

SACRAMENTO TOURISM MARKETING DISTRICT

MINUTES

Special Meeting of the Tourism District Committee

Friday, May 31, 2019

Visit Sacramento

1608 I Street, Sacramento, CA

The original agenda was prepared and posted in compliance with the provisions of the Ralph M. Brown Act noting that committee action may occur on any identified agenda item.

A. Call to Order / Roll Call

Committee Vice Chair David Huber called the meeting to order at 10:59 a.m. and conducted a roll call of the committee as follows:

PRESENT

STMD Committee Members

Zone 1: Scott VandenBerg

Zone 2: Royce Pollard

Zone 3: Steve Young

Zone 4: David Huber (Vice Chair)

Visit Sacramento Staff

Mike Testa, John Reyes, Sonya Bradley, Kari Miskit, Sarah Atilano, Mike Sophia, Dan Santucci, Annie Mosely, Nick Leonti, Lindsey Adams (*Recording Secretary*)

ABSENT

Committee Members

Kathleen Gilbey (Chair)

Nikki Carlson

Sami Qureshi

Sacramento Hotel Association

Teresa Stephenson, Executive Director

B. Public Comments – Matters Not on the Agenda

Vice Chair David Huber called for public comment on items not listed on the agenda; there were no matters presented.

C. FY2018-19 Zone Funding Applications for Review or Approval

The following fund applications were presented:

1. Zone 4: Religious Conference Management Association (RCMA) Emerge 2019 (McClellan Hospitality & