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**Marketing and Communication Leadership Committee Meeting**

**Thursday, April 16 @ 3:00 p.m.**

**Village Hall, Committee Room**

**Zoom Call:** 312-626-6799

**Use Meeting ID:** 987 2582 1882

**AGENDA**

1. Call to Order
2. Present updated revenue totals and projects from MB Marketing Solutions
3. Consider additional \$1,000 contribution from each community partner for 2020 Shorewood Today
4. Consider suspending page limits and advertising-content ratio for 2020 Shorewood Today
5. Discuss and consider additional actions related to 2020 and 2021 Shorewood Today
6. Adjournment

DATED at Shorewood, Wisconsin, this 13th day of April, 2020.

VILLAGE OF SHOREWOOD  
Sara Bruckman, Village Clerk

Should you have any questions or comments regarding any items on this agenda, contact the Manager's Office at 847-2701.

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information; no action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals.



# VILLAGE OF SHOREWOOD

## REPORTS AND PRESENTATIONS TO MARKETING LEADERSHIP COMMITTEE

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**Agenda Item:** Consider action for 2020 and 2021 Shorewood Today magazines

**Date:** April 13, 2020

**Presenter:** Tyler Burkart, Assistant Village Manager      **Department:** Village Manager's Office

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**History** – *Please include a timeline of historical relevant events related to this agenda item. This may include previous Village Board action, policies, planning documents, etc. If able, hyperlink to previous agenda packets (include page number) to reference information. If there is no relevant history, N/A should be entered in this space.*

1. The Marketing and Communications Leadership Committee (MLC) approved a 3-year service agreement with all the partners to enter into a service agreement with MB Marketing Solutions on November 1, 2018 to produce and design the Shorewood Today magazine. The Village Board—as the fiscal agent – accepted the service agreement on November 19, 2018 ([link](#)).
2. The MLC met on January 14, 2020 to discuss the 2019 revenues and expenditures for Shorewood Today. A total of \$2,217 of the Shorewood Today fund balance was utilized for 2019 due to MB Marketing Solutions not meeting their anticipated advertising revenue.
3. The MLC determined during their February 14, 2020 meeting for all partners to go back to their Boards and seek input about increasing the partner contribution by \$1,000 and filling the remaining gap with fund balance for 2020.

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**Agenda Item Discussion** – *Please provide a summary of the agenda item along with bullet points highlighting the main items and key issues to be discussed.*

This meeting was scheduled to discuss the future of Shorewood Today issues knowing the current community environment surrounding COVID-19. Specifically, MB Marketing Solutions is anticipating more difficulties – but not impossible – to find more local businesses to commit to advertising space for 2020 issues. In addition, several partners will have uncertainty about their content due to details related to the topics change on a daily basis. It is likely information completed in early May for the articles will change when the magazine is published in June. Below are the following items the MLC needs to discuss and provide a direction on:

**Consider additional \$1,000 contribution from each community partner for 2020 Shorewood Today**

As of early March (prior COVID-19), we anticipated \$40,750 in revenue from businesses who pay for annual advertisements in all 4 issues. In addition, we expected an estimated \$27,865 (\$7,165 for the first issue and \$6,900 per issue for the last 3 issues) in revenue from one-time advertisers. This meant we were approximately \$10,400 short of the \$79,000 revenue goal for 2020. As a result, partners were asked to go back to their governing bodies and ask for direction in regards to providing Shorewood Today an additional \$1,000 for 2020. If all five partners gained approval for the additional \$1,000 contribution, that means an estimated \$5,400 in reserves from the Shorewood Today Fund would cover the remaining gap in 2020.

However, with the current climate and COVID-19 concerns, the likelihood of receiving \$6,900 in one-time revenue for each remaining issue may not be achievable. As a result, partners should anticipate Shorewood Today utilizing more reserves in 2020 to cover the gap. Ms. Boehm will provide the Committee an update on advertising revenue for the 2020 magazine.

**Consider suspending page limits and advertising-content ratio for 2020 Shorewood Today**

There is language in the agreement that MB Marketing Solutions must publish one 48 page issue, two 44 page issues, and one 40 page issue per year. In addition, the magazine's advertising content must stay below 40% of the total amount of content to preserve the quality of the magazine. The Committee should discuss these requirements and determine if they want to suspend these stipulations to allow more flexibility for the Shorewood Today staff. Based on the high probability that partners may not have as much content during this period of COVID-19 concerns, there may not be enough content for the magazine to reach the defined page requirements.

