



Requesting Department:
Economic Development

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

DOREEN COTT, ECONOMIC DEVELOPMENT DIRECTOR

FROM: MARNIE SCHUBERT, CHIEF MARKETING/PUBLIC INFORMATION OFFICER

RE: DISCUSSION ON TAKING MARKETING TO THE NEXT LEVEL AS DISCUSSED AT THE 2013 TOWN COUNCIL RETREAT

DATE: DECEMBER 4, 2013

Discussion:

Over the past three years, Queen Creek has grown its image on a regional level, establishing the community as a tourist destination focused on food and the outdoors. The Town has initiated marketing campaigns, including Visit the QC and Rediscover Your Community, overhauled the website to include a more active tourism component, and amplified the social media sites to encourage exploration of destinations in the community.

As part of its 2013 retreat, the Town Council requested that staff make recommendations that would “take marketing to the next level.” In order to get to the next level, staff is recommending that the Town partner with larger, regional organizations that can provide far-reaching resources and measurable results. As such, staff is recommending marketing partnerships with Visit Mesa, the East Valley’s regional convention and visitors’ bureau, and the East Valley Partnership, a regional coalition of community, business, educational and government leaders.

By partnering with these larger organizations with far reaching resources, Queen Creek gets the benefit of their marketing dollars while continuing to establish our own unique brand.

Visit Mesa

The Town has worked with Visit Mesa over the past two years as we began our tourism marketing efforts. The Town has a presence in the annual Visit Mesa Visitors Guide and Map, participates in a limited number of familiarization tours with tourism media, and is mentioned on their website. The goal of the organization is to attract visitors to the East Valley, and they use all of the assets of the region, including Queen Creek’s agritourism focus, to achieve that task.

In 2012-13 Visit Mesa invested \$1.2 million in sales and marketing. In 2013-14 estimated sales and marketing expenses will be \$1.3 million. This represents an investment that Queen Creek could not make on its own, and demonstrates the commitment to promoting the East Valley. Queen Creek also benefits because the destinations in the Town are complements to the offerings in Mesa and the surrounding areas, not competition.

Although Queen Creek does not yet have a hotel, partnering with Visit Mesa would offer the opportunity to interact with new event promoters and potentially bring new events to the community, further enhancing the Town's attractiveness to hotel development and visibility in the industry.

The Visit Mesa brand is an extension of the City of Mesa's "City Limitless," but the brand promise is already very inclusive of Queen Creek and other regional partners. As a representative of the region, the organization's targeted sectors include:

- National Group Sales (generated \$480K in direct future visitor spending in 2012-13)
 - Markets-Midwest, Washington DC, Pacific Northwest
 - Demographics-Association, Corporate, Religious, Fraternal
- Sports Sales (generated \$13.7 million in direct future visitor spending in 2012-13)
 - Markets-Colorado, Indiana
 - Demographics- Youth and Amateur
- Travel Industry Sales (generated \$8.6 million in direct future visitor spending in 2012-13)
 - Markets
 - Domestic- West and Pacific Northwest, Midwest and Northeast
 - International- Canada, Mexico, United Kingdom, Germany and China
 - Demographics
 - Individual travelers, young explorers, active adults, families, lifestyle focused
 - Motorcoach
 - Escorted tour series
 - Preformed tailored tours

Visit Mesa uses a wide variety of resources to market to these sectors, including:

- Print
- Media (placed & earned)
- Digital
- Trade shows
- Sales mission trips

Print/Media

Advertising – The Town currently advertises in select regional and national publications with an approved budget of \$28K per year. Visit Mesa publishes advertising and advertorial in targeted publications domestically and internationally. Many of their dollars reach out to the Canadian market, including major newspapers in Toronto, Calgary, Vancouver and Montreal. Many of these advertisements are placed by leveraging co-op funds provided by the Arizona Office of Tourism, which the Town of Queen Creek is ineligible to receive because we are not a Destination Marketing Organization, nor do we have the option of establishing one.

Print ads are also placed in several sports publications aimed at event planners. Currently the focus is on youth and amateur baseball and swimming events, but there is an opportunity to discuss including equestrian as the Town solidifies a partnership with Visit Mesa. The current ads would also benefit Barney Family Sports Complex and the parks and trails in the community.

This partnership would provide the Town with opportunities to co-op space in these campaigns, as well as inclusion in destination marketing materials such as itineraries, maps and visitors guides. This is in addition to providing space at all Visit Mesa locations for Queen Creek-specific marketing materials.

Public Relations - With regard to earned media (versus advertising), Visit Mesa works with reporters throughout the year to generate publicity. The Town does not currently have access to these pools of reporters, nor would Queen Creek have the opportunity to pitch them at events because it is not a destination marketing organization, nor can it become one. During 2012-13 Visit Mesa hosted 52 media representatives as they explored the East Valley, and assisted another 316 members of the media. This resulted in the publication of 314 articles valued at \$729,597. This means that travel/tourism/sports/food & wine reporters wrote feature articles, many of which included Queen Creek destinations, that equate to the amount of space it would cost upwards of \$700K to purchase. To put into perspective how that affects Queen Creek, Visit Mesa tracked \$148k as the earned media value for articles featuring Queen Creek tourism destinations, with a combined circulation of more than 27 million. This \$148K represents about 20% of Visit Mesa's total earned media value from its annual program of work. Please note that in the first quarter of 2013-14, Queen Creek visitor experiences have already received nearly \$70K in earned media value with more than 48 million in circulation.

Visit Mesa also publishes an annual visitor's guide, which has a print distribution to 50,000 tourists a year, along with 75,000 copies of the map. Both of these publications are available for download on the Visit Mesa website which receives more than 400,000 unique views annually. The Town has traditionally purchased an ad in these publications, and this proposed partnership would amplify Queen Creek's presence in these key tourism resources.

Digital

The Town currently has a tourism feature on the website, offering daytrip itineraries, a video showcasing the community, and links to the Shop Queen Creek program. With a partnership with Visit Mesa, Queen Creek and its destinations will be part of marketing efforts on a wide array of travel-centric websites where Visit Mesa uses banner ads, contests, and other marketing campaigns to promote the region. Those digital partners include sites such as:

- TravelZoo.com
- TripAdvisor
- Vacationfun.com
- Southwest Airlines Vacations
- Allegiant Vacations
- Facebook.com

These sites direct visitors to the Visit Mesa website, which, as part of this partnership, would have a dedicated Queen Creek microsite that Town staff would administer. This microsite would include dynamic content and messaging that would be controlled by

Town staff and can be updated regularly to reflect desired messaging. Digital marketing URLs could also be assigned for tracking purposes.

The Town's microsite would be unlimited. We would have the opportunity to include videos, itineraries, descriptions or any other campaign materials. There is no size limit or restrictions on content.

The partnership also includes the opportunity for the Town to send out e-blasts to targeted audiences via Visit Mesa's partners and/or the targeted media that Visit Mesa reaches out to following sales missions and trade shows.

Trade Shows & Sales Mission Trips

In an effort to target specific travel-oriented planners and journalists, Visit Mesa participates in a variety of trade shows and sales missions. As part of this partnership, Visit Mesa would provide an opportunity for Queen Creek to have a physical presence at strategically chosen major trade show events to be part of the pitch process to tour operators. These trade shows are appointment-based, allowing Visit Mesa to pre-screen all tour operator clients to ensure that they are worthy of spending time with. Visit Mesa would provide follow up on all leads generated during these meetings for the Town to arrange experiences and connections. The Town would also be generating a database of leads to continue the conversation via newsletters, brochures, etc.

The trade shows that have been discussed as strategic to the partnership include, but are not limited to:

- Small Market Meetings Conference in Mesa, AZ – This event hosts 120-150 meeting planners to assist them in learning more about what the East Valley offers and what types of activities their clients can do while attending conferences in the East Valley/Phoenix Metro area. This event does include familiarization tours, and as part of the partnership, Queen Creek would be invited to participate in those tours to showcase the community.
- IMEX America in Las Vegas, NV – This is the largest incentive meeting/planning show in the United States and hosts the executives planning trips that will serve as rewards for employees (i.e. trip awarded to a salesperson of the year). This event is designed to showcase unique experiences, of which Queen Creek has many.
- International PowWow in Orlando, FL – This is the largest international tour operator show in the country. This show is designed to attract large groups to the East Valley by showcasing our unique experiences.
- TEAMS in Las Vegas, NV – This is the largest event for planners of non-professional sporting events, including equestrian. Two years ago Visit Mesa used this event to attract the Tough Mudder event to the East Valley.

Visit Mesa also arranges a wide variety of sales missions throughout the year to key feeder cities. These trips provide pre-arranged opportunities to pitch media, tour operators and travel agents on the benefits of the East Valley. Some of sales missions include:

- Travel industry sales missions – Each year Visit Mesa partners with Southwest Airlines Vacations to purchase a suite at a Cubs game to host meeting planners and top travel agents from Southwest Air.

- Sports sales missions also take place in strategic locations. The Olympic Committee which represents all of the national governing bodies of all of the Olympic sports, is one of Visit Mesa's clients.

In addition to the missions above, Visit Mesa has indicated that there are specific, large-scale sales missions that would serve Queen Creek best. Those include:

- Sales mission to the United Kingdom scheduled for September 2014. Mesa is the best selling area in the southwest U.S. for the UK. Visit Mesa indicated that Queen Creek is a large part of that interest and would like to see the community represented on this sales mission should the partnership be approved.
- Sales mission to China scheduled for October 2014. The Chinese travel market is ranked as the #1 up-and-coming tourism feeder for the southwest by the Arizona Office of Tourism. Visit Mesa plans to embark on a six-day sales mission to meet with strategically chosen travel agents.

In addition to a physical presence at the above events, Visit Mesa participates in dozens of additional events in which Queen Creek would have printed materials present and be part of the pitch, but would not require a physical presence from Queen Creek staff.

East Valley Partnership

The Town is a member of the East Valley Partnership's "PHX Cities East" marketing committee, which was based on a mayoral initiative in the region. Designed to attract C-suite level executives to explore options in the East Valley, this campaign will be run in conjunction with the Greater Phoenix Economic Council and Arizona Commerce Authority.

Members of Queen Creek's Economic Development and Communications & Marketing teams sit on the committees that are outlining the focus and breadth of the marketing, and have an active role in setting targeted sectors and budgets for advertising. This campaign provides another opportunity for Queen Creek to take advantage of the broader range of resources and budget of a larger, more regional organization, while maintaining the Town's unique brand and identity.

The budget for this campaign has not yet been set, but EVP will be seeking partners from both the public and private sectors in the 2014-15 budget year.

Conclusion

The vast majority of the benefits of partnering with Visit Mesa and the East Valley Partnership would be unattainable by the Town marketing on its own. Because we are prohibited from forming a Destination Marketing Organization, we cannot participate in any of the Arizona Office of Tourism co-op buys or take part in any of their funding sources for tourism.

All of the marketing provides measurable outcomes for the community, offering a level of resources that Queen Creek could not match, no matter the budget. These partners have far-reaching international distribution and sales channels with established relationships.

By partnering with these well-known and well respected organizations, Queen Creek would be able to further its brand at minimal cost to taxpayers.

This proposal is in addition to the partnerships that already exist with the Greater Phoenix Economic Council, local destinations such as Queen Creek Olive Mill, Schnepf Farms, Barney Family Sports Complex, Queen Creek Performing Arts Center and the Queen Creek Chamber of Commerce.

Fiscal Impact:

The total for Queen Creek to participate in an all-encompassing partnership with Visit Mesa, which includes the co-op placement of print advertising and materials, microsite on the Visit Mesa website, brochure distribution, participation in sales calls and trade shows (including all travel): \$56K annually. This does not include any follow-up marketing (i.e. packets mailed out to interested media), nor does it include any additional advertising dollars. This \$56K would be requested as part of the Town's standard budget approval process for 2014-15.

In 2013-14 the Town budgeted \$28K for advertising purchases. As part of the Town's budget process staff will be evaluating any additional marketing needs, including additional advertising, the replenishment of Town promotional materials (pins, pens, mugs, etc.). Any requests for marketing funds would be part of the Town's standard budget approval process.

Staff recognizes that with the enhancement to the Town's marketing program, it would require a large investment in time and resources to maximize the impact of these proposed campaigns. As such, should the Council agree with these partnership routes, staff would submit for funding of an additional Communications & Marketing staff member as a supplemental to the 2014-15 budget.

Alternatives:

1. The Town could evaluate new opportunities to purchase advertising in tourist-focused magazines and publications.
2. The Town could evaluate aligning with Scottsdale or Phoenix CVBs versus Mesa's.
3. The Town could delay implementing a "next level" marketing plan and continue the current strategy for another year.

EXHIBIT A

Table 4 - Economic Impact Model Inputs, Direct Spending by Category

	Schnepf Farms Pumpkin & Chili Festival ¹	Olive Mill	Queen Creek Performing Arts Center	Horseshoe Park & Equestrian Center	Barney Family Sports Complex	Totals per Category
Dining - fast food or sit down restaurant	\$762,882	\$1,507,300	\$1,729,909	\$1,342,387	\$197,557	\$5,540,035
Grocery store food	\$196,125	\$747,832	\$481,453	\$276,069	\$242,248	\$1,943,726
Food from concession stands	\$503,871	\$0	\$48,160	\$84,929	\$49,781	\$686,741
Transportation/fuel	\$487,757	\$511,546	\$379,351	\$614,551	\$440,891	\$2,434,098
General merchandise	\$449,633	\$3,225,900	\$4,500	\$245,742	\$0	\$3,925,775
Ticket/admission	\$1,164,564	\$170,800	\$199,000	n/a	\$250,000	\$1,784,364
Facility rental fees	\$40,483	\$0	\$117,700	\$381,681	\$105,000	\$644,864
Classes/workshops	n/a	n/a	\$22,000	n/a	n/a	\$22,000
Lodging/camping	\$8,081	\$0	\$0	\$1,794,806	\$0	\$1,802,887
Overnight RV at HPEC	n/a	n/a	n/a	\$29,310	n/a	\$29,310
Totals per Event	\$3,613,395	\$6,163,378	\$2,982,073	\$4,769,475	\$1,285,478	\$18,813,800
Annual Attendance	100,000	750,000	112,000	34,130	125,000	1,121,130
Average Spending per Person	\$36.13	\$8.22	\$26.63	\$139.74	\$10.28	\$16.78

¹Figures for Pumpkin Festival only.

EXHIBIT B
(Visit Mesa Annual Report)



The logo for 'VISIT MESA' features a stylized 'M' composed of three overlapping triangles in yellow, blue, and green. Below it, the text 'VISIT MESA' is written in a bold, sans-serif font, with 'MESA' being significantly larger. Underneath 'MESA' is the tagline 'CITY LIMITLESS SM' in a smaller font.

ANNUAL REPORT
2012 / 2013





VISION

Mesa and its surrounding regional partners are globally recognized as the preeminent visitor destination in Arizona.

MISSION \ Visit Mesa impacts the City of Mesa, Arizona and its partnering East Valley communities' economies by marketing the region as a premier travel destination. The dynamic Visit Mesa team of sales, marketing and communications professionals accomplishes this by promoting Mesa's core destination drivers, attracting distinctive meetings business, inspiring leisure and corporate travel, and showcasing opportunities that position the City of Mesa as an elite sports, cultural, and event destination — all while delivering comprehensive services that enhance the Mesa guest experience.

BOARD OF DIRECTORS

- GARY LEVINE, Chairperson — Hilton Phoenix/Mesa
- JOHN BERSCH, Vice Chairperson — Hyatt Place Phoenix/Mesa
- WAYNE BALMER, Secretary — Town of Queen Creek
- DAVE WIER, Treasurer — Wells Fargo Bank
- STEVE WEST, Past Chairperson — Udall Shumway

MEMBERS OF THE BOARD

- RICH ADAMS — Southwest Business Credit Services
- DONALD GIBSON — Phoenix Marriott Mesa
- REX GRISWOLD — CPI-Commercial Properties Inc
- MARC HEIRSHBERG — Parks and Recreation-City of Mesa
- MELISSA HOPKINS — Country Inn & Suites
- JAY LARSCHIED — Longbow Golf Club
- MAT LEBERT — Mesa Spirit RV Resort
- JAYE O'DONNELL — Economic Development-City of Mesa

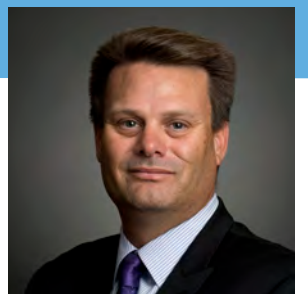
- TOM RHODES — Arque Capital, Ltd.
- SCOTT SOMERS — City of Mesa Councilmember
- RANDY VOGEL — Mesa Arts Center
- CLAUDIA WALTERS — Mesa United Way
- MARTY WHALEN — Gateway Bank
- MIKE WHALEN — Centurion Custom Security

This past fiscal year will go on record as the year of dynamic change for the City of Mesa's destination marketing organization. Along with new leadership, one of the first achievements of this past year was the name change to Visit Mesa, a simple move that allowed our efforts to be more aligned with our mission. In the first quarter, Visit Mesa President & CEO Marc Garcia led the effort to engage Mesa's visitor industry and have their voices be heard. What is Mesa? Where is Mesa going as a destination? How do we compete in the marketplace? A necessary, and welcomed, brand audit was conducted by Mindset, Inc. to help leaders define Mesa as a travel destination. This comprehensive audit was a shared effort to gauge not only



EXECUTIVE SUMMARY

how Mesa was seen through the eyes of past visitors and clients, but also to see how our hotels, attractions, restaurants and other vital constituents saw Mesa and our shared borders with the regional communities of Gilbert, Queen Creek and Apache Junction. In tandem, Visit Mesa hosted two stakeholder sessions applying the nominal group technique with the goal of determining what course of action to take as stewards of this community. These sessions helped identify the priorities for Mesa's visitor industry. The results were overwhelmingly positive and the unified outcome became the 'spark' setting Visit Mesa on the course of rebranding Mesa, Arizona.



Mesa + Gilbert + Queen Creek + Apache Junction + Tonto National Forest = **CITY LIMITLESSSM**

ORGANIZATIONAL STRUCTURE & PERSONNEL

At the start of the fiscal year, Garcia re-engineered the Visit Mesa staff and adjusted the reporting structure to better align roles and responsibilities for each department. Part of the restructuring included the addition of Vice President of Sales & Marketing Kimberly Freer who joined the Visit Mesa team in October. Freer's first initiative was to develop specific and targeted goals and objectives for each employee, a measurement that did not previously exist. Adding measurements and target incentives put Visit Mesa in the position to operate more efficiently. Most importantly, the staffing changes helped better serve Mesa's hospitality community and created new open lines of communications to our sales managers and directors.





\$1 Invested in Visit Mesa
 = **\$12.13** in future estimated direct expenditures

\$22.8 MILLION

Taking into account this fiscal year's contributions from the City of Mesa's bed tax collections, Visit Mesa estimates that for every \$1 invested in Visit Mesa by the City of Mesa, there is an estimated return of \$12.13 in future direct expenditures. Visit Mesa estimates that our direct, combined sales efforts (directly attributed to tracked returns in National Sales, Travel Industry Sales and Sports Sales) resulted in an estimated \$22.8 Million* in future direct spending. It's important to note that this impact does not include all of Visit Mesa's efforts to drive visitation and hotel consumption in other arenas such as Marketing, Communications and Social Media. With confidence, we can clearly show that Visit Mesa's targeted approaches this last fiscal year will have a lasting and positive impact on future travel performance.

*\$22.8M is calculated by using the \$177/person/day spend formula. \$1 per \$12.15 is calculated by dividing \$22.8M by the City of Mesa TLT collections (\$1.88M) provided to Visit Mesa in FY 12-13.

DIRECT VISITOR SPENDING

TRACKING AND MEASUREMENT

After thorough review, Visit Mesa implemented a new Customer Relations Management System (CRM), hosted by Simpleview. The web-based system is fully integrated into every department and function of the organization from sales, targeted marketing, website, visitor center and services to accounting, communications and social media. Visit Mesa conducted several training sessions for Mesa hotels and attractions, with additional training scheduled in FY 13-14.



A LOOK AHEAD...

In FY 13-14 our partners will see the Visit Mesa team implementing the Mesa City Limitless brand and launching a new destination marketing campaign across the U.S., Canada and in select international markets. The long-anticipated opening of the new Chicago Cubs stadium complex is expected to garner national headlines for Visit Mesa and help elevate our destination appeal across all market segments. We hope to share new hotel and visitor attraction developments as part of this new offering in the near future. Travel Industry Sales will strengthen as partnerships are solidified with key domestic and international tour operators, and we expand on the affinity marketing campaigns such as Southwest Vacations that were started this year. Booking more group business throughout the city and encouraging our hoteliers to increase ADR to uphold rate integrity will be a shared focus over the next 12 months.



REVENUE

City Bed Tax	\$ 1,786,000
Interest and Dividend Income	\$ 2,638
Miscellaneous	\$ 1,714
Sub-Lease Rent and Utilities	\$ 7,630
Spring Training	\$ 19,853
Economic Development Program	\$ 19,425
Cooperative Advertising	
Visitors Guide and Map & Guide	\$ 100,860
Allegiant <i>Sunseeker</i> In-Flight Guide	\$ 12,900
Gateway Terminal Display Boards	\$ 15,350
Website	\$ 14,584
101 Things to Do Brochure	\$ 4,500
Good Sam Directory	\$ 1,475
Prop 302 Program	\$ 350,306
Prop 202 Program	\$ 20,000
Sales & Marketing Events and Programs	\$ 88,428
Rebranding Campaign	\$ 100,000
Total Revenue	\$ 2,545,663

EXPENSES

Marketing	
Airport	\$ 17,472
Community Relations	\$ 276,854
Professional Dues and Meetings	\$ 22,740
Advertising	\$ 56,395
Prop 302 Program	\$ 356,539
Communications	\$ 50,426
Postage	\$ 11,727
Printing	\$ 79,387
Promotional Items	\$ 12,420
Sports Sales	\$ 38,501
Travel Industry Sales	\$ 68,078
National Sales	\$ 47,947
Website Marketing & Maintenance	\$ 46,935
Prop 202 Program	\$ 387
Spring Training	\$ 36,591
Economic Development Program	\$ 27,149
Re-Branding	\$ 44,969
Total Marketing	\$ 1,194,517
Administrative	
Accounting/Miscellaneous	\$ 42,851
Building Maintenance, Utilities, Insurance	\$ 38,870
Capital Expense	\$ 2,985
Employee Benefits	\$ 107,923
Office Equipment/Database Maintenance	\$ 34,811
Office Supplies	\$ 6,568
Salaries and Payroll Taxes	\$ 886,563
Telephone	\$ 10,833
Total Administrative	\$ 1,131,404
Total Marketing and Administrative Expenses	\$ 2,325,921
NET INCOME	\$ 219,742

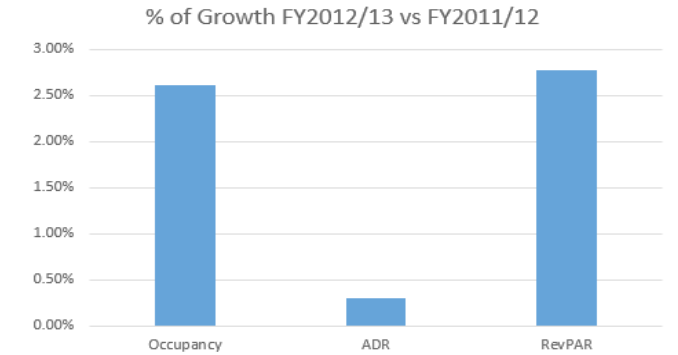
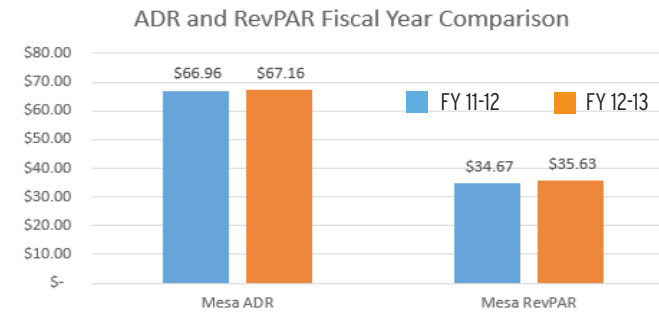


Travel Industry Sales launched three national travel direct marketing campaigns with Southwest Airlines Vacations (Winter 2012/Spring 2013) and Allegiant Airlines (Spring 2013).

Visit Mesa's sales were aggressive as we set our departments' internal goals and target incentives 25% higher than FY 11-12 production totals. In the first quarter, Visit Mesa secured its first-ever hotel booking engine, BookDirect by Jackrabbit, which helped position our website as a portal to push potential guests directly to Mesa hotels to complete the transaction. In Sports, Visit Mesa secured USA Swimming's Grand Prix event and will host this nationally-televised showcase through 2016. National Sales proactively pursued and ultimately booked Meetings Quest for January 2014, elevating Mesa's presence with the core meeting planner set. The department also announced that Mesa will be the host city for Small Market Meetings 2014 annual conference. In addition,



Despite anticipated occupancy gains in the third quarter, Smith Travel Research continued to show that all key indicators remained relatively flat throughout the year. Visit Mesa streamlined the STR data to better reflect Mesa's hotel performance.



