

**RICHMOND REGION TOURISM
BOARD OF DIRECTORS' MEETING MINUTES
SEPTEMBER 19, 2024
RED BIRD SOCIAL
12:00 P.M.**

I. CALL TO ORDER & WELCOME

- A. Chair-Elect, Ms. Bridgette Bywater, called the meeting to order at 12:06 P.M.

Welcome Remarks: Ms. Bywater introduced Richmond City Mayor Levar Stoney, who delivered the welcoming remarks. Mayor Stoney emphasized the significance of the RRT Board, calling it the most important and influential in the region due to the critical role of regional collaboration in tourism. He highlighted the Richmond Region's rapid growth, surpassing both Northern Virginia and Hampton Roads, and credited non-partisan cooperation for key developments like GreenCity in Henrico and the Diamond District in Scott's Addition. According to Mayor Stoney, the Richmond Region is a dynamic and increasingly competitive market, poised to continue benefiting from these partnerships and the broader impact of tourism.

Following the mayor's remarks, Ms. Bywater invited Mike Lindsey and Kimberly Love-Lindsey, co-owners of Lindsey Food Group (LFG), to welcome the Board to their venue, Red Bird Social. Mr. Lindsey thanked his wife for her vital contributions across all business areas. LFG has launched 13 businesses, five of which have opened within the past six months. Mr. Lindsey attributed much of their success to their commitment to paying all employees a minimum of \$15 an hour. He noted that opportunities within the Richmond Region have fueled LFG's rapid and organic growth. Acknowledging the challenges facing the restaurant industry, Mr. Lindsey underscored LFG's dedication to investing in their staff, crediting them for the company's continued success.

Ms. Love-Lindsey then welcomed the Board to Red Bird Social, describing the event space as multi-level with a lower level available for separate rentals. Event organizers have the option to choose catering from several nearby LFG restaurants, including Lillie Pearl and ML Steakhouse. She also shared that LFG is on track to open its 14th restaurant, Farm + Oak in Chesterfield, this November. As they expand, the couple plans to shift focus toward refining operations and stabilizing their growth in the coming months.

- B. New Staff Members & Roundtable Announcements: Ms. Bywater welcomed new RRT staff members, Ms. Dayna Flowers, Destination Services Manager, and Mr. Donald Adams, Sports Graduate Assistant, to the meeting. Ms. Flowers is from Hopewell, VA and she is a graduate of Virginia State University with a degree in Hospitality Management. She has spent the last eight plus years of her career in several areas of hospitality from catering to event planning. She will work with clients that book meetings in the Richmond Region to help ensure their events are a success.

Mr. Adams is from Richmond, and earned his degree in Sports Marketing from Saint Joseph's University in May 2024. During his time at Saint Joseph's, Mr. Adams gained valuable experience interning with the athletics department while also competing as a track and field athlete, being named team captain during his junior year. Currently, he attends VCU's Center for Sports Leadership graduate program. Mr. Adams will support the sports team to help develop and execute a plan to restart the sports team's social media presence through the sports Instagram page - PlayRichmondVA.

Ms. Bywater invited Board Members to share any important updates:

- Ms. Bywater noted that Board Members and guests are welcome to attend Halloween Haunts at Kings Dominion on select nights from September 20th-November 3rd.
- Ms. Lindsay Hurt of New Kent County invited guests to the Greater Lanexa Studio Tour, a free self-guided tour of some of Virginia's finest works including pastels, wood turning, jewelry, glass, pottery and more on October 26th-27th.
- Mr. Perry Miller of Richmond International Airport announced a record 4.8 million passengers flew through RIC in the last year, elevating the airport to a medium hub status. RIC was the top-ranked airport in the state for all-cargo landed weight in 2023.
- Ms. Martha Miller of the Town of Ashland invited guests to the town's last Fourth Friday event of the season on September 27th from 5-8 PM. TransJamRVA will bring a Pride focus to the event and feature several LGBTQ vendors. The town will host over 20 Halloween-themed events in October, followed by the Light Up the Tracks Holiday celebration from November 23rd to January 1st.
- Mr. John Cario, formerly of the Hilton Richmond Downtown, will announce his new role on September 30th. He will remain on the RRT Board representing the hotel seat.
- Mr. Jon Luginbill of Sports Backers invited guests to attend the 3rd edition of RUN RICHMOND 16.19, the cultural run-or-walk event to experience more than 400 years of Black history on September 21st. The Richmond Marathon is tracking 20% ahead of registration pace YOY and may break records in attendance. The marathon draws the most of-town participants of all of Sports Backers' events.
- VP of Visitor Experience, Mr. Matt Robinette announced the opening of the Richmond Region's newest official Visitor Center inside the Valentine.
- Mr. Brian Anderson of ChamberRVA, along with partners from Greater Richmond Partnership and Richmond Region Tourism worked together to show off the Region and our plans for the future to more than 40 guests.
- Mr. Dan Schmitt of Henrico County invited guests to support the Richmond Folk Festival on September 27th-29th on Brown's Island.
- Ms. Dawn Miller of the Henrico Sports and Entertainment Authority announced that the Henrico Sports and Events Center won the VRLTA Ordinary Award for Attraction of the Year. She also spoke to the ongoing Glover Park project that will add two NCAA-size synthetic turf baseball fields and two multipurpose fields, both with outdoor lighting.

