

AGENDA



12:00 P.M.

CITY COUNCIL MEETING

MONDAY, JULY 28, 2025

NOTES:

- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

THE MEETING CAN BE VIEWED
LIVE ON THE CITY'S WEBSITE AT
WWW.SEDONAAZ.GOV OR ON
CABLE CHANNEL 4.

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.
- No disruptive behavior or profane language will be allowed.

PROCEDURES:

- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

2. ROLL CALL

3. SPECIAL BUSINESS

LINK TO DOCUMENT =

- a. AB 3247 **Discussion/possible action** of a contract amendment for Day Vengley & Associates dba DVA to amend the scope and increase compensation in an amount not to exceed \$60,000 for marketing services related to extra money for the Summer destination marketing campaign.
- b. **Discussion/possible action** regarding ideas for future meetings/agenda items.

4. EXECUTIVE SESSION

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice regarding matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. **Discussion/possible action** regarding executive session items.

5. ADJOURNMENT

Posted: 07/24/2025

By: MG

JoAnne Cook, CMC

City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that a quorum of members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Sedona makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Sedona City Council meetings are recorded and may be viewed on the City of Sedona website. If you permit your child to attend/participate in a televised City Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services
that are consistent with our values, history, culture and unique beauty.



CITY COUNCIL AGENDA BILL

AB 3247
July 28, 2025
Regular Business

Agenda Item: 3a

Proposed Action & Subject: Discussion/possible action of a contract amendment for Day Vengley & Associates dba DVA to amend the scope and increase compensation in an amount not to exceed \$60,000 for marketing services related to extra money for the Summer destination marketing campaign.

Department	Communications, Tourism and Economic Initiatives
Time to Present	5 minutes
Total Time for Item	30 minutes
Other Council Meetings	March 27, 2024 May 14, 2024 Nov. 12, 2024
Exhibits	A. Amendment #3 to the DVA Professional Services Agreement

Finance Approval	Reviewed 7/24/25 BGW	
City Attorney Approval	Reviewed 7/24/25 KWC	Expenditure Required
		\$ 60,000
City Manager's Recommendation	Recommend approval ABS 7/24/25	Amount Budgeted
		\$ 163,582 (for the Summer destination marketing campaign)
		Account No. 10-5227-72-6511 (Description) (Advertising) \$350,000

SUMMARY STATEMENT

Background:

The Summer 2025 iteration of the Redefine Desert destination marketing campaign was launched in late May 2025 and will run through August 31. The initial campaign strategy and budget included:

- Paid Google search: \$12,000
- Meta (attraction messaging): \$21,000
- Meta (in-market education/stewardship messaging with a 25-mile radius and Phoenix): \$14,500

- Attribution-based website ads: \$70,500
- Attribution-based CTV ads: \$45,582

The markets this advertising is being delivered in are:

- Phoenix
- Tucson
- Las Vegas
- L.A.
- San Diego
- Dallas
- Chicago
- San Francisco
- Denver
- Seattle

Although the initial attribution performance we have received for the campaign is showing positive results, the City has been closely monitoring tourism performance at the destination and gathering input from the local business community on what Spring performance looked like and what the outlook for Summer performance is shaping up to be.

Lodging, retail and restaurant businesses have expressed that May was concerning in terms of revenue and profit, and June was even worse. Staff not only had conversations with many businesses, it also administered an anonymous survey in which 15 business owners from different sectors indicated that:

- In May 2025, compared to May 2024, 6 were up, 2 were flat, and 7 were down in revenue
- In June 2025, compared to June 2024, 3 were up, and 12 were down in revenue
- In May 2025, compared to May 2024, 4 were up, 1 was flat, and 6 were down in profit
- In June 2025, compared to June 2024, 2 were up, 1 was flat, and 8 were down in profit
- Year to date for June 2025, compared to the same time period in 2024, 5 were up and 9 were down in revenue
- Year to date for June 2025, compared to the same time period in 2024, 3 were up, 2 were flat, and 6 were down in profit

Note: the questions in the survey weren't mandatory so the total responses to each question don't always add up to 15.

Furthermore, here's a look at occupancy and demand in hotels and short-term rentals in Sedona. (Sedona+ represents 70 percent of the hotel rooms in the 86336 zip code):

	Revenue			Demand/Guest Nights		
	2024	2025		2024	2025	
	May/June	May/June	%	May/June	May/June	%
Sedona+	\$35,322,238	\$33,113,749	-6.3%	104,753	94,183	-10.1%
VRBO	\$5,629,839	\$7,885,952	40.1%	13,689	18,200	33.0%
Airbnb	\$13,014,696	\$14,852,687	14.1%	36,558	35,930	-1.7%
TOTAL	\$53,966,773	\$55,852,388	3.5%	155,000	148,313	-4.3%

A few caveats:

- Sedona+ includes data from 44 hotels in 86336, with 9 hotels outside of City limits

- The VRBO and Airbnb data is scraped so includes owner occupied rooms as revenue and guest nights

While revenue in May and June was up in 2025 compared to 2024, demand (guest nights) was overall down, meaning that foot traffic in local businesses was probably also down. Staff believes the reason revenue was higher during that time period is because the hotels and short-term rentals have been increasing ADR to make up the difference in the decreased occupancy the last few months. As we move from July into August, staff is now also seeing hotel and short-term rental prices drop - which will impact ADR for July and August. This trend in reduced hotel prices will impact revenue generation during the months of July and August if demand for overnight visitation in Sedona continues to decrease this summer.

