

Maybe it's time to cut the marketing purse strings

For a variety of reasons the city of Calistoga's recent budgets are not bleak. Therein lies opportunity if we are bold enough to seize it.

The city's budget anticipates revenues of over \$10 million this year. More than half of that revenue is paid by visitors to local lodging, the so-called TOT tax. The budget's expenditures, meanwhile, include provision for police, fire, public works, pensions, debt service, etc. The complete budget is available online or at city hall.

With the improving national economy, our city revenues have increased each of the last five years. The Budget Summary cautions however that "it is important to remember that the City's budgets will, once again, be very tight."

But there's a bright side. The need for a tight budget in an expanding economy presents the opportunity for both spending more and spending less.

Spending more is easy. Indeed, our next budget proposes increased spending in most departments, including fire, recreation, and planning.

Spending less, however, as most of us know from personal experience, is harder.

The city's budget reports our payments to the Chamber of Commerce Visitors Bureau, for promotion and marketing. Since 2011 we've spent \$300,000 or more per year (over \$330,000 this year) to promote our city this way. The rationale is that the money spent is more than paid back by resultant TOT revenue.

For most of our expenditures we know what we get for our money: a newly-paved street, another officer on the beat. Not so with money spent to entice visitors. We may think and hope marketing matters, but we don't know. There are assertions by large professional tourist organizations of remarkable (e.g. 15:1) returns on promotional efforts, but there's no empirical evidence directly linking Calistoga's promotional efforts with its TOT revenue. We guess the

Weekly Calistogan

5/18/17

return justifies the expense. But we're not sure.

Usually we in business are pragmatic; but spending money on marketing is instead an act of hope.

It's not clear that any marketing is even necessary. It's possible we'd collect the same TOT whether we advertised or not. In the last decade Calistoga's TOT revenue has basically tracked the broader economy, increasing every year except for the 2009-10 recession.

This is the perfect time to save money on marketing. Today's economy is still growing. People feel they have money to spend, and famous Calistoga is definitely on their radar. Our local budget is expanding so that a diminution of visitors, should that occur, could be absorbed. Meanwhile we'd have over \$300,000 for more important expenditures. There's no point in spending money to lure people who are going to visit us anyway.

There's nothing sacred about the \$300,000+ budget number traditionally spent on marketing. It's just a habit — and a good time to kick it. Besides, if promotional efforts were so certainly remunerative, why not spend even more on marketing? In that case it would be irresponsible not to.

Alternatively — if we spend less, will TOT revenue decrease?

Unlikely, because even without any additional advertising, local tourism has momentum. It comes from Calistoga's location in the Napa Valley, as well as from a strong national and regional economy. The city might fear that without marketing, tourists and their money will disappear: surely other north bay towns will continue to advertise?

So what! Are we not confident Calistoga is special? Let's seize this opportunity to save. Our reputation is established: we are hospitable. If we advertise less, people are not going to suddenly forget we exist. They aren't going to forget what we offer here. Besides, we're not in a room race with other towns. Tourists will continue to come, and the TOT revenue too.

Napa Register 5/27/17

Responsibly ceasing self-promotion might seem radical. But recall the official admonition to keep a tight budget. Think of what we could get with \$340,000 of public funds: longer pool hours, or lower water bills, or an improved shuttle system, or decreased debt, or whatever else we need. If after kicking our advertising habit the TOT revenue remains stable, we're \$340,000 ahead. If by chance TOT decreases, in this strong economy Calistoga is well positioned to manage that, and resume promotional efforts another year.

People of means know that accumulating wealth sometimes means taking risks. In the world of city governments, where little things are big things, less self-promotion may seem daring, but it's really a sensible step to take when it (1) isn't necessary to attract visitors in a strong economy, (2) saves \$340,000, (3) won't hurt the city hugely if TOT falls shorter than expected, and (4) can be reinstated easily next year anyway.

So let's try it. Let's take a leap. Let's stop marketing Calistoga for a year and save some public money.

Don Williams
Calistoga

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http://napavalleyregister.com/opinion/letters/we-didn-t-elect-the-staff/article_fcb4bf2-e17a-5c6e-9812-2f83ba67b734.html

We didn't elect the staff

Donald Williams 1 hr ago

MORE INFORMATION

Love the small wineries?