II. NEW BUSINESS

- A. **MOTION** Ms. Bywater requested a motion to approve the July 11, 2024, Board Meeting Minutes. Mr. Perry Miller motioned to approve, which was seconded, and the motion carried.
- B. President's Report: President & CEO of RRT, Ms. Katherine O'Donnell, provided updates on the board meeting format, RRT's upcoming staff retreat, recent visitor spending data, and a fraud incident. She also announced that 'Mission Moments' will now rotate among the RRT Vice Presidents to showcase their team's efforts to drive the organization's mission forward.

Mission Moment: Mr. Robinette, who leads the Visitor Experience team at RRT, shared how he was inspired by his colleagues' teamwork and support when a staff member faced a family emergency. The Visitor Experience team rallied to ensure deadlines were met, with added help from the Sales Team. This moment highlights how our people consistently go above and beyond to make things happen.

Board Meeting Format: Feedback from recent Board of Directors meetings with Katherine O'Donnell suggested reducing the number of printed materials for meetings. As a result, this will be the last instance where the full packet is provided in print at the meetings. Moving forward, the packet will be emailed one week in advance, and only the agenda and financial reports will be printed for each Board meeting. This change supports RRT's ongoing sustainability efforts.

Fall Staff Retreat: As part of our commitment to being the best DMO in the country, RRT is investing in staff development and enhancing internal communication. On Monday, September 30th, Richmond Region Tourism will hold a retreat for all full-time staff. Throughout the fiscal year, we will collaborate with HR consultant Shannon Waffan of Thrive Coaching & Consulting to improve team communication and dynamics, with the ultimate goal of increasing productivity.

The first step in this process is completing a DiSC self-assessment, which will help staff understand their own and each other's communication styles. During the retreat, we will review these assessments and explore ways to work more effectively as a team. Key outcomes of the initiative include:

- Gaining deeper insights into individual personality styles and preferences
- Developing a common language to improve team collaboration
- Anticipating and minimizing potential conflicts
- Valuing the strengths of others
- Enhancing management effectiveness

Visitor Spending Data: Released last week, tourism data shows that the Richmond Region was up 7.4% in calendar year 2023, totaling \$3.7 billion in tourism-related spending across the region — another record. Spending on lodging, food and beverage, retail, recreation, and transportation generated \$176.4 million in local taxes and \$105 million in state tax revenues.

The data also show the local tourism industry added 1,401 jobs between 2022 and 2023, bringing the total to 29,305 positions. For the 2024 fiscal year, which concluded on June 30th, the region's hotels generated \$39.4 million in lodging taxes, representing a 4.6% increase from the previous year. This marks another record year for hotel tax collection in the region. The full data report from Blue Room Research is included in the board packet. The latest hotel occupancy data from STR will be sent out to Board Members with analysis from BRR within the next week.

Fraud Incident: An unfortunate situation arose in our partnership with Johnson Marketing Inc. (JMI) related to the Jazz Festival. As part of our joint sponsorship with Henrico and the City of Richmond, funds are transferred from the localities to RRT and then to JMI.

