

**Mayor**  
Lois Wynne  
**Mayor Pro Tem**  
Jeff Chedester  
**Council Members**  
Ray Madrigal  
Eddie Neal  
William Siegel



**Office of the  
City Manager**

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## Staff Report

ITEM NO. 4-2

**To:** Lemoore City Council  
**From:** Jeff Laws, City Manager  
**Date:** February 10, 2015 **Meeting Date:** February 17, 2015  
**Subject:** Lemoore Chamber of Commerce Proposed Agreement  
for Economic Development Services - \$280,000

### Discussion

On November 16, 2010, the Redevelopment Agency Board approved a five year agreement with the Lemoore Chamber of Commerce to provide economic development services for Lemoore, and hire, house and supervise a Downtown Coordinator. The agreement will end on June 30, 2015, and after that time, the Redevelopment Agency will no longer be able to fund the services. In anticipation of the impending end of the agreement, the Chamber is asking Council to consider funding such services out of the General Fund for the next five years.

Funding for the proposed Agreement is very similar to the prior five-year agreement. Beginning with the 2015-2016 fiscal year, a contribution of \$54,000 is proposed and the amount increases by \$1,000 annually for inflation. The total amount of funding over the five-year period is \$280,000. An historical listing of City and RDA contributions to the Chamber since 1994 is attached for your convenience.

In exchange for the financial contribution, the Chamber agrees to perform economic development services for the City including events and activities such as festivals, celebrations, banquets, parades, concerts, business training seminars, or other mutually agreed upon activities. Only services receiving financial assistance by the City are included in the Agreement. A comparison of the activities listed in past, current, and proposed agreements is attached for your review. Also attached are two documents provided by the Chamber: State of the Chamber January 2015, and Lemoore Chamber of Commerce 2015 Budget.

The proposed Agreement includes language regarding consequences if the Chamber fails to provide the number of events listed. For each event that is not performed (or substituted with a comparable event) by the end of the fiscal year, the final quarterly payment to the Chamber will be reduced by \$2,500 per missed event. Reductions will not exceed more than one-half of the annual allotment.

Council is asked to review the proposed Agreement and attachments and consider making a financial contribution to the Chamber. Please note that Council has the authority to:

- 1) Approve the Agreement as presented
- 2) Propose an increase to the amount of services listed
- 3) Reduce (or increase) the annual contribution amount
- 4) Set a flat annual rate (as opposed to increasing by \$1,000 per year)
- 5) Other options may be considered

In addition to the alternatives listed above, other options may be presented and considered. Jenny MacMurdo, CEO of the Chamber will be in attendance during Tuesday evening's Council meeting to answer any questions you may have. Over the past year, Jenny has been actively improving the Chamber's services, and she is very attentive to the City's needs.

### **Budget Impact**

If approved as presented, the impact to the General Fund for economic development services provided by the Lemoore Chamber of Commerce would be \$280,000 for the five year agreement. The impact for fiscal year 2015-2016 will be \$54,000.

### **Recommendation**

It is recommended that Council consider the attached Agreement by and between the Lemoore District Chamber of Commerce and the City of Lemoore to provide Economic Development Services for the next five years for a total sum of \$280,000, provided that such funding is identified in the City's annual budget.

**AGREEMENT BY AND BETWEEN  
THE LEMOORE DISTRICT CHAMBER OF COMMERCE  
AND THE CITY OF LEMOORE  
TO PROVIDE ECONOMIC DEVELOPMENT SERVICES**

**THIS AGREEMENT**, is made and entered into in duplicate as of the 20th day of January, 2015, by and between the City of Lemoore, a municipality, hereinafter called "CITY", and the Lemoore District Chamber of Commerce, a non-profit corporation, duly organized and existing under and by virtue of the laws of the State of California, hereinafter called "CHAMBER".