- Millions spent to fight Napa residents
- The county's use permit problem
- Las Vegas and the lessons of growth
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- Maybe it's time to cut the marketing purse strings
- Declining health of Napa County
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Background: Our representatives on city councils and the board of supervisors hire helpers, collectively called “staff,” to research topics they need to decide on. Our elected representatives routinely rely on staff’s recommendations regarding the issues that affect us.

Noteworthy: At a recent St. Helena City Council meeting, when dozens of citizens objected to a staff proposal, something remarkable happened. The council heard the citizens and actually voted as the people wished, counter to its staff’s recommendation.

It was remarkable because too often in this county, elected officials hide behind staff. Mr. Pedroza did the other night trying to justify his vote to allow more winery visitors up Soda Canyon Road.

But staff takes its cues from its boss, the board of supervisors. In this county---where planning commissioners and supervisors profess respect for our semi-rural character but incongruously allow ever more visitors and non-agricultural winery events; and where wineries which ignore their permits are forgiven then actually rewarded for their transgression---staff is not blind. It sees how friendly its bosses are to rampant development.

It’s not likely to recommend denial of a project if it can be in any way permitted. And staff, being “expert,” as Pedroza avers, is educated enough to articulate objectivity and

defend those recommendations that it understands its bosses like.

Yet---what do the residents of Soda Canyon Road care about staffs' recommendations? They didn't elect staff. They elected a representative they thought would respond to their legitimate concerns. They know from daily experience the hazards of that road and the danger of tipping tourists. But as for their supposed representative---he heard staff, not them.

No wonder Napans appealing to their representatives about development feel cynically like Sisyphus. Over and over, same old thing: "less than significant impact."

Maybe there's a glimmer of hope. For years, Upvalley residents have been remarking the loss of the semi-rural character of the valley as tourism vies with agriculture for the county's soul. The Soda Canyon Road travesty is just one example. But it's been difficult for Down-valley residents, mostly in urban Napa or suburban American Canyon, to appreciate the extent of the county's transformation from a semi-rural arcadia to a tourist mecca.

Now, at last---judging from robust attendance at the Napa Vision 2050 town forum, and from recent letters to the Register---the tourism plague is infecting Down-valley too. Big hotels are planned. Crowds jam the streets with music festivals. The model trains will vanish. Good-bye small-town Napa.

As for quiet, rural Upvalley Napa County: just a memory.

Unless -- unless we voters realize the decision is ours. We don't have to elect people who'll use staff to justify the degradation of Napa County. We can choose representatives who actually hear and respond to what residents want.

St. Helena City Council voted out incumbents. So can we.

Donald Williams

High Water Rates Didn't Have to Be This Way ----- *Calistoga Tribune, July 20, 2018*

If you're still standing after seeing your new water bill, hold on, because it's scheduled to increase another 45% in the next few years. The bulge in your water bill is likely to get bigger.

It didn't have to be this way. It's not like the city doesn't have money. City hall receipts are way up---39% higher than only 5 years ago. The budget's fat enough that the council has no problem sending \$475,000 to the Chamber for advertising. While it makes sense for the city to raise water rates to satisfy lenders, it could have also rebated the increase back to us at a cost of only 3% of our city budget.

Or (because our water comes from different sources) it could have explored a tiered rate system fairer to low-use residents. Or it could have made residential waste-water charges dependent on water consumption (like it is for commercial users), again fairer to low-use residents. Also, it's likely that rates for 51 duplexes in town are excessive, which a reclassification would easily rectify.

It's not that city hall was unaware of these options. The council received 500 letters---a huge communication---objecting to the proposed rate increases. Numerous public speakers offered alternative ideas at council meetings. The upshot of all that futile input is---rates virtually unchanged from the consultant's original proposal.

Is it any wonder that the public becomes cynical about civic participation? What's the point indeed, when informed comments are ignored? Deliberately, the council chose to close the window for meaningful public comment on the proposed rate increase, because: a mobilized citizenry might actually decide that they didn't want it. Democracy has seen better days.

Meanwhile, just so we are sure of our role in this exhibition, the public at the council meeting was referred to as "the audience."

Sometimes we can't see the trees for the forest. We can be outraged about an autocrat in distant D.C., but ignore the affront to democracy before our eyes. Consequently, the new water rates are imposed, and will continue until a new council corrects them.