Additionally:

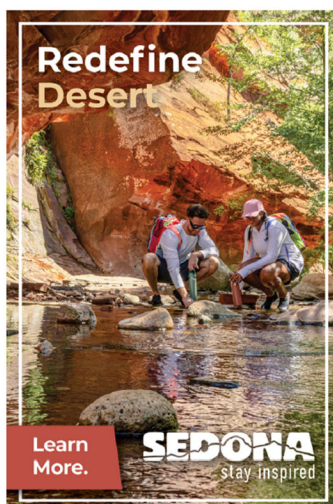
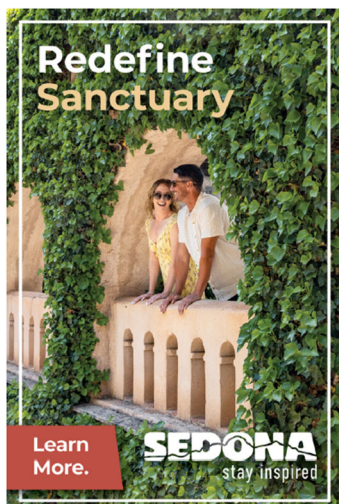
- While May 2025 traffic data showed an increase in cars in Sedona compared to May 2024, there were over 25,000 less cars in June 2025 compared to June 2024.

Therefore, staff is proposing an increase in the Summer destination marketing campaign of \$50,000 of the \$60,000 in advertising to drive immediate demand to Sedona in the month of August. It's proposed the money will be spent on the following:

- Attribution based digital and CTV ads with an expanded frequency and reach than the current campaign - \$20,000
- Meta (Facebook/Instagram) ads with expanded frequency and reach than current campaign - \$12,000
- Paid Google Search with increased frequency and reach than current campaign - \$3,000
- Digital banner advertisement in terminal 4 at the Phoenix Sky Harbor International Airport above the escalator into baggage claim - \$15,000

The total amount will include \$5,000 for Account Management Services and \$5,000 for Creative Asset Production for new photos and video taken in May and June that features cooling off themed imagery like below:





In conjunction with the additional spend, staff proposes reallocating the spend for markets in the online attribution-based ads that are underperforming (Seattle, Chicago and Denver) to our other higher performing markets (San Francisco, Vegas, LA, Dallas, San Diego, Phoenix and Tucson).

A third amendment and scope of work (Exhibit A) is now needed to allow spending authority for the advertising and a small amount for account management services and creative asset production.

The work is conducted on a Time and Materials Basis with a Not to Exceed Amount as set forth in the amendment.

Schedule:

If approved, the ads will go in market before the end of July.

Amendment #3 to the DVA Contract:

The DVA Contract history:

Oct 23, 2023 – City Council approved the Original Contract for a one-year term with three optional one-year renewals for a total not to exceed cost of \$281K (AB 3011).

May 14, 2024 – City Council approved Amendment #1 to increase cost by \$150K, increasing the not to exceed cost from \$281K to \$431K (AB 3056)

Nov 12, 2024 – City Council approved Amendment #2 to increase the cost by \$516K, increasing the not to exceed cost from \$431K to \$947K, amending the scope, and extending the term through June 30, 2026 (AB 3147)

This \$60,000 Amendment #3 will increase the total contract value from \$947,000 to \$1,007,000.

Budget:

The \$60,000 will come from the FY26 Council-approved budget for contingencies in the General Fund of \$1,500,000, unless otherwise directed, leaving an available contingency balance \$1,440,000.

Council's approval on this item will amend DVA's contract and give staff the spending authority to execute this extra boost to the Summer destination marketing campaign.

Other:

Note: in an upcoming City Council meeting, staff will be bringing a fourth amendment to the DVA contract for FY26 destination marketing and other marketing support services.

Climate Action Plan/Sustainability Consistent: ☐Yes - ☐No - ☒Not Applicable

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s): None

MOTION

I move to: approve Amendment #3 to the Professional Services Agreement with Day Vengley & Associates dba DVA to amend the scope and increase compensation in an amount not to exceed \$60,000 for marketing services for a new total contract value not to exceed \$1,007,000.

**AMENDMENT #3
TO PROFESSIONAL SERVICES AGREEMENT**

This Amendment to the Professional Services Agreement ("Agreement") by and between the City of Sedona, an Arizona municipal corporation ("CITY") and Day Vengley & Associates dba DVA Advertising & Public Relations ("CONSULTANT") is made and entered into on this ____ day of _____, 20 ____ ("Effective Date").

RECITALS

- A. WHEREAS, CITY and CONSULTANT previously entered into an Agreement for CONSULTANT to perform certain professional consulting and coordinating services for CITY, in connection with Branding and Marketing Services (the "Project") on or about the 25th day of October 2023; and
- B. WHEREAS, CITY and CONSULTANT entered into Amendment #1 on or about May 14, 2024 to increase the compensation of the Agreement to account for the Summer Stewardship Destination Marketing Campaign (Embrace the Moment) and entered into Amendment #2 on or about Nov 12, 2024 to increase the compensation, amend the scope for Branding and Marketing Services for FY25, and extend the term through June 30, 2026.
- C. WHEREAS, CITY and CONSULTANT now desire to further amend the Agreement to amend the FY25 scope of work and increase the compensation accordingly.

AMENDMENT

The parties agree to amend the following section(s) of the Agreement as follows:

1. SCOPE OF WORK.

A. Scope of Work.

The Additional Summer 2025 Scope of Work for Branding and Marketing Services is attached as Exhibit A.

2. COMPENSATION; BILLING.

A. Compensation.

The not-to-exceed amount of compensation the City agrees to pay the CONSULTANT is increased by \$60,000, amending the not-to-exceed amount of the Agreement from \$947,000 to \$1,007,000.

ALL OTHER CONTRACT PRICES, TERMS, AND CONDITIONS REMAIN THE SAME.

CITY OF SEDONA, ARIZONA

City Manager or City Department Head

ATTEST:

JoAnne Cook, City Clerk

APPROVED AS TO LEGAL FORM:

Kurt W. Christianson, City Attorney

**Day Vengley & Associates dba DVA
Advertising & Public Relations**

By:_____

Title:_____

I hereby affirm that I am authorized to enter into and sign this Agreement on behalf of Day Vengley & Associates dba DVA Advertising & Public Relations.

Exhibit A
City of Sedona & DVA Advertising & Public Relations
Additional Summer 2025 Scope of Work
Branding and Marketing Services

Project Description: The City of Sedona (Sedona) is partnering with DVA Advertising & Public Relations (Consultant) to assist with design, implementation, and reporting of additional advertising for the Summer 2025 destination marketing campaign.

Project Deliverables: The services provided under this Scope of Work will include the following deliverables from Consultant:

1. Account Management Services
 - a. Consultant shall meet as needed with Sedona to discuss the work included in this scope of work, review progress to date, and agree on upcoming actions to complete.
 - b. Consultant shall develop and implement systems to report on the execution and return on investment of the additional funds for the Summer Sedona Destination Marketing and Management campaigns, including, but not limited to:
 - i. Developing a production schedule for the additional campaign spend that includes campaign timelines, costs, and expected results.
 - ii. Developing and executing a system to determine attribution and the financial return on investment from the added digital advertising.
 - c. Consultant shall assist Sedona to implement public relations strategies that help advance the goals of the Tourism Program as needed.
 - d. Consultant shall provide input on Sedona's Destination Marketing and Management strategies.
2. Media, Media Planning, and Buying
 - a. Consultant shall assist with the Sedona Destination Marketing and Management campaigns, including, but not limited to:
 - i. Developing a tactical plan for the additional advertising for the Summer 2025 campaign that includes target markets, target audiences, and distribution channels.
 - ii. Placing ads in agreed upon channels.
 - iii. Monitoring throughout the campaign if advertising or creative adjustments need to be made to maximize return on investment.
3. Creative Production
 - a. Consultant shall provide creative assistance services, if needed, to Sedona on activities that support the extra campaign spend, including, but not limited to:
 - i. Creating online, print, social media, etc. ads

Fee: The total fee for the provision of services described herein (the "Fee") shall not exceed \$60,000 USD.

Sedona agrees to pay the following amounts for each deliverable after it is performed and agreed upon by the Tourism Manager or their designee:

Activity	Budget
Account Management Services	\$5,000
Media and Media Planning, Buying	\$50,000
Creative Asset Production	\$5,000
TOTAL	\$60,000

Payment Terms: Sedona to pay Consultant after the completion of each deliverable. Payment is due 30 days after receipt of an invoice from Consultant.

Consultant will charge a 6% commission for purchased media.

Review and Approval Process: For the purpose of this SOW, all deliverables will be created using an iterative process in which Sedona has a chance to review and provide feedback/requests for revision over up to two (2) rounds of feedback.