**WITNESSETH**

**WHEREAS**, CHAMBER and CITY, desire to combine efforts to maintain and enhance the economic vitality of Lemoore, and

**WHEREAS**, the CHAMBER is organized for the purpose of promoting economic development and business welfare in the City and vicinity; and

**WHEREAS**, the CITY is tasked with preserving and enhancing the economic prosperity of the community, aiding in business development and retention, and developing sales tax generating activities; and

**WHEREAS**, the CITY is authorized by law, to expend funds for the promotion of such activities; and

**WHEREAS**, the CHAMBER desires to perform the services herein provided for the benefit of the CITY and the community;

**NOW THEREFORE, IT IS HEREBY AGREED** by and between the CITY and CHAMBER as follows:

1. **TERM.** The term of this AGREEMENT shall be from the first day of July, 2015, until the 30th day of June, 2020, unless either party notifies the other of its intention to terminate the Agreement by giving thirty (30) days written notice.
2. **SERVICES.** During the term hereof, the CHAMBER shall undertake to A) promote the community and the quality of life in Lemoore, provide for the benefit of the CITY those services that will advertise, exploit and publicize the resources and advantages of the CITY and B) assist the City in its business and industrial marketing and outreach efforts. In addition to these services, the Chamber will deliver the following events:
  - a. Showcase Lemoore's offerings by hosting and coordinating a minimum of 13 public events annually and two business training seminars, with the intent that at least two events will attract over 2,000 participants and all other events will attract over 100 participants each. Events and activities may include festivals, celebrations, banquets, parades, concerts or other mutually agreed upon activities. Every event will have separate committees to include 1-4 Chamber board members, community volunteers and the Chamber CEO. The Chamber is committed to the following events for 2015:

- i. 1 - Central Valley Pizza Festival- April, estimated attendance 2,000
- ii. 10 – Summer Concerts – June-August, estimated total attendance 600-800
- iii. 1 – Kings County Salute to Agriculture Banquet – September, estimated attendance 350
- iv. 1 – Christmas Parade – December, estimated attendance 2,500
- v. Host or coordinate two or more local business-training seminars or workshops annually

Should the Chamber desire to make substitutions, agreement of all parties needs to be obtained prior to a substitution.

- b. Maintain current information in the community information kiosks. All contents, including city produced maps, paper backing, etc. are to be replaced bi-annually.
- c. Assist the Downtown Merchants Association with their Holiday Stroll in November.
- d. Provide an acceptable workspace and access to Chamber computers and printer for carrying out the job duties of the potential Downtown Coordinator position for the Downtown Merchants Association retained by the City.

**FUNDING FOR SERVICES.** CITY shall fund the CHAMBER for economic development services according to the table below, provided that such funding is identified in the CITY’S annual budget and that the conditions above are met.

The first annual allotment for services is \$54,000 and will increase by \$1,000 each year for inflation and expanded services. Such funding is identified in items #1 and #2 below.

- 1. One-half of the allotment will supplement the staffing, planning, advertising, expenses and overhead to deliver the Chamber sponsored events listed above. The Chamber may substitute an event for a comparable event. If the Chamber has not completed 12 comparable events by the fiscal year end, \$2,500 will be deducted per missed event, up to one-half of the annual allotment.
- 2. One-half of the allotment will support the Services identified above as item #2.

The following table illustrated the annual compensation and shall be paid according to the Funding terms listed below:

	<b>SERVICES</b>
Fiscal Year 2015-2016	\$ 54,000.00
Fiscal Year 2016-2017	\$ 55,000.00
Fiscal Year 2017-2018	\$ 56,000.00
Fiscal Year 2018-2019	\$ 57,000.00
Fiscal Year 2019-2020	\$ 58,000.00
<u>Total</u>	<u>\$ 280,000.00</u>

**FUNDING TERMS.**

- A. A written request for payment (invoice) shall be submitted to the CITY following the end of each quarter and shall include:
    - a. Submittal of the Quarterly Update of the Lemoore District Chamber of Commerce to the CITY for services performed.
    - b. A listing of the upcoming quarter's events and activities.
  - B. CITY shall be recognized for participation in all CHAMBER events.
  - C. The CITY may require an audit be performed, by an accredited auditing firm, on CHAMBER financial activities, where CITY funds are used, to demonstrate where and how CITY funds have been spent. The cost of the audit shall be funded by the CITY.
3. **PRORATED FUNDING.** Should the Agreement be terminated prior to June 30th, 2020, funding will be prorated through the terminating agency and any excess funding received by the Chamber will be returned to the CITY.
4. **VOTING MEMBERSHIP.** The CITY shall appoint one voting member and one alternate member to the CHAMBER Board of Directors. Subject to approval of the CHAMBER Board of Directors.
5. **INDEMNIFICATION.** CHAMBER agrees to indemnify, defend and hold harmless the CITY and its officials, officers, employees, agents and volunteers from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorney's fees and other expenses which CITY or its officials, officers, employees, agents or volunteers may sustain or incur as a consequence of or anyway relate to CHAMBER, or its employees, agents and subcontractor's performance of the services and CHAMBER'S responsibilities and obligation or responsibilities contained in this Agreement. This indemnification shall survive the termination of the Agreement.
6. **NOTICES.** All notices herein required shall be in writing and shall be sent by certified mail, postage prepaid, addressed as follows:

Chief Executive Officer  
Lemoore District Chamber of Commerce  
300 E Street  
Lemoore, CA 93245

City Manager  
City of Lemoore  
119 Fox Street  
Lemoore, CA 93245

7. **CONFORMANCE TO APPLICABLE LAWS.** CHAMBER shall comply with all applicable federal, state and city laws, rules and ordinances. No discrimination shall be made by



### **State of the Chamber January 2015**

Reflected below is a brief list of positive, forward thinking focuses that have occurred since the change in Chamber staffing in 2014. Since then, the Chamber has been actively re-engaging its' membership and has become a more visible organization in the Lemoore community.

- I. Increased New Members and Re-Joining Members by 25 to date**
- II. Greater Communication between the Chamber and the City, Businesses, DMA, Elected Officials , Lemoore & Surrounding Communities**
- III. Resurrection of the Chamber Ambassadors**
- IV. Continued Planning and Organization of Community Events: Awards Banquets, Central Valley Pizza Festival, Rockin' the Arbor, Holiday Stroll & the Annual Christmas Parade**
- V. Coordinated Educational Business Workshops: 5 Part Series for 2015**
- VI. Filled remainder Chamber owned property with a small business**
- VII. Filled all upstairs Train Depot rentals with small business renters**
- VIII. Continued Upkeep of Historical Train Depot**
- IX. Proposed New Youth Project- Young Entrepreneurs Academy: Nov 2014 - May 2015**
- X. Continued Process of Creating a Professional/Helpful Business Friendly Environment**

# Lemoore Chamber of Commerce 2015 Budget

## 2015 Budget

### Income

#### Misc Income

#### 4000 - Chamber Programs & Services

4001 - Banners	\$0.00
4002 - Merchandise	\$500.00
4005 - Other	\$0.00
4006 - Notary Income	\$100.00
4007 - Workshops	\$150.00
4000 - Chamber Programs & Services - Other	\$0.00

**Total 4000 - Chamber Programs & Services** \$750.00

**4010 - Chamber Directory Revenue** \$1,000.00

#### 4100 - Membership Dues

4101 - Agricultural	\$1,500.00
4102 - Business	\$42,000.00
4103 - Clergy	\$325.00
4104 - Educational	\$3,500.00
4105 - Family	\$110.00
4106 - Individual	\$455.00
4107 - Money (banks)	\$1,400.00
4108 - Non-Profit	\$4,750.00
4109 - Titled Officials	\$150.00
4110 - Utilities	\$500.00

**Total 4100 - Membership Dues** \$54,540.00

#### 4200 - Events

##### 4201 - Pizza Fest

4201.02 - Sponsorships	\$8,000.00
4201.04 - Bar Sales	\$2,500.00
4201.06 - Vendors	\$11,800.00
4201.09 - Entry Fees	\$500.00

**Total 4201 - Pizza Fest** \$22,800.00

##### 4202 - Installation

4202.01 - Attendees	\$13,000.00
4202.02 - Sponsorships	\$500.00

**Total 4202 - Installation** \$13,500.00

##### 4203 - Rockin' the Arbor Concerts

4203.02 - Sponsorships	\$8,000.00
4203.04 - Bar Sales	\$12,000.00
4203.06 - Food Vendors	\$500.00
4203.08 - Vendors	\$1,500.00
4303.07 - Bounce Hs, misc. inc.	\$100.00
4303.09 - 50/50 Raffle	\$1,000.00