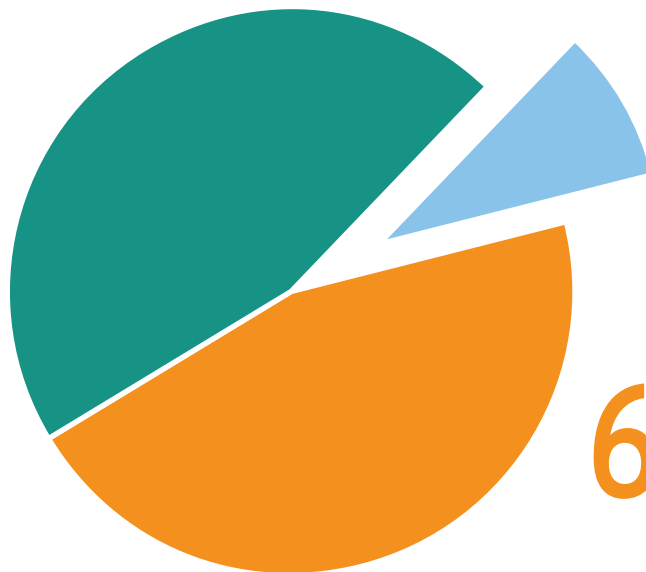
* Smith Travel Research, Mesa Hotels Only



BOOKINGS BY MARKET FY 12-13

68

SPORTS SALES BOOKINGS



13

NATIONAL SALES BOOKINGS

67

TRAVEL INDUSTRY SALES BOOKINGS

NATIONAL SALES

56% Increase over FY 11-12 Lead Generation



TRAVEL INDUSTRY SALES

147% Increase over FY 11-12 Room Nights Sold



SPORTS SALES

439% Increase over FY 11-12 Room Nights Sold



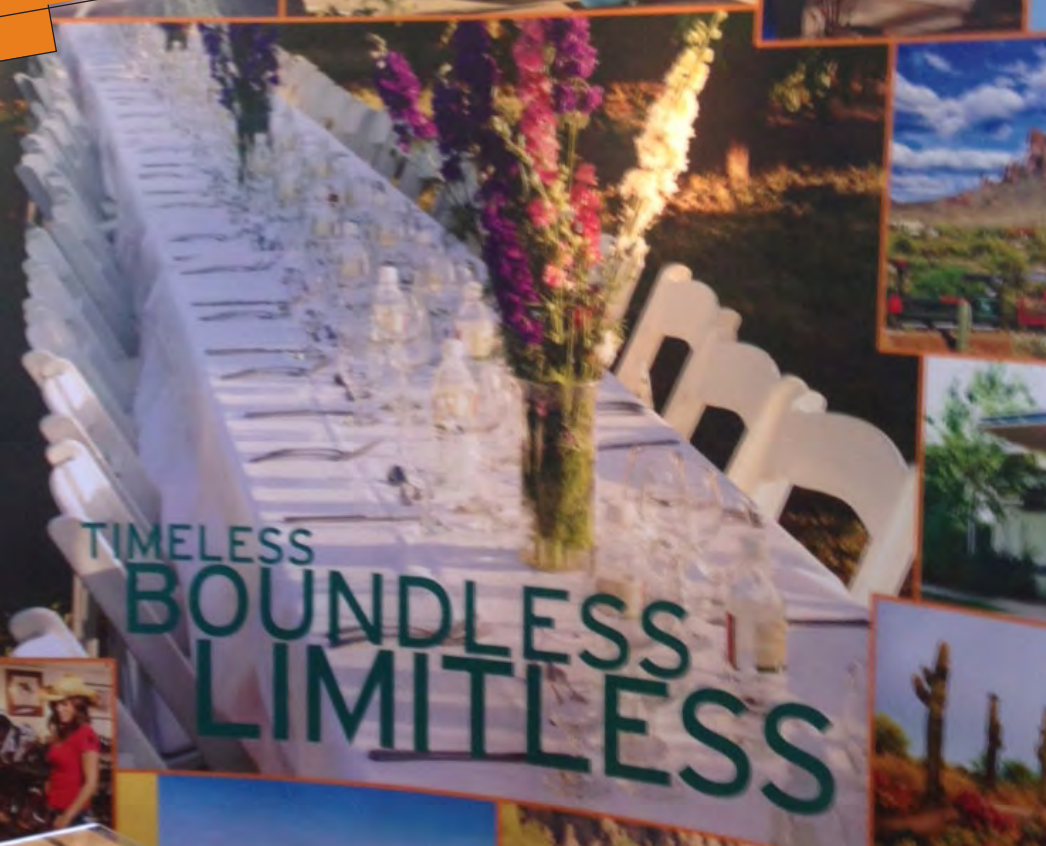
IPW 2013

Las Vegas, Nevada

Visit Mesa officials unveiled the new brand, Mesa City Limitless, on opening day of IPW in Las Vegas. Visit Mesa selected IPW, the U.S. Travel Association's annual gathering of travel trade professionals from across the globe, as the premier showcase to introduce the new Arizona destination. City of Mesa Mayor Scott Smith helped launch the city's new campaign at the event, where he also welcomed fellow elected officials at the tradeshow's Policymaker Reception and announced his new position as President of the U.S. Conference of Mayors. Visit Mesa distributed new travel itineraries that were translated into Mandarin to target the emerging Chinese market, as well as German, another international feeder market that continues to show growth and visitor demand for Arizona.



- 20 Hotel Leads
- 17 Service Requests
- 2 Airline Service Leads



COMMUNICATIONS

Visit Mesa's Communications team succeeded in generating 314 articles this fiscal year with key placements on national platforms including *CNN*, *The Huffington Post*, *The Daily Herald-Chicago*, *USA Today*, *AOL Travel*, and *Los Angeles Times* to name a few. New tracking measures were implemented to help monitor and illustrate the value of Visit Mesa's media outreach efforts and as a result our team was able to reach a combined 270 million readers (print), viewers (online/television), and listeners (radio). Travel media were pitched Mesa story ideas during media missions, travel writer tradeshow and pro-active, targeted outreach via press releases and direct one-to-one contact. In addition, the Communications department produced the first-ever Business Development Plan – a tailored piece designed to showcase the organization's structure and share a department-by-department glance into the program of work and positioning of Visit Mesa's brand. A new electronic communications tool kit featuring the *Visit Mesa Insider* (monthly) and *MVP: Mesa Visitor Profile* (quarterly) newsletters was also introduced to Visit Mesa partners keeping them informed and engaged in our daily activities, travels and efforts to promote the destination.



29 Million Online Viewers

Travel feature *Hope Bats A Thousand in Cactus League*, March 26, 2013 highlights Mesa, Arizona as the country's best Spring Training playground. This online travel article went viral and appeared on *Sports Illustrated*, *ESPN*, and nearly every *CNN* affiliate television station website across the country.

271,163,280 Earned Media Impressions



\$729,597 FY 12-13 \ Earned Media Value

Visit Mesa's earned media value topped \$700,000 this year. Earned media value is also recognized as the advertising equivalency rate by Public Relations professionals. This is the amount in actual marketing dollars that would need to be spent to secure the same amount of coverage in these national and international media outlets. Feature articles like the one shown here [*Taste & Travel Magazine*, June 2013] showcased a variety of key destination messages promoting travel to Mesa, Arizona and our surrounding region.





This fiscal year, Visit Mesa redirected the print and online advertising campaign to accommodate the brand audit and to ignite the rebranding process as demanded by our customers, industry partners and stakeholders.

Visit Mesa still conducted several marketing campaigns in key feeder cities. Notable successes included the *CT: Canadian Traveller* destination feature in the November issue reaching more than 5.2 million online subscribers on top of the publication's printed readership of 100,000. In addition, the Visit Mesa outdoor marketing campaign launched in Denver and Odgen, UT to support air service reached a combined 27.9 million impressions.



2013 OFFICIAL VISITORS GUIDE \ MESA MAP

This year, the Official Mesa Visitors Guide was re-sized to a digest format allowing for extended use and increased distribution. The Visitors Guide sales efforts were guided by Hennen Publishing and sales of the 2013 guide increased 25% over the previous year with a record number of advertisers.



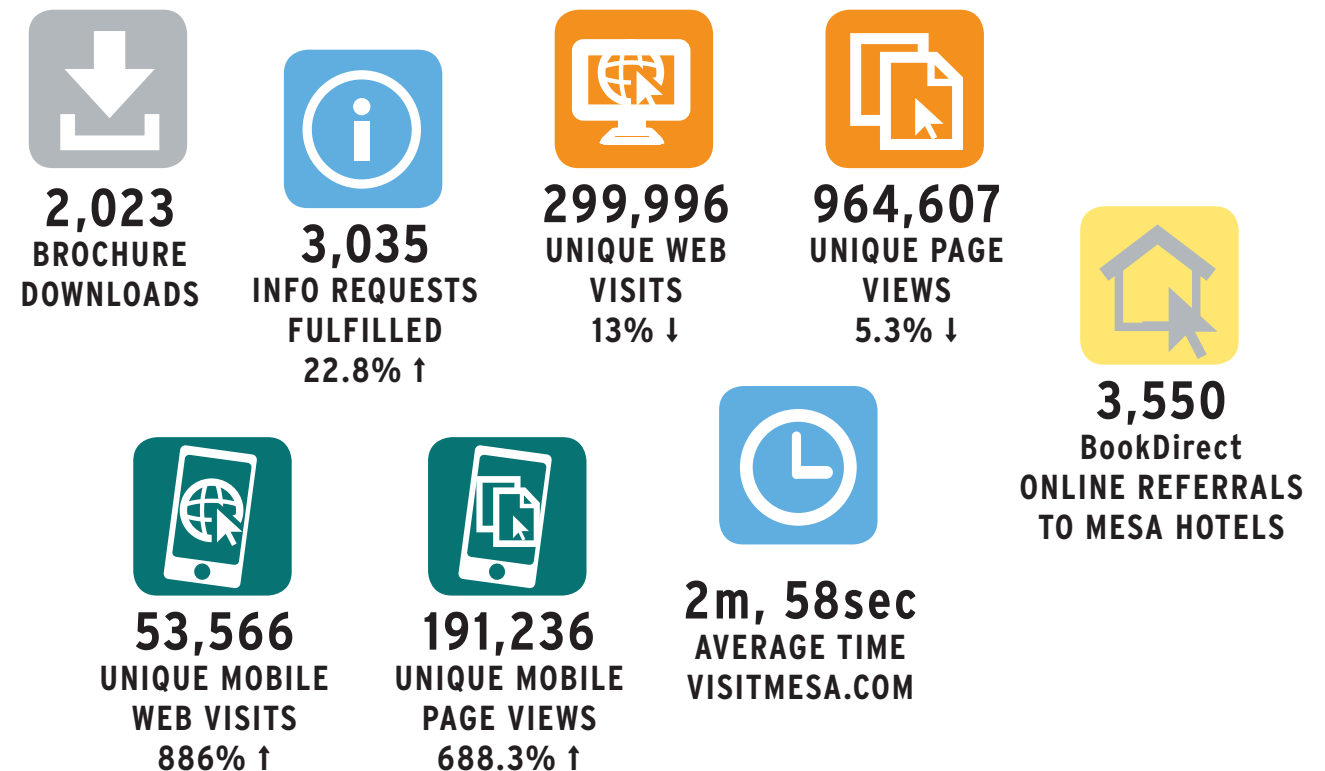
SOCIAL MEDIA & ENGAGEMENT



WEB PERFORMANCE

900% Growth in Mobile Visits

As we reported throughout the year, Visit Mesa recognized early on that demand for Mesa visitor information was increasing on the mobile site. At fiscal year end, we charted a staggering growth of nearly 900% in Mobile website visits compared to last year. We know the consumer is changing and our marketing efforts must keep up with this same pace to help better impact the decision-making process when it comes to spending dollars on travel. As more and more visitors sought out our destination information on their hand-held devices (tablets, smart phones, etc.), it was only natural to see a decline in other areas. We anticipate our web visits to increase in the year ahead as part of the nationwide campaign launch for Mesa City Limitless and the planned web re-design set for October 2013. This fiscal year was also a year of transition for our e-communications efforts, which were placed on hold in the fourth quarter to allow for a complete re-design of all mastheads and electronic content layouts. As we unveil a targeted, themed and consistent e-marketing campaign across all markets in FY 13-14, all figures under Website Performance are expected to grow.

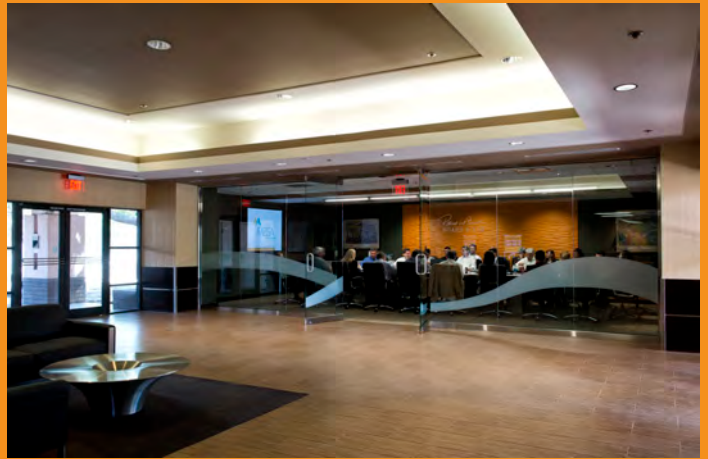


VISITOR SERVICES

This year was a unique one for the Mesa Visitors Center. Visit Mesa tenants, the Mesa Chamber of Commerce, moved offices in November helping lead the way for a long-overdue office renovation.

In January, Visit Mesa began demolition on the board room and public meeting room which was shielded from our on-site visitor traffic. In the spring, an overhaul of the lobby and public restrooms began in tandem with our main office renovation. The Mesa Visitors Center diverted guests into a temporary lobby

and welcome center in the public meeting room (now called Idea Exchange) during our peak season. In May, the Mesa Visitors Center was closed to complete the renovations. On June 6, the Visit Mesa staff and board of directors held an open house to showcase the new Mesa Visitors Center to city stakeholders, community leaders and businesses, and Mesa's hospitality industry thus completing Phase I of the construction. Phase II will commence in the fall of 2013 and will include upgrades to individual staff member offices as well as a facelift to the exterior of the building.



ADVOCACY

As leaders in our industry, Visit Mesa understands the importance of staying informed about issues affecting Mesa's hoteliers and the hospitality community. With full board approval, Visit Mesa hired Barry Aarons to help support and protect our interests at the state legislature. Aarons has attended many of our monthly board meetings to update our directors on key legislation that may have an impact on Mesa's visitor industry and we also communicated regularly to our constituents these same issues through the use of the *Visit Mesa Advocate* e-newsletter. New memberships initiated this year with leading travel industry organizations including Destination Marketing International (DMAI) and U.S. Travel Association helped provide on-going, pertinent content to share with our industry partners.



All data presented reflects activity from June 1, 2012 - July 31, 2013.
Printed copies are available upon request.



120 North Center Street \ Mesa, AZ 85201
480.827.4700 \ visitmesa.com



TOWN OF QUEEN CREEK

2013 Council Retreat

Francisco Grande Hotel & Golf Resort
Casa Grande, Arizona
August 16-17, 2013

Attendees:

Policy Makers

Gail Barney, Mayor
Dawn Oliphant, Vice Mayor
Craig Barnes, Council Member
Robin Benning, Council Member
Jeff Brown, Council Member
Julia Wheatley, Council Member
Jason Gad, Council Member

Staff

John Kross
Patrick Flynn
Doreen Cott
Tim Lynch

Facilitation and Summary: Lance Decker

INTRODUCTION AND BACKGROUND

The Town of Queen Creek Mayor and Council held their annual planning retreat on August 16 and 17, 2013 at the Francisco Grande Hotel in Casa Grande to discuss important issues germane to the Town's operation, management, and future. The following meeting summary represents the product of these discussions. Appendix A contains the working agenda for the meeting, and Appendix B is a summary of comments from pre-workshop interviews. Appendix C is a description of the discussion process that will be used to focus the topics.

MEETING OBJECTIVES

The objectives for the planning session:

- To discuss current issues affecting Queen Creek
- To identify the policy direction and priorities of policy makers
- To improve the Council's ability to work effectively as a team

OPENING EXERCISE

After an introduction to the meeting process model being used during the retreat, Lance asked participants to consider three questions as a starting point for discussions:

- What's changed in the past 12 months?
- What hopes and dreams do we share?
- What will make us a stronger team?

A spirited discussion followed, with the results being as follows:

1. What are some of the changes from the last 12 months?
 - Economy is better
 - Attention to infrastructure
 - Funding for non-profits
 - Development activity is up (so is the pressure from development)
 - Sales taxes are up
 - Community is at a strategic inflection point
2. What hopes and dreams do we share?
 - Sustainable community
 - Friendly atmosphere continues
 - Great community; that is, there is a resident happiness index (a metric)
 - Vibrant community
3. What will make the Council a stronger team?
 - Getting to know each other
 - Camaraderie

- Understanding individual dreams on an individual level
- Candid conversations – ability to speak on a professional level
- Council seems to have personal respect for each other
- Courtesy and respect for one another
- After a decision is made by the Council, there is solidarity of the Council (message to legislators for greater unity and the Council should be more visible amongst them)

PRE-MEETING INTERVIEWS

Prior to the August retreat, Town Council members were asked their opinions on various topics as part of telephone interviews. Below are the categories of topics that were identified as critical to the Council's discussions:

- Council Governance and Policy
- Staff and Council Support
- Fiscal Issues
- School Resource Officers
- The General Plan Amendments and 2015 Update
- Infrastructure Development and Improvements
- Horseshoe Park and Equestrian Center
- Incubator
- Housing Development
- Council Protocols
- Economic Development
- Annexation
- Signs
- Interaction with Non-profits

SUBSTANTIVE DISCUSSIONS

Horseshoe Park and Equestrian Centre (HPEC).

Prior to the retreat discussion the staff conducted research on the historical background of Horseshoe Park, what decisions prior Town councils had made concerning the Park, and other questions that were raised in the past by the Council. Staff presented this information, and then highlighted six possible alternatives the Council might consider in deciding the future of HPEC.

- Option 1: Status Quo
- Option 2: Close HPEC
- Option 3: Take HPEC to Next Level
- Option 4: Sell Facility
- Option 5: Third-Party Operator
- Option 6: Repurpose/Additional Purposing of the Facility

After lengthy discussions, the Council came to substantial agreement as follows:

Option 1: Status Quo: This option was generally not acceptable...something has to change.

Option 2: Close HPEC: This option was generally not acceptable; other options are better and the Town would still be saddled with the overall debt service.

Option 3: Take HPEC to the Next Level: This option was generally ranked 3rd among the alternatives. Action might include modifying by adding a temporary tent for a covered arena, and staff was asked to bring the Council more information on this option.

Option 4: Sell Facility: This option was generally not acceptable to the Council and didn't seem to be viable.

Option 5: Third-Party Operator: This option was generally ranked 1st among all the alternatives. Actions might include finding a company that would take the lead in cutting operating and management costs, expanding marketing and commercial opportunities for revenue, and still have a strong equestrian focus.

Option 6: Repurpose/Additional Purposing of the Facility: This option was generally ranked 2nd among all the alternatives. Actions might include changes to the services and programs being offered with non-equine events fostering new programs and activities. Staff was asked to provide more information on this option.

The objectives of any alternative for HPEC would be to continue as an economic development attraction and engine, make Queen Creek a destination point for regional events, reduce operating deficits, increase revenue, and increase use by appealing to a wider range of the Queen Creek population. The facility might include other recreational events or amenities like a pool/water park, yet not lose the equestrian community and heritage component. Other ideas/events mentioned by the Council for non-equine consideration included: monster truck, concerts, dances, a circus, and BMX.

Action Item:

Staff was asked to come back to Council with further investigation and exploration on the following three options – listed in order of preference.

1. Third-Party Operator
2. Repurpose/Additional Purposing of the Facility
3. Take HPEC to Next Level

Assessment of the HPEC discussion:

What did we do right? What worked?	What will we change the next time?
+ Communicated with each other + Shared perspectives; got better explanation of perspectives + Appreciated the staff work, history and financials + Civil to one another + Better understood each other's views	Δ Better adherence needed to 30-second soap box rule Δ Shorter answers by members are needed Δ Keep emotions in check

DISCUSSION OF THE CORPORATE STRATEGIC PLAN

The following portions of the Corporate Strategic Plan were presented by John Kross and discussed by the Mayor and Council.

KRA #3; Goal #2: Council Professional Development.

Consider joint meetings with similarly sized Towns to share common interests and learning opportunities.

Action Items:

- Schedule joint meetings with Higley and Queen Creek Unified School Districts after January 2014.
- Proceed with the joint meeting when a minimum of five Council Members can commit to attend.
- Publish on the Council schedule, who is available to attend up to two additional meetings per year.
- Staff to screen Council meeting requests more thoroughly; evaluating mission critical needs for members to be in attendance.

KRA#5, Goal 2: Financial Management/Internal Services and Sustainability; Continue progressive strategies to attract and retain high-performing staff.

The Council expressed their concern about losing qualified, valuable staff and suggested succession planning for key town positions including those vulnerable for loss. Bench strength needs to part of the planning process in critical departments. The Council asked the manager to consider how to retain qualified staff in a growing economy and assure Queen Creek continues to be competitive and avoid potential loss of talented staff.

Action Item:

Staff asked to develop a report on succession planning and key positions/people eligible for retirement within the next five years.

KRA#6, Goal 1: Image/Identity; Implement strategies that incorporate the Town’s heritage and branding campaign, including attracting new and enhancing existing festivals, tourism, marketing, and strategic partnerships.

The Council discussed the possibly bringing back some community events. Community members are asking for more opportunities to get together as an entire community. This discussion may present itself during the budget development process next year.

Marketing the community more proactively to prospective residents, employers, such as professors at GCU was also discussed. Staff suggested amplifying our program, unleashing the talents of our staff and consensus of the Council was to take the program to the next level and bring back options for doing this at an upcoming Council meeting.

Action Item:

Staff was asked to develop a report and come back to the Council for direction on options for enhancing our community outreach and marketing program to the region, to encourage relocation, investment and general interest.

KRA#9, Goal 7: Public Safety; Update the Master Plan for Law Enforcement Services.

The Council discussed how, as Queen Creek grows; there may be a need for modern facilities for law enforcement. No specific action item was generated as a result, but staff was asked to determine how many calls service District 6 responds to that are outside of the Town limits.

DISCUSSION OF CRITICAL ISSUES

Council Governance and Protocols.

Several issues concerning governance and protocols were discussed.

1. The Council would like to support the Town in conducting policy outreach. It was suggested that staff might identify key policy issues the Council would promote in their interaction with the community and other elected officials. The staff might prepare talking points for the Council’s use, particularly as it relates to legislative issues of concern. These points would be simple summaries or two-line briefing statements providing information on the topic.

Action Item:

Item/issue of the week (or month) for Council in the Weekly Packet or Council Google Site. These issues may lead to talking points, which staff should develop.

2. Council discussed how the public might perceive them as they view the Council Meetings. Might there be ways to improve interaction while on the dais?

Action Item:

Engage Cary Pfeffer to attend and critique a couple of council meetings, evaluate individual member's verbal and non-verbal communication; Cary to provide a summary critique of each member for their continued professional development.

Stakeholders v. Special Interests.

During the working lunch the Mayor and Council discussed how to consider a stakeholder and whether all interested parties to an issue are truly stakeholders, versus those that may better be defined as a special interest. Council shared their perspectives. No follow-up or future action was directed at this time.

Agenda Management.

The Town Manager presented alternatives for adjusting the Council agendas to accommodate the 30+ policy/issue review items that need to be addressed over the next several months. Discussion included how to manage the Council committee reports to allow for more time for policy items.

Action Item:

The Council asked staff to bring them revisions to current practices that keep the two meetings per month starting at 5:30 p.m. A change would include allowing for the Regular Session to start at 5:30 p.m. along with Work-Study Session, and fitting in Executive Session, as needed either before or after the Regular Session agenda. Any public hearing items be identified and shown as a specific time on the agenda to alert the public adequately.

Council Committees.

The Council discussed the possibility of removing Council members from citizen advisory committees as a way to 1) allow more residents to serve, and 2) allow the committees' work to be done entirely by residents. Questions were raised about the role of staff and training. The general feeling of participants was to keep the status quo. No changes are anticipated.

Annexation Policy.

Staff provided a brief overview of the 2002 existing policy. Participants discussed the annexation consultant contract considered in January where the Council elected to not pursue the issue of further annexation evaluation and analysis. A discussion of how annexing the State Lands in the northern tier planning area of the community followed. Staff was asked to evaluate those next steps and update the Council on the plans to pursue a 208 Water Quality Plan amendment via CAG. Staff will be moving forward on the engineering study needed for that sewer territory evaluation this fiscal year.

Action Item:

Staff will review, analyze and determine the necessary logistics and steps to annex the State Lands located in the Town's northern planning area and bring a report back to the Council at an upcoming meeting.

General Plan Amendments Case Management Discussion.

Town Manager Kross introduced this topic as an outgrowth from last year's General Plan Amendments process. Council expressed concerns about the management of the cases during the last update process, and options for improved case management in the future was also discussed. No additional action was requested.

Open for Business: A discussion on the business of business and the perceptions of the Town.

An overview of the topic was presented by John Kross, including a staff report outlining issues and perceptions that members of the development community have about working in Queen Creek. Policy makers are asked to occasionally meet with developers and business owners. These meetings would be during initial discussions with these representatives to express and share the council member's vision and the vision of the Town to prospective investors. The common message is that the Town wants to raise the bar from a design perspective, and build lasting businesses and developments in general.

No further action required at this time.

Financing Growth of the Community: Fiscal Issues and the Budget.

A white paper was presented on the current status of the primary property tax revenues for the community. The primary property tax is dedicated to the entire public safety program but has seen a 37% decline in revenues due to the effects of the Great Recession and the devaluation of properties. The white paper suggested the Council consider moving to a floating rate and/or increasing the levy that would ultimately mitigate the amount of transfers from the General Fund to the Public Safety program. This change would allow the Council to manage that program based on a more stable revenue source such as property taxes, versus a less stable source, sales taxes.

Information was provided on the status and forecast for roads infrastructure. The Town Manager presented a 20-year chart aggregating all capital with operations and maintenance, while showing projected revenues over the same period. Significant gaps in the roads program are forecasted.

The parks development program was also identified as having changes to revenues based on a reduction of impact fees going into effect in August 2014. At that time, communities are not able to collect impact fees for any parks greater than 10-acres. Queen Creek has land banked for two larger community parks of 76 and 130 acres. An option for funding new parks through existing state law, via a district system, was presented. Council asked

the Manager to bring this issue back to Council for further discussion and analysis and add the parks district legislative changes to the Town's Legislative Agenda for next session.

