

**MINUTES OF
CITY COMMISSION WORK SESSION
MONDAY, NOVEMBER 1, 2010, 4:30 P.M.
CITY HALL, PIGEON FORGE, TENNESSEE**

Present were Mayor Whaley, Vice Mayor McClure, Commissioner Brackins, Commissioner Robinson, Commissioner Wear, City Manager Teaster, City Recorder Clabo, City Attorney Gass, and interested parties.

Items discussed were as follows.

1. **Review and discussion of the Tennessee Consolidated Retirement System (TCRS) actuarial study** – TCRS Field Service Representative Melissa Davis and Retirement Counselor Karen Curtis were in attendance to discuss the retirement plan and the actuarial study prepared in 2009. Ms. Davis thoroughly explained the guidelines including that preexisting employees have the option to join but new hires are mandated to join. If existing employees do not join initially but join at a later date, prior years may not be purchased. The employee contribution is 5 percent and an employee is vested after 5 years. There are 3 factors that impact the calculation: 1) AFC – the highest 60 months of salary; 2) years of service; and 3) age of employee. Many questions were asked by employees including how funds would be rolled over from existing retirement plan and how years would be bought back under new plan.

Following lengthy discussion and questions regarding what the city would do next, Mayor Whaley stated that uncertainties would have to be figured out and a new study would have to be completed. However, no immediate direction was given by council.

2. **Review and discussion of the proposed Pigeon Forge booking search engine** – Executive Director of Tourism Downey explained how the process got started with the website being redone in 2009 which happened to be the first time the site had been changed since it was originally created. Visitors were asked what they wanted to see on mypigeonforge.com. Marketing Manager Sue Carr discussed the website design/usability study and read comments from customers regarding their feedback to the study.

Leah Woolford with USDM discussed the objectives of the booking engine. She said that Phase I would be the engine for hotels, condos, and vacation rentals. For this phase, three options were considered: 1) Online Travel Agent (OTA) where a commission would be paid for inventory; 2) existing software for sale but the software is out of date and designed for hotels only; and 3) design and build custom software for the City which

would consist of lodging with automatic inventory management and new vacation rental user friendly software. It was noted that the advisory board plus additional business representatives would assist in the planning and development process. Phase I is estimated to cost approximately \$250,000 to \$275,000 to plan, develop, and launch system. There would also be an annual support fee of \$225,000. In addition, transaction costs would consist of 1) PEG switch - \$3 per transaction; 2) Call center - \$.50 per minute above 800 allotted minutes monthly; and 3) Commission collection of 9%. The overall goal is for the system to pay for itself.

Many businesses expressed concerns regarding this proposal including but not limited to: 1) Difficult to implement due to so many variables with amenities offered; 2) Businesses seem to be competing for the same business as the City; 3) Will there be a price war on the website; 4) Business may have to add additional personnel to assist with the process; and 5) Concern over additional cost of 10% additional fee to City.

Following lengthy discussion, council advised that there would have to be more meetings to address many of the issues discussed and that the tourism department and/or advisory board could begin meeting with businesses to discuss issues before coming back to council with recommendations.

After general discussion, the meeting was duly adjourned at 8:30 p.m.

APPROVED: _____
MAYOR

ATTEST: _____
CITY RECORDER