



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: May 17, 2011
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Subject: Recommendation From The Chamber Of Commerce Liaison for
FY 2011-12 Budget for the Beverly Hills Chamber Of Commerce
And Civic Association
Attachments: 1. None

INTRODUCTION

The City currently contracts with the Beverly Hills Chamber of Commerce's Economic Development Division to provide a range of outsourced business retention and attraction programs. The current contract with the Economic Development Division is for \$338,000 for FY 2010-11. The proposed budget for FY 2011-12 as recommended by the Liaison is \$330,000.

DISCUSSION

The Chamber of Commerce Liaison Committee (Mayor Brucker and Vice Mayor Brien) met several times to discuss the Chamber's past performance in meeting the City's objectives. The Liaison Committee recommended that FY 2011-12 serve as a transitional year in the relationship between the City and the Chamber as related to funding for outsourced services.

Specifically, the Liaison Committee recommended that the Chamber prepare for reduced City funding in FY 2012-13 and future years, as it is anticipated that the City would evaluate these contracted-out services and review options.

Importantly, the Chamber will have a new Executive Director shortly, which will provide that organization with a renewed focus on membership development and financial self-sufficiency.

The Liaison Committee recommended the City engage in the following arrangement:

- a) Contract during the transitional FY 2011-12 with the Chamber of Commerce, rather than its specific Economic Development Division

to take advantage of additional skill sets in the Chamber organization. Based on its track record in delivering FY 2011-12 contracted services, the Chamber could be eligible to propose (or bid) in subsequent years on the City's outsourced programs, if the City continues to utilize a third party contractor.

- b) Plan and produce the New York Sales Mission program for a fixed fee of \$150,000, including research, pre and post planning and follow-up. This initiative involves a delegation of City and Chamber executives visiting key New York CEO's to encourage their efforts in doing business in Beverly Hills. This Mission also serves to recruit new businesses to Beverly Hills, particularly signature restaurants or retail establishments which do not yet have a West Coast presence.
- c) Produce a portfolio of special event, research, marketing and sponsorship services equating to \$180,000 in value to be reviewed and approved by the City Council.

FISCAL IMPACT

The Liaison Committee has recommended a FY 2011-12 contract with the Chamber of Commerce in the amount of \$330,000 for all services. This represents a reduction from the Chamber of Commerce's current FY 2010-11 budget of \$338,000.

For subsequent years, the Liaison Committee has recommended a budget for the Chamber for the New York sales mission in the amount of \$150,000. The Liaison Committee also recommends a contract outlining specific deliverables and quantifiable performance-based metrics.

RECOMMENDATION

That the City Council approve or modify the Liaison Committee's recommended funding for Fiscal Year 2010-2011 for the Beverly Hills Chamber of Commerce and Civic Association.

If the Council agrees with the overall budget recommendation, staff recommends that the City Council authorize negotiations to achieve a scope of work and agreement commensurate with a contracted budget in the amount of \$330,000 for outsourced services from the Chamber. These documents would be presented to the Council Liaison Committee and full City Council during the month of June, 2011.

Cheryl Friedling
Approved By