**Total 4203 - Rockin' the Arbor Concerts** \$23,100.00

##### 4204 - Salute to Ag

4204.01 - Attendees	\$17,000.00
4204.02 - Sponsorships	\$16,000.00

**Total 4204 - Salute to Ag** \$33,000.00

##### 4205 - Luncheons

4205.01 - Attendees	\$3,500.00
4205.09 - Sponsorship	\$1,000.00

**Total 4205 - Luncheons** \$4,500.00

##### 4206 - Carnivals

## Lemoore Chamber of Commerce 2015 Budget

	<b>2015 Budget</b>
<b>4207 · Christmas Parade</b>	
4207.01 · Entry Fee	\$600.00
4207.02 · Sponsorships	\$1,000.00
<b>Total 4207 · Christmas Parade</b>	\$1,000.00
<b>Total 4200 · Events</b>	\$97,900.00
<b>4600 · RDA Income</b>	\$54,000.00
<b>4800 · Rental Property Income</b>	
4800.01 · Retained Security Deposits	\$0.00
4800.02 · Late Fees from Rentals	\$0.00
4801 · 212 D Street	\$7,600.00
4802 · 218 D Street	\$11,400.00
<b>4803 · Freight Room &amp; Suites</b>	
4803.50 · Contract Fee for Security	\$1,000.00
4803 · Freight Room & Suites - Other	\$12,000.00
<b>Total 4803 · Freight Room &amp; Suites</b>	\$12,000.00
<b>Total 4800 · Rental Property Income</b>	\$31,000.00
<b>Total Income</b>	\$239,190.00
<b>Gross Profit</b>	\$239,190.00
<b>Expense</b>	
<b>Membership Bonus</b>	
<b>5000 · Programs &amp; Services</b>	
5002 · Merchandise	\$500.00
5003 · Newsletter	\$12,000.00
5004 · Dues, Subscription & Membership	\$1,000.00
5005 · Public Relations	\$1,000.00
5006 · Donations	\$150.00
<b>Total 5000 · Programs &amp; Services</b>	\$14,650.00
<b>5100 · Events Expense</b>	
<b>5101 · Pizza Fest</b>	
5101.1 · Bar Expense	\$1,300.00
5101.2 · Band Expense	\$2,000.00
5101.3 · Security Expense	\$1,100.00
5101.4 · License Expense	\$150.00
5101.5 · Entertainment (Misc)	\$2,500.00
5101.6 · Rental Expenses	\$3,000.00
5101.7 · CashPrizes/Promo/Market'g Exp	\$1,000.00
5101.8 · Entry Fees partial refund	\$100.00
5101 · Pizza Fest - Other	\$100.00
<b>Total 5101 · Pizza Fest</b>	\$11,250.00
<b>5102 · Installation</b>	\$10,000.00
<b>5103 · Rockin' the Arbor Concerts</b>	
5103.1 · Bar Expense	\$6,500.00
5103.2 · Band Expense	\$5,600.00
5103.4 · Bounce House Expense	
5103.7 · Security	\$1,400.00
5103.8 · License	\$500.00
5103.9 · Other Expense	\$1,500.00
<b>Total 5103 · Rockin' the Arbor Concerts</b>	\$15,500.00
5104 · Salute to Ag	\$18,000.00
5105 · Luncheons	\$4,000.00
5106 · Carnival	

## Lemoore Chamber of Commerce 2015 Budget

	<b>2015 Budget</b>
5107 · Christmas Parade	\$500.00
5111 · Holiday Stroll	\$100.00
5100 · Events Expense - Other	\$100.00
<b>Total 5100 · Events Expense</b>	<b>\$59,450.00</b>
<b>5200 · Payroll Wages</b>	
5201 · CEO	\$38,600.00
5203 · Office Mgr/Events Coordinator	\$30,720.00
5204 · Membership Coordinator	\$23,040.00
<b>Total 5200 · Payroll Wages</b>	<b>\$92,360.00</b>
<b>5250 · Payroll Expenses</b>	
5251 · Payroll Taxes	\$10,159.60
5250 · Payroll Expenses - Other	
<b>Total 5250 · Payroll Expenses</b>	<b>\$10,159.60</b>
<b>5300 · Staff</b>	
5301 · Mileage	\$1,200.00
5302 · Conferences/Meetings	\$500.00
5303 · Meals and Entertainment	\$100.00
<b>Total 5300 · Staff</b>	<b>\$1,800.00</b>
<b>5350 · Board of Directors</b>	
5351 · Goal Setting Retreat	\$600.00
<b>Total 5350 · Board of Directors</b>	<b>\$600.00</b>
<b>5370 · Taxes</b>	
5372 · State Taxes	\$10.00
<b>Total 5370 · Taxes</b>	<b>\$10.00</b>
<b>5400 · Insurance</b>	
5400.1 · Workers Comp	\$2,000.00
5400 · Insurance - Other	\$9,000.00
<b>Total 5400 · Insurance</b>	<b>\$11,000.00</b>
<b>5450 · Mortgage Interest</b>	<b>\$0.00</b>
<b>5500 · Chamber Property</b>	
5501 · Repairs & Maintenance	\$1,000.00
5502 · Service	\$1,000.00
5503 · Janitorial Supplies	\$600.00
<b>Total 5500 · Chamber Property</b>	<b>\$2,600.00</b>
<b>5600 · Office Expenses</b>	
5601 · Equipment Maintenance	\$700.00
5602 · Supplies	\$2,000.00
5603 · Postage, Mailing Service	\$800.00
5604 · Printing and Copying	\$1,200.00
5605 · Computer/Internet/Tech	\$2,000.00
5606 · Telephone, Telecommunications	\$3,500.00
5607 · Books, Subscriptions, Reference	\$100.00
5600 · Office Expenses - Other	\$100.00
<b>Total 5600 · Office Expenses</b>	<b>\$10,400.00</b>
<b>5650 · Professional &amp; Banking</b>	
5651 · Accounting Fees	\$4,000.00
5652 · Legal Fees	\$1,500.00
5653 · Bank Service Charges	\$6.00
5654 · Credit Card Service Charges	\$1,700.00
	<b>\$7,206.00</b>

