

City of Florence
Economic Development Meeting
August 11, 2011 ~ 11:00 am

CALL TO ORDER

Mayor Brubaker called the meeting to order at 11:00 am.

ROLL CALL

Present: City Manager Bob Willoughby, Mayor Phil Brubaker, Council President Nola Xavier, Florence Area Chamber of Commerce Executive Director Cal Applebee, Peace Harbor Hospital Chief Executive Officer Rick Yecny, Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians Chairman Bob Garcia and Siuslaw School District Superintendent Jeff Davis

Others present: Executive Assistant to the City Manager's Office Shawn Penrod.

STATE OF YOUR ENTERPRISE

Peace Harbor Hospital

Mr. Yecny commented that he appreciated the City setting aside money to promote the area. He then gave summary of what is going on in the local health care system. See Attachment 1.

Mr. Yecny said that Florence has "a pretty complete health care system" and that it is all integrated. All the physicians in town work for Peace Harbor Hospital. He noted that physician retention the past few years has been "excellent." Mayor Brubaker commented that historically, physician retention has been a problem, but noted that Mr. Yecny has done a good job of improving retention rates.

Mr. Yecny said the estimated patient load is approximately 17,000. He said one thing the community could do is "really support our physicians."

Mr. Yecny reiterated that more than 60% of the hospital's business is from Medicare. He said that Peace Harbor Hospital is on a different program of reimbursement than RiverBend, where the Federal Government has basically said "we will pay you your cost so you can break even." Mr. Yecny said Peace Harbor had applied as a "Critical Access" Hospital eight years ago and it has helped stabilize reimbursements. He noted, however, that there is "no upside" and that the best they can do is break even on federal reimbursements. He said because of break even reimbursements and uninsured patients, the hospital's profit margins are "razor thin."

Three Rivers Casino and Hotel

Mr. Garcia said the Casino employs approximately 420 full-time exempt employees with an average salary of \$30,000 a year. He said they have a self-funded insurance plan and every employee at the Casino receives health benefits. Mr. Garcia noted that not every hotel or diner in the area has the ability to offer those benefits, but that he believes it is the right thing to do. He said they have been working with Mr. Yecny on a Wellness Program for employees.

Mr. Garcia said the Casino is “fighting hard to stay even with last year.” He noted that 75% of the Casino goers are users of the Players Club, with 30% of those locals and the remaining 70% from other places. Mr. Garcia said overall visitations are down from everywhere. He said demographically, they know where visitors to Three Rivers come from. He said there are only a certain amount of things you can do in the area. Mr. Garcia said Three Rivers can encourage people to come year-round. He said the Casino is considering the possibility of adding more hotel rooms.

Mr. Garcia said they are looking at adding to the total amenities. He asked rhetorically, what can the community do to make tourism less seasonal? He said we could do a better job during Spring and Fall. He noted the perception is that Florence is too far to come to and that for many Portland residents, the Oregon Coast drops off after Lincoln City. Mr. Garcia commented that it we need to make it easier for guests to come to Florence.

Mr. Garcia commented that employment at the Casino is stable with no plans for lay-offs.

Siuslaw School District

Mr. Davis said the school district’s situation is “doing well compared to other districts” and that mostly has to do with the Local Option Levy. He commented that Siuslaw is only one of 19 districts statewide that have an Option Levy. He said the fear is that they don’t want to lose the connection to the community.

One of the goals established by the school board is expanding partnerships. Mr. Davis said the district has done that with Lane Community College and the Hospital. He said there have also been discussions with Mr. Garcia regarding a hospitality program.

Mr. Davis said enrollment has been stable with approximately 1,326 students enrolled last school year. He said an after-school remediation program has helped retained students they previously would have lost.

Mr. Davis said the School District employees approximately 150 employees with 95% of those living here. Medical insurance is provided and capped at \$1,200.

Mr. Davis said more than 60% of Siuslaw students receive free or reduced lunch. He commented that the reality is Florence has a “working poor” population. He said the struggle is finding how to “elevate everyone.”

Mr. Davis said the district would like to start engaging the community now so they will be ready when the option levy expires. He commented that the School Board is really interested in what can be done to improve the quality of life in the community and help graduates with a “Plan of Action.” He noted that the district is economically viable for the next two years, but that there are “real serious challenges” for year three. Mr. Davis said they are not anticipating layoffs at this time. He commented that it is hard to plan budgets when the state can pull financing.

Councilor Xavier asked about what kind of vocational programs the school offers. Mr. Davis said the business and welding programs had been cut in recent years. He said, however, they still have a food service program and a medical professions program. Mr. Davis said there have been several discussions with LCC on how they can place more students at LCC.

Florence Area Chamber of Commerce

Mr. Applebee said the Chamber is currently going through a transition period. He said Chamber membership has historically as high as 350 members. Currently they are at about 200 members. Mr. Applebee said the membership packages had been revised by the board this year. He noted that “Distinguished Sponsors” level members have been difficult to find.

Mr. Applebee said that the Chamber has recruited some new members and are busy “re-building the ranks.” He said that some of the things he has heard in the community are that businesses are tired of regulation. He said land-use laws in Oregon stifles economic development.

Mr. Applebee said the visitor center had 1,300 visitors in June and 2,400 in July. He said there has been a huge upsurge in British Colombian and Canadian visitors.

Mr. Applebee said the Chamber created a committee called “Grow Florence” back in February. He said it is about getting Florence back on the map and the concept is to rebrand Florence as a destination. Mr. Applebee said the committee came up with the tag-line “Come See What We See.” He mentioned that the Chamber had been approached about the possibility of hosting a triathlon in the next year.

Mr. Applebee said the summer season for businesses has been a “mixed bag.” Some businesses have seen increases, some decreases in business.

Mr. Applebee said “Grow Florence” is about partnering with the community. He said there has been frustration regarding multiple messages that have been put out regarding the community and that their goal is about consolidating the message.

DISCUSSION: BUILDING A MORE SUSTAINABLE ECONOMY

Mayor Brubaker asked how the City could assist with economic development. Mr. Yecny said he has heard that the City’s Community Development is not friendly towards businesses. He noted that the flip-side of the issue is that Florence looks great and proper planning has had a lot to do with that. Mr. Yecny said the City could do better promoting a message of why we need planning. He commented that Planning is doing a good job, but how it’s perceived in the community is an issue. Councilor Xavier commented that she didn’t think the City has done a good job of getting that kind of information out to the community. She said that a new City website and newsletter should help with getting information out in the future.

Mr. Applebee suggested that part of the problem is how “planning staff projects itself.” He told a story about assisting a local Realtor with a project and he was told by staff they couldn’t do a particular project on the property. Mr. Applebee said staff requested a fee to research the property and later found that project could be done on that property. He said staff should have been more proactive and did their research first as opposed to simply turning down the project.

Mr. Yecny suggested resurrecting a local Government Affairs Committee. He said that committee could help with access to our local, elected representatives. Mayor Brubaker said he thought that is a great idea and recounted a story about how the League of Oregon Cities couldn’t get support for Option Levy reform.