**Discuss and consider additional actions related to 2020 and 2021 Shorewood Today**

If the upcoming issues of Shorewood Today are shorter in length, the Committee needs to inquire about lowering the staff costs of Shorewood Today since those costs were agreed upon publishing larger paged issues, which requires more time of some staff.

The agreement currently calls for Marketing Solutions to solidify \$82,500 in advertising dollars and community partners to contribute \$14,000 in partner contributions (\$2,000 from the Village and \$3,000 from each the Schools, BID, Shorewood Foundation, and CDA). Based on current advertisement revenue trends, it is very unlikely MB Marketing Solutions will be able to collect \$82,500 in advertising for 2021. Therefore, the Committee needs to consider a proposed amendment to the agreement. Currently Village staff estimates about a \$10,000-\$15,000 shortage in estimated revenue for 2021 based on current advertisement projections. If the community partners all agree to extend the increase of \$1,000 in partner contributions into 2021, then we could anticipate about a \$5,000-\$10,000 shortage in revenue. The Committee should explore all avenues in order to address this issue. The Committee will need to finalize a proposal for this by June so that all community partners have time to inquire about the long-term solution, and the Committee and Village Board (fiscal agent) can adopt an amended agreement.

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**Fiscal Note** – *Please include comments on the fiscal impact of this action.*

All specifics in the fiscal note are mentioned in the summary above. Additional information on the Shorewood Today Fund can be seen on page 138 in the [2020 Budget](#).

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**Action Required / Recommended** – *Please include the recommended motion or possible actions for this agenda item.*

**Consider additional \$1,000 contribution from each community partner for 2020 Shorewood Today**

1. "I move for each community partner to contribute an additional \$1,000 for the Shorewood Today magazine for 2020. Reserves from the Shorewood Today Fund will cover any additional shortages in revenue for 2020."

**Consider suspending page limits and advertising-content ratio for 2020 Shorewood Today**

1. "I move to suspend the requirements to publish one 48 page issue, two 44 page issues, and one 40 page issue for Shorewood Today for 2020."
2. "I move to suspend the requirement to have no more than 40% of the content be space for advertisements for 2020."

**Discuss and consider additional actions related to 2020 and 2021 Shorewood Today**

1. "I move for Shorewood Today staff to submit revised 2020 and 2021 staff costs for the Committee's consideration so that the costs are outlined based on the number of pages published in the issue."
2. There are no other recommended motions for this time. The Committee should begin preparing a motion and proposal for 2021 for consideration at their next meeting.

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**Attachments** – *Attached are supporting documents to assist in the discussion of this topic.*

1. Shorewood Today memo provided to the Village Board for March 2, 2020



# VILLAGE OF SHOREWOOD

## REPORTS AND PRESENTATIONS TO THE VILLAGE BOARD

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**Agenda Item:** Consider Marketing Leadership Committee Shorewood Today Funding Gap

**Date:** March 2, 2020

**Presenter:** Tyler Burkart, Assistant Village Manager      **Department:** Village Manager's Office

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**History** – *Please include a timeline of historical relevant events related to this agenda item. This may include previous Village Board action, policies, planning documents, etc. If able, hyperlink to previous agenda packets (include page number) to reference information. If there is no relevant history, N/A should be entered in this space.*

1. The Marketing and Communications Leadership Committee (MLC) approved a 3-year service agreement with all the partners to enter into a service agreement with MB Marketing Solutions on November 1, 2018 to produce and design the Shorewood Today magazine. The Village Board – as the fiscal agent – accepted the service agreement on November 19, 2018 ([link](#)).
  2. The MLC met on January 14, 2020 to discuss the 2019 revenues and expenditures for Shorewood Today. A total of \$2,217 of the Shorewood Today fund balance was utilized for 2019 due to MB Marketing Solutions not meeting their anticipated advertising revenue.
  3. The MLC determined during their February 14, 2020 meeting for all partners to go back to their Boards and seek input about increasing the partner contribution by \$1,000 and filling the remaining funding gap with fund balance for 2020.
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**Agenda Item Discussion** – *Please provide a summary of the agenda item along with bullet points highlighting the main items and key issues to be discussed.*

Village staff coordinated the February 14, 2020 MLC meeting so that the community partners (Village, School District, BID, CDA, and Shorewood Foundation) could collectively talk with one another and strategize ways to address concerns about the 2020 Shorewood Today budget.

When the MLC approved the 2019-2021 service agreement with MB Marketing Solutions, and accepted by the Village Board as the fiscal agent, there were two major changes asked upon the contractor to generate revenue for the magazine. First, the community partner contribution decreases from \$5,850 to \$3,000 (or \$2,000 for the Village as the fiscal agent). Second, advertising increases by 4-6% each year and takes on a larger portion of the total revenues. As a result, these changes require \$79,000 in 2020 advertising fees in order to balance the budget without altering partner contributions or any expenditures.

MB Marketing Solutions provided Village staff with the first magazine advertising revenue report. They have a total of \$7,165 in advertising from businesses or community groups who published advertisements in the first issue. In addition, they have been able to lock in \$40,750 in annual commitments. These are advertisers who are committed to the magazine for all four issues. This total is lower than last year's total of \$46,360.

After the last MLC meeting, Village staff followed up with some of the advertisers who decided to pull their advertisements from the 2020 magazine. Staff learned that some of the advertisers pulled their advertisements due to other marketing efforts they felt were more impactful for their business. They would rather allocate their dollars to direct mailers, sponsoring community events, and digital advertising. The businesses did note the increase in advertising fees, but felt they were competitive and a better value than advertising specifically in the Bay Leaves (Whitefish Bay magazine).

Based on past trends, staff is projecting approximately \$6,900 to be generated in advertising fees on average for the three remaining issues. If this were to occur, the community partners should expect a total of \$68,600 in advertising revenue in 2020. This is \$10,400 short of the projected \$79,000 to balance the 2020 budget.

Advertising rates are now locked in due to the annual commitment from a number of advertisers. As a result, knowing there is more than likely to be a revenue shortage for 2020 (and potentially future years considering 2021 has a projected advertising revenue of \$82,500), Village staff is asking for all community partners to come together to identify an agreed upon solution for the magazine. To help address the funding gap, the following solutions could be considered:

- Increase partner contribution up to \$2,000 for each partner
- Reduce professional fees and size of publication and increasing the ad/content ratio
- Utilization of the fund balance for 2020 and revisit during 2021 budget (approximately \$17,000)
- Combination of the above methods

The likelihood that all community partners are willing to increase partner contributions midyear for the magazine is low. This may be something to consider for 2021 as a solution. If the Shorewood Today team is not able to acquire enough advertising dollars by the September issue, one proposal to consider would be publishing 3 magazine issues for 2020 and cancelling the December issue. Under this proposal, the following actions would occur:

- Professional fees would be reduced from \$52,000 to \$39,000 (\$13,000 savings).
- Copy and print costs would be reduced from \$31,500 to \$23,625 (\$7,875 savings).
- Postage and mailings would be reduced from \$9,000 to \$6,750 (\$2,250 savings).
- Village would reimburse \$10,188 back to the businesses who paid for annual advertisements.
- Village wouldn't receive an additional \$6,900 in advertising dollars for one-time advertising in the winter issue.
- Savings:  $\$13,000 + \$7,875 + \$2,250 - \$10,188 - \$6,900 = \$6,037$
- Since the community partners would need an estimated savings of \$10,400, and this plan only experiences an estimated savings of \$6,037, the remaining \$4,363 would be covered through the fund's reserves, which would deplete the fund balance to approximately \$11,000 entering 2021.

The MLC determined a combination of increasing partner contributions by \$1,000 and using fund balance may be the best course of action for 2020. The MLC will need to meet again to put together a plan to resolve the 2021 funding gap.

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**Fiscal Note** – *Please include comments on the fiscal impact of this action.*

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**Action Required / Recommended** – *Please include the recommended motion or possible actions for this agenda item.*

The community partners need to get direction from their governing boards on increasing partner contributions by \$1,000 and using fund balance for any remaining revenue shortages for 2020.