Action Item:

Staff will bring a report to the Council on financing growth, with particular attention to public safety and roads options, including the property tax white paper findings at a future Council Work-Study session for further discussion. Council also requested staff to add the parks district to the Town's Legislative Agenda for future adoption by the Council this fall.

School Resources Officer (SRO).

The Town Manager presented the staff report/White Paper on the School Resource Officer program. The report identified trends nationally, regionally and locally. Options for Council's consideration were also provided. A spirited discussion followed and comments included:

- We need more data and crime statistics to show a cause or trends that warrant such a significant financial commitment by the Town.
- What changes in statistics (calls for service) occurred at Newell Barney Jr. High prior to and after the SRO left that school?
- The SRO is an issue of significant importance for the community.
- Public safety is the most important function government performs and the SRO is part of the public safety picture.
- For a small degree of resources v. the opportunity cost it is very reasonable.
- This is an issue of priorities.
- The SRO program is critical but it is unrealistic to expect full funding of the program community-wide.
- This program, while worthy, will still not prevent the deranged individual from doing harm.
- There is value in prevention, but proactive deterrence of the deranged shooter, not possible.
- We need direction from our law enforcement experts and should take their recommendations on placement and growth of the program before categorically jumping feet first in.

Action Item:

Schedule the SRO item for an upcoming Work-Study Session of the Council as discussion only. Invite MCSO/Capt. Brice and Queen Creek Schools Superintendent Tom Lindsey to be part of this meeting for input.

QC, Inc.

The Council discussed the current status and future of the QC, Inc. Incubator Program, and after a lengthy discussion, staff was asked to consider all the questions and comments, and schedule a more complete discussion at a future Work-Study session where program mission and goals can be developed along with criteria for evaluating success.

Action Item:

Council requested staff come back to them at a future Work-Study meeting with options on defining the mission/goal of the program and criteria for entering into leases at QC, Inc. Staff was directed to also provide the revenue and expenses financials for the program.

Interaction with Non-Profits: Policy Considerations.

Participants wrestled with the policy implications of funding non-profits from tax dollars. Key questions and comments that came from this discussion included:

- What is the role of local government in funding non-profits?
- Should there be a maximum dollar and/or percentage cap in place each year for consideration by the Council for funding (cash and in-kind) of non-profits?
- Might the Town establish a citizens committee to review non-profit proposals and make a recommendation for funding to the full Council?
- Could the Town's water/utility billing system be used to provide residents/customers with an independent option to directly fund non-profits of their choosing?

By the end of the discussion it appeared the Council agreed there may be some role in local government funding non-profits, but there was certainly no agreement on what that role might be, the conditions under which funding might occur, or the limits of funding.

Action Item:

Council requested staff develop a plan and process for Council discussion at a future Work-Study meeting (options only) for how to consider non-profit funding. Options to include a maximum aggregate dollar cap and possibly, a percentage cap, as appropriate.

PLANNING FOR ACTION

Action planning is a technique for creating concrete results from meetings. The first column describes the action or activity that must take place. Focus on deliverables like specific reports, outcomes from projects, decisions made, or actions completed.

The second column determines who, specifically by name, will make sure the action or deliverable gets done. They don't necessarily have to do the work themselves, but just need to be responsible for seeing it's done. Don't use titles, committees or "all of us" in this box... as a way of spreading responsibility. "When everyone is responsible... no one is responsible." When a person's name is in the box, they will feel personally responsible, and get the work done.

The third column is the delivery date. This should not be the date the activity will begin... or the date something will be in process. This should be the date when all work is completed, and the deliverable is submitted. This date should be when you can erase the action from the plan.

PLANNING FOR ACTION		
What needs to be done?	Who will do it?	By when will it be done?
Complete the draft meeting notes from the retreat and transmit to staff for further processing. Deliverable will be the report transmitted to John Kross, 9/15/13 via e-mail and uploaded to Council Google Site.	Lance Decker	8/26/13
HPEC. Provide a report to the Town Council highlighting the results of research as directed at the retreat; consider using a Third-Party Operator, taking the HPEC to the next level, repurposing/additional purposing the facility, or a hybrid of actions with recommendations.	Doreen Cott	12/4/13
Corporate Strategic Plan (KRA#3, G#2). Staff to prepare a memo to the Council that addresses the following: Develop system to assure improved council-to-council relationships with other cities and towns. Council members will attend or hold meetings over the next year. Have someone on staff coordinate the Council's calendar to support those meetings and interaction; set up a system to schedule council-to-council meetings. Each member will attend at least two meeting events annually. Staff to screen Council meeting requests more thoroughly; evaluating mission critical needs for members to be in attendance.	Tracy Corman	9/18/13
Corporate Strategic Plan (KRA#5, G2). Develop a report on succession planning for key positions within the Town's staff; retirements, positions vulnerable to loss, bench strength in critical departments, etc.	Bruce Gardner	11/20/13
Corporate Strategic Plan (KRA#6, G1). QC needs to elevate and enhance its image and knowledge of the community. Staff to develop options on a proposed marketing enhancement program and submit a report to Council.	Marnie Schubert	12/4/13
Council Governance and Protocols. Item/issue of the week (or month) for Council in the Weekly Packet or Council Google Site. These issues may lead to talking points, which staff should develop.	Tracy Corman	11/6/13
Corporate Strategic Plan (KRA#3, G1). Engage Cary Pfeffer to attend and critique a couple of Council meetings, evaluate individual member's verbal and non-verbal communication; Cary to provide a summary critique of each member for their continued professional development.	Cary Pfeffer	12/18/13

<p><u>Agenda Management.</u> Bring revisions to current practices that keep the two meetings per month starting at 5:30 p.m. A change would include allowing for the Regular Session to start at 5:30 p.m. along with Work-Study session, and fitting in Executive Session, as needed either before or after the Regular Session agenda. Any public hearing items be identified and shown as a specific time on the agenda to alert the public adequately.</p>	<p>Jennifer Robinson</p>	<p>1/15/14</p>
<p><u>Annexation Policy.</u> Staff will review, analyze and determine the necessary logistics and steps to annex the State Lands located in the Town’s northern planning area and bring a report back to the Council at an upcoming meeting.</p>	<p>Chris Anaradian</p>	<p>12/18/13</p>
<p><u>Financing Growth of the Community.</u> Bring a report to the Council on financing growth, with particular attention to public safety and roads options, including the property tax white paper findings at a future Council Work-Study session for further discussion. Council also requested staff to add the parks district to the Town’s Legislative Agenda for future adoption by the Council this fall.</p>	<p>Patrick Flynn</p>	<p>3/19/14</p>
<p><u>SRO.</u> Schedule the SRO item for an upcoming Work-Study session of the Council as a discussion-only item...no action anticipated. Invite MCSO/Capt. Brice and Queen Creek Schools Superintendent, Tom Lindsey to be part of this meeting for input.</p>	<p>John Kross</p>	<p>11/20/13</p>
<p><u>QC, Inc.</u> Staff to develop options on defining the mission/goal of the program and criteria for entering into leases at QC, Inc, and bring those options to the Council at a future meeting.</p>	<p>Doreen Cott</p>	<p>1/15/14</p>
<p><u>Interaction with Non-Profits.</u> Staff to develop a plan and process for Council discussion at a future Work-Study meeting (options only) for how to consider non-profit funding. Options to include a maximum aggregate dollar cap and possibly, a percentage cap, as appropriate.</p>	<p>Patrick Flynn</p>	<p>1/18/14</p>

APPENDIX A



TOWN OF QUEEN CREEK

2013 Council Retreat

Working Agenda

Francisco Grande Hotel & Golf Resort
Eagle's Nest Conference Room
Casa Grande, Arizona
August 16-17, 2013

POLICY DIRECTION AND PRIORITIES

Retreat Objectives:

- To discuss current issues affecting Queen Creek
- To identify the policy direction and priorities of policy makers
- To improve the Council's ability to work effectively as a team

Friday, August 16, 2013

8:00 a.m. Breakfast and Conversation (Eagle's Nest Conference Room)

9:00 a.m. Welcome and Opening Comments Gail Barney
Lance Decker

- Administrivia
- Review of Retreat Agenda
- Charter and Objectives for the Retreat

9:10 a.m. The 2013 Mayor/Council Team Mayor and Council

- What's changed in the past 12 months?
- What hopes and dreams do we share?
- What will make us a stronger team?

9:20 a.m. *Preparing for Discussions* Mayor and Council

- The Discussion Model: Question... Discussion... Concerns... Alternatives... Direction
- What I learned in my pre-retreat interviews.
- Reaction to the interview presentation?

9:30 a.m. Staff Reports on Horseshoe Park and Equestrian Center (HPEC) [TAB 2] John Kross
Staff

10:15 a.m. Break

10:30 a.m. Initial Questions by Policy Makers (no answers yet!) Mayor and Council

11:15 a.m. Initial Comments by Policy Makers Mayor and Council

11:30 a.m. Responses to Policy Maker Questions John Kross, Staff

12:00 p.m.	Lunch (Eagle’s Nest Conference Room)	All
12:45 p.m.	Discussion of HPEC and Options	Mayor and Council
2:30 p.m.	Break	
2:45 p.m.	What direction is most appropriate? What instructions will we give our staff? What actions will we take? What objectives do we want to achieve?	Mayor and Council
4:00 p.m.	Plus / Delta Evaluation of the Day	Mayor and Council
4:20 p.m.	Wrap-Up <ul style="list-style-type: none"> • Session Summary • Observer Comments • Meeting Evaluation & Closing Remarks 	Mayor and Council
4:30 p.m.	Recess until Dinner (6:00 pm)	
6:00 p.m.	Dinner and Conversation (Eagle’s Nest Conference Room)	Mayor and Council
6:30 p.m.	Final wrap-up regarding HPEC	Mayor and Council
7:15 p.m.	Saturday’s Agenda: What’s planned? What should be changed?	Mayor and Council
7:30 p.m.	Recess until 8:00 am, Saturday	

Saturday, August 17, 2013

7:30 a.m.	Breakfast and Conversation	
8:00 am.	Reflections from Friday Evening	Mayor and Council
8:10 am.	Discussion Topics <ul style="list-style-type: none"> • The Corporate Strategic Plan [TAB 3] • Council governance • Agenda Management (i.e., making time for future policy items). [TAB 4] • Council committees / Council representation [TAB 5] 	Mayor and Council
9:15 am.	Break	
9:30 am.	Discussion Topics (continued) <ul style="list-style-type: none"> • Economic Development and Land Use considerations <ul style="list-style-type: none"> ○ Annexation Policy [TAB 6] ○ Discussion on how the Council wants General Plan Amendments cases to be managed, information provided (a follow-up from annual evaluation). ○ What does “Open for Business” Mean? A discussion of the business of business, perceptions of Town and strategies for the future. [TAB 7] • Financing the growth of the community; fiscal issues and the budget <ul style="list-style-type: none"> ○ How do we pay for growth in core programs and infrastructure? (e.g. public safety; critical employment infrastructure in northern tier of planning area?) [TAB 8] ○ How do we pay for growth in non-essential, but valued amenities like new parks? 	Mayor and Council

- Legislation needed for consideration of funding for parks (e.g., Districts)

Lunch (Eagle's Nest Conference Room)

Discussion Topics (continued)

Mayor and Council

- School Resource Officers: Town / School relationships [TAB 9]
- QC, Inc.
- Interaction with nonprofits: consideration of a policy? [TAB 10]

2:00 p.m. Break

2:15 p.m. Planning for Action

Mayor and Council

- Discussion on deliverables, expectations for reporting progress on items from the annual Council retreat
- Who does what by when?
- Discussion/overview of Resources for Council (Google Sites). [TAB 11]
- Future Council retreat dates? (January instead of August?)

3:30 p.m. Wrap-Up

Mayor and Council

- Session Summary
- Observer Comments
- Meeting Evaluation & Closing Remarks

4:00 p.m. Adjourn

General Reference Material

- 2012 Retreat Summary Report [TAB 12]
- Town of Queen Creek – 2012 Organizational Accomplishments [TAB 12]
- Economic Development Strategic Plan 2012-2015 [TAB 12]
- 2012 Citizen Survey – Conclusions & Recommendations [TAB 12]
- Economic Impact Analysis (HPEC, Barney Family Sports Complex, Olive Mill, Schnepf Farms) [TAB 12]
- Biographical Information for Lance Decker, LL Decker & Associates, Inc. [TAB 12]

Notes Form [TAB 13]

APPENDIX B

TOWN OF QUEEN CREEK 2013 MAYOR & COUNCIL RETREAT ISSUE SUMMARY

The following is a summary of topics, questions and issues obtained from interviews with the Mayor and City Council members prior to the August 16, 2013 Council Planning Retreat.

Council Governance and Policy

- We're doing okay but need to make good policy for the Town's future. Not just what's good right now, but what's good for our kids and our grandkids.
- Making decisions from the "heart" or because your conscience drives you to do so is no substitute for analysis of the issues and doing what's best for the entire community. Philosophy is only one part of the decision-making process.
- There's a lot at stake in being an elected official, and every one of us needs to take the job seriously.
- I'm trying to get more involved in legislative policy. I have a few good connections within the legislature and could help move the Town's agenda

Staff and Council Support

- The staff is very good about keeping the Council informed, but the Council members must be willing to read the info, ask questions in advance of the meeting, and be prepared to make a decision that is supportive of the community.
- We've got John and the staff to help guide the Town, and the decisions we make today can and will make a difference in our future.
- Staff could prepare the "Reader's Digest" version of their reports and if a Council member wants more info they could go to John or Patrick.
- Criticism that we don't get enough information about issues is just a smoke screen for not doing homework in advance of the decision. John and the staff will give you enough information to make your eyeballs roll to the back of your head if you want it.
- Ongoing transparency of the Town with constituents; staff does a great job of serving residents; they normally ahead of the curve even before I get a question.

Fiscal Issues

- We need to get through the next budget cycle in a positive way.
- I'd like to see us invest some money in the future and catch up with some capital items that we've put off since the recession began.
- The Council needs to give more respect to the Budget Committee that supports the Council. Council should read the reports and do more homework on questions about the budget before the Council meeting to approve it.
- Strategic investments. The budget is important. We're ready to start taking action to benefit from the recovery, but at the same time not fall back into practices of the past that we don't want to repeat. It's a great time to refocus on long-term strategic impact.

- Capital improvements are needed. Purchases of land that might be acquired as an investment.
- Investments in future items that are priced well or positioned to advance our strategic direction.
- How would adding rooftops affect QC?

School Resource Officers

- Partnerships with the schools are good. Resource officers at the high school are probably a good idea, but why does QC bear the burden? Many students who attend don't even live within the town. What benefits come to the Town from these officers?
- Is there really a problem? The school district that owns the issues should figure out how to cover the cost. Why should we feel obligated to pay for the officers?
- The school district override didn't go through so the district is having to make some cuts.
- School/Town relationships and cooperation is on the uptick with a new superintendent and John meeting monthly. We need good communication with the District.
- I'm not sure how to handle the request that the Town pay for the school resource officer for the schools.
- Public safety issues revolve around school resource officers.

The General Plan Amendments and 2015 Update

- General Plan amendments are going to be asking to increase densities.
- Council isn't aligned on how to consider General Plan amendments. What's the policy? Are we making QC a bedroom community? Do the impact fees cover the real costs of development?
- What's the benefit of increased density verses a change in basic character of QC? It's a big picture item for the Council.
- Cultural identity is a question.
- What's the vision of QC? Growth? Increased density? Retaining jobs and employment areas?
- Are we willing to change to a bedroom community? Do we embrace a new vision or stick to a historical view? And, how should be set policy on these matters?
- Landowners want to change employment areas to housing. This has created a stir within the Council, which is divided over the issue.
- My concern is that if we reduce the land available for jobs we won't be making good long-term policy.
- General Plan and land use issues. This year it's going to be tough with 6 General Plan amendments almost didn't even get approved to even consider.
- None of us are excited about what's being presented, but it's a democratic process that the Town needs to go through to let people have their day to present their case.

Infrastructure Development and Improvements

- Development needs to pay for itself.
- I'm tired of people who want more service, better schools, faster response, more parks, but don't see how taxes are the way these things are paid for. Want more service? Better service? They cost money, and that means taxes and fees.

- Bike lanes, trails and open spaces need our attention. Connectivity between different paths and a map showing how to use these trails would be helpful.

Horseshoe Park and Equestrian Center

- HPEC is like a house that was built too big. Now that we're into the deal, we can't just sell it, or put it in mothballs.
- HPEC needs to be resolved, and if not full agreement, then we must agree to disagree. But when we walk away from the table on Friday night we need to have agreement on how to proceed. I'm really looking forward to the Friday discussion of HPEC.
- This is a new park and will require patience while it's being developed.
- I don't even want to be in the room when we discuss HPEC. We've discussed it and discussed it, and I thought we had the issue put to bed.
- We probably need to rip the park (HPEC) apart before we put it back together. Maybe Doreen should be part of the discussion, but not Tim. The Park is his baby and there are things that need to be said that may offend Tim. He's put his heart into making it work.
- HPEC is on the agenda. We need to come to consensus or if not put some metrics into the mix so that we'll know what we're doing on this issue.
- With HPEC the topics I'd like to address include 1) a list of CIP, 2) equipment purchases, 3) multiple year maintenance schedules with costs.
- I love the park but probably wouldn't have voted for it had I been on the Council when it was approved.
- We can't just close it up because it's like having a house that's underwater. If we sell it, we still have to pay the gap between what we owe and what we've sold it for.

Incubator

- The Queen Creek Incubator is an issue. Because of the process we went through to consider support for non-profits, I felt backed into a corner to vote to approve the American Legion proposal. An alternative went through the Budget Committee and didn't get full discussion.
- I didn't think the mission of the Incubator was to solve the American Legion problem, but to support business development and bring new jobs to QC.
- I know that staff was trying to be helpful by offering the Incubator as an alternative to the Legion, but it set a bad precedent.
- Is the Incubator viable? Is it currently successful? <Example: At Home Solutions company.>
- Over half of the Incubator was dedicated to At Home Solutions, but the company didn't generate any tax revenue, and brought in nothing for the town.
- What is the mission of the Incubator? What are the specific goals and objectives? What metrics are we using to gauge success?

Housing Development

- CFD's are ways to levy taxes on future property owners to pay for today's development. The CFD keeps the price lower for the current buyer, and shifts the tax burden to the future.
- Developers are now proposing QC set up community facilities districts (CFD's) to pay

for roads, parks, water and sewer, and other amenities.

- In 5 or 10 years when the people who live here want to know why they're paying more taxes than their friends across town, it will be future Councils that have to explain how CFD's work.
- In the end, the Town gets to levy the tax and wear the black hat.
- Community Facilities Districts are ways to avoid paying impact fees up front, and shifting them to the future. This is a problem and no one seems to recognize how it really works.

Council Protocols

- We must put our best foot forward for QC as elected officials. How we look...how we speak...how we behave while in the public eye are all important.
- We have unique personalities serving on this Council.
- I'd like us to remember that when we communicate with the public it's often not so much the message but rather the way we deliver the message that makes the difference in public reaction.
- We're doing some 360-degree evaluations with Council members.
- I sense that individual personal philosophies may get in the way of our communication.
- Election season is approaching and political posturing might negatively affect a productive Council team engagement. The best long-term interests of the Town should be our only objective.
- When we discuss tough issues and set a direction on an item, we need to pursue it as a group. Specific, detailed action items that will get something done. Not just agree to study it.
- Need to have a discussion about being accountable to each other for Council decisions. If we, as a group, decide to take some action...even if we don't fully agree with the direction, we must support the decision and not undermine the decision with the public.
- It's hard to explain to our constituents why the Council doesn't decide the way they want on an issue. Can we help Council members find ways to promote constituent understanding when a vote doesn't go their way?
- When considering competitive grants, everyone competing must follow the same rules. We need to discuss time lines and fairness as a component of the competition.
- The budget cycle, Council cohesion, rules/policies should be discussed, agreed to, clearly understood, and then followed.
- How can we make the Council stronger as a cohesive group?
- Are there ways to help Council members who feel they're on the outside of decisions?
- Part of the problem is managing community expectations. How does staff contribute to that? How does the Council manage expectations?
- I look forward to these retreats because they give us the opportunity to talk with each other and to hear what's really on our minds. It's easy to obscure true feelings when it's just one-on-one, but in the group...you'll get called out if your statements don't line up.

Economic Development

- We have a huge neighbor (San Tan) that is not incorporated, thus no restrictions or standards for developing businesses. If we don't embrace an "open for business"

standard, we'll be jumped over for business development.

- I want to see the movie theater we discussed in the past get built, and a hotel constructed within the Town limits of QC
- Residential permits are skyrocketing.
- We have some opportunities and pitfalls: Everyone on Council will say that QC is "open for business" but we're seeing policies that don't appear to support this statement.
- What does "open for business" mean? More staff working on attracting business? How about incentives? What else might the Town do to attract business?
- Back to square-one with the 20 acres. We got a proposal for a theater, but didn't work out. Then we got two theaters; one is a Harkin's.
- The issue of picking "winners" and "losers" in making policy. Non-profits? Private businesses?

Annexation

- Annexation is an issue. It was on my mind last year but we didn't get any action on it. Annexation has the same issues as those we face in the general plan... what about the public cost of annexation? How do we address the addition of existing property without development fees?

Signs

- Signage is still hot.
- Sign ordinances are lightning rods around here. Things are heating up. Council has discussed this issue over the past 6 years.
- Signage issues are created some controversy. There's a spectrum that we need to consider, so what are the ends of the spectrum, and where could we all agree to live on this continuum?
- Signs and signage; how is QC "open for business" when we aren't allowing for bigger signs?

Interaction with Nonprofits

- Funding of the QC Chamber of Commerce is an issue, but may be premature to discuss at this time.
- Balanced funding of non-profit groups.

APPENDIX C

THE ISSUE DEVELOPMENT PROCESS

A standard part of the LL DECKER & ASSOCIATES facilitation model is the Issue Development Process. Participants are asked to follow this five-step process in developing answers to key questions. I've found that this discussion process assures all have a voice ... and no one dominates the conversation, so I insist that participants learn and use this technique as part of the retreat.

Driving Question - One person with a good understanding of the topic is asked to describe, in two minutes or less, "everything we need to know" about the subject. During this first step, the speaker introduces us to the issue, illustrates why this issue needs attention, gives the group an initial starting position for discussion, and provides an initial direction for resolution.

Discussion - Participants are asked, "Who has a different position than the one just suggested?" With that, others who may hold opinions about the topic can provide alternative points of view as to what is "at issue" and the kinds of actions that might advance the organization or resolve the controversy. At this point no debate occurs... just presentation of opinions about the topic and direction that might be appropriate. Participants are also asked to keep their comments to 30 seconds or less... termed a "thirty-second soapbox."

Questions and Concerns - When all participants have had an opportunity to describe the issues in their own terms, then a second round of discussion can occur that focuses on questions and concerns. Having listened to the differing opinions surrounding the topic or issues, participants are encouraged to raise questions and identify any concerns they may have about the recommendations presented by others. Again, debate is not an appropriate format at this point. Participants simply state their questions about what has been said, and listen to the answers. The intention is to direct questions and concerns toward the issue...not at each other.

Alternatives - Once all participants have had an opportunity to speak, the group is challenged to summarize what they heard and propose any alternatives that have not yet been suggested. Hopefully, through this process, new ideas and different possible solutions may have come to light that can overcome concerns and help the group reach a better recommendation. Again, individual debate...pro/con... is not appropriate. Simply state the preferred alternative and the benefits generated by that alternative. It is unnecessary to disparage the recommendations or suggestions of others.

Possible Actions - NOW, IT'S TIME TO DEBATE! When stating why one alternative is better than another, avoid comments that would be overly contentious, personally directed or unnecessarily provocative. Personal attacks directed toward the wisdom of another participant's suggestion are not productive to the decision, extend/delay decisions, and are discouraged. The group is challenged to mix and match features of the various recommendations; by doing so they may find better ways to resolve the issues and improve the relative position of all interests.

Summary - Keep in mind the fundamental questions, 1) "What actions will we agree to collectively take... or decisions might we collectively make... to resolve the controversy or

address the topic?” and 2) “What direction and actions will the immediate group and other stakeholder interests collectively support?”

Using this Issue Development Process, the group generated information, recommendations and direction. As with all retreats, no final decisions were reached during the meeting; tentative suggestions by the group are subject to reconsideration and additional discussions, considerations and actions at a later time.

Requesting Department:
Economic Development



TO: HONORABLE MAYOR AND TOWN COUNCIL

**THROUGH: JOHN KROSS, AICP
TOWN MANAGER**

**FROM: PATRICK FLYNN
ASSISTANT TOWN MANAGER, CFO**

**DOREEN COTT
ECONOMIC DEVELOPMENT DIRECTOR**

**RE: DISCUSSION AND POSSIBLE APPROVAL ON THE FINDINGS
AND RECOMMENDATIONS FROM THE CHAMBER OF
COMMERCE STUDY**

DATE: DECEMBER 4, 2013

Staff Recommendation:

Staff recommends that the Council accept the findings and recommendations as presented by the Consultant and direct staff to work with the Chamber to modify the contract as part of the FY14-15 budget process.

Discussion:

At the request of the Town Council a staff report was presented at the June 5, 2013 Council meeting for a discussion on a scope of services for a peer review of the Queen Creek Chamber of Commerce. The suggested scope of services included:

- An analysis of options and timing to achieve self-sufficiency;
- Examination of alternative business models including a comparison review of area chambers and their sources of funding;
- Costs of services provided to members and the town;
- Review of membership services, possible enhancements and relative pricing of services;
- Evaluation of revenue generating options; best practices and emerging trends for chambers.