**Lemoore Chamber of Commerce  
2015 Budget**

	<b>2015 Budget</b>
<b>Total 5650 · Professional &amp; Banking</b>	\$7,206.00
<b>5800 · Rental Prop Expenses</b>	
5801 · 212 D Street	\$2,500.00
5802 · 218 D Street	\$2,500.00
<b>5803 · Freight Room &amp; Suites</b>	
5803.01 · City of Lemoore Shared Rental	\$2,500.00
5803.50 · Security Guards	\$600.00
5803 · Freight Room & Suites - Other	\$800.00
<b>Total 5803 · Freight Room &amp; Suites</b>	\$3,900.00
5800 · Rental Prop Expenses - Other	\$500.00
<b>Total 5800 · Rental Prop Expenses</b>	\$9,400.00
<b>5890 · Utilities</b>	
5890.01 · Electricity-Depot	\$5,000.00
5890.02 · Electricity-Downtown Heinlen	\$600.00
5890.03 · Electricity-Downtown Lights 218	\$300.00
5890.05 · Gas	\$900.00
5890.06 · Water	\$1,200.00
<b>Total 5890 · Utilities</b>	\$8,000.00
5980 · Interest Expense	\$500.00
99999 · Suspense	
<b>Total Expense</b>	\$228,135.60
<b>Other Income</b>	
4900 · Interest Income	
<b>Total Other Income</b>	
<b>Other Expense</b>	
5900 · Depreciation Expense	\$11,000.00
<b>Total Other Expense</b>	\$11,000.00
	-\$11,000.00
	<b>\$54.40</b>

## City/RDA Financial Contributions to Chamber

	City	RDA	Depot Value @ \$950/mo.	Total Contribution
1994 - 1995	\$37,500	\$0		\$37,500
1995 - 1996	\$37,500	\$10,000		\$47,500
1996 - 1997	\$37,500	\$10,000		\$47,500
1997 - 1998	\$37,500	\$0		\$37,500
1998 - 1999	\$35,000	\$0		\$35,000
1999 - 2000	\$17,500	\$17,500		\$35,000
2000 - 2001	\$17,500	\$17,500		\$35,000
2001 - 2002	\$20,000	\$20,000		\$40,000
2002 - 2003	\$20,000	\$45,000		\$65,000
2003 - 2004	\$0	\$45,000		\$45,000
2004 - 2005	\$0	\$30,000	\$11,400	\$41,400
2005 - 2006	\$0	\$45,000	\$11,400	\$56,400
2006 - 2007	\$0	\$46,000	\$11,400	\$57,400
2007 - 2008	\$0	\$47,000	\$11,400	\$58,400
2008 - 2009	\$0	\$48,000	\$11,400	\$59,400
2009 - 2010	\$0	\$49,000	\$11,400	\$60,400
2010 - 2011	\$0	\$50,000	\$11,400	\$61,400
2011 - 2012	\$0	\$51,000	\$11,400	\$62,400
2012 - 2013	\$0	\$52,000	\$11,400	\$63,400
2013 - 2014	\$0	\$53,000	\$11,400	\$64,400
2014 - 2015	\$0	\$54,000	\$11,400	\$65,400