JMI's IT system was breached by a cyber fraudster who impersonated their finance contact, using a legitimate email address, and issued a fraudulent invoice for the correct amount — \$85,000 for Henrico and RRT's portion of the sponsorship. The fraudster provided instructions for an ACH transfer to a Bank of America account. On July 19th, after confirming the point of contact with JMI, RRT proceeded with the transfer from our bank, TowneBank. On July 23rd, we were informed that the Bank of America account was not JMI's and had been used for fraudulent purposes.

TowneBank immediately issued a recall to Bank of America, and we are awaiting feedback on potential recovery of the funds. The issue has been escalated through our relationships with Bank of America. The FBI has been alerted, and we have had extensive discussions with law enforcement, banking fraud experts, and legal counsel. Given the high volume of fraud cases and the relatively small amount of \$85,000, we must wait for Bank of America's response.

In the meantime, we issued another payment of \$85,000 to JMI to ensure the Jazz Festival could continue in August. If the funds are not recovered, we expect to absorb this loss within the current fiscal year budget. We will revisit the matter later in the fiscal year and will update the board if another approach is necessary.

In the meantime, we have taken the following actions:

- Revised internal policies and procedures (details provided in the full board packet). Key updates include:
 - Verbal confirmation via phone for any new ACH vendors or changes in banking information.
 - TIN matching with the IRS by the Finance team.
 - Requesting a voided check or deposit slip for new ACH vendors.
 - Implementing a two-person check-off process for the Finance team, with documentation for a clear paper trail.
 - Avoiding rushed payments.
- Held an all-staff meeting to discuss the incident and introduce the new policies and procedures.
- Worked with Synergy Technical, our third-party IT partner, to:
 - Block all JMI emails (to prevent future attacks)
 - Mandate password resets for all staff

- Enable added security measures, including Multi-Factor Authentication (MFA), Demarcation (to reduce email spoofing), enhanced anti-phishing policies, and Safe Links
 - Continue utilizing KnowB4, a tool that tests and trains employees monthly on identifying fraudulent emails, texts, etc.
- Conducted an all-staff fraud training for the September staff meeting
- Purchased cyber insurance

After consulting with Mr. Pat Collins, ACH will remain our primary payment method, as the risk of check fraud is even higher than that of ACH fraud.

C. Financial Update: Director of Finance, Mr. Mike Kerr, delivered the Financial Update.

Notes

- Actuals are reported through August 31, 2024.
- The fiscal year is still in its initial stages.

Revenues

- Current revenue is \$6.3 million, significantly ahead of the budgeted total of \$10.9 million.
- Richmond, Chesterfield, Ashland, Colonial Heights, and Hanover have fully paid their annual contributions.
- Henrico and New Kent have submitted Q1 contributions.
- GRCC has paid half of their annual contribution.
- TID revenue is delayed but will be reflected at the next meeting.
- Positive income from advertising, interest, and miscellaneous sources.

Expenses

- Total expenditures are \$1.7 million compared to the budgeted total of \$10.8 million.
- Loss of \$85,000 due to fraud (related to the 2024 Jazz and Music Festival).

Net Revenue

- Net revenue exceeds expenses by \$4.5 million year to date.
- Approximately 58% of the annual income has already been received.

Visual Views: Mr. Kerr created new visuals to interpret the data, as per the request of the board.

Budget to Actual:

- Both the FY23 budget and actuals reflect a deficit, with approved use of reserve funds.

Income Sources

- Growth in support from Class A jurisdictions and contributions from GRCC.
- Strong initial year for TID income, with an increased estimate for FY25.
- ARPA funds were not budgeted in FY24 and are not expected in FY25.
- Significant interest income in FY25.

Cash and Reserves

- The new reserve policy requires a minimum of 20% of the current year's budget, totaling \$2.2 million.

- The current principal stands at \$1.6 million.
- FY24 surplus will be added to the reserve.

Investment Strategy Update

- Under the TID operations, a structured reserve fund has been established for long-term incentive use through Atlantic Union Bank.
- As of August 27, 2024, TID Governance has approved:
 - An Investment Policy Statement.
 - A short-term investment model with Atlantic Union Bank.
 - Authorization for Michael Kerr to act on TID's behalf with Atlantic Union Bank.

