs for the city within the financial constraints and program offerings recommended by the visitors and tourism board and authorized by the city council.
- (8) To maintain for the city visitors and tourism board:
 - a. Full and complete records of all proceedings.
 - b. Full and complete records of all receipts and disbursements in conjunction with the financial services division.
 - c. Full and complete records of all donations, devices and bequests received and disbursed, or placed in special accounts in conjunction with the financial services division.
 - d. An inventory of all supplies, equipment, and other property held by the division in the city's name in conjunction with the financial services division.

Sec. 20-136. Acting manager.

Whenever the visitors and tourism services division manager is out of the city, or is unable to act on account of sickness or for any other reason, including those periods of time when the director of human and leisure services has not appointed a visitors and tourism services division manager, the visitors and tourism services division manager, or director of human and leisure services shall appoint a designee who shall have and exercise all the powers and duties of the visitors and tourism services division manager.

Secs. 20-137—20-155. Reserved.

Section 6. Chapter 20, Parks and Recreation, of the Code of Ordinances of the City of Cedar Falls, Iowa, is hereby amended by adding thereto a new Article VIII, Visitors and Tourism Board, as follows:

ARTICLE VIII. VISITORS AND TOURISM BOARD

Sec. 20-321. Board created.

There is hereby established in the city a city visitors and tourism board.

Sec. 20-322. Membership of board; appointment of members.

- (a) The city visitors and tourism board shall be composed of nine members, who shall be citizens of the city or assigned representatives of Cedar Falls businesses or attractions.
- (b) The members shall be qualified by general knowledge or experience in matters related to visitors and tourism programs.
- (c) Members shall not hold any elective position in the city.
- (d) The members shall be appointed by the mayor, subject to approval of the city council.
- (e) Members shall represent the following areas: Two (2) members representing festivals and attractions; one (1) member representing the University of Northern Iowa; two (2) members representing lodging; one (1) member representing the Cedar Falls Chamber of Commerce; two (2) members representing service businesses in the restaurant or retail sector; and one (1) member at large.

Sec. 20-323. Term of office of board members.

The term of office of the members of the city visitors and tourism board shall be three years. Appointments to fill vacancies shall be for the unexpired term of any board member. No member shall serve more than nine years.

Sec. 20-324. Compensation of members of board.

All members of the city visitors and tourism board shall serve without compensation, except for their actual expenses, which shall be subject to the approval of the city council.

Sec. 20-325. Absence of members from board meetings.

Members of the city visitors and tourism board leaving their residence in the city, leaving their association with their respective Cedar Falls business or attraction, or absent from three consecutive meetings of the board, except in the case of sickness or temporary

absence from the city, without due explanation of absence, shall surrender their office. The mayor shall then fill the vacant position, with city council approval.

Sec. 20-326. Director of human and leisure services to serve as ex officio member of board.

The director of human and leisure services shall serve as an ex officio member of the city visitors and tourism board, without voting privileges.

Sec. 20-327. Powers and duties of board.

The city visitors and tourism board shall have and possess the following powers and duties and such other powers as may be incidental thereto as necessary, and such other powers as may be expressly conferred upon it by law:

- (1) To adopt rules and regulations governing the board's organization and procedure as may be deemed necessary. All bylaws, rules or regulations shall be consistent with state, federal and local statutes and shall be subject to the approval of the city council.
- (2) To develop and provide visitors and tourism programs for visitors to the city based on the level of financial support provided by the city council and other entities.
- (3) To enhance the economic development of the city by promoting Cedar Falls as a visitors destination and as a viable setting to hold meetings, conventions, special events and community attractions.
- (4) To determine the operations and programming policy for visitors and tourism events, which will be administered by the department of human and leisure services through the visitors and tourism services division manager.
- (5) To interview, with the director of human and leisure services, all candidates for the position of visitors and tourism services division manager in the department of human and leisure services. Upon evaluation of the candidates interviewed, the board shall recommend to the director of human and leisure services one candidate for appointment to such position. Should the director of human and leisure services reject such candidate, the board shall select another candidate for consideration by the director.
- (6) Jointly with the director of human and leisure services, to evaluate the performance of the visitors and tourism services

division manager on a yearly basis. The board may recommend to the director that the visitors and tourism services division manager be dismissed for cause, incompetency, inattention to duties or failure to provide satisfactory program leadership, following a vote of two-thirds of the board members and compliance with the city's personnel policy and procedures.

(7) To serve as the city's review agency and coordinator of all outside agency and special group requests for city financial support related to the use of hotel/motel tax proceeds to support visitors and tourism services.

(8) Recommend to the city council the approval of grants, projects or programs when necessary and timely as a part of the city's annual budget process.

(9) Recommend to the city council for its approval guidelines and policies related to grant application processes, procedures and authorizations.

(10) Authorize the human and leisure services department to administratively expend funds on behalf of the city and the board in conformance with the city council authorized program policies. The board may not expend more money than allocated without prior city council approval.

(11) At the conclusion of each fiscal year, to make a report to the mayor and city council of:

- a. Its proceedings, with a full statement of its receipts, disbursements and the progress of its programs during the year;
- b. The amount of donations, devises and bequests received during the year and grants issued;
- c. A summary of benefits derived from each grant in terms of overnight stays, retail sales made by Cedar Falls businesses, or attendance at city attractions.

Sec. 20-328. Appropriation of funds for visitors and tourism services and programs.

The city council may annually appropriate a sum of money from the city's share of state hotel/motel tax receipts for the payment of a portion of the expense of operating the visitors and tourism services division and programs.

Sec. 20-329—20-348. Reserved.