The Jack Camper Consulting Group (JCCG) was retained to conduct a study of the Chamber of Commerce with the agreed upon scope of services:

- Analysis of current and future revenue potential.
- In-depth review of Town requirements.
- Potential structural or leadership changes will be investigated for possible reorganization prospects.
- Comparisons of other existing Chamber business models to Queen Creek
- Chamber best practices and emerging trends
- Examination of existing membership, Chamber leadership goals and actual financial structure
- Individual discussions with key staff, Chamber Board members and Town Council.
- Analysis tools to fulfill contract obligations for member/business contacts.

The attached draft report from the Jack Camper Consulting Group includes five potential directions for the Chamber as well as an outline for a Five Year Plan for moving the Chamber forward. Mr. Camper will share the analysis, findings and recommendations to the Council as part of your December 4th Town Council meeting. A final report will be provided prior to the meeting but was not available in time for the staff report submittal deadline.

Staff has provided the draft report to the Chamber Board and has invited the Chamber Board President and interim Executive Director to hear the report.

Council Options:

1. Accept the report as presented along with the findings and recommendations.
2. Accept the report as presented with potential modifications depending on Council discussion.
3. Reject the report.
4. Some combination of above.

Fiscal Impact:

The Town currently provides \$75,000 to the Chamber (\$15,000 for staffing for the Queen Creek Incubator program and \$60,000 for Town services). Given some of the recommendations from the report, the funding amount could potentially change. However, given limited staff resources, we would recommend that any changes become part of the FY14-15 budget process.

Attachments:

- Chamber Report Outline
- Draft Report

Chamber Report Outline

Five Potential Directions

1. **Continue as is with recommended improvements** –continue as is with a re-evaluation of the requirements versus funding; ensure standardized reporting of results; suggest new non-dues revenue possibilities for the Chamber.
2. **Town takes over the BR&E function; total responsibility for the QC Incubator and Visitors Center.**
3. **Explore a regional Chamber concept with other East Valley communities where one CEO oversees COOs in each community and shares workload as needed.**
4. **Contract with an adjacent Chamber CEO to oversee the QC Chamber with a Director or manager locally.**
5. **Make the Chamber 100% volunteer driven with only the receptionist/clerk on the payroll.**

Outline for Five Year Plan

Dues Projections:

- Reduce delinquent accounts
- Chamber will stay up with the 2.5% annual growth (projections based on new business licenses)
- Minimum dues will be increased by 5% annually
- Transition to a tiered investment membership; move away from the traditional employee based membership dues.

Non- Dues Projections:

- Pursue new volunteers through new committee structures
- Term limits on Board members
- Event Committee to introduce one to three new programs annually
- Contract with Town – fee for services. Commitment from the Town reduced over the scope of the five year plan.

Other Assumptions:

- Town will continue to subsidize rent and utilities and meeting space as required.
- The Chamber will hire a highly skilled executive for its President and CEO position at a competitive rate.
- Membership/Event Manager may be hired.
- All employees subject to the Employee handbook

DRAFT

Queen Creek ~~Final~~ Report

QUEEN CREEK CHAMBER OF COMMERCE
FINANCIAL AND STRUCTURAL ENHANCEMENTS

JCCCG
Jack Camper Consulting Group

November 20, 2013
Jack Camper
Paula Stuh

Queen Creek Final Report

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Overview of the Jack Camper Consulting Group's Proposal to the Town of Queen Creek

The Jack Camper Consulting Group, LLC, (JCCG), was contacted in July of this year by the Town's Economic Development Director, Doreen Cott, to evaluate the Town's relationship with its Chamber of Commerce (see attachment A). In response, JCCG offered to evaluate the current agreements between the Town and the Chamber and produce a recommended work-product at the culmination of the study:

- Individual interviews/discussions with selected Town staff personnel, Town Council members, and Chamber of Commerce Board members in order to establish common beliefs, understanding and direction.
- An examination of the Chamber's financial structure. Financials evaluated for viability and sustainability. Projections (forecasts) of future potential given the current situation as well as potential for improved revenues.
- Evaluation of the current structure of the Chamber with recommendations for change and improvement. To include:
 - Membership development and growth
 - Tiered dues structure changes
 - Potential "Total Resource Campaign" (TRC) or other membership recruitment vehicle
 - Other non-dues revenue sources
 - New events
 - Travel programs
 - Sponsorships
 - Advertising
 - Etc.

Deliverables include suggested structural changes that could enhance the current business organization's configuration.

Additionally, the contractual obligations between the Town and the Chamber have been evaluated. In doing so, specific goals/requirements stated in the contract have been studied and, where applicable, standardized methods of reporting have been drafted for consideration. This includes manpower requirements and commensurate costs of the following:

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- Conducting an affirmative effort to boost business retention and expansion in the community, including face-to-face contacts with existing businesses/Chamber leaders (45 per year);
- Providing business planning services to businesses in the community;
- Staffing and coordinating the newly formed Business Incubator;
- Providing a receptionist for minimum coverage of 5 days per week—9 hours per day—52 weeks per year;
- Providing manpower and expertise to staff the Tourist and Visitors Bureau; and
- Marketing of the Town of Queen Creek.

Additionally, the framework for a five year plan for the Chamber will be proposed at the end of this report. Other structural and procedural modifications will be suggested as well.

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Interviews with Town Council Members, Staff, and Chamber of Commerce Board of Directors

During the month of October, 2013, JCCG attempted to contact eighteen Council members, staff, and Chamber of Commerce Directors. An initial interview was sent via email link, utilizing Survey Monkey to each person asking a myriad of questions around business activities, Chambers of Commerce in general, and the Queen Creek Chamber of Commerce specifically. People were also asked for help in determining not only best practices, but ideas to build new revenue producing events and programs that the Chamber might pursue.

Although there were sixteen responses, only twelve identified themselves on the interview.

As a quick review, the interview consisted of 19 questions, most were single answer, three were open ended. The vast majority of responses received viewed the businesses environment and the role of the chamber of commerce in a positive manner.

Questions 1 through 6 were posed with answers ranging from one to five, where one generally represented a very negative response and five, a very positive response. The responses ranged from a 2.6 average (in response to the question about the overall strength of the business community) to a high of 4.5 (in response to the question about the importance of the Chamber of Commerce taking responsibility for marketing Queen Creek). When asked if the Town should continue to subsidize the Chamber, where "1" was let it fail and "5" was offer complete support, the responses averaged 4.6.

When asked what functions the Chamber should provide to businesses in the community, between 7 to 11 respondents felt that the following items were important:

- Assistance with business planning 8
- Advertising 10
- Assistance with business retention and expansion 9
- Assistance with start-ups and new businesses 11
- Business to business networking 11
- Advocacy at the state level 7
- Advocacy at the county level 8

- Advocacy at the town/city level 9
- Training/education in business best practices 11
- Programs and events for business 10
- Information on Town and business activities 11

When asked about assistance with job creation, only 5 respondents felt this was an activity in which the Chamber should be involved.

The next question asked about functions the Chamber should provide to the community itself. The bulk of respondents felt that administration of visitor/tourism (11) and, interestingly, assistance with job creation (10) were important functions. Not as important was organization of community events (parades, holiday parties, educational presentation, etc.), which had 5 respondents' approval and assistance with community fundraising efforts for special organizations, which garnered only 2.

When asked about how the respondent viewed active Chamber of Commerce members' businesses, all 12 answered "more positively—it shows a highly involved owner/management team in the community".

The interview asked if the Town of Queen Creek should investigate changing its contribution to the Chamber—currently viewed as a donation—to a pay for work required, with each contracted item carrying a specific dollar amount. One respondent wanted to leave the structure the way it is currently; the other 11 wanted the payments from the Town to be linked to work required/accomplished.

When asked where the respondents felt the bulk of new employment would arise in the future—from existing business or from new business—the overwhelming majority (10) felt new business would create the bulk of the new jobs in Queen Creek. Only 2 said that existing business would hire more people.

When asked if the respondent's business or employer belonged to a Chamber of Commerce, 9 said "yes". Of those, 7 felt the Chamber "met or exceeded expectations" and "provided a value to its members." The other respondents answered "not applicable".

When asked if the Town of Queen Creek's Economic Development Department should investigate hiring additional trained staff to assume the

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responsibilities of BRE (Business Retention and Expansion), the Business Incubator, and the Tourist Center, 2 said yes and 9 said no.

When asked if assisting the Chamber of Commerce financially enhances growth, business development and job creation in the town, 11 respondents said “yes”, and one said “no”.

The interviewees were asked if they thought having a Chamber of Commerce in the Town of Queen Creek enhances its reputation as a business-friendly town (inviting to new prospective employers). Eleven responded “yes”, and one answered “no”.

The respondents were asked what sort of programs and events they thought the Chamber should conduct in order to create new revenue streams as well as support the community’s needs. Their suggestions primarily focused on adding business expos and luncheons/dinners with important speakers.

Comments from the interviews included concerns about lack of volunteerism as well as lax internal operations—specifically the 67 page document that incorporates the procedures manual, the bylaws and the policy manual—that need shoring up. Some felt that financial incentives should be offered to the Chamber Executive Officer to reward improved revenue for the organization. Comments also included misgivings about the excess political actions by the Chamber’s Executive Officer with the Town Council. Another interviewee felt that the often contentious public discussions between the Council members and the Chamber leaders tend to corrode the community’s confidence in both entities. Other comments stressed the need for aggressive joint planning for the development of the Phoenix Gateway Airport.

An overriding issue that underlies many of the comments has to do with the small number of volunteers at the Chamber of Commerce. While there are a few very active members, typically on the board of directors, there do not appear to be many members willing take on responsibilities at the Chamber for leadership or event/program assistance. As a result, limited turnover in board membership/leadership has occurred since the Chamber’s inception which may in and of itself create an artificial expectation that no one else needs to become involved and that attempts to become more active (on the board, for instance) might actually be discouraged. In order to grow and expand this organization, much needs to be done to reverse this perception and the resulting situation and encourage participation from a greater number of members.

Key Background Information on Successful Chambers of Commerce

The Schapiro Study

Although completed in 2008, the findings from the Schapiro group study commissioned by American Chamber of Commerce Executives with support from Small Business Network, Inc., titled "The real value of joining a chamber of commerce" are still relevant and quite pertinent to this effort. A summary of this effort is included as Attachment C of this document. In a nutshell, the study discovered the following perceptions regarding businesses that are Chamber members:

- Most consumers (59%) think that being active in the local chamber of commerce is an effective business strategy overall;
- If a company shows that it is highly involved in its local chamber (e.g., sits on the chamber board), consumers are 12% more likely to think that its products stack up better against its competition.
- When consumers know that a restaurant franchise is a member of the chamber of commerce, they are 40% more likely to eat at the franchise in the next few months.
- When consumers know that an insurance company is a member of the chamber of commerce, they are 43% more likely to consider buying insurance from it.
- When consumers know that a small business is a member of the chamber of commerce, they are 44% more likely to think favorably of it and 63% more likely to purchase goods or services from the company in the future.

Critical Mass estimates for successful small chambers of commerce

Jack Camper, JCCG, LLC, contacted a number of Chamber professionals in support of this study. One of the most difficult problems encountered as this study proceeded had to do with "self-sufficiency," that is, determining the minimum income/revenue necessary for the Queen Creek Chamber of Commerce to function effectively and how that income would be structured.

Dave Kilby, President of the Western Association of Chamber Executives gave perhaps the most salient answer to the question, "what do you consider minimum critical mass for a successful chamber of commerce?" In his opinion, with a membership of 250 paying members (does not include "carries" or "trades"), the average dues revenue needs to be \$300, yielding

an annual total of \$75,000. The chamber would also have to create non-dues revenue streams to equal that amount, bringing the total to \$150,000. This level of income would indicate salary for a CEO, a membership/event manager and possibly an assistant, and operating expenses. JCCG believes this limited income would require some assistance to offset office space rental expenses.

Ideal Income breakdowns

Typically, new chambers of commerce tend to rely most heavily on dues revenues and public funding for income, sometimes as much as 100% between the two. As the organization grows and matures, the inclination is to introduce and grow non-dues revenues as a part of the overall income with a long term goal of matching or exceeding the dues revenues. Successful, mature chambers have achieved a 40/60 division, with 40% or less of the total net income coming from dues, and 60% or more resulting from net non-dues.

All of the organizations contacted disclosed that a portion—between 15% and 35%—of their total incomes come from public funding. The public funding amounts seemed to vary depending on the size of the chamber's membership, the size of the business community, and age of the organization. As a comparison with the Queen Creek area, JCCG looked specifically for communities with chambers of similar size and some with close proximity to other metro areas. All chambers contacted had in excess of 300 members and had been in operation for a minimum of 20 years. The public funding, for the most part, was provided as a part of a contract with the municipality.

The Queen Creek Chamber of Commerce currently (as of fiscal year 2012-2013) has a simple income breakdown of 30% dues revenue (\$33,371), 46% public funding (\$50,417), and 24% non-dues revenues (\$26,424). With offsetting event expenses of \$15,142, the percentages change bringing the breakdown of net revenues of 35% dues, 53% public funding, and 12% non-dues revenues. In order to move to a 40% / 60% split (dues versus net non dues) with no public funding, the organization will need to focus on growing paid members, increased minimum dues, and significantly improved non-dues revenues. It is important to note that this Chamber has been successful at living within its income by limiting its total expenses to \$97,555, thereby realizing a net income of \$12,657.

Minimum Dues and Tiered Membership Investment

Currently, the Queen Creek Chamber of Commerce has a minimum dues structure of \$190 per year. Higher dues for members are determined by number of employees. There does not appear to be an annual dues increase. Further, there is a perception that crossing the "\$200" threshold will discourage new members and potentially lose existing members. This is not the only chamber that was interviewed to hold this belief. While significant increases to membership dues almost always result in loss of existing members and slower than expected membership growth (JCCG calls this "sticker shock"), gradual increases consistent with other cost-of-doing-business increases in the community can be made with less negative impact.

It is important to note that the concept of dues structure based on number of employees, while well established with Chambers, has been updated with tiered dues. Tiered dues are structured with a minimum dues amount and incremental dollars for additional functions such as ads, sponsorships, additional directory listings, tables at events, etc. While quite successful in medium to large chambers, this technique requires a large cache or catalog of products and services from which the members can select and pay for items that are important to them. Without an extensive catalog, most members will be paying the minimum dues. This means, if a chamber wishes to attain "Minimum critical mass," it will either need to acquire more paying members or set higher minimum dues, thereby risking sticker shock. Therefore we do not recommend that the Queen Creek Chamber's current dues structure be changed, with the exception of raising the minimum dues and corresponding dues levels, until such time as additional products are made available for sale.

Current Financial Situation

The current financial situation at this Chamber has some pluses and some minuses. The first important observation made by JCCG is that the Queen Creek Chamber of Commerce has achieved a positive net income during the last fiscal year. Given the infancy of this organization, that is laudable, indeed. The dues structure and resultant revenues coupled with the non-dues revenue are areas that may require some modifications in order to be more robust. The Five Year Plan suggestions at the end of this report will address some of those proposed changes.

Membership Revenues

The Queen Creek Chamber of Commerce currently shows approximately 210 distinct members with a minimum annual dues structure of \$190.00. In a normal chamber of commerce, the top 25% of the members pay considerably more than the minimum dues. Yet during QC Chamber's fiscal year, July 2012 to June 2013, the total revenues from dues membership totaled \$33,371, indicating an average pay per member of \$158.91.

How does this happen?

Two different forces are at work here. One group of members are "carries", that is, they haven't paid their annual dues as expected, but the Queen Creek Chamber of Commerce has elected to "carry" the membership for a period of time with the expectation that the members will pay whenever they are financially able to do so. It is a risk that every chamber of commerce across the country takes as a matter of policy. Some organizations have guidelines that limit the amount of time the members can take prior to bringing their dues current, others simply evaluate each member based on past history or personal knowledge. Either way, "carrying" some number of members at any point in time is inevitable. It is helpful if the revenue "postponed" can be calculated and added to the financial statements. Chamber financial projections should include an item called "Allowance for Doubtful Accounts". This is the amount of dues that the Chamber expects to lose in the forecasted year. Having a specific budget line clearly demonstrates how much money will not be available in the upcoming year. By doing so, the Chamber leadership can more fully understand the impact of the decisions and perhaps take steps to lessen the number of carried members at any one time. It also shows how much new membership revenue must be generated to stay even or grow.

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A second group of members that do not pay dues, per se, are “trades”. These members have services or products that the Chamber finds useful (landscaping services, catering for events, printing of flyers, etc.) and can trade out membership dues. While the bottom line should be enhanced by truly useful trades (and the financial reports should clearly indicate the value of the trades), the membership dues are diminished by the trade (rent and paychecks cannot be paid using trades). Further, chambers sometimes fall into the trap of agreeing to trades for services or products that the chamber does not actually need, nor would it pay for said services/products if the trade had not been offered. Additionally, the trade should always be for some multiple of the amount of dues (i.e., if a caterer offers a trade to cover their \$250 dues, the total number of meals provided in trade should be in excess of that amount). Many chambers tend to trade one for one, which is often not cost effective.

Because of these two effects—carrying and trading—the average revenue per member—can fall well below the actual minimum annual dues, even though 20 to 30% of the paying members pay significantly more than minimum annual dues. It is incumbent upon the chamber leadership to fully understand and control both forces. Even the most loyal member must ultimately be cut from the directory if they show no good faith (offering to pay smaller amounts quarterly or monthly) over an extended period of time (more than six months is outside the norm). Trades should be evaluated by the chamber leadership to ensure that: 1, the trade will be useful to the chamber, and 2, the amount of the trade will make it worthwhile. Again, the budget should reflect not only the trade income and expense. At the minimum, the two amounts should zero out.

JCCG did not ask for each member’s specific dues status, however, using some standard assumptions the following breakdown seems to be a plausible estimate:

Total real membership	210
25% membership averaging more than minimum dues	62
Potential extra revenues from the top 25%	\$15,500
Revenues from remaining paying members	\$17,871
Actual 2012-2013 membership dues	\$33,371

This results in potential “lost revenue” from the carries and trades of approximately \$10,250, or over 50 memberships. Again, every chamber has

carries and trades, but losing almost a third of potential cash flow seems high and should be further investigated and mitigated.

Non-Dues Revenues

It appears that the majority of non-dues revenues comes as a contribution from the Town (FY2012-2013 amounted to \$50,417, or 65.6% of all non-dues revenues). In addition to those funds, the Chamber also hosts events and pursues other fundraising efforts such as program fees, relocation packets and newsletter advertising that amount to \$26,424, or 34.4% of all non-dues revenues.

The current events yielded a respectable \$24,149 during the last fiscal year. The expenses directly associated with these events were \$15,142, leaving a net gain of \$9,007. The fact that the Chamber showed a profit on these events is positive. Many chamber events break even and some may lose money. Sometimes those revenue losses are actually planned, as in the case of events required by the municipality where public funds are provided. Other times, a new event is expected to start off slowly with the expectation of increased revenues as the program becomes more popular.

Having said that, it is important to note that less than a fourth of the Chamber's total revenues came from programs and other non-dues revenue activities (aside from public funding). Like all chambers, the Queen Creek Chamber needs to pursue other opportunities for revenue enhancement. There are many events and programs that have been successfully utilized in other places that could be copied or modified for use in Queen Creek. JCCG has some suggestions; however, the Chamber Board of Directors needs to make this a priority discussion at every meeting.

Expenses

As to be expected, the largest single expense for this Chamber is payroll which amounted to \$66,646 in the last fiscal year. Event expenses came in at \$15,142, followed by advertising and computer/website maintenance at \$3,472. Other notable expenditures included insurance (\$2,089), professional fees (\$1,045), and telephone (\$1,839).

As stated earlier, it is clear that the leadership of the Queen Creek Chamber of Commerce is dedicated to living within its means and monitoring expenses. If the quantity of trades could be calculated and captured as well

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as an assessment of "Allowance for Doubtful Accounts" (carries), an even more robust picture of fiscal responsibility would certainly be evident.

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Five potential directions for Queen Creek to consider:

In an effort to best address the original question posed to JCCG, "how can the Queen Creek Chamber of Commerce become less dependent upon public funding?" it was important to look at the total structure and examine modifications or total changes to the existing business organization. Based on JCCG's understanding of the wishes of the majority of community and chamber leadership who responded to its interview requests, the following was created, listing concepts for change from most reasonable (i.e., meeting most people's overall responses) to most unreasonable.

	Outcome	Pros/Cons
1	Basically continue as is; re-evaluate the requirements versus funding; ensure standardized reporting of results; suggest new non-dues revenue possibilities for Chamber.	<p>Pros:</p> <ul style="list-style-type: none"> • The Chamber will continue to grow and the business community will benefit; • New events & programs will energize membership and increase revenue stream; • As the business community nears a "critical mass," public funding may be reduced, however there would still be a contract cost for vendor services; • Most respondents to the interview indicated ideas that would support this outcome. <p>Cons:</p> <ul style="list-style-type: none"> • No initial significant reduction of public funding;
2	Let the Town administer the Business Retention and Expansion (BRE) function from the Chamber; Assume total responsibility for Business Incubator and Visitors Bureau.	<p>Pros:</p> <ul style="list-style-type: none"> • Most or all funding to the Chamber of Commerce can be eliminated. • Total control of Economic Development in the community will be under the direction of the Town of Queen Creek; • The Town will have eliminated a vendor.

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		<p>Cons:</p> <ul style="list-style-type: none"> • The Town will need to hire a receptionist(s) and a BRE manager at regular public personnel wages and loadings; • The Chamber will be significantly reduced in size or eliminated totally; • Confusion for visitors and new businesses trying to get information may be increased as most people typically look to a community's Chamber of Commerce for assistance; • Leaves Queen Creek out of the loop and isolated from other Chambers and business organizations in the east valley, ostensibly putting it at a distinct disadvantage when competing with other communities for business growth; • No opportunity for help with business issues with government agencies (town, county, state); • The vast majority of respondents in the interview specified that they did not want to move these functions to the Town but instead wanted the Chamber to continue to administer these functions.
3	<p>Explore a regional Chamber concept with other East Valley communities (Tempe, Chandler, Gilbert, etc.) where one CEO oversees COOs in each community and shares work load as needed.</p>	<p>Pros:</p> <ul style="list-style-type: none"> • Potential conservation of manpower and facilities; • Better organization to attract new businesses to the region; • A small reduction in public funding initially might be expected with a larger reduction as the regional organization is better able to totally fund itself; <p>Cons:</p> <ul style="list-style-type: none"> • This is a concept that rarely stands for long: many communities will wish to start a Chamber of Commerce that represents only their communities; • The existing CEOs of those Chambers and their Boards are not likely to see this as a win-win for them; • Members of the Queen Creek business community are likely to see this as not an

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		<p>even playing field when vying for new business or business growth in the area;</p> <ul style="list-style-type: none"> • As a relatively new community, Queen Creek could very well be viewed as insignificant in the decision making process on regional issues, such as the Phoenix Gateway Airport.
4	<p>Contract with an adjacent Chamber CEO to oversee the QC Chamber with a Director or manager locally.</p>	<p>Pros:</p> <ul style="list-style-type: none"> • Public funding cost may be reduced by 15 to 20% depending upon the cost of the Director; <p>Cons:</p> <ul style="list-style-type: none"> • Members of the Queen Creek business community are likely to see this as not an even playing field when vying for new business or business growth in the area; • The other Chamber’s CEO will require monetary compensation to take on the task which would likely negatively impact or eliminate the potential cost savings; • Without its own executive officer, Queen Creek could very well be viewed as insignificant in the decision making process on regional issues.
5	<p>Make the Chamber 100% volunteer driven with only the receptionist/clerk on the payroll.</p>	<p>Pros:</p> <ul style="list-style-type: none"> • Save potentially 40% of public funding; • Volunteer involvement, of necessity, would be significantly enhanced. <p>Cons:</p> <ul style="list-style-type: none"> • Except for the functions performed by the paid receptionist, the contracted requirements for the Chamber from the Town will almost all be eliminated and only accomplished as the Chamber volunteers see fit—including BRE, Visitors Bureau, and Business Incubator work; • Volunteers contribute their time when their personal work schedules allow it and don’t when they cannot spare the time—regardless of the Chamber’s priorities of the moment (events, programs, parades, dinners, etc.) • Scheduling of employee(s) and volunteers could be problematic; • Volunteers need rewards (recognition,

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		gifts, trips, etc.) in order to feel appreciated enough to continue volunteering. With no funding, this may be problematic.
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Contracted program of work or donation to a 501 (C)(6)?

When the JCCG first began investigating the contracts that the Town of Queen Creek holds with the Queen Creek Chamber of Commerce, several things became apparent:

- The Town relies heavily upon the Chamber to manage and/or administer many critical economic tasks for the community such as the Tourism Center, the Business Retention and Expansion program, and the new Business Incubator;
- The contracts include language that is geared to ensure completion of those tasks;
- The contracts also include items of work that would typically be strictly in the purview of a chamber of commerce, such as newsletters, membership meetings, etc.;
- The funding from the Town for the Chamber of Commerce is not based on these work items, but rather on an agreed upon amount and recorded as a donation to a 501 (C)(6) organization rather than a payment to a subcontractor/vendor;
- It appears that the town does not have specific requirements when donating money to other nonprofit organizations; yet it does for the Chamber's agreement, therefore leaving one to believe that the chamber should be treated as a vendor rather than a recipient of a donation.

In reviewing the work required, JCCG put together some preliminary estimates in an attempt to quantify the amount of hours and subsequent dollars these contracts stipulated. The total calculations of that effort can be found in Attachment D.

Without consideration for offsetting rent or other non-cash contributions to the Chamber, this cursory look at the contracted requirements add up to a gross cost of \$76,200. Though this number is over \$25,000 more than the \$50,417 paid to the Chamber for fiscal year 2012-2013, the number is surprisingly close (again, the cost of rent and other non-cash contributions has not been added into the equation).

It is important to note that several of the items required by contract from the Town which make up almost \$15,000 should probably not be included in an agreement between the Chamber and its municipality. These items, such as newsletters, member meetings, production of member directories, etc., are strictly at the discretion of the business organization and the demands of

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its members. If the Town treated the Chamber of Commerce as a vendor hired to satisfy critical, economically important functions, these items and the associated costs would be excluded from the contracts.