RRT

- RRT's current investment structure includes checking accounts, a Money Market Account, and laddered CDs through Principal (RRT's 401k partner).
- This structure provides a short-term portfolio but is less formal and more illiquid than the new TID structure.
- Mr. Kerr proposed to the Board creating a similar structure for RRT. He will ask TowneBank to create options mirroring the TID structure.

- D. Governance Committee Report: Ms. Bridgette Bywater, Chair of the RRT Governance Committee, will review the proposed amendments to RRT's Articles and Bylaws at the November 21st Board of Directors meeting, contingent upon the attendance of at least 16 board members (2/3 majority) needed to adopt new Articles of Incorporation.

Board Vacancy Update: Mr. Pat Collins of TowneBank concluded his term on the Board as of July 19, 2024. RRT is exploring the possibility of inviting a representative from the LEGO Group to fill the At-Large Corporate Director seat.

- E. Tourism Improvement District Update: Mr. Neil Amin, Chair of the TID Governance Committee, shared recent updates from the TID.

Atlantic Union Bank Investment Plan:

- A new investment policy strategy was approved, proposing a laddered treasury portfolio yielding around 4.1%-4.3%. The model ensures liquidity, with all investments accessible anytime.

Economy Hotel Pilot Program:

- Focus on rack cards, Expedia campaigns, and individual campaigns for four pilot hotels (Super 8 on West Broad, Rodeway Inn, Brentwood Inn & Suites, and the Airport Express Inn.)
- Individual campaigns set to launch by October 1, will run for 3 months.

Sales Marketing Updates:

- Expanded presence at Cvent Connect; one active RFP for September 2027 (900 room nights).
- The Earn More Promotion successfully booked three events, including Communities in Schools and State Farm, addressing small meeting needs.

- New Destination Sales and Sports Meetings ASMR videos were launched, with placement on the Northstar Meetings Group website.

Incentive Requests:

- 15 event incentives approved (8 renewals/7 new) with an EIC of \$27,337,715.94.

Leisure Marketing:

- The new Black Traveler Campaign video, produced by Tilt Creative + Production, launched across RRT social channels.
- Lamar local billboards (CNN Top Place to Visit) on display.

Group Tour Updates

- Positive reviews from major operators, including Collette Tours and Perkiomen.
- Collette Tour – 40 Participants toured the American Civil War Museum and stayed in the Hilton Downtown Richmond.

Workforce Updates:

- IAT Hotel Edition launched.

III. OLD BUSINESS & WRAP-UP:

- A. Adjourn: With no further business to discuss, Ms. Bywater adjourned the meeting at 1:22 PM.

Board Present:

Neil Amin, Shamin Hotels
 Brian Anderson, ChamberRVA
 Bridgette Bywater, King's Dominion
 John Cario, Richmond Hilton Downtown
 Paulin Cheatham, Dominion Energy
 Susan Dibble, Hanover County
 Renee Haltom, Federal Reserve Bank of Richmond
 Jim Holland, Chesterfield County
 Greg Kochuba, Colonial Heights
 Jon Luginbill, Sports Backers
 Michael Lindsey, Lindsey Food Group
 Perry Miller, Capital Region Airport Commission
 Danielle Ripperton, Children's Museum of Richmond
 Dan Schmitt, Henrico County
 Jordan Stewart, New Kent County
 Steve Trivett, Town of Ashland
 Jennifer Wakefield, Greater Richmond Partnership
 Lori Waran, Richmond Raceway

Guests Present:

Mayor Levar Stoney, City of Richmond
 Robert Cappellanti, City of Richmond Economic Development
 Lindsay Hurt, New Kent County
 Gail Carey, New Kent County
 Kimberly Love-Lindsey
 Dawn Miller, Henrico Sports & Entertainment Authority
 Martha Miller, Town of Ashland
 J.C. Poma, Chesterfield County
 Angela Wright, Hanover County

Staff Present:

Donald Adams
 Danielle Fitz-Hugh

Dayna Flowers
 Michelle Lovatt
 Mike Kerr
 Jerrine Lee
 Katherine O'Donnell
 Matt Robinette
 Grantland Steele

Board Absent:

Rita McClenny, Virginia Tourism Corp
 Mayush Mehta, JP Hospitality
 Todd "Parney" Parnell, Richmond Flying Squirrels
 Ellen Robertson, City of Richmond
 Lisa Sims, Venture Richmond
 Nancy Thomas, InUnison