


GG Budget Update No. 4

City of
Ketchikan



City Manager/General Manager | 334 Front Street, Ketchikan AK 99901 | (907)228-5603

TRANSMITTAL MEMORANDUM

TO:	The Honorable Mayor & City Council	Initials:	
FROM:	Lacey G. Simpson, Assistant City Manager	File #:	MGR24-759
DATE:	December 9, 2024	Mtg. #:	12/09/24 LOTa
RE:	2025 General Government Operating & Capital Budget Update No. 04: Ketchikan Visitors Bureau 2025 Funding Request		

Attached for City Council review and consideration is the 2025 funding request submitted by the Ketchikan Visitors Bureau. While the City Council will discuss the Tourism Department budget at the special meeting of December 9, 2025, a presentation by Ketchikan Visitors Bureau Executive Director Kara Tetley will not occur until the special meeting of December 11, 2025 and staff requests that discussion of this item be deferred until that meeting.

Per the attached letter and scope of services, the Ketchikan Visitors Bureau is requesting \$306,000 in funding for the 2025 fiscal year. As the City Council will recall, traditionally the funding for this grant request is allocated 49% to the Tourism Department utilizing revenues of the Cruise Passenger Vessel (CPV) Fund and 51% to the Port Department utilizing revenues of the Port Enterprise Fund. The draft General Government and Capital Budget as presented reflects the appropriations approved by the City Council for the 2024 fiscal year, or \$138,432 to the Tourism Department and \$152,337 to the Port Department for a total funding award of \$290,769. Following discussion of the funding request at the December 9, 2024 meeting, the City Council may wish to adjust the appropriations to each department.

November 5, 2024

Delilah Walsh, City Manager
City of Ketchikan
334 Front Street
Ketchikan, Alaska 99901



Dear Ms. Walsh,

On behalf of the Ketchikan Visitors Bureau (KVB), I am submitting our 2025 funding request of \$306,000 for the City of Ketchikan's consideration. This amount, approved by our Board of Directors at the November 19th meeting, is greater than what we received in 2024; however, it is still \$44,000 less than that year's request. We hope this proposal clearly demonstrates the value of investing in our efforts to benefit the Ketchikan community.

Last year's approval was closely tied to the City's priority of keeping our visitor centers well-staffed, welcoming, and responsive to visitor inquiries. This approach allowed us to show how funding would be used to maintain vital community resources. Additionally, in line with the City's encouragement to be more self-sustaining, we have increased membership dues and adjusted our tour center fees. Meanwhile, as Ketchikan's visitor numbers continue to rise, we remain committed to ensuring that all guests feel welcomed and receive the guidance they desire. From greeting visitors and directing them to local points of interest, to helping them navigate their stay comfortably, our goal is to maintain a positive, community-driven experience for everyone who visits.

Within our overall request, \$75,000 is dedicated to expanding our Meetings and Events Department. Last year, we invested a similar amount on our own, which allowed us to begin exploring opportunities, initiating conversations with meeting planners, and testing smaller-scale strategies. Without additional support, however, these initial efforts were limited. With the City's backing, we can build on these first steps and fully realize the potential of this program. By hosting comprehensive familiarization (FAM) tours, proactively attracting year-round events, and better utilizing venues like the Ted Ferry Civic Center, we can draw gatherings whose attendees spend an estimated \$260–\$310 per day. This spending not only boosts local sales tax revenue but also generates lodging tax (often referred to as bed tax) from overnight stays, helping sustain the infrastructure and services that benefit both our residents and our visitors.

Our approach also aligns with the City's guidance to diversify funding sources. The borough's contributions have grown, helping to distribute the financial load. Still, the City's support remains a key element in moving forward. By working together, we will be better equipped to engage meeting planners, encourage visitation outside the standard cruise season, welcome independent travelers arriving by air or ferry, and continue enhancing Ketchikan's appeal as a destination for everyone, any time of year.

Thank you for reviewing our request and considering how these actions can help keep Ketchikan's economy and visitor experience strong throughout the seasons.

Kind Regards,

A handwritten signature in black ink that reads "Kara Tetley". The signature is written in a cursive, flowing style.

Kara Tetley, Executive Director

**Ketchikan Visitors Bureau
City of Ketchikan Grant Support Request
FY 2025 Scope of Services**

The City of Ketchikan seeks guest information, visitor planning, and Downtown Ambassador Program services of the Ketchikan Visitors Bureau (KVB) throughout the 2024 fiscal year. The following scope of services outlines each proposed deliverable service, cost and data/metrics to be provided to the City by KVB.

Visitor Destination Information (year-round)

\$52,000.00

SERVICES:

- a) Design and publish an annual travel guide.
- b) Provide collateral year-round for local visitor and travel related businesses, including local accommodations and hoteliers, Ketchikan International Airport, Alaska Marine Highway System, US Coast Guard base, and any other appropriate requests.
- c) Maintain an up-to-date cruise ship port call schedule via most appropriate media outlet.
- d) Provide year-round telephone and email support for information inquiries.
- e) Manage additional contracts for the City of Ketchikan as negotiated.