Equally important to stress is that while the Town can certainly “pick and choose” between items on the list and decide how much work to require, there must be a limit to the amount the Town reduces its contract. If the desire to maintain a thriving chamber of commerce is as important as the results of the interviews would indicate, keeping an eye on real viability is critical. At this early stage of the Queen Creek Chamber of Commerce’s life, given the small membership base and minimum non-dues revenue capabilities, cutting too much work from the contract would significantly harm the organization. Requiring reporting and deliverables to justify the items within the contracts could definitely help the Town Council justify the work and subsequent pay for work done.

Standardized Reporting to the Town Council

The contracts between the Town and the Chamber specify a significant number of reports on various issues. While under-reporting can create confusion and mistrust (“is the Chamber doing all it is contracted to do?”), over-reporting can also be problematic. When asked to produce the same information in monthly, quarterly and annual reports, the actual data becomes redundant and actually receives less interest than if a less frequent but more in-depth report is required. Regardless of the frequency, the actual report should be relatively standard so that the recipients can become more attuned to the work completed and better able to address the issues brought forth in the report. The following suggestions may be useful in developing a standard set of reporting tools.

BRE Interviews and Reporting

The Chamber had an existing interview or survey instrument that its representative was to use when talking to the required 45 businesses each year. It covered significant areas of needed information and was certainly sufficient for the requisite task. JCCG has conducted many similar efforts in the past and drew on that experience to modify that instrument to include more information on employment, facility size, and future plans for growth. By combining the two and automating it (once again, using Survey Monkey, though many other survey tools are available online that are equally suitable), JCCG created a more easily usable interactive document (see Attachment F).

Utilizing this tool will allow the selected business to review the questions in advance of the face-to-face interview, and second, to record the responses electronically. Survey Monkey then has the flexibility to summarize the findings for the month, the quarter or the year for presentation to the Chamber Board and the Town Council. This provides an established format to which the Town’s leadership can become accustomed and better discern trends and emerging problem areas for businesses in the community.

Visitor and Tourism Reporting

Because most interactions with visitors is at the receptionist’s desk, he/she is in the best position to tally the number of inquiries received. By keeping a simple count, the Receptionist can help the Town Council better understand the flow of visitors and tourists in Queen Creek. By expanding the tally to include a few broad question areas (such as “what historic sites are there

here?" or "where is the Horseshoe Equine Center?" or "where is the closest restaurant?", etc.), this tally could help the Council as well as the Chamber Board begin to recognize areas of interest that need better signage, expanded information on the area map, or other simple fixes that could enhance tourist enjoyment.

Business Incubator Updates

This report would also be propagated primarily by the receptionist. Such things as number of offices in use during the last period, number available, amount of queries for more information, etc. could all be gathered and put into a short report. Deeper issues, such as problems encountered at the Incubator by tenants, structural/maintenance issues, or other similar reports could be added as needed by the Chamber Executive.

Marketing Queen Creek

This issue poses the greatest difficulty when trying to standardize a report. Marketing, per se, can be the most expensive item on a business' balance sheet. When trying to market a community with limited funds, the effort becomes more dependent on opportunities and imagination. Because it is a fluid and creative effort, the reporting of those efforts will need to be formulated by the Executive Officer and may or may not be present on each monthly, quarterly or annual feedback session. Such things as special luncheons/programs/Chamber fundraisers certainly qualify as marketing efforts designed not only to bring in new revenue but to elevate exposure to the community of Queen Creek. Other more specific marketing efforts, such as the area map, can also be added to the report.

Queen Creek Chamber revenue issues

There are several areas that need to be discussed when reviewing the current revenue structure for the Queen Creek Chamber of Commerce. Clearly the contribution from the Town of Queen Creek is a fundamental issue. However, before delving into how much funding (if any) should be anticipated by the Chamber, a few other issues need review and action. The current dues (membership investment) structure, the event/program revenues and potential membership growth, and other opportunities for income all need to be addressed before decisions about public funding are made.

Minimum Dues and Tiered Membership Investment

As stated previously, Queen Creek has a traditional membership structure, relying on number of employees to set the dues for each member. The minimum amount, \$190, is supposed to be limited to very small businesses, five employees or fewer, with all others being incrementally larger (see attachment E). There are no annual cost-of-doing-business increases for members, so unless the member's employee rolls increase sufficiently, the dues for each business are held static from year to year. It is also unclear whether there are charges for additional listings in the Chamber directory, most members having up to five listings in different categories.

Many of the other chambers interviewed for this project reported an under \$200 minimum dues structure similar to Queen Creek. They tend to agree with QC's opinion that an under \$200 threshold is a make-or-break amount and that increasing dues beyond \$200 might deter would be members. While not scientifically substantiated, the concerns might hold validity. However, given other pressing considerations, this issue must become secondary when trying to better the financial stability and self sufficiency of a small chamber of commerce.

A growing trend among established chambers of commerce is to move to a tiered membership investment plan instead of an employee-based dues structure. As mentioned earlier, this plan requires the chamber to have a significant catalog of sponsorships, advertising opportunities, table sales (for lunches/dinners), and other revenue producing efforts in order to be viable. All businesses begin by paying a minimum level of dues, then agree to increase their annual investment in the Chamber by adding items from the catalog. In communities where this dues structure is in place, business

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members report that they appreciate being able to clearly connect the amount paid to the chamber to the actual benefits realized.

This is definitely a dues structure worth pursuing. However, given the size and age of the Queen Creek Chamber and its limited "catalog" of products and services, it is currently a premature strategy. JCCG will recommend in its five year plan that as this chamber begins to grow, efforts to transition to a tiered investment plan should be included. Until that time, a well planned, annual membership drive should be instituted. Recognizing that growing the chamber's net member rolls dictates not only bringing in new members but also replacing member drops and without an aggressive push, the Chamber will find itself losing ground instead of increasing to a "critical mass."

Membership Drives

The key to a successful membership drive, with or without professional guidance (there are several companies that specialize in holding these events for a cut of increased dues revenues), is the quantity and quality of the volunteers. Volunteers will likely need to be tapped or drafted, at least the first year. In the case of the Queen Creek Chamber, the Ambassador's Committee could be a focal or starting point for organizing those vital volunteers. If the incentives are enticing enough, finding volunteers in subsequent years should become less demanding. Many chambers have a standing group of people who look forward to the event every year. In order to accomplish that level of energy and excitement, rewards and recognition need to be lavished on the participants. Awards programs at the end of the drive might recognize not only the volunteers but the new members brought in during the drive. The prizes (rewards) can be as simple as a free website advertisement for the participant's business or as elaborate as a group cruise (usually only larger chambers bringing in significant revenues during their drives are able to offer rewards of that caliber). Even cash payouts aren't off the table, if that is what will entice the Queen Creek Volunteers. It is important to remember, the amount of new revenues will most certainly be offset to an extent by normal member attrition. Keep the rewards/payouts at a level (10% to 25% of new revenue) that doesn't negate the actual net gains.

Events and Programs

Many established chambers have on-going events that grow annually and provide substantial income to their organization. Of course, over time those

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same events may lose the community's interest and fall in popularity and of necessity, in profitability. It is incumbent upon the chamber's leadership to evaluate each event regularly. Doing so allows them to determine when changes are appropriate to re-energize a falling event or to eliminate a program if previous efforts to revive it didn't work. Sometimes events are "held dear", that is individual(s) on the board or on the Council have an emotional attachment to a specific program. Unless specially funded, those events must stand the same level of scrutiny and suffer the same fate as others that are equally unprofitable.

New programs should be given the opportunity to have a slow start, however. Even though everyone involved wants to see a moneymaker at the very first attempt, it is wise to temper expectations. Perhaps the first year may provide a break-even or even slight loss in new revenues. That is not unusual. Those events, like all others, need to be scrutinized at their culmination to determine why they were not as successful financially as had been hoped (not enough advertising, wrong time of year, wrong location, etc.). It may be tempting to discard an event that doesn't bring in big money on the first year, but it is usually not advisable to give up so quickly. Once the board has decided that this event was the wrong fit for the community, however, it must be eliminated from the slate of programs.

There are many different types of programs/events that are successful in chambers across the region. It is extremely advantageous to confer with other chambers for ideas that might be modified for this community. When talking to the other organizations, it is important to ascertain several key issues:

- How many workers (volunteers and/or staff) are required for the planning, setup and actual event?
- How much are the pre-event costs? What do they consist of?
- What should the Chamber expect the net revenue to be the first year?
- Has the event continued to grow (barring specific economic downturns) in the respective community of the other chamber, or is its popularity waning?
- Are there pitfalls to watch out for?

Some events are very area specific and may not be a good fit in Queen Creek, but others can easily be transferred to this community. JCCG has several suggested events/programs that will be described in five year plan recommendations.

The importance of volunteers

The number of events that any organization can hold is directly proportional to the number of staff or volunteers that can organize and run it. As mentioned earlier, volunteerism at this Chamber is lacking and needs to be energized. Simply creating new events is not going to bring in the workers by itself. Creating committee structures within the Chamber, recognizing and rewarding participation, and encouraging outreach to members by involved members will all lead to enthusiasm for involvement in events. At a minimum, four committees should be started and participants should be encouraged, rewarded and recognized in all Chamber publications and on its website. Those committees are:

- **Governmental Affairs**—it is important to note that one of the stipulations in the contract forbids involvement in political issues. While elections for Council members and other officials should be kept off the agenda for discussion in this group, deliberation and recommendations on potential ballot initiatives and other rulings that have the potential to impact business must be allowed. This effort is imperative to making a chamber of commerce a vital part of the business community.
- **Economic Development**—members of this committee can form the basis for outreach to Incubator tenants or other small businesses who need assistance. Further, this committee can assist with and be active in the BRE interviews required by the Town/Chamber contract.
- **Events Committee**—this group may ebb and flow dependent upon when the events are planned. The members of this group, working with the staff, would be able to create, design and conduct new events as well as be in charge of organizing and conducting existing programs.
- **Ambassadors**—this group should form the basis for a Membership Committee which (would recruit new and retain existing members). The Ambassadors Committee is currently the only active committee at the Queen Creek Chamber, but even its membership is weak, with four members. This needs to be a highly recognized and rewarded group of individuals whose ranks others aspire to join.

It is critical to realize that even with sufficient volunteers, strong leadership and direction on any event—whether that leadership comes from staff or

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from a volunteer—is vital. Nothing losses volunteers more quickly than holding an event that is poorly organized and therefore unsuccessful.

Proposed Five Year Plan Structure

Basic observations

The review of the Chamber's contracts with the Town of Queen Creek, its current financial and operational structure, as well as interview results with the Town's and the Chamber's leadership has yielded several observations:

- The majority of community leaders interviewed saw a need to maintain a strong, vibrant chamber of commerce to enhance business growth and vitality;
- The Town's contracted expectations from the Chamber and financial contributions to the Chamber are separate and not linked;
- The list of requirements on the contracts are more expensive than the amount funded by the Town;
- Not all items on the contract should be required by the Town;
- The Chamber is still too small to survive without public funding;
- The Chamber needs an annual membership drive and, at a later date, Total Resource Campaign to increase its membership base;
- The Chamber's volunteers, including those serving in leadership positions, are few in number and that level appears to be static;
- The dues structure, combined with carries and trades create a weak financial base for the organization;
- There are too few revenue producing programs and events conducted by the Chamber;
- The Chamber has not reached "critical mass" for self-sufficiency; annual membership drives conducted and run by a standing committee should be established to offset normal attrition as well as increase the total membership base;
- Carries and Trades are not monitored closely enough which results in incomplete financial reporting;
- Reporting of contracted activities by the Chamber is not consistent and needs to provide more in-depth information;
- The Chamber needs to build, monitor and adhere to a five year plan for growth in an effort to move toward self sufficiency.

A plan for growth

After conferring with a number of leaders in the community, it became clear that while some are dissatisfied with the current financial operation of the Chamber, there is no real wish to dissolve the organization or even weaken

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it in any way. Instead, there is a desire to strengthen and increase the Chamber so that at some point in the future the public funding portion (with the exception of contracted work) of its operating revenues may be reduced or eliminated while the organization is still growing. It is with that thought in mind that the following suggestions have been formed:

- Break the existing Procedures Manual into three different and distinct documents: Procedures Manual, Bylaws, and Policy Manual. There should be emphasis put on limits to board and chairman terms as well as specific steps outlined for filling chairman-elect and other upcoming openings. An employee manual (part of the Procedures Manual) should clearly define pay arrangements, sick time, vacation accumulation, benefits and reporting structure as well as hire/fire responsibilities and authority.
- Focus on building volunteer involvement. Immediately form at least four working committees (Governmental Affairs, Economic Development, Events Committee, and Ambassadors /Membership Committee) and develop means and methods to encourage, reward and recognize any and all who volunteer.
- Establish a volunteer membership drive as an annual event (plan on three weeks to a month in duration) that would be highly advertised with volunteers generously rewarded.
- Shore up the reporting of real revenues.
 - Track carries (add "Allowance for Doubtful Accounts" as a budget line and keep track of the actual losses as they arise). Set a strict policy for how long the Chamber will carry a business before removing it from the membership and the directory. Make removal of that member from the directory a priority—being listed shouldn't be free.
 - Delinquent accounts should be reviewed by the Board of directors on a monthly basis so that Board Members are fully informed and can assist with retention.
 - Recognize that attrition of memberships is a normal part of Chamber operation. If a business ceases to operate or elects to end its relationship with the Chamber, the directory should be edited immediately to reflect that change.
 - Reconsider the dues structure. Minimum dues of \$190 is too small if the Chamber is ever going to realize self sufficiency. Consider making small, annual dues adjustments that will forestall the need to make a significant adjustment all at once.

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- Consider charging for directory listings beyond the first one; if possible, offer (for a price) to have a business logo added to the directory listing. Control the number of non-profit businesses; their dues are lower than the minimum.
- Be sure that trades are at least break even opportunities, if not money makers (if a restaurant or caterer provides the meals for an event, be sure to charge the normal event price—no discounts or the dues trade suddenly becomes useless to the Chamber). Trades should always be recorded in the financials as both a revenue line and an expense item; at worst, the two should cancel each other out.
 - Look at new non-dues revenue opportunities. Some suggestions are:
 - Travel programs: many international travel companies have partnered with local chambers to offer specific trips. By assisting the travel company to fill seats on that excursion, the chamber not only realizes some small percent of the proceeds, it can offer the trip at a discount to its members. Collette Travel and Citslinc are two companies who have offered this type of service to chambers in the past. If Chamber leadership believes this might be of interest to its members, JCCG will provide a contact for either of the agencies.
 - New Events/Programs: when creating new events, it is important to develop sponsorship opportunities to go along with the program. Such things as “Title Sponsor,” or “Platinum-Gold-Silver Sponsor”, or table sponsor priced separately and made available early in the planning of the event will add to the income viability of the program. Selling ad space on programs or on the website in conjunction with the advertising of the event is also a means of making the program more lucrative. It is important to capture all of the extra revenues in the financials as related directly to this specific event. By itself, the program may only break even, but when all of the sponsorships and ads are factored in, it might be the biggest financial winner the Chamber has.
 - Suggested new events:
 - State of the Town: The Mayor gives an annual talk at a Council meeting to discuss issues about the previous year as well as upcoming plans. Ask the Mayor to formalize the talk and offer it to the community for the price of lunch

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(\$40 is probably a reasonable amount for this type of event) to be held at a community location. If possible, using the Horseshoe Equestrian Center and having the meal catered would serve to introduce citizens to the Mayor's plans as well as the Town's largest community center.

- State of the County: Again, the Chairman of the Board of Supervisors is bound to have plans for the upcoming year. Perhaps he/she is willing to share them with his/her constituents in a more open forum than merely a Supervisors' meeting.
- Man and Woman of the Year Award: A group of volunteers led by a member of the Board of Directors could advertise in the community that these awards will be presented to the most deserving individuals at the end of each year (to be awarded at the beginning of the next year, perhaps). Names could be collected, discussed, voted on, and a pair of deserving community leaders chosen—in secret—to be announced as a surprise. Again, a great banquet opportunity, this sort of awards program allows the community to recognize its hard working citizens and to showcase and reward those volunteers.
- Business Expos: possibly held in conjunction with the Mayor's or the County Supervisor's "State of . . ." luncheons, tables are sold to businesses that wish to show off their products and services. The cost to the business would need to cover the price of a table rental, electric hook up, signage and back curtains as well as a profit margin for the Chamber. When coupled with another business event such as a "State of . . .", the participating businesses can be assured that at least the attendees to the luncheon will be interfacing with them at their tables.
- Winter Lights Festival: Organized by volunteers, businesses and community members could showcase the holiday season by fostering a tour of Christmas lights in Town. In other communities, there is no charge, but a donation at the culmination of the tour is requested. Some chambers make the bulk of their non-dues revenue budgets during this one annual event.

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- Monthly/quarterly Meet and Greet After Hours events: member restaurants and/or bars may offer special deals in order to have the event held at their location. The Chamber should charge a nominal fee (\$6 to \$10 per person) for having arranged the get together; the venues can then provide specials or hors d'oeuvres as they recruit new patrons to their places of business.

These suggestions need to be woven into the five year plan which will incorporate the potential membership growth and associated dues revenues, non-dues revenues, public funding and expenses. The projections should demonstrate aggressive efforts to expand the Chamber while maintaining a realistic forecast of growth. If the projections are overly ambitious or optimistic, the Chamber may set itself up for failure. If they show limited growth, the plans will provide no real incentive for which to strive.

JCCG has created an outline for a potential five year plan for the Queen Creek Chamber of Commerce. This should not be considered a final plan nor should the numbers be accepted "as is". Board members have a much better handle on the business climate in the Queen Creek area and as such a better "gut feel" for expected membership growth. It is important that those community leaders express their opinions on not only upcoming growth but on other forces that may not have been factored into JCCG's recommendations that may have critical impacts on the future of the organization.

Recommended reviews of the five year plan

Once constructed, the five year plan needs to be reviewed at least quarterly the first year, then semi-annually after that. If, during these reviews, it becomes evident that the long term financial goals are in danger of being missed, Chamber leadership should endeavor to modify the program of work to better achieve the desired projected revenue stream rather than reducing the forecasted revenue stream. By closely monitoring not only the achievements but any forecast shortfalls on a regular basis, success can be attained.

It goes without saying that a plan that is written solely for the purpose of creating a plan—with no follow up or “forecast to actual” comparisons—is probably worse than not writing one at all. All long term plans need to be living documents that are routinely visited, modified as necessary and celebrated when accomplished. New five year plans should be generated as the old ones are completed.

JCCG has provided a rough outline of a five year plan for the Queen Creek Chamber of Commerce (see Attachment G). Obviously, the Chamber’s Board of Directors needs to review this outline, add issues that are important to its members, discard items that are not and work to make those long term goals a reality.

The Proposed Solution

In order to achieve answers to the requirements and questions delineated in the above section, it is important to stress the need for a joint solution with the Town and the Chamber of Commerce. For any effort to be successful, both groups need to be completely committed to the future viability and financial strength of this important business organization for the Town of Queen Creek. The Jack Camper Consulting Group (JCCG) will guarantee that any findings or recommendations will be fully vetted with both parties prior to publishing its findings. As with any negotiation, it is likely that each party will need to compromise in order to find the best solutions for the Town and the business community, however, the JCCG will make every attempt to assure fairness and reasonableness to the outcome and to all concerned.

The JCCG proposes that the following actions be taken in order to respond to "The Requirements":

- JCCG will conduct individual discussions with selected Town staff personnel as well as Chamber of Commerce Board members in order to establish common ground and direction.
- An in-depth examination of the existing membership views, Chamber leadership goals, and actual financial structure will be conducted. Financials will be evaluated for viability and sustainability. Projections (forecasts) of future potential given the current situation as well as potential improved revenues will be provided at the culmination of the project.
- JCCG will evaluate the current structure of the Chamber and make recommendations for change and improvement. Further, JCCG will expand the investigation of revenue enhancements to include:
 - Membership development and growth
 - Tiered dues structure changes
 - Potential "Total Resource Campaign" (TRC)
 - Other non-dues revenue sources
 - Travel programs
 - Sponsorships
 - Advertising
 - Etc.

From this analysis, JCCG will prepare a final determination of worth to the community, Chamber members, and other businesses for current programs of work and future efforts. Deliverable will include potential

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structural changes that could enhance the current business organization's configuration.

Part of the investigation undertaken by JCCG in response to the requirements of this proposal will be to clarify the contractual obligations by the Town and the accompanying funding. In doing so, JCCG will better define the specific goals/requirements stated in the contract as well as develop a standardized method of reporting on the level of success in achieving those goals. At this time, the Town has specified that the Chamber of Commerce dedicate manpower and expertise to accomplish the following pieces of work:

- Conducting an affirmative effort to boost business expansion and retention in the community, including face-to-face contacts with existing businesses/Chamber members (45 per year);
- Providing business planning services to businesses in the community;
- Staffing and coordinating the newly formed Business Incubator;
- Provide a receptionist a minimum coverage of 5 days per week—9 hours per day—52 weeks per year;
- Providing manpower and expertise to staff the Tourist and Visitors Bureau; and
- Marketing of the Town of Queen Creek.

Once that examination is completed, JCCG will provide an analysis that can better answer the question, "is public funding reasonable/sufficient to meet the contracted demands as they are currently stated?" JCCG will also develop a standardized reporting tool along with a business survey with which to keep the Town Council consistently informed on all currently contracted pieces of work.

SUMMARY OF QUEEN CREEK INTERVIEWS

1	On a scale of 1 to 5, how strong do you feel the Queen Creek business community is currently? (1-very weak; 5-very strong)	2.6
2	Does the Town of Queen Creek encourage business or is it considered difficult to do business in? (1-difficult; 5-friendly)	3.2
3	Can businesses solve potential issues with zoning, permitting, etc. easily, or do they often need assistance from a business group to help navigate the system? (1-extreme assistance needed; 5-no assistance needed)	3.1
4	Do you think companies that are active in a local Chamber of Commerce are engaging in an effective (positive) business strategy? (1-not a good strategy; 5-extremely effective strategy)	3.3
5	Currently, the Chamber is in part responsible for the marketing of the town of Queen Creek. Is that an important function or should the business community simply be allowed to grow as it will without advertising or assistance? How important is marketing the town to outside consumers and businesses? (1-not important; 5-critical)	4.5
6	Based on the perceived value of the Chamber of Commerce to the community on the whole and the business community in particular, do you feel the town should subsidize its operations to ensure its financial viability or let it fail if it cannot support itself? (1-let it fail; 5-offer complete support)	4.3
7	In your opinion, what are the most important functions that a community Chamber of Commerce provides to businesses? (Check all that apply):	
	a. Assistance with business planning	8
	b. Advertising	10
	c. Assistance with business retention and expansion	9
	d. Assistance with start ups and new businesses	11
	e. Business to business networking	11
	f. Advocacy at the State level	7
	g. Advocacy at the County level	8
	h. Advocacy at the City/town level	9
	i. Training/education in business best practices	11
	j. Programs/events with important speakers and information relating to commerce/business	10
	k. Information on Town and business activities that might impact their business	11

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	l. Assistance with job creation (workforce development, training seminars, etc.)	5
	m. Other:	
8	In your opinion, what are the most important functions that a Chamber of Commerce provides to the community in general? (Check all that apply):	
	a. Visitor/tourism advocacy and Visitors Bureau administration	11
	b. Organization of community events (parades, holiday parties, educational presentations, etc.)	5
	c. Assistance with community fundraising efforts for special organizations	2
	d. Assistance with job creation	10
9	How do you view businesses that are active Chamber of Commerce members?	0
	a. More positively—it shows a highly involved owner/management team in the community;	12
	b. Neutrally—I don't think the organizations that a company belongs to has any bearing on me as one of their customers;	0
	c. More negatively—it shows the business has time/money to waste on an organization not directly connected to my needs	0
10	Currently, the Town of Queen Creek has a contract with the Chamber of Commerce in which many functions must be performed by the chamber, ranging from expansion/retention interviews with existing companies in the area, to running the visitors bureau, to administering the Business Incubator. The contract is not specific about the exchange of funds for work done. Should the payment of funds from the Town be viewed as a donation or as a fee for contracted services?	0
	a. Leave it the way it is	1
	b. Link pay to work required	11
11	How important do you feel expansion/retention efforts are in the Town of Queen Creek? Do you expect that an appreciable amount of new employment will come from existing businesses, or do you think the vast majority of new jobs will come from new businesses that choose to open in Queen Creek?	0
	a. Existing businesses create the most new jobs	2
	b. New businesses in the area bring in the most jobs	10
12	Do you or does your business now, or has it ever, belonged to a Chamber of Commerce or other business organization? Yes or No	9-Y, 2-N
13	Did your membership meet or exceed your expectations? Yes, No or N/A	7-y,4-n/a
14	Did the membership provide a "value" to you? Yes, No or N/A	7-y,4-n/a

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15	Should the Town's Economic Development Department investigate assuming responsibility for Business Expansion and Retention, administering the Tourist Center and day to day office oversight of the Business Incubator (services that are currently provided by the Chamber of Commerce by contract) and hire adequate, skilled employee(s) to handle the additional workload in order to bring the function back to the public sector? Yes or No	2-y, 9 n
16	Do you think having a Chamber of Commerce in the Town of Queen Creek enhances its reputation as business-friendly town (inviting to new prospective employers)? Yes or No	11-y, 1-n

The Real Value of Joining a Local Chamber of Commerce

A Research Study



The Schapiro Group, Inc. | 127 Peachtree Street NE, Suite 1540 | Atlanta, GA 30303 | www.schapirogroup.com

Study Overview

Advocates of chambers of commerce have long believed that when a company is active in its local chamber, it is doing the right thing not only for the community but for its own success as well. While there is plenty of evidence to show the impact of chambers of commerce on their communities, it is much harder to find data that quantify the impact of belonging to a chamber. This study, commissioned by the American Chamber of Commerce Executives with support from Small Business Network, Inc., is designed to do just that: determine the real value to companies in terms of consumer outcomes of joining and being active in their local chamber of commerce. Do consumers really support businesses *because* they are chamber members?