Standing firm on not spending public money on advertising

Editor's note: Don Williams wrote a letter to the editor "Maybe it's time to cut the marketing purse strings" that appeared on page A4 of the May 18 newspaper. In response to that letter three business owners in Calistoga wrote letters to the editor that appeared in the May 25 edition. Williams' letter below is in response to those letters.

Though appreciated, the responses to my suggestion that the city suspend its marketing efforts offered little evidence to invalidate my observation— that we still don't know how or even if our spending \$340,000 annually really affects city TOT (Transient Occupancy Tax) revenue.

Earnestly asserting that TOT revenue is important to Calistoga is not the same as knowing it will decrease if the city's advertising budget is cut. Maybe it will. Maybe it won't.

The point is we won't know if we don't try it.

Of course publicists may prefer a city not decrease its marketing. It might show the marketing doesn't much matter. But — economy strong, economy weak — is it likely a publicist will ever suggest his client advertise less?

Yet I agree there's some risk. But with strong financial prospects we could not have a better opportunity to manage it. Calistoga is unique and we are not in a herd we must follow. Other municipalities may think advertising is important, but Calistoga is distinctive and we can think for ourselves. Besides, any business may advertise as it wishes; I comment only on the city's marketing expenditures with public funds.

Actually, the city's budget itself implies doubt about the

effectiveness of its marketing. If we were absolutely confident that the return would vastly exceed the expenditure, we'd spend even more on marketing. But we're not sure of the return. In fact we're not even sure what's special about \$340,000. Why not \$100,000? Or \$600,000?

Which returns us to the same point: we don't really know how the annual advertising expenditure matters. Somehow we just historically hope and solemnly declare it does.

But that's not a basis for spending that much public money.

**Don Williams
Calistoga**

Out of control

S F Chronicle
5/23/17

Regarding "Vintner's helicopter plan up in air amid objections," May 21: The wine industry is under scrutiny because, like an intemperate drinker, it won't admit when it's had too much. If the alcohol industry would control its own — acknowledge how event centers masquerading as wineries are an excessive indulgence and collectively destroy the rural quality of the North Bay — it wouldn't have to play defense on questions about helicopters or exploiting or respecting the landscape.

When the indulgence affects too many other people, when local governments ignore their concerns and proceed with business as usual, when residents feel obliged to organize, protest and write letters about helicopters and traffic and the loss of rural character, then the alcohol and tourism has taken a good thing too far.

Donald Williams, Calistoga

6/1/17
Weekly Calistoga

NEEDS and WANTS

Dear Editor,

In the recent forums about more developments, e.g. Veranda and Yellow Rose, we hear a lot about "needs," e.g. for housing. It's likely that your stories will use the same term, "needs." But it's important to remember that when a "need" is asserted, it really just means that someone "wants" it.

The distinction is more than semantics. Governor Brown observed an unfortunate sequence: Somebody "wants" something, so he calls it a need; then the need becomes a right; and the right becomes a law; and a law becomes a lawsuit.

It all goes back to "wants" being re-framed as "needs." Calling it a need is a useful rhetorical device to confer legitimacy on what's really a want. Unlike a mere want, a "need" excites our emotions. After all, if I'm drowning or starving, I do have a need and anyone with a heart wants to respond.

That's why we hear so much about needs but not wants. "Wants" don't carry the same rhetorical or emotional urgency. People "want" lots of things; that, we know. A kid in a candy store wants chocolate. A salesman wants us to buy a bridge. I want to buy a yacht.

When we understand someone wants something (even if he calls it a "need")---well, we use our head. Maybe we accommodate him; maybe we don't.

In the discussions about developments and housing, let's use our heads. When we hear "need," feel free to think "want." Then we'll be less likely to lock into a single emotional response (e.g. build more!) to that "need" which is a want. We'll be able to rationally and imaginatively also consider alternatives.

Sincerely,

Donald Williams

Calistoga Tribune, June 15, 2018

REUNITING CALISTOGA

The Calistoga election may have more to do with reuniting our town than with balanced budgets.

After all, community, like family, is first about inclusion, not prosperity. Despite the council's impressive record of unanimous votes, Calistogans do not think the same. But do we honor our diversity? Budget surpluses won't allay the disappointment of irrelevance---the feeling to which hundreds of Calistogans were entitled when their choice for council in the last election was denied.