METRICS:

- Inquires report including number of travel guides fulfilled including user type (consumer, travel trade, local business other) and email inquiries
- Number and cost of branded collateral materials created and distributed Report of changes made to website and unique visitors to www.visit-ketchikan.com and www.ketchikanstories.com
- Total visitors to Ketchikan with breakdown by air, ferry and cruise.

REPORTING:

- a) Meet with City of Ketchikan City Manager, Tourism Manager and/or Assistant City Manager quarterly, providing staff a written summary of activities from the previous quarter including financial reports prepared by an external bookkeeper. The meeting and reports should be submitted within 60 days of the quarter's completion. Meeting will also review operations as necessary.
- b) Provide an annual Ketchikan Visitors Bureau report on the above metrics to the City Council.

Visitor Information Services – Berth II Information Center (year-round)

\$137,200.00

SERVICES:

- a) Provide timely and accessible services to meet the needs of in-person visitors. In-person services will be performed during normal business hours, beginning no later than the first day of cruise ship port calls and will continue consistently through the last day of cruise ship port calls. This center will remain open seven days a week, between the previously listed dates, and on days with no cruise ship port calls open hours to be determined by the contractor.
- b) Provide knowledgeable and accurate information about Ketchikan history, culture, local goods, services and visitor related attractions, tours and activities.
- c) Distribute printed collateral for use by visitors while in Ketchikan including accurate information about local goods, services and visitor related attractions, tours and activities.

- d) Maintain visitor center public areas, restrooms and building exterior with emphasis on cleanliness, and highest health and safety standards.

METRICS:

- Total number of visitors at Center
- Number and cost of janitorial supplies consumed (2 items were combined)
- End of season report within 60 days of the last day of cruise ship port calls

Visitor Information Services – Berth III Information Center (seasonal)

\$41,800.00

SERVICES:

- a) Provide timely and accessible services to meet the needs of in-person visitors. In-person services will be performed during normal business hours, beginning no later than the first day of cruise ship port calls at Berth III and will continue consistently through the last day of cruise ship port calls. This center will remain open seven days a week, between the previously listed dates, and on days with no cruise ship port calls open hours to be determined by the contractor.
- b) Provide knowledgeable and accurate information about Ketchikan history, culture, local goods, services and visitor related attractions, tours and activities.
- c) Distribute printed collateral for use by visitors while in Ketchikan including accurate information about local goods, services and visitor related attractions, tours and activities.
- d) Maintain visitor center public areas, with emphasis on cleanliness, and highest health and safety standards.

METRICS:

- Total number of visitors at Center
- Personnel expenses
- Contracted janitorial services
- End of season report within 60 days of the last day of cruise ship port calls

Meetings and Events Services – Ketchikan Meeting Promotion and Support (year-round)

\$75,000.00

SERVICES:

- a) Promote Ketchikan as a premier destination for small and mid-sized meetings and events through direct outreach, marketing materials, and participation in industry-specific trade shows and events.
- b) Provide personalized assistance to meeting planners, offering recommendations for venues, accommodations, activities, and local services to suit their specific event needs.
- c) Host Familiarization (FAM) tours to showcase Ketchikan's unique appeal, venues, and services, building strong relationships with meeting planners and positioning the destination as a compelling choice.
- d) Serve as a local liaison, connecting meeting planners with vetted service providers and ensuring a seamless planning process.
- e) Develop and distribute tailored welcome kits for meeting attendees, including local maps, itineraries, and promotional materials highlighting Ketchikan's history, culture, and unique attractions.

- f) Provides support for event setup and breakdown in collaboration with hosts, ensuring smooth operations regardless of the hosting arrangement.
- g) Maintain up-to-date knowledge of Ketchikan's offerings to ensure meeting planners and attendees receive accurate and compelling information about the destination.
- h) Facilitate feedback from meeting planners to identify trends, improve services, and strengthen Ketchikan's appeal as a meeting destination.

METRICS:

- Number of meeting planner trade shows attended and contacts generated.
- Number of FAM tours hosted and feedback from participants.
- Total number of meetings/events booked as a result of outreach efforts.
- Satisfaction surveys from meeting planners and attendees.
- Cost and distribution of promotional materials and welcome kits.
- Annual report summarizing meeting planner engagement, outreach efforts, and recommendations for future improvements.

TOTAL REQUESTED FUNDING

\$306,000.00

Additional option:

Downtown Ambassador Program (seasonal)

\$56,000.00

SERVICES:

- a) Develop and implement a Downtown Ambassador Program to create a more positive experience and increase satisfaction for Ketchikan visitors while they are traveling in the downtown area. Downtown Ambassadors will traverse the downtown area to answer visitor questions and give pertinent directions.
- b) Provide knowledgeable and accurate information about Ketchikan history, culture, local goods, services and visitor related attractions, tours and activities.
- c) Downtown Ambassadors will be active on days with more than 8,000 cruise ship passengers scheduled on the community cruise ship calendar. Hours of operation to be determined by the contractor.
- d) Report unsafe conduct, activities and situations to City of Ketchikan Ports & Harbors staff and/or Ketchikan Police Department as appropriate.

METRICS:

- Personnel expenses
- Uniforms and supplies expenses
- Total number of personnel hours
- Number of visitor interactions
- Number of incidents reported
- End of season report within 60 days of the last day of cruise ship port calls