Data for the study come from a scientific web-based survey of 2,000 adults nationwide¹. What makes the study unlike most, however, is that almost every question on it is part of one of several imbedded experiments. This means that respondents were randomly assigned to different groups at several points during the survey. Each group reads something slightly different—like a description of a company that changes only a little for each group—but then everyone is asked the same questions thereafter, regardless of which company description they just read. Therefore, when there are statistically significant differences in how different groups answered the same questions, we know exactly why it happened.

This approach yields powerful results because it bypasses the subjectivity of most opinion polls. A sampling of some of these results proves this to be the case.

- Most consumers (59%) think that being active in the local chamber of commerce is an effective business strategy overall. It is 29% more effective, however, for communicating to consumers that a company uses good business practices and 26% more effective for communicating that a business is reputable.
- If a company shows that it is highly involved in its local chamber (e.g., sits on the chamber board), consumers are 12% more likely to think that its products stack up better against its competition.
- When a consumer thinks that a company's products stack up better against the competition because the company is highly involved in its local chamber of commerce, it is because he or she infers that the company is trustworthy, involved in the community, and is an industry leader.
- When consumers know that a restaurant franchise is a member of the chamber of commerce, they are 40% more likely to eat at the franchise in the next few months.
- When consumers know that an insurance company is a member of the chamber of commerce, they are 43% more likely to consider buying insurance from it.

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- When consumers know that a small business is a member of the chamber of commerce, they are 44% more likely to think favorably of it and 63% more likely to purchase goods or services from the company in the future.

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Attachment D

Requirements from Agreement dated July 1, 2012	T-QC/ QC-CC	Exec hrs	Clerk hrs	Misc
Contact/interview/analyze needs of 45 members/ businesses over 12 months	T-QC	180	135	
Meetings to address issues/challenges raised in interviews	T-QC	50	35	
Coordinate with Town ED for further assistance	T-QC	20	20	
Provide monthly reports on meetings and results	T-QC	12		
Quarterly Town Staff report	T-QC	8		
Distribute relocation packets	T-QC		12	
Chamber website maintenance featuring Community Calendar	T-QC		30	
Queen Creek area map	T-QC	10	10	
Media Partnerships and Advertising	T-QC	20	10	
Support of Town events as requested	T-QC	10	10	
Support development of Film and TV activities	T-QC	20		
Participation on QC EDC	T-QC	24		
Shop Queen Creek program	T-QC	12	6	
Operation of Toursim/Visitors Center	T-QC	6	12	
Distribution of Town Marketing Materials, etc.	T-QC	12	36	
Research grant opportunities through AZ Office of Tourism	T-QC	10		
Annual Report to the Town, including review of previous year's programs and list of proposed programs for upcoming year to Town Council meeting	T-QC	20	5	
Monthly reports summarizing BRE and Marketing, etc.	T-QC	12		
Insurance requirements General & Automotive Liability	T-QC			X
Chamber website maintenance	T-QC			X
Subtotal of hours		426	321	
Annual Chamber events: Golf Tournament, Business Awards Dinner	QC-CC	80	240	

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Distribute new member and renewal packets	QC-CC		12	
Coordinate ribbon cuttings and ground breakings	QC-CC	12	18	
Leadership roles in EVCCA and ACE	QC-CC	48		
Chamber newsletter distribution	QC-CC	52	156	
Chamber Directory	QC-CC	10	100	
Holiday Parade	??	60	60	
Subtotal of hours		262	586	

Lease and Services Agreement-- December 27, 2010	T-QC/ QC-CC	Exec hrs	Clerk hrs	Misc
Provide staff receptionist for 9 hrs/day, 5 days/wk, 52 wks/year, excluding holidays for Business Incubator	T-QC	113	2260	
Assist with Marketing & Promotion of QC Incubator	T-QC	24	12	
Monthly meetings with Town Staff and Chamber President to determine specific marketing strategies	T-QC	12		
CC president to serve as representative of QC Incubator at Chamber and Town functions	T-QC	12		
Maintain a Small Business Resource Team. Chamber to coordinate meetings between volunteers and program participants	T-QC	24	24	
Maintain relationship with Service Corp of Retired Executives and Small Business Development Center.	T-QC	12		
Handle scheduling of Appointments with incubator clients and SBRT, SCORE and SBDC	T-QC	10	30	
Monthly reports tracking number of incubator clients assisted	T-QC	12		
Meet with Management Team on monthly basis to communicate marketing efforts, plan future activities and discuss client needs	T-QC	24		
Quarterly reports on Program participants and the services provided to them	T-QC	8		
Subtotal of hours		251	2,326	

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Total hours required to accomplish contracted work for Town of Queen Creek		939	3,233
Hours of work customarily handled by Chamber of Commerce		262	586
Hours of work specified by the Town not typically handled by the Chamber of Commerce		677	2,647

Annual pay rates for experienced Executive Officer		\$50,000
Pay plus loadings		\$60,000
Hourly pay for skilled receptionist, clerical assistant		\$11
Pay plus loadings		\$13

Cost of work to Town of Queen Creek-- Executive		\$24,929
Cost of work to Town of Queen Creek--clerical assistant(s)		\$42,676
Total payroll		\$67,605

Cost of required insurance		\$5,000
Cost of website maintenance		\$3,600
Total of costs to Chamber of Commerce to accomplish requirements		\$76,205

Cost of payroll customarily handled by Chamber of Commerce but included in contracts with the Town		\$14,691
Without payroll customarily handled by Chamber of Commerce		\$52,914
Total payroll		\$67,605
Plus insurance and website maintenance		\$76,205



Queen Creek Chamber of Commerce

22348 South Ellsworth Road
Queen Creek, AZ 85142
(480) 838-1709
www.queencreekchamber.com

Fee Structure for the Queen Creek Chamber

Membership Tiers:

0-5 Employees:	\$ 190.00
6-25 Employees:	\$ 266.00
26-50 Employees:	\$ 378.00
51-100 Employees:	.\$ 758.00
101-500 Employees:	\$ 1012.00
501+ Employees:	\$ 1167.00

Non-Profit Organizations - \$155.00

2nd Business under same owner – \$90.00

Registration Fee (one-time charge):
\$ 35.00

Member Benefits:

Some membership benefits for a small business include but are not limited to:

- Business Development Opportunities with access the corporate network
- Visibility through the chamber web site, newsletter and other publications
- Leadership development
- Access to research that can help grow your business
- Mentoring and training on business issues
- Economic Development Strategies
- Business Education
- Networking with chamber members and corporate decision makers
- Discounts on goods and services
- Access to valuable information on the effect of public policy and small business issues

PROPOSED REPORT STRUCTURE AND BRE INTERVIEW

Business Expansion/Retention Survey for Core Businesses

1. Building Bridges to Business Survey

The Queen Creek Chamber of Commerce is constantly working to stay abreast of concerns and issues affecting the businesses in our community. For several years now, the Chamber has been conducting interviews with its businesses that we are now calling the "Building Bridges to Business" Surveys. This effort is one of our most important missions. Information received from these surveys has provided invaluable insights into both individual and communitywide concerns that the companies face as they strive to stay in business, grow, and be profitable. We ask that you review and respond to this interview; the Chamber's President/CEO or another Chamber leader will be meeting with you to further clarify and better understand your answers, concerns, and opinions. Input from companies across the region is critical. Please help us to accumulate this information. As with all surveys from the Chamber, all responses are kept confidential; your business name or identity will not be shared with the findings from this effort without your expressed and explicit agreement. Thank you for your time. Your opinions and information are important.

1. So that your important input can be used and analyzed, please provide the following information:

Name:
Title:
Company:
Parent Company:
Address:
City:
Zip Code:
Phone:
Web Address:
Email Address:

2. Company Background Information

2. Affiliation to parent company:

- Subsidiary
- Division
- Branch

Other (please specify)

3. Number of years in business:

Business Expansion/Retention Survey for Core Businesses

4. Year company was established in the community?

5. Beginning of fiscal year:

- Jan May Sep
- Feb Jun Oct
- Mar Jul Nov
- Apr Aug Dec

3. Company Background (cont.)

6. Type of facility?

- Headquarters
- Division
- Office Operation
- Other (please specify)
- Branch Plant
- Distribution/Warehouse
- Manufacturing

7. Type of ownership?

- Public
- Employee-owned
- Private
- Family
- Not-for-profit
- State government
- Federal government

4. Products and Services

8. Please list the primary products and/or services:

Business Expansion/Retention Survey for Core Businesses

9. Into which business sector does your company fall?

- | | | |
|--|--|---|
| <input type="checkbox"/> Advanced Manufacturing | <input type="checkbox"/> Convention/tourism | <input type="checkbox"/> High-end Business Services |
| <input type="checkbox"/> Aeronautics and Defense | <input type="checkbox"/> Diversified | <input type="checkbox"/> Industrial Goods |
| <input type="checkbox"/> Agriculture, Forestry, Minerals | <input type="checkbox"/> Durable Goods Producer | <input type="checkbox"/> Retail Related Operations |
| <input type="checkbox"/> Building and Construction | <input type="checkbox"/> Energy and Energy Utilities | <input type="checkbox"/> Technology/Informations |
| <input type="checkbox"/> Communications | <input type="checkbox"/> Finance, Insurance, Real Estate | <input type="checkbox"/> Telecommunications |
| <input type="checkbox"/> Consumer Goods Producer | <input type="checkbox"/> Government | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Consumer Services | <input type="checkbox"/> Health Care and Pharmaceuticals | |

5. Employees

10. Local Employment:

Full-Time
 Part-Time
 Leased

11. How many full-time equivalent employees (total from previous question) are in each of the following classifications?

Management
 Technical
 Sales/Marketing
 Clerical
 Production
 Total Employees

12. General employment info:

Number of jobs added or lost in the past 3 years?

Number of shifts per day?

Number of days per week?

Total gross annual payroll?

13. Do you anticipate adding employees in the next calendar year?

YES

NO

Business Expansion/Retention Survey for Core Businesses

14. What is the average employee wage?

15. What percentage of your employees are Queen Creek residents?

16. Have you explored job training options? What type of programs would you like to see for you or your employees?

17. Have you approached ASU Polytechnic or other educational institutions regarding opportunities?

18. As a business person/owner, on a scale of 1-5 (5 being "best"), how would you rate the quality and availability of workers in Queen Creek?

	1. Poor	2.	3.	4.	5. Excellent
Quality:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. How did you recruit your current employees?

6. Facility

20. Facility Information:

Amount of acreage:
Building size (square feet):
Number of Buildings:

21. What is the age of the building(s)?

- Under 10 years
- 11 to 25 years
- Over 25 years

Business Expansion/Retention Survey for Core Businesses

22. What is the condition of the building (s)?

- Excellent
- Good
- Average
- Fair
- Poor

Square feet added or deleted in the last years:

23. Is there room for additional expansion at this location?

- Yes
- No

24. Is the facility owned or leased?

- Owned
- Leased

If leased, lease expiration date?

25. What has been your biggest obstacle(s) to growth?

26. If you are not currently located within the Town of Queen Creek, do you have plans to expand into the community?

- YES
- NO

7. Doing Business

27. Do suppliers and service providers that you are currently using exist with the Queen Creek area? Do they exist within the region?

	YES	NO
Within Queen Creek:	<input type="checkbox"/>	<input type="checkbox"/>
Within the region:	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

Business Expansion/Retention Survey for Core Businesses

28. What types of suppliers or service providers would you like to have located closer to your business?

29. What types of businesses create synergistic opportunities for your company?

30. What has been your biggest obstacle(s) to growing your business?

8. Interface with the Town of Queen Creek

31. What are the strengths and weaknesses of doing business in Queen Creek?

32. How would you rate your experience in Queen Creek from a business development perspective?

1. Very difficult 2. Difficult 3. Acceptable 4. Good 5. Excellent

33. Did you have any issues with obtaining a business license in Queen Creek?

YES

NO

Didn't obtain a Queen Creek Business License

If "YES", what problems did you have?

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34. Are there sign code, permitting, inspection or plan approval problems that have hindered your business in Queen Creek?

	YES	NO
Sign Code	<input type="radio"/>	<input type="radio"/>
Permitting	<input type="radio"/>	<input type="radio"/>
Inspection	<input type="radio"/>	<input type="radio"/>
Plan approval	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>

If "YES", what was the problem?

35. Are you familiar with programs that are available through the Town designed to assist small businesses?

	YES	NO
Queen Creek Incubator	<input type="radio"/>	<input type="radio"/>
Shop Queen Creek	<input type="radio"/>	<input type="radio"/>
Façade Improvement Program	<input type="radio"/>	<input type="radio"/>
Pedestrian Streetlight Banner Program	<input type="radio"/>	<input type="radio"/>

Would you like more information on any or all of these programs?

36. Can you identify any immediate needs for your business that either the Chamber or the Town can provide?

	YES	NO
Chamber:	<input type="radio"/>	<input type="radio"/>
What?		
Town:	<input type="radio"/>	<input type="radio"/>
What?		

37. Overall, on a scale of 1 to 5 (with 5 being "best"), how would you rate your experience in doing business with the Chamber? The Town of Queen Creek?

	1. Poor	2	3	4	5 Excellent
Chamber:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Town:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Why?					

9. Thank You!

Thank you for reviewing the interview questions that we have provided. A Chamber of Commerce representative will be meeting with you to finalize your thoughts and opinions. Your insights on doing business in Queen Creek are invaluable and will be used to enhance the atmosphere for commerce in the community.

SUGGESTED FIVE YEAR PLAN FORMAT

Basic Assumptions

The Queen Creek Chamber of Commerce Five Year Plan is contingent upon a number of assumptions which are listed here:

Dues Projections

- The current 2013 delinquent accounts (carries) will be reduced by 15% or about 32 members prior to building a five year forecast;
- The number of members will be projected using licensed and non-licensed business projections (2.5% annual growth forecasted);
- The Chamber will not only stay up with the 2.5% annual projected growth of businesses in Queen Creek, but, by holding annual membership drives, it will increase its market share by .5% annually as well;
- Minimum Dues will be increased by 5% annually;
- The top 25% of members will pay an average of 160% of minimum dues;
- The Chamber will only carry 10% delinquent members during each forecasted year;
- The Chamber will begin to transition to a tiered investment from its traditional employee based membership dues beginning in the fourth or fifth year of the program, assuming non-dues growth stays on target.

Non-Dues Projections

- The Chamber leadership will actively pursue new volunteers through new committee structures;
- The Chamber will campaign for new leadership on a regular basis, bringing in at least two new board members annually;
- The Chamber will enforce a two year term limit on the Chairman position and a five to seven consecutive year limit on regular board members;
- The Chamber board and the Event Committee will introduce one to three new programs annually, assessing each one for its viability and earning power;

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- If programs are dropped due to failure to meet expectations on earnings, other programs must be introduced to offset potential shortfalls to the goals for revenues;
- The contracts with the Town must be renegotiated to reflect fees for services required and revenues should be projected based on those requirements (see scenario #1 and #2 in projections);
- The commitments (and accompanying fees—see Attachment D) to the Town may be reduced over the scope of the Five Year Plan and the financial projections should include at least two scenarios: one where the work required remains constant or grows and one where the Town slowly removes requirements from the Chamber, thereby reducing the amount of fees paid.
- If the Town elects to reduce its contract with the Chamber, additional programs, events or other non-dues revenue efforts will be required to offset part or all of the loss.

Other Assumptions:

- The Town of Queen Creek will continue to subsidize rent and utilities for the Chamber and will continue to offer meeting space as required;
- The Chamber will be able to hire highly skilled executives for its President and CEO position at a competitive rate;
- Clerks and receptionists will be paid at market rate to ensure skilled employees;
- An Membership/Event Manager may be hired at a competitive rate;
- All employees will be subject to the newly constructed Employee Handbook (part of the Policy Manual) that will include hours of work, benefits, sick and vacation time, and paid holidays.

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Five Year Estimate of Chamber Membership and Dues Growth

Queen Creek Businesses actuals and estimates	Today	2013 members minus carry "drops"	% of total L & NL businesses	project 2.5% annual growth – yr 1	project 2.5% annual growth – yr 2	project 2.5% annual growth – yr 3	project 2.5% annual growth – yr 4	project 2.5% annual growth – yr 5
total business licenses	557			571	585	600	615	630
estimated non-licensed businesses (70%)	1393			1428	1464	1500	1538	1576
total projected businesses	1950			1999	2049	2100	2152	2206
Total members	210							
licensed members (+.5% mkt share increase annually)	61	52	9.2%	55	60	64	69	74
non licensed members	149	127	9.2%	138	149	161	172	184
Total projected members				194	209	225	241	258
Projected % growth in licensed members				-9.2%	7.8%	7.5%	7.3%	7.1%
Projected growth in members				53	46	45	45	45
Current minimum dues and projected minimum dues	\$190			\$200	\$209	\$220	\$231	\$242
Assume top 25% members	53			58	63	67	72	77
Assume top members pay 160% of minimum				\$ 18,566	\$ 21,011	\$ 23,722	\$ 26,724	\$ 30,046
Assume 10% carries				19	21	22	24	26
minimum dues payer dues				\$ 23,207	\$ 26,264	\$ 29,653	\$ 33,405	\$ 37,557
Total dues income projected				\$ 41,773	\$ 47,276	\$ 53,375	\$ 60,129	\$ 67,603
Average projected dues per member				\$ 215	\$ 226	\$ 238	\$ 249	\$ 262

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Five Year Estimate of Non-Dues Revenues and Contractual Payments

	Today	project 5% annual growth -- yr 1	project 5% annual growth -- yr 2	project 5% annual growth -- yr 3	project 5% annual growth -- yr 4	project 5% annual growth -- yr 5
Queen Creek Non Dues Revenues--Continued Contract with Town						
Current net revenues for events (expenses excluded)	\$9,000	\$9,450	\$9,923	\$10,419	\$10,940	\$11,487
New event revenues (minus expected expenses per event):						
Event #1		\$2,000	\$2,100	\$2,205	\$2,315	\$2,431
Event #2		\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
Event #3		2500	\$2,625	\$2,756	\$2,894	\$3,039
Event #4			\$1,500	\$1,575	\$1,654	\$1,736
Event #5			\$4,000	\$4,200	\$4,410	\$4,631
Event #6				\$3,000	\$3,150	\$3,308
Total potential net non-dues revenues from events		\$18,950	\$25,398	\$29,667	\$31,151	\$32,708
Other non-dues revenues	\$2,400	\$2,520	\$2,646	\$2,778	\$2,917	\$3,063
Public funding	\$50,417					
Based on pay for contracted work required	\$76,200					
Contracted work that should be eliminated from contract	\$15,000					
Starting point for contracted work	\$61,200	\$64,260	\$67,473	\$70,847	\$74,389	\$78,108
Scenario #1: Assume continued contract work with Town:						
Total Non Dues Revenue (after event expenses)		\$95,180	\$105,439	\$113,711	\$119,396	\$125,366
Projected Dues Revenue		\$ 44,094	\$ 49,902	\$ 56,340	\$ 63,469	\$ 71,358
Total projected Chamber of Commerce Revenues		\$139,274	\$155,341	\$170,051	\$182,866	\$196,725
Scenario #2: Assume 10% annual reduction in funding from Town (based on reduction in contracted requirements)						
Non-dues revenues projected		\$55,080	\$49,572	\$44,615	\$40,153	\$36,138
Projected Dues Revenue		\$21,470	\$28,044	\$32,446	\$34,068	\$35,771
Projected Dues Revenue		\$ 44,094	\$ 49,902	\$ 56,340	\$ 63,469	\$ 71,358
Total projected Chamber of Commerce Revenues		\$120,644	\$127,518	\$133,400	\$137,691	\$143,268



TO: HONORABLE MAYOR AND TOWN COUNCIL

**THROUGH: JOHN KROSS, AICP
TOWN MANAGER**

PATRICK FLYNN, ASSISTANT TOWN MANAGER, CFO

**FROM: DOREEN COTT, ECONOMIC DEVELOPMENT DIRECTOR
TIM LYNCH, GENERAL MANAGER HPEC**

**RE: DISCUSSION AND POSSIBLE APPROVAL OF AN OPTION
DEFINING THE FUTURE OF HORSESHOE PARK &
EQUESTRIAN CENTRE**

DATE: DECEMBER 4, 2013

Staff Recommendation: Staff recommends that Council provide direction on one of the three options provided in the report.

Proposed Motion: Move to approve Option ____ and direct staff to submit a recommendation to the Council Budget Committee for further review and possible inclusion in the FY14-15 budget.

Discussion:

At the Town Council Retreat in August staff provided the Council with the history of the facility, the planning and studies that were done to make Horseshoe Park & Equestrian Centre (HPEC) a reality, the financial program for HPEC as well as six options for the Council's consideration. These options included:

- Continue operating HPEC as it is today.
- Close the facility.
- Take HPEC to the next level (additional capital improvements)
- Sell the facility.
- Give day-to-day control of operations to a 3rd party operator.
- Repurpose the facility.

After extensive discussion the Council directed staff to further define the following options for contemplation:

- 3rd party operator.
- Repurpose/Additional Purposing of the facility.
- Take HPEC to the next level.

1. **3rd Party Operator** – This option would give the day-to-day control of operations to a third party. Third party management firms operate a venue for a public entity for a management fee. As part of staff's research we also saw examples of incentive clauses in these contracts that allow the firm to make more money if the venue generates more income or if the firm saves money.

One of the major cost advantages to bringing on a 3rd party operator is the ability to cut personnel costs. Personnel is a significant portion of the HPEC budget (45% of O&M budget) and a private firm would have the ability to pay employees less per hour and offer less comprehensive benefit packages, if any at all. Of course with the facility being serviced by non-Town staff, customer service standards may be affected. Excellent customer service is one of the truly recognizable benefits experienced by HPEC's customers as compared to other venues.

Third party operators or private firms typically don't invest in large capital improvements to a facility that they don't own, however they often do invest in "micro" projects like sponsoring events and enhancing events for the venue. A private company can also make decisions and implement new ideas much faster than local government thus taking advantage of certain time sensitive opportunities. Staff recommends that on-going maintenance and any capital improvements to the facility remain the Town's responsibility as a landlord as not to compromise our \$18 million facility investment. Private firms are driven by the profit motive but our research shows that the areas most cut by these firms when trying to save money is in the maintenance areas. We of course could try to address this in a contract agreement, with specific performance standards, but it may be more cost effective by having the maintenance responsibility under the Town's control. If Council supports this option, with the facility maintenance under Town control, staff will prepare a full cost breakdown for this specific element of the program.

Since private firms are profit driven, many of the non-profit groups that currently utilize HPEC for local events and practice will be affected, including the multi-day Roots N Boots event. Of course the Town could include provisions in a management agreement to allow for the continued use of HPEC by non-profits but this would come at a cost to the Town.

One of the most prominent themes staff heard as part of our research on utilizing a 3rd party operator is the lack of control. Many private companies will be very precise about how much control they will give the government entity over the day-to-day operations. If the 3rd party option was chosen staff would recommend a contract administrator to oversee the contract and ensure that the Town's asset is not being compromised but recognizing that there will be very limited involvement on the day-to-day operations.

The Town has some experience with 3rd party operators in a couple of other areas in the organization. The Town's solid waste program utilizes a private firm. This firm delivers a quality service at a reduced cost to the community- a successful combination for Queen Creek's residents. On the other hand the Town's fleet service was also outsourced as part of the Town's overall budget cuts. In this instance the decreased level of service, loss of control and inconvenience factors caused the Town to bring fleet operations back as a Town run program. We only note this here when considering the 3rd party option.

The exact amount of the management fee and the specific scope of work to be performed by the private firm can be determined by issuing a Request for Proposal. The private firms that staff spoke with were not very forthcoming with specific management fees and terms since a full overview of HPEC's financials, event calendar, sponsorships, etc. would need to be provided. If this option is chosen staff will work to develop a scope of work and issue the Request for Proposals/Qualifications.

Pros

- Potentially lower cost business model
- More flexibility to attract events.
- Less government bureaucracy (Town systems & procedures)
- Could help control Town costs.

Cons

- Management fee
- Less Town control
- Lose the high quality service delivery by Town
- Outsource/less dollars into facility
- Loss of some staff

- 2. Repurpose/Additional Purposing of the Facility** – This option was original presented to Council during the retreat as changing the overall use and makeup of the facility to attract a different demographic while being mindful that the terms of the Intergovernmental Agreement (IGA) with Maricopa County requires that the facility to remain a park. Based on the comments provided from the retreat, staff took a different approach for this

report. Instead of modifying the HPEC facility staff has outlined an enhancement to the current programming. This option outlines several non-equestrian events that staff is exploring and that have reasonable potential of coming to HPEC.

As part of the Town's economic development and branding initiative staff has been working to attract different festivals and events to the community. Staff recently attended the International Festivals and Events Association (IFEA) National Conference and had the opportunity to meet several different event promoters as well as gather information on the types of events that have been successful elsewhere and why they worked. In talking with event producers and different facility operators for this report staff was reminded of the following issues for attracting different events to HPEC:

- Rental fees for different festivals and events need to be negotiated on a case by case basis. HPEC was designed primarily as an equestrian event facility so many of the larger non-equestrian events will have no use for barn stalls or bedding, two of HPEC's significant revenue generators. Typically events will need a large, flat space with limited facility amenities, thus limiting the amount an event producer will pay for the space and ultimately affecting net revenues for HPEC. Festivals and events will have a significant secondary benefit to the community if they attract a large number of people to Queen Creek from other areas in the region.
- New events or events that are just new to HPEC will need time to grow and become profitable.
- Limitations on parking. Although every event has a different ratio of people per car, HPEC has limited overflow parking opportunities. For example the Roots N Boots Rodeo event brings in 8,000 to 10,000 people over three days with multiple activities and events going on all at the same time. Staff is comfortable with up to 5,000 people on site at one time thus limiting the ability to attract very large events that will draw more than 5,000 at any one time, unless additional parking elsewhere is obtained.

Staff has outlined several different types of events that will draw a wide variety of people with varying interests. Staff is actively developing relationships with different event producers and is confident that these particular events would work well at the facility:

- BMX Bike Races – the covered arena offers an ideal location for the races with over 2,000 spectator seats.
- Camping/Survival Exhibits – event producers prefer more rural locations for this multi-day event.
- Paintball
- Food Truck and Craft Beer Festival – food trucks and craft/micro brews are very popular and draw visitors from a wide area
- Home and Garden Show – event works well in an outdoor venue and there are opportunities for cross promotion with homebuilders with some many new residents moving into Queen Creek.
- Traveling Cook-offs – these events are tied to the Food Channel and draw from a wide area.
- Trucks and Tractor Exhibit – the City of Peoria has had a lot of success with this family friendly, interactive event.
- Concerts – local radio stations look for partnership opportunities to bring new artists to different venues. HPEC could provide just over 2,000 bleacher seats with an additional 3,000 floor seats.
- Nascar East Valley Event– work to bring the excitement of Nascar to the east valley during the two annual Nascar events held at Phoenix International Raceway (PIR). No actual car races but appearances by the race car drivers and event fanfare.

As part of the discussion at the Council Retreat the idea to add an aquatic component to the facility was discussed. Adding this type of amenity would certainly reach more of the Queen Creek population but would require a significant level of capital investment as well as a large amount of space that is currently utilized for equestrian events. Based on the Aquatic Feasibility Study conducted by the Town and presented to the Town Council in November 2006, the cost to build the facility desired by the community would be approximately \$8.1 million. The annual estimated operations and maintenance cost of the facility was \$650,000 and the annual estimated revenue amounted to \$277,000 annually for a net shortfall (excluding debt service) of \$373,000. Given the 2006 cost data, current costs would be significantly higher to construct a pool.

Based on the limited usage the Queen Creek Unified School District's pool experienced when open to the public during the summer months and the associated cost with adding a another pool in Queen Creek, staff does not recommend adding this amenity at the HPEC location. There are several aquatic facilities within a few miles of Queen Creek including the Mesquite Aquatic Center in Chandler (located at Val Vista and Riggs roads). Resident can use the competition/lap pool, diving boards, water slides, zero-depth play pool, interactive water play feature, water vortex, current river and ramadas for just \$1/day for children and \$2.25 for adults.

Pros

- HPEC is more than just an equestrian facility
- Continued destination spot for visitors
- Wider segment of public
- Different type of events
- Charge admission
- Covered arena and bleachers for spectator events
- Possibly more economic development activity

Cons

- Hotel potential possibly reduced
- Events taking the place of potentially higher revenue producing equestrian events.

3. **Take HPEC to the next level** – This option outlines several new capital improvements that staff feels will increase the number of “marketable” weeks and help to attract larger equestrian events as well as non-equestrian events to the facility.

Due to the summer heat, staff suggests a second covered arena to lengthen the season by four weeks in the spring and four more in the fall. Now that West World has a climate-controlled arena, a second covered arena at HPEC will make the facility more competitive for attracting larger events and it would also reduce the risk for rain-out of scheduled events. A second covered arena would also offer a vendor area for non-equestrian events. For example if the main covered arena is being used for a concert or BMX event, vendors can set up in the second covered arena.

Current annual revenues are approximately \$470,000. If that is averaged over 30 weeks (marketable days), HPEC has a weekly average of \$15,670. By adding eight more weeks a year revenues could increase by approximately \$125,000/year. Estimated capital cost for a second covered arena: \$475,000 – \$550,000 with payback in 3-5 years. This capital improvement does not increase the need for additional staffing but would allow HPEC to charge more for the arena rental.

Add an additional 100 shed row style stalls on the north end of the existing shed row barns. Make infrastructure improvements for an additional 200 temporary stalls. Additional RV hookups could be modified to provide electricity and water to the temporary stalls. Temporary stalls would be rented, not purchased, to accommodate a 600-horse show. Four, 400-600 stall events, could increase net revenues by an additional \$75,000/year. (Staff estimates an increase of \$100,000 in gross revenues with a \$25,000

increase in temporary staff labor expenses). Estimated capital cost: \$220,000 – \$300,000 with payback in 3-5 years.

Create a "super arena" by joining Arenas #2 and #4. This would provide 760' of contiguous arena floor instead of two 300' arenas. This concept allows for a great deal of flexibility. For example, the super arena could be divided up into as many as three arenas giving HPEC the ability to run multiple smaller events or accommodating the Hunter/Jumper discipline with two larger arenas. Staff estimates an annual net revenue increase of \$9,000. Estimated capital cost: \$40,000 – \$50,000 with payback in 5 years

Lay asphalt in all of the barn alleys making it faster and less expensive to clean stalls in between shows. This is critical when there is often less than 48 hours to clean and reset the facility between events. This improvement will reduce annual labor and granite expenses by approximately \$5,000. Estimated cost: \$30,000 - \$40,000 with payback 4-6 years

Install kitchen equipment to allow the existing concession area to operate with full cooking capabilities. A full kitchen would also benefit large festivals and other non-equestrian events that need kitchen facilities. Currently HPEC has a contract with Pooh's Kettle, a full-serve, self contained concessionaire. This improvement would enhance the range of concessionaires that could provide services at HPEC. A full service kitchen would allow for greater sales thus increasing HPEC's commission on food sales. Estimated capital cost: \$40,000 – \$60,000.

Install roll-up wind screens on all four sides of Arena #1. This would increase the comfort and rental value of the main covered arena that is used by equestrian and non-equestrian events. This capital improvement would enhance the comfort of spectators and competitors making the facility easier to sell for new events. Estimated cost: \$80,000 – \$100,000.

Pros

- More revenue for the facility
- Lowers Town subsidy
- Enhanced facility for event promoters; draw in more visitors
- Hotel potential increases with more events
- More economic activity for community
- Payback in a relatively short period of time

Cons

- Additional capital investment by the Town
- More dollars to a limited segment of the community (Equestrian)
- Possibly public relation issues
- Continued public dialogue about facility – continued diversion of resources from the economic development program.

Council Options:

1. Direct staff to prepare and issue an RFP into the nationwide marketplace seeking a 3rd party operator for HPEC.
2. Direct staff to begin diversifying the use of HPEC as outlined in the report.
3. Direct staff to develop supplemental budget request for consideration in the FY14-15 budget for the proposed new capital investments in HPEC as outlined in the report.
4. Do none or a combination of the above options.

Fiscal Impact:

Much of the fiscal impacts for many of these options are unknown at this time. For example, in the case of the 3rd party operator, we would need to review and evaluate the responses to the RFP, given our situation and specifics (including the maintenance and possibly other issues) prior to developing full cost data for operating HPEC under this business approach.

This is also the case for the next option, diversifying the use of the facility. Until we secure the events and evaluate the cost and revenue data, we cannot accurately evaluate the fiscal impact on the facility. We may get more diverse uses but it could come with a negative (or positive) fiscal impact, as indicated these are the unknowns at this time.

Attachments:

1. Exhibit A – Schedule of Actual Revenues and Expenditures for the period FY08-09 to FY12-13.
2. Exhibit B – Schedule of Projected Revenues and Expenditures for the period FY13-14 to FY17-18 including the underlying financial assumptions.
3. Exhibit C – Schedule of Outstanding Debt for HPEC as of FY13-14.
4. Exhibit D – Economic Impact Model Inputs – Direct Spending by Category.
5. Exhibit E – Facility Survey
6. Council Retreat Report

HPEC
Schedule of Actual Revenue & Expenditures
for the period FY 08/09 to FY 12/13

DESCRIPTION	FY 08/09 ACTUAL	FY 09/10 ACTUAL	FY 10/11 ACTUAL	FY 11/12 ACTUAL	FY 12/13 ACTUAL
Revenue					
Horseshoe Park Revenue	\$55,741	\$133,304	\$205,423	\$452,872	\$471,642
Total: Revenue	\$55,741	\$133,304	\$205,423	\$452,872	\$471,642
Expenditures					
Salary & Wages	\$107,091	\$148,087	\$274,105	\$280,080	\$287,188
Fringe Benefits	\$33,606	\$50,365	\$91,301	\$97,668	\$126,930
Dept. Support Costs*	\$0	\$0	\$0	\$78,280	\$199,750
Utilities	\$45,790	\$84,287	\$92,376	\$98,931	\$133,770
Materials & Supplies	\$14,349	\$37,136	\$69,222	\$88,827	\$96,189
Fees & Other Services	\$11,730	\$22,160	\$42,458	\$43,282	\$18,120
Professional Development	\$4,817	\$3,536	\$5,346	\$2,184	\$4,000
Repairs & Maintenance	\$3,775	\$12,176	\$22,369	\$55,764	\$44,795
Contractual Services	\$2,278	\$8,490	\$4,527	\$68,759	\$56,640
Other	\$4,153	\$244	\$38,910	\$53,257	\$8,165
Horseshoe Park Expenditures	\$227,589	\$366,481	\$640,614	\$867,032	\$975,547
Net Deficit (Excluding Debt Service Costs)	-\$171,848	-\$233,177	-\$435,191	-\$414,160	-\$503,905
Debt Service Costs	\$690,000	\$690,000	\$817,000	\$817,000	\$817,000
Net Deficit Including Debt Service	-\$861,848	-\$923,177	-\$1,252,191	-\$1,231,160	-\$1,320,905

* Initiated in FY 11/12 as part of Enterprise fund program

HPEC
Schedule of Projected Revenue & Expenditures (Budget)
for the period FY 13/14 to FY 17/18

DESCRIPTION	FY 13/14 PROJECTED	FY 14/15 PROJECTED	FY 15/16 PROJECTED	FY 16/17 PROJECTED	FY 17/18 PROJECTED
Revenue					
Horseshoe Park Revenue	\$525,000	\$536,000	\$546,000	\$557,000	\$568,000
Total: Revenue	\$525,000	\$536,000	\$546,000	\$557,000	\$568,000
Expenditures					
Salary & Wages	\$377,368	\$388,803	\$400,584	\$412,722	\$425,228
Fringe Benefits	\$155,210	\$173,835	\$194,695	\$218,059	\$244,226
Dept. Support Costs	\$151,452	\$155,996	\$160,675	\$165,496	\$170,461
Utilities	\$112,475	\$119,224	\$126,377	\$133,960	\$141,997
Materials & Supply	\$130,075	\$113,377	\$116,779	\$120,282	\$123,890
Fees & Other Services	\$27,225	\$31,309	\$36,005	\$41,406	\$47,617
Professional Development	\$8,300	\$4,000	\$4,000	\$4,000	\$4,000
Repairs & Maintenance	\$75,000	\$86,250	\$99,188	\$114,066	\$131,175
Contractual Services	\$93,000	\$86,320	\$89,773	\$93,364	\$97,098
Other	\$34,200	\$30,000	\$30,000	\$30,000	\$30,000
Contingency	\$50,000				
Horseshoe Park Expenditures	\$1,214,305	\$1,189,114	\$1,258,076	\$1,333,355	\$1,415,692
Net Deficit (Excluding Debt Service Costs)	-\$689,305	-\$653,114	-\$712,076	-\$776,355	-\$847,692
Debt Service Costs	\$817,000	\$817,000	\$817,000	\$817,000	\$817,000
Net Deficit Including Debt Service	-\$1,506,305	-\$1,470,114	-\$1,529,076	-\$1,593,355	-\$1,664,692

Long Range Assumptions

Contractual services set at 4% minus any one time expenditures added through FY14 supplemental process.

Materials has 3% annual increase due to anticipated inflation, minus any one time expenditures added through supplemental process.

Repair and Maintenance has a 15% annual increase due to ageing park.

Utility has 6% annual increase due to uncertainty of SRP lighting rates.

Department support costs based on General fund long range projected staffing and material costs. On average 3% annually.

Salary and Fringes

10% Health annually

ASRS annual increase .5%

Merit system 1-3% based on performance

**Horseshoe Park & Equestrian Centre (HPEC)
Schedule of Outstanding Debt
as of FY 13/14**

<i>Maturity</i>	<i>Series</i>	<i>Type</i>	<i>Original Amount</i>	<i>Amount Outstanding</i>	<i>Annual Debt Service Cost</i>
2033	2007	Excise Tax Bonds	\$7,400,000	\$6,320,000	\$520,000
2023	2008	GADA Loan	\$2,045,000	\$1,370,000	\$170,000
2020	2010	Internal Loan	\$1,023,000	\$758,000	\$127,000
TOTAL			\$10,468,000	\$8,448,000	\$817,000

Note

- We could consolidate our debt, refinance and have an annual debt service payment of approximately \$652,000 per year thru FY 2038. New principal amount of \$9,455,000.
- Town Cost for the refinance (Present Value of added debt service costs \$995,000).

Table 4 - Economic Impact Model Inputs, Direct Spending by Category

	Schnepf Farms Pumpkin & Chili Festival ¹	Olive Mill	Queen Creek Performing Arts Center	Horseshoe Park & Equestrian Center	Barney Family Sports Complex	Totals per Category
Dining - fast food or sit down restaurant	\$762,882	\$1,507,300	\$1,729,909	\$1,342,387	\$197,557	\$5,540,035
Grocery store food	\$196,125	\$747,832	\$481,453	\$276,069	\$242,248	\$1,943,726
Food from concession stands	\$503,871	\$0	\$48,160	\$84,929	\$49,781	\$686,741
Transportation/fuel	\$487,757	\$511,546	\$379,351	\$614,551	\$440,891	\$2,434,098
General merchandise	\$449,633	\$3,225,900	\$4,500	\$245,742	\$0	\$3,925,775
Ticket/admission	\$1,164,564	\$170,800	\$199,000	n/a	\$250,000	\$1,784,364
Facility rental fees	\$40,483	\$0	\$117,700	\$381,681	\$105,000	\$644,864
Classes/workshops	n/a	n/a	\$22,000	n/a	n/a	\$22,000
Lodging/camping	\$8,081	\$0	\$0	\$1,794,806	\$0	\$1,802,887
Overnight RV at HPEC	n/a	n/a	n/a	\$29,310	n/a	\$29,310
Totals per Event	\$3,613,395	\$6,163,378	\$2,982,073	\$4,769,475	\$1,285,478	\$18,813,800
Annual Attendance	100,000	750,000	112,000	34,130	125,000	1,121,130
Average Spending per Person	\$36.13	\$8.22	\$26.63	\$139.74	\$10.28	\$16.78

¹Figures for Pumpkin Festival only.

FACILITY SURVEY 2013

NAME	OWNER(S)	GROSS INCOME	OPERATING EXPENSES	# COVERED OR INDOOR ARENAS	# OUTDOOR ARENAS	# STALLS	# RV SPACES
Los Angeles Equestrian Center Burbank, Ca	City Land Leased to Private Concessionaires	\$4,500,000	\$3,500,000	1	12	2,200	268
West Cal Arena Sulphur, La	City/County/State	\$250,000	\$375,000	2	0	120	65
Golden, Co Jefferson County Fairgrounds	County	\$300,000	\$1,100,000	1	3	155	40
South Eastern Livestock Pavillion Ocala, Fl	County/State	\$210,000	\$411,000	1	2	135	56
Sommerville County Expo Center Glen Rose, Tx	County	\$460,000	\$780,000	3	2	375	56
Tennessee Miller Arena Murfreesboro, Tn	Middle Tn St U	\$837,512	\$1,097,468	2	2	450	80
Harmon Field Tryon, NC	Non-Profit Organization	\$350,308	\$357,253	0	4	140	0

National Western Complex Denver, Co	City funded Facility on Private Property	\$2,000,000	\$1,500,000	3	2	1800	465
St. Lucie County Fairgrounds Ft. Pierce, Fl	County	\$175,000	\$1,300,000	1	3	145	75
Stevens County Expo Center Duncan, Ok	County	\$266,000	\$404,000	2	1	125	0
Ponotoc County Agriplex Ada, Ok	County	\$360,000	\$70,000	2	3	260	0
Grady County Coliseum Chickasha, Ok	County	\$360,000	\$570,000	2	2	190	56
Hardy Murphy Coliseum Ardmore, Ok	Public Trust, owned by City	\$1,410,622	\$1,401,134	3	1	520	42



TOWN OF QUEEN CREEK

2013 Council Retreat

Francisco Grande Hotel & Golf Resort
Casa Grande, Arizona
August 16-17, 2013

Attendees:

Policy Makers

Gail Barney, Mayor
Dawn Oliphant, Vice Mayor
Craig Barnes, Council Member
Robin Benning, Council Member
Jeff Brown, Council Member
Julia Wheatley, Council Member
Jason Gad, Council Member

Staff

John Kross
Patrick Flynn
Doreen Cott
Tim Lynch

Facilitation and Summary: Lance Decker

INTRODUCTION AND BACKGROUND

The Town of Queen Creek Mayor and Council held their annual planning retreat on August 16 and 17, 2013 at the Francisco Grande Hotel in Casa Grande to discuss important issues germane to the Town's operation, management, and future. The following meeting summary represents the product of these discussions. Appendix A contains the working agenda for the meeting, and Appendix B is a summary of comments from pre-workshop interviews. Appendix C is a description of the discussion process that will be used to focus the topics.

MEETING OBJECTIVES

The objectives for the planning session:

- To discuss current issues affecting Queen Creek
- To identify the policy direction and priorities of policy makers
- To improve the Council's ability to work effectively as a team

OPENING EXERCISE

After an introduction to the meeting process model being used during the retreat, Lance asked participants to consider three questions as a starting point for discussions:

- What's changed in the past 12 months?
- What hopes and dreams do we share?
- What will make us a stronger team?

A spirited discussion followed, with the results being as follows:

1. What are some of the changes from the last 12 months?
 - Economy is better
 - Attention to infrastructure
 - Funding for non-profits
 - Development activity is up (so is the pressure from development)
 - Sales taxes are up
 - Community is at a strategic inflection point
2. What hopes and dreams do we share?
 - Sustainable community
 - Friendly atmosphere continues
 - Great community; that is, there is a resident happiness index (a metric)
 - Vibrant community
3. What will make the Council a stronger team?
 - Getting to know each other
 - Camaraderie

- Understanding individual dreams on an individual level
- Candid conversations – ability to speak on a professional level
- Council seems to have personal respect for each other
- Courtesy and respect for one another
- After a decision is made by the Council, there is solidarity of the Council (message to legislators for greater unity and the Council should be more visible amongst them)

PRE-MEETING INTERVIEWS

Prior to the August retreat, Town Council members were asked their opinions on various topics as part of telephone interviews. Below are the categories of topics that were identified as critical to the Council's discussions:

- Council Governance and Policy
- Staff and Council Support
- Fiscal Issues
- School Resource Officers
- The General Plan Amendments and 2015 Update
- Infrastructure Development and Improvements
- Horseshoe Park and Equestrian Center
- Incubator
- Housing Development
- Council Protocols
- Economic Development
- Annexation
- Signs
- Interaction with Non-profits

SUBSTANTIVE DISCUSSIONS

Horseshoe Park and Equestrian Centre (HPEC).

Prior to the retreat discussion the staff conducted research on the historical background of Horseshoe Park, what decisions prior Town councils had made concerning the Park, and other questions that were raised in the past by the Council. Staff presented this information, and then highlighted six possible alternatives the Council might consider in deciding the future of HPEC.

- Option 1: Status Quo
- Option 2: Close HPEC
- Option 3: Take HPEC to Next Level
- Option 4: Sell Facility
- Option 5: Third-Party Operator
- Option 6: Repurpose/Additional Purposing of the Facility

After lengthy discussions, the Council came to substantial agreement as follows:

Option 1: Status Quo: This option was generally not acceptable...something has to change.

Option 2: Close HPEC: This option was generally not acceptable; other options are better and the Town would still be saddled with the overall debt service.

Option 3: Take HPEC to the Next Level: This option was generally ranked 3rd among the alternatives. Action might include modifying by adding a temporary tent for a covered arena, and staff was asked to bring the Council more information on this option.

Option 4: Sell Facility: This option was generally not acceptable to the Council and didn't seem to be viable.

Option 5: Third-Party Operator: This option was generally ranked 1st among all the alternatives. Actions might include finding a company that would take the lead in cutting operating and management costs, expanding marketing and commercial opportunities for revenue, and still have a strong equestrian focus.

Option 6: Repurpose/Additional Purposing of the Facility: This option was generally ranked 2nd among all the alternatives. Actions might include changes to the services and programs being offered with non-equine events fostering new programs and activities. Staff was asked to provide more information on this option.

The objectives of any alternative for HPEC would be to continue as an economic development attraction and engine, make Queen Creek a destination point for regional events, reduce operating deficits, increase revenue, and increase use by appealing to a wider range of the Queen Creek population. The facility might include other recreational events or amenities like a pool/water park, yet not lose the equestrian community and heritage component. Other ideas/events mentioned by the Council for non-equine consideration included: monster truck, concerts, dances, a circus, and BMX.

Action Item:

Staff was asked to come back to Council with further investigation and exploration on the following three options – listed in order of preference.

1. Third-Party Operator
2. Repurpose/Additional Purposing of the Facility
3. Take HPEC to Next Level

Assessment of the HPEC discussion:

What did we do right? What worked?	What will we change the next time?
<ul style="list-style-type: none"> + Communicated with each other + Shared perspectives; got better explanation of perspectives + Appreciated the staff work, history and financials + Civil to one another + Better understood each other's views 	<ul style="list-style-type: none"> Δ Better adherence needed to 30-second soap box rule Δ Shorter answers by members are needed Δ Keep emotions in check

DISCUSSION OF THE CORPORATE STRATEGIC PLAN

The following portions of the Corporate Strategic Plan were presented by John Kross and discussed by the Mayor and Council.

KRA #3; Goal #2: Council Professional Development.

Consider joint meetings with similarly sized Towns to share common interests and learning opportunities.

<p>Action Items:</p> <ul style="list-style-type: none"> • Schedule joint meetings with Higley and Queen Creek Unified School Districts after January 2014. • Proceed with the joint meeting when a minimum of five Council Members can commit to attend. • Publish on the Council schedule, who is available to attend up to two additional meetings per year. • Staff to screen Council meeting requests more thoroughly; evaluating mission critical needs for members to be in attendance.
--

**KRA#5, Goal 2: Financial Management/Internal Services and Sustainability;
Continue progressive strategies to attract and retain high-performing staff.**

The Council expressed their concern about losing qualified, valuable staff and suggested succession planning for key town positions including those vulnerable for loss. Bench strength needs to part of the planning process in critical departments. The Council asked the manager to consider how to retain qualified staff in a growing economy and assure Queen Creek continues to be competitive and avoid potential loss of talented staff.

<p>Action Item: Staff asked to develop a report on succession planning and key positions/people eligible for retirement within the next five years.</p>
--

KRA#6, Goal 1: Image/Identity; Implement strategies that incorporate the Town's heritage and branding campaign, including attracting new and enhancing existing festivals, tourism, marketing, and strategic partnerships.

The Council discussed the possibly bringing back some community events. Community members are asking for more opportunities to get together as an entire community. This discussion may present itself during the budget development process next year.

Marketing the community more proactively to prospective residents, employers, such as professors at GCU was also discussed. Staff suggested amplifying our program, unleashing the talents of our staff and consensus of the Council was to take the program to the next level and bring back options for doing this at an upcoming Council meeting.

Action Item:

Staff was asked to develop a report and come back to the Council for direction on options for enhancing our community outreach and marketing program to the region, to encourage relocation, investment and general interest.

KRA#9, Goal 7: Public Safety; Update the Master Plan for Law Enforcement Services.

The Council discussed how, as Queen Creek grows; there may be a need for modern facilities for law enforcement. No specific action item was generated as a result, but staff was asked to determine how many calls service District 6 responds to that are outside of the Town limits.

DISCUSSION OF CRITICAL ISSUES

Council Governance and Protocols.

Several issues concerning governance and protocols were discussed.

1. The Council would like to support the Town in conducting policy outreach. It was suggested that staff might identify key policy issues the Council would promote in their interaction with the community and other elected officials. The staff might prepare talking points for the Council's use, particularly as it relates to legislative issues of concern. These points would be simple summaries or two-line briefing statements providing information on the topic.

Action Item:

Item/issue of the week (or month) for Council in the Weekly Packet or Council Google Site. These issues may lead to talking points, which staff should develop.

2. Council discussed how the public might perceive them as they view the Council Meetings. Might there be ways to improve interaction while on the dais?

Action Item:

Engage Cary Pfeffer to attend and critique a couple of council meetings, evaluate individual member's verbal and non-verbal communication; Cary to provide a summary critique of each member for their continued professional development.

Stakeholders v. Special Interests.

During the working lunch the Mayor and Council discussed how to consider a stakeholder and whether all interested parties to an issue are truly stakeholders, versus those that may better be defined as a special interest. Council shared their perspectives. No follow-up or future action was directed at this time.

Agenda Management.

The Town Manager presented alternatives for adjusting the Council agendas to accommodate the 30+ policy/issue review items that need to be addressed over the next several months. Discussion included how to manage the Council committee reports to allow for more time for policy items.

Action Item:

The Council asked staff to bring them revisions to current practices that keep the two meetings per month starting at 5:30 p.m. A change would include allowing for the Regular Session to start at 5:30 p.m. along with Work-Study Session, and fitting in Executive Session, as needed either before or after the Regular Session agenda. Any public hearing items be identified and shown as a specific time on the agenda to alert the public adequately.

Council Committees.

The Council discussed the possibility of removing Council members from citizen advisory committees as a way to 1) allow more residents to serve, and 2) allow the committees' work to be done entirely by residents. Questions were raised about the role of staff and training. The general feeling of participants was to keep the status quo. No changes are anticipated.

Annexation Policy.

Staff provided a brief overview of the 2002 existing policy. Participants discussed the annexation consultant contract considered in January where the Council elected to not pursue the issue of further annexation evaluation and analysis. A discussion of how annexing the State Lands in the northern tier planning area of the community followed. Staff was asked to evaluate those next steps and update the Council on the plans to pursue a 208 Water Quality Plan amendment via CAG. Staff will be moving forward on the engineering study needed for that sewer territory evaluation this fiscal year.

Action Item:

Staff will review, analyze and determine the necessary logistics and steps to annex the State Lands located in the Town's northern planning area and bring a report back to the Council at an upcoming meeting.

General Plan Amendments Case Management Discussion.

Town Manager Kross introduced this topic as an outgrowth from last year's General Plan Amendments process. Council expressed concerns about the management of the cases during the last update process, and options for improved case management in the future was also discussed. No additional action was requested.

Open for Business: A discussion on the business of business and the perceptions of the Town.

An overview of the topic was presented by John Kross, including a staff report outlining issues and perceptions that members of the development community have about working in Queen Creek. Policy makers are asked to occasionally meet with developers and business owners. These meetings would be during initial discussions with these representatives to express and share the council member's vision and the vision of the Town to prospective investors. The common message is that the Town wants to raise the bar from a design perspective, and build lasting businesses and developments in general.

No further action required at this time.

Financing Growth of the Community: Fiscal Issues and the Budget.

A white paper was presented on the current status of the primary property tax revenues for the community. The primary property tax is dedicated to the entire public safety program but has seen a 37% decline in revenues due to the effects of the Great Recession and the devaluation of properties. The white paper suggested the Council consider moving to a floating rate and/or increasing the levy that would ultimately mitigate the amount of transfers from the General Fund to the Public Safety program. This change would allow the Council to manage that program based on a more stable revenue source such as property taxes, versus a less stable source, sales taxes.

Information was provided on the status and forecast for roads infrastructure. The Town Manager presented a 20-year chart aggregating all capital with operations and maintenance, while showing projected revenues over the same period. Significant gaps in the roads program are forecasted.

The parks development program was also identified as having changes to revenues based on a reduction of impact fees going into effect in August 2014. At that time, communities are not able to collect impact fees for any parks greater than 10-acres. Queen Creek has land banked for two larger community parks of 76 and 130 acres. An option for funding new parks through existing state law, via a district system, was presented. Council asked

the Manager to bring this issue back to Council for further discussion and analysis and add the parks district legislative changes to the Town's Legislative Agenda for next session.

Action Item:

Staff will bring a report to the Council on financing growth, with particular attention to public safety and roads options, including the property tax white paper findings at a future Council Work-Study session for further discussion. Council also requested staff to add the parks district to the Town's Legislative Agenda for future adoption by the Council this fall.

School Resources Officer (SRO).

The Town Manager presented the staff report/White Paper on the School Resource Officer program. The report identified trends nationally, regionally and locally. Options for Council's consideration were also provided. A spirited discussion followed and comments included:

- We need more data and crime statistics to show a cause or trends that warrant such a significant financial commitment by the Town.
- What changes in statistics (calls for service) occurred at Newell Barney Jr. High prior to and after the SRO left that school?
- The SRO is an issue of significant importance for the community.
- Public safety is the most important function government performs and the SRO is part of the public safety picture.
- For a small degree of resources v. the opportunity cost it is very reasonable.
- This is an issue of priorities.
- The SRO program is critical but it is unrealistic to expect full funding of the program community-wide.
- This program, while worthy, will still not prevent the deranged individual from doing harm.
- There is value in prevention, but proactive deterrence of the deranged shooter, not possible.
- We need direction from our law enforcement experts and should take their recommendations on placement and growth of the program before categorically jumping feet first in.

Action Item:

Schedule the SRO item for an upcoming Work-Study Session of the Council as discussion only. Invite MCSO/Capt. Brice and Queen Creek Schools Superintendent Tom Lindsey to be part of this meeting for input.

QC, Inc.

The Council discussed the current status and future of the QC, Inc. Incubator Program, and after a lengthy discussion, staff was asked to consider all the questions and comments, and schedule a more complete discussion at a future Work-Study session where program mission and goals can be developed along with criteria for evaluating success.

Action Item:

Council requested staff come back to them at a future Work-Study meeting with options on defining the mission/goal of the program and criteria for entering into leases at QC, Inc. Staff was directed to also provide the revenue and expenses financials for the program.

Interaction with Non-Profits: Policy Considerations.

Participants wrestled with the policy implications of funding non-profits from tax dollars. Key questions and comments that came from this discussion included:

- What is the role of local government in funding non-profits?
- Should there be a maximum dollar and/or percentage cap in place each year for consideration by the Council for funding (cash and in-kind) of non-profits?
- Might the Town establish a citizens committee to review non-profit proposals and make a recommendation for funding to the full Council?
- Could the Town's water/utility billing system be used to provide residents/customers with an independent option to directly fund non-profits of their choosing?

By the end of the discussion it appeared the Council agreed there may be some role in local government funding non-profits, but there was certainly no agreement on what that role might be, the conditions under which funding might occur, or the limits of funding.

Action Item:

Council requested staff develop a plan and process for Council discussion at a future Work-Study meeting (options only) for how to consider non-profit funding. Options to include a maximum aggregate dollar cap and possibly, a percentage cap, as appropriate.

PLANNING FOR ACTION

Action planning is a technique for creating concrete results from meetings. The first column describes the action or activity that must take place. Focus on deliverables like specific reports, outcomes from projects, decisions made, or actions completed.

The second column determines who, specifically by name, will make sure the action or deliverable gets done. They don't necessarily have to do the work themselves, but just need to be responsible for seeing it's done. Don't use titles, committees or "all of us" in this box... as a way of spreading responsibility. "When everyone is responsible... no one is responsible." When a person's name is in the box, they will feel personally responsible, and get the work done.

The third column is the delivery date. This should not be the date the activity will begin... or the date something will be in process. This should be the date when all work is completed, and the deliverable is submitted. This date should be when you can erase the action from the plan.

PLANNING FOR ACTION		
What needs to be done?	Who will do it?	By when will it be done?
Complete the draft meeting notes from the retreat and transmit to staff for further processing. Deliverable will be the report transmitted to John Kross, 9/15/13 via e-mail and uploaded to Council Google Site.	Lance Decker	8/26/13
HPEC. Provide a report to the Town Council highlighting the results of research as directed at the retreat; consider using a Third-Party Operator, taking the HPEC to the next level, repurposing/additional purposing the facility, or a hybrid of actions with recommendations.	Doreen Cott	12/4/13
Corporate Strategic Plan (KRA#3, G#2). Staff to prepare a memo to the Council that addresses the following: Develop system to assure improved council-to-council relationships with other cities and towns. Council members will attend or hold meetings over the next year. Have someone on staff coordinate the Council's calendar to support those meetings and interaction; set up a system to schedule council-to-council meetings. Each member will attend at least two meeting events annually. Staff to screen Council meeting requests more thoroughly; evaluating mission critical needs for members to be in attendance.	Tracy Corman	9/18/13
Corporate Strategic Plan (KRA#5, G2). Develop a report on succession planning for key positions within the Town's staff; retirements, positions vulnerable to loss, bench strength in critical departments, etc.	Bruce Gardner	11/20/13
Corporate Strategic Plan (KRA#6, G1). QC needs to elevate and enhance its image and knowledge of the community. Staff to develop options on a proposed marketing enhancement program and submit a report to Council.	Marnie Schubert	12/4/13
Council Governance and Protocols. Item/issue of the week (or month) for Council in the Weekly Packet or Council Google Site. These issues may lead to talking points, which staff should develop.	Tracy Corman	11/6/13
Corporate Strategic Plan (KRA#3, G1). Engage Cary Pfeffer to attend and critique a couple of Council meetings, evaluate individual member's verbal and non-verbal communication; Cary to provide a summary critique of each member for their continued professional development.	Cary Pfeffer	12/18/13

<p>Agenda Management. Bring revisions to current practices that keep the two meetings per month starting at 5:30 p.m. A change would include allowing for the Regular Session to start at 5:30 p.m. along with Work-Study session, and fitting in Executive Session, as needed either before or after the Regular Session agenda. Any public hearing items be identified and shown as a specific time on the agenda to alert the public adequately.</p>	Jennifer Robinson	1/15/14
<p>Annexation Policy. Staff will review, analyze and determine the necessary logistics and steps to annex the State Lands located in the Town's northern planning area and bring a report back to the Council at an upcoming meeting.</p>	Chris Anaradian	12/18/13
<p>Financing Growth of the Community. Bring a report to the Council on financing growth, with particular attention to public safety and roads options, including the property tax white paper findings at a future Council Work-Study session for further discussion. Council also requested staff to add the parks district to the Town's Legislative Agenda for future adoption by the Council this fall.</p>	Patrick Flynn	3/19/14
<p>SRO. Schedule the SRO item for an upcoming Work-Study session of the Council as a discussion-only item...no action anticipated. Invite MCSO/Capt. Brice and Queen Creek Schools Superintendent, Tom Lindsey to be part of this meeting for input.</p>	John Kross	11/20/13
<p>QC, Inc. Staff to develop options on defining the mission/goal of the program and criteria for entering into leases at QC, Inc, and bring those options to the Council at a future meeting.</p>	Doreen Cott	1/15/14
<p>Interaction with Non-Profits. Staff to develop a plan and process for Council discussion at a future Work-Study meeting (options only) for how to consider non-profit funding. Options to include a maximum aggregate dollar cap and possibly, a percentage cap, as appropriate.</p>	Patrick Flynn	1/18/14

APPENDIX A



TOWN OF QUEEN CREEK

2013 Council Retreat

Working Agenda

Francisco Grande Hotel & Golf Resort
Eagle's Nest Conference Room
Casa Grande, Arizona
August 16-17, 2013

POLICY DIRECTION AND PRIORITIES

Retreat Objectives:

- To discuss current issues affecting Queen Creek
- To identify the policy direction and priorities of policy makers
- To improve the Council's ability to work effectively as a team

Friday, August 16, 2013

8:00 a.m. Breakfast and Conversation (Eagle's Nest Conference Room)

9:00 a.m. Welcome and Opening Comments

- Administrivia
- Review of Retreat Agenda
- Charter and Objectives for the Retreat

Gail Barney
Lance Decker

9:10 a.m. The 2013 Mayor/Council Team

- What's changed in the past 12 months?
- What hopes and dreams do we share?
- What will make us a stronger team?

Mayor and Council

9:20 a.m. *Preparing for Discussions*

- The Discussion Model: Question... Discussion... Concerns... Alternatives... Direction
- What I learned in my pre-retreat interviews.
- Reaction to the interview presentation?

Mayor and Council

9:30 a.m. Staff Reports on Horseshoe Park and Equestrian Center (HPEC) [TAB 2]

John Kross
Staff

10:15 a.m. Break

10:30 a.m. Initial Questions by Policy Makers (no answers yet!)

Mayor and Council

11:15 a.m. Initial Comments by Policy Makers

Mayor and Council

11:30 a.m. Responses to Policy Maker Questions

John Kross, Staff

12:00 p.m.	Lunch (Eagle's Nest Conference Room)	All
12:45 p.m.	Discussion of HPEC and Options	Mayor and Council
2:30 p.m.	Break	
2:45 p.m.	What direction is most appropriate? What instructions will we give our staff? What actions will we take? What objectives do we want to achieve?	Mayor and Council
4:00 p.m.	Plus / Delta Evaluation of the Day	Mayor and Council
4:20 p.m.	Wrap-Up <ul style="list-style-type: none"> • Session Summary • Observer Comments • Meeting Evaluation & Closing Remarks 	Mayor and Council
4:30 p.m.	Recess until Dinner (6:00 pm)	
6:00 p.m.	Dinner and Conversation (Eagle's Nest Conference Room)	Mayor and Council
6:30 p.m.	Final wrap-up regarding HPEC	Mayor and Council
7:15 p.m.	Saturday's Agenda: What's planned? What should be changed?	Mayor and Council
7:30 p.m.	Recess until 8:00 am, Saturday	

Saturday, August 17, 2013

7:30 a.m.	Breakfast and Conversation	
8:00 am.	Reflections from Friday Evening	Mayor and Council
8:10 am.	Discussion Topics <ul style="list-style-type: none"> • The Corporate Strategic Plan [TAB 3] • Council governance • Agenda Management (i.e., making time for future policy items). [TAB 4] • Council committees / Council representation [TAB 5] 	Mayor and Council
9:15 am.	Break	
9:30 am.	Discussion Topics (continued) <ul style="list-style-type: none"> • Economic Development and Land Use considerations <ul style="list-style-type: none"> ○ Annexation Policy [TAB 6] ○ Discussion on how the Council wants General Plan Amendments cases to be managed, information provided (a follow-up from annual evaluation). ○ What does "Open for Business" Mean? A discussion of the business of business, perceptions of Town and strategies for the future. [TAB 7] • Financing the growth of the community; fiscal issues and the budget <ul style="list-style-type: none"> ○ How do we pay for growth in core programs and infrastructure? (e.g. public safety; critical employment infrastructure in northern tier of planning area?) [TAB 8] ○ How do we pay for growth in non-essential, but valued amenities like new parks? 	Mayor and Council

- Legislation needed for consideration of funding for parks (e.g., Districts)

Lunch (Eagle's Nest Conference Room)

Discussion Topics (continued)

- School Resource Officers: Town / School relationships [TAB 9]
- QC, Inc.
- Interaction with nonprofits: consideration of a policy? [TAB 10]

Mayor and Council

2:00 p.m. Break

2:15 p.m. Planning for Action

- Discussion on deliverables, expectations for reporting progress on items from the annual Council retreat
- Who does what by when?
- Discussion/overview of Resources for Council (Google Sites). [TAB 11]
- Future Council retreat dates? (January instead of August?)

Mayor and Council

3:30 p.m. Wrap-Up

- Session Summary
- Observer Comments
- Meeting Evaluation & Closing Remarks

Mayor and Council

4:00 p.m. Adjourn

General Reference Material

- 2012 Retreat Summary Report [TAB 12]
- Town of Queen Creek – 2012 Organizational Accomplishments [TAB 12]
- Economic Development Strategic Plan 2012-2015 [TAB 12]
- 2012 Citizen Survey – Conclusions & Recommendations [TAB 12]
- Economic Impact Analysis (HPEC, Barney Family Sports Complex, Olive Mill, Schnepf Farms) [TAB 12]
- Biographical Information for Lance Decker, LL Decker & Associates, Inc. [TAB 12]

Notes Form [TAB 13]

APPENDIX B

TOWN OF QUEEN CREEK 2013 MAYOR & COUNCIL RETREAT ISSUE SUMMARY

The following is a summary of topics, questions and issues obtained from interviews with the Mayor and City Council members prior to the August 16, 2013 Council Planning Retreat.

Council Governance and Policy

- We're doing okay but need to make good policy for the Town's future. Not just what's good right now, but what's good for our kids and our grandkids.
- Making decisions from the "heart" or because your conscience drives you to do so is no substitute for analysis of the issues and doing what's best for the entire community. Philosophy is only one part of the decision-making process.
- There's a lot at stake in being an elected official, and every one of us needs to take the job seriously.
- I'm trying to get more involved in legislative policy. I have a few good connections within the legislature and could help move the Town's agenda

Staff and Council Support

- The staff is very good about keeping the Council informed, but the Council members must be willing to read the info, ask questions in advance of the meeting, and be prepared to make a decision that is supportive of the community.
- We've got John and the staff to help guide the Town, and the decisions we make today can and will make a difference in our future.
- Staff could prepare the "Reader's Digest" version of their reports and if a Council member wants more info they could go to John or Patrick.
- Criticism that we don't get enough information about issues is just a smoke screen for not doing homework in advance of the decision. John and the staff will give you enough information to make your eyeballs roll to the back of your head if you want it.
- Ongoing transparency of the Town with constituents; staff does a great job of serving residents; they normally ahead of the curve even before I get a question.

Fiscal Issues

- We need to get through the next budget cycle in a positive way.
- I'd like to see us invest some money in the future and catch up with some capital items that we've put off since the recession began.
- The Council needs to give more respect to the Budget Committee that supports the Council. Council should read the reports and do more homework on questions about the budget before the Council meeting to approve it.
- Strategic investments. The budget is important. We're ready to start taking action to benefit from the recovery, but at the same time not fall back into practices of the past that we don't want to repeat. It's a great time to refocus on long-term strategic impact.

- Capital improvements are needed. Purchases of land that might be acquired as an investment.
- Investments in future items that are priced well or positioned to advance our strategic direction.
- How would adding rooftops affect QC?

School Resource Officers

- Partnerships with the schools are good. Resource officers at the high school are probably a good idea, but why does QC bear the burden? Many students who attend don't even live within the town. What benefits come to the Town from these officers?
- Is there really a problem? The school district that owns the issues should figure out how to cover the cost. Why should we feel obligated to pay for the officers?
- The school district override didn't go through so the district is having to make some cuts.
- School/Town relationships and cooperation is on the uptick with a new superintendent and John meeting monthly. We need good communication with the District.
- I'm not sure how to handle the request that the Town pay for the school resource officer for the schools.
- Public safety issues revolve around school resource officers.

The General Plan Amendments and 2015 Update

- General Plan amendments are going to be asking to increase densities.
- Council isn't aligned on how to consider General Plan amendments. What's the policy? Are we making QC a bedroom community? Do the impact fees cover the real costs of development?
- What's the benefit of increased density verses a change in basic character of QC? It's a big picture item for the Council.
- Cultural identity is a question.
- What's the vision of QC? Growth? Increased density? Retaining jobs and employment areas?
- Are we willing to change to a bedroom community? Do we embrace a new vision or stick to a historical view? And, how should be set policy on these matters?
- Landowners want to change employment areas to housing. This has created a stir within the Council, which is divided over the issue.
- My concern is that if we reduce the land available for jobs we won't be making good long-term policy.
- General Plan and land use issues. This year it's going to be tough with 6 General Plan amendments almost didn't even get approved to even consider.
- None of us are excited about what's being presented, but it's a democratic process that the Town needs to go through to let people have their day to present their case.

Infrastructure Development and Improvements

- Development needs to pay for itself.
- I'm tired of people who want more service, better schools, faster response, more parks, but don't see how taxes are the way these things are paid for. Want more service? Better service? They cost money, and that means taxes and fees.

- Bike lanes, trails and open spaces need our attention. Connectivity between different paths and a map showing how to use these trails would be helpful.

Horseshoe Park and Equestrian Center

- HPEC is like a house that was built too big. Now that we're into the deal, we can't just sell it, or put it in mothballs.
- HPEC needs to be resolved, and if not full agreement, then we must agree to disagree. But when we walk away from the table on Friday night we need to have agreement on how to proceed. I'm really looking forward to the Friday discussion of HPEC.
- This is a new park and will require patience while it's being developed.
- I don't even want to be in the room when we discuss HPEC. We've discussed it and discussed it, and I thought we had the issue put to bed.
- We probably need to rip the park (HPEC) apart before we put it back together. Maybe Doreen should be part of the discussion, but not Tim. The Park is his baby and there are things that need to be said that may offend Tim. He's put his heart into making it work.
- HPEC is on the agenda. We need to come to consensus or if not put some metrics into the mix so that we'll know what we're doing on this issue.
- With HPEC the topics I'd like to address include 1) a list of CIP, 2) equipment purchases, 3) multiple year maintenance schedules with costs.
- I love the park but probably wouldn't have voted for it had I been on the Council when it was approved.
- We can't just close it up because it's like having a house that's underwater. If we sell it, we still have to pay the gap between what we owe and what we've sold it for.

Incubator

- The Queen Creek Incubator is an issue. Because of the process we went through to consider support for non-profits, I felt backed into a corner to vote to approve the American Legion proposal. An alternative went through the Budget Committee and didn't get full discussion.
- I didn't think the mission of the Incubator was to solve the American Legion problem, but to support business development and bring new jobs to QC.
- I know that staff was trying to be helpful by offering the Incubator as an alternative to the Legion, but it set a bad precedent.
- Is the Incubator viable? Is it currently successful? <Example: At Home Solutions company.>
- Over half of the Incubator was dedicated to At Home Solutions, but the company didn't generate any tax revenue, and brought in nothing for the town.
- What is the mission of the Incubator? What are the specific goals and objectives? What metrics are we using to gauge success?

Housing Development

- CFD's are ways to levy taxes on future property owners to pay for today's development. The CFD keeps the price lower for the current buyer, and shifts the tax burden to the future.
- Developers are now proposing QC set up community facilities districts (CFD's) to pay

for roads, parks, water and sewer, and other amenities.

- In 5 or 10 years when the people who live here want to know why they're paying more taxes than their friends across town, it will be future Councils that have to explain how CFD's work.
- In the end, the Town gets to levy the tax and wear the black hat.
- Community Facilities Districts are ways to avoid paying impact fees up front, and shifting them to the future. This is a problem and no one seems to recognize how it really works.

Council Protocols

- We must put our best foot forward for QC as elected officials. How we look...how we speak...how we behave while in the public eye are all important.
- We have unique personalities serving on this Council.
- I'd like us to remember that when we communicate with the public it's often not so much the message but rather the way we deliver the message that makes the difference in public reaction.
- We're doing some 360-degree evaluations with Council members.
- I sense that individual personal philosophies may get in the way of our communication.
- Election season is approaching and political posturing might negatively affect a productive Council team engagement. The best long-term interests of the Town should be our only objective.
- When we discuss tough issues and set a direction on an item, we need to pursue it as a group. Specific, detailed action items that will get something done. Not just agree to study it.
- Need to have a discussion about being accountable to each other for Council decisions. If we, as a group, decide to take some action...even if we don't fully agree with the direction, we must support the decision and not undermine the decision with the public.
- It's hard to explain to our constituents why the Council doesn't decide the way they want on an issue. Can we help Council members find ways to promote constituent understanding when a vote doesn't go their way?
- When considering competitive grants, everyone competing must follow the same rules. We need to discuss time lines and fairness as a component of the competition.
- The budget cycle, Council cohesion, rules/policies should be discussed, agreed to, clearly understood, and then followed.
- How can we make the Council stronger as a cohesive group?
- Are there ways to help Council members who feel they're on the outside of decisions?
- Part of the problem is managing community expectations. How does staff contribute to that? How does the Council manage expectations?
- I look forward to these retreats because they give us the opportunity to talk with each other and to hear what's really on our minds. It's easy to obscure true feelings when it's just one-on-one, but in the group...you'll get called out if your statements don't line up.

Economic Development

- We have a huge neighbor (San Tan) that is not incorporated, thus no restrictions or standards for developing businesses. If we don't embrace an "open for business"

standard, we'll be jumped over for business development.

- I want to see the movie theater we discussed in the past get built, and a hotel constructed within the Town limits of QC
- Residential permits are skyrocketing.
- We have some opportunities and pitfalls: Everyone on Council will say that QC is "open for business" but we're seeing policies that don't appear to support this statement.
- What does "open for business" mean? More staff working on attracting business? How about incentives? What else might the Town do to attract business?
- Back to square-one with the 20 acres. We got a proposal for a theater, but didn't work out. Then we got two theaters; one is a Harkin's.
- The issue of picking "winners" and "losers" in making policy. Non-profits? Private businesses?

Annexation

- Annexation is an issue. It was on my mind last year but we didn't get any action on it. Annexation has the same issues as those we face in the general plan... what about the public cost of annexation? How do we address the addition of existing property without development fees?

Signs

- Signage is still hot.
- Sign ordinances are lightning rods around here. Things are heating up. Council has discussed this issue over the past 6 years.
- Signage issues are created some controversy. There's a spectrum that we need to consider, so what are the ends of the spectrum, and where could we all agree to live on this continuum?
- Signs and signage; how is QC "open for business" when we aren't allowing for bigger signs?

Interaction with Nonprofits

- Funding of the QC Chamber of Commerce is an issue, but may be premature to discuss at this time.
- Balanced funding of non-profit groups.

APPENDIX C

THE ISSUE DEVELOPMENT PROCESS

A standard part of the LL DECKER & ASSOCIATES facilitation model is the Issue Development Process. Participants are asked to follow this five-step process in developing answers to key questions. I've found that this discussion process assures all have a voice ... and no one dominates the conversation, so I insist that participants learn and use this technique as part of the retreat.

Driving Question - One person with a good understanding of the topic is asked to describe, in two minutes or less, "everything we need to know" about the subject. During this first step, the speaker introduces us to the issue, illustrates why this issue needs attention, gives the group an initial starting position for discussion, and provides an initial direction for resolution.

Discussion - Participants are asked, "Who has a different position than the one just suggested?" With that, others who may hold opinions about the topic can provide alternative points of view as to what is "at issue" and the kinds of actions that might advance the organization or resolve the controversy. At this point no debate occurs... just presentation of opinions about the topic and direction that might be appropriate. Participants are also asked to keep their comments to 30 seconds or less... termed a "thirty-second soapbox."

Questions and Concerns - When all participants have had an opportunity to describe the issues in their own terms, then a second round of discussion can occur that focuses on questions and concerns. Having listened to the differing opinions surrounding the topic or issues, participants are encouraged to raise questions and identify any concerns they may have about the recommendations presented by others. Again, debate is not an appropriate format at this point. Participants simply state their questions about what has been said, and listen to the answers. The intention is to direct questions and concerns toward the issue...not at each other.

Alternatives - Once all participants have had an opportunity to speak, the group is challenged to summarize what they heard and propose any alternatives that have not yet been suggested. Hopefully, through this process, new ideas and different possible solutions may have come to light that can overcome concerns and help the group reach a better recommendation. Again, individual debate...pro/con... is not appropriate. Simply state the preferred alternative and the benefits generated by that alternative. It is unnecessary to disparage the recommendations or suggestions of others.

Possible Actions - NOW, IT'S TIME TO DEBATE! When stating why one alternative is better than another, avoid comments that would be overly contentious, personally directed or unnecessarily provocative. Personal attacks directed toward the wisdom of another participant's suggestion are not productive to the decision, extend/delay decisions, and are discouraged. The group is challenged to mix and match features of the various recommendations; by doing so they may find better ways to resolve the issues and improve the relative position of all interests.

Summary - Keep in mind the fundamental questions, 1) "What actions will we agree to collectively take... or decisions might we collectively make... to resolve the controversy or

address the topic?” and 2) “What direction and actions will the immediate group and other stakeholder interests collectively support?”

Using this Issue Development Process, the group generated information, recommendations and direction. As with all retreats, no final decisions were reached during the meeting; tentative suggestions by the group are subject to reconsideration and additional discussions, considerations and actions at a later time.