

5/22/18

ITEM # 5

Simrat Dhadli

To: Jennifer Yamaguma
Subject: RE: City Council Agenda Item #9

Begin forwarded message:

From: Lisa Gillmor <[REDACTED]>
Date: May 14, 2018 at 6:03:24 PM PDT
To: Deanna Santana <Dsantana@santaclaraca.gov>, Brian Doyle <Bdoyle@santaclaraca.gov>, Mayor and Council <MAYORANDCOUNCIL@santaclaraca.gov>
Cc: Lynn Garcia <LGarcia@santaclaraca.gov>, Lisa Gillmor <lgillmor@santaclaraca.gov>, Teresa O'Neill <TONEill@santaclaraca.gov>
Subject: City Council Agenda Item #9

To: City Manager Santana
City Attorney Brian Doyle
City Council Members

From: Lisa Gillmor, Mayor
Teresa O'Neill, Councilwoman

Subject: Chamber of Commerce Management Fee - Item #9

We appreciate the information that our City Staff, consultants, and the Chamber of Commerce has provided to us over the past few months in public meetings and closed session regarding the management fee paid to the Chamber of Commerce for the Convention Center.

After much careful consideration, we believe that of the choices presented in the May 10th staff report, "Alternative 2 -- discontinue paying a management fee" is the best course of action.

We are concerned that the management fee was increased dramatically in the last two years without proper documentation and without official city council authorization. We are grateful that our new city management team discovered and has stopped this practice. However, it's important for us and the public to know how this may have happened. So, we look forward to receiving additional information.

Most importantly, we see little to no justification to use tax dollars for a "management fee." Both the Convention and Visitors Bureau (CVB) and the Convention Center operations teams seem to function independently of the Chamber of Commerce. To date, the Chamber of Commerce has not provided us with much information about how they add value to either operation, especially for approximately \$145,000 in management fees. Equally troubling, they have not accounted for how they used the increased funds the last two years.

We understand that we are engaged in a process to determine the future of our Convention Center and to look at different governance models. We should expedite that process. We owe that to our CVB and Convention Center employees who are understandably concerned about their own futures.