Recalling my wife's candidacy, I asked candidate Doug Cooke: Would you appoint a candidate with different ideas to a vacant seat? He said he would respect the people's vote and appoint the next-highest vote-getter. It is not a comment on the council's eventual earnest appointees to note the difference between Cooke's stance and councilman Krauss's, who two years ago exercised his legal prerogative to ignore the popular vote, thereby abetting not healing but disillusionment.

It lingers. Last month, four different acquaintances brought up to me the topic of the last election and the "injustice" or unfairness suffered by Charlotte---and by extension, all those who voted for her.

The point is not her history, but the sense of futility that Calistogans may suffer when their votes are rendered meaningless. More than water or housing, the problem is a fractured community's sense of exclusion.

Not everyone feels it. Partisans may belittle it. The mayoral fora may mollify it. But draw your social circle larger, and there it will be: the realization of a community still sadly divided.

I don't agree with Doug Cooke's every idea. But he's obviously an intelligent, independent thinker receptive to the diverse ideas that Calistogans offer---your ideas. He represents a new direction, a step toward reunification. Most important, on the fundamental issue of respectful inclusion of different perspectives, he gets it.

Sept 2015

Stop marketing Calistoga and save \$300,000 a year

Dear Editor,

Since 2011 Calistoga's spent \$300,000 or more per year to promote our city. The city anticipates spending even more next year. The rationale is that the money spent is more than paid back by a visitors' "transient occupancy tax" (TOT).

For most of our expenditures we know what we get for our money: A newly-paved street, another police officer. Not so with money spent to entice visitors. We may hope marketing matters, but we don't know. There are assertions by large professional tourist organizations of remarkable returns (e.g. 15:1) on promotional efforts, but there's no empirical evidence directly linking Calistoga's promotional efforts with its TOT revenue.

It's not clear that marketing is even necessary. It's possible we'd collect the same TOT whether we advertised or not. In the last decade Calistoga's TOT revenue has approximately, predictably, tracked the broader economy, increasing every year except for the 2009-10

recession.

If we stop marketing this year we'll save over \$300,000 of public funds. But won't the tourists disappear? No. The economy is growing. Local tourism has momentum. Famous Calistoga is definitely on travelers' radar. Calistoga's budget is expanding and well-positioned to manage an unlikely diminution of visitors, should that occur.

There's no point in spending money to lure people who are going to visit us anyway.

But surely other North Bay towns will continue to advertise? So what! Are we not confident Calistoga is special? If we advertise less, people are not going to suddenly forget we exist. They aren't going to forget what we offer here. Besides, we're not in a rooms race with other towns. Tourists, and their money, will continue to come.

What might \$340,000 buy? Longer pool hours, lower water bills, an improved shuttle system?

We in business know that suspending the advertising habit makes sense especially when, as in this case, it (1) isn't necessary to attract visitors in a strong economy, (2) saves \$340,000, (3) won't hurt the city hugely if TOT falls shorter than expected, and (4) can be reinstated next year anyway.

So let's try it. Let's stop marketing Calistoga and save some public money.

Don Williams
Calistoga

Calistoga Tribune 5/19/17

The heart of our community leaving Napa Valley

Tourism in Napa County claims another casualty, as one more couple of solid citizens departs our valley.

What good are "world-class" wineries and wealth when the soul of the community is gutted by the loss of loved ones?

It's not just St. Helena. I know three Calistoga families who have left in the last year. They are dismayed at the development scarring our town. They are disappointed at cavalier attitudes of the planning commissions, councils, and supervisors toward tourism and development.

These friends were active, engaged, involved Calistogans: the kind of people who volunteer, make a difference, constitute the very fabric of a community.

Gone.

In this new Napa Valley, economics always trumps aesthetics. Elected officials acknowledge traffic, tourism, and diminution of small-town sensibilities; then they approve them. Over and over. A few more visitors allowed here. Another event permitted there.

Can the valley absorb events and visitors infinitely?

No. Yet the flood encroaches day by day, right before our eyes.

And we permit it: we elect these public officials. Who among them will respect the county enough to finally say, that's enough!

Looking around this still-beautiful valley, I know it seems hard to believe, but — the rising tide of tourism will swamp this ship. Not too many people will want to visit the flooded wreck that used to be the lovely Napa Valley, after the ship has sunk.

Don Williams
Calistoga

SH Star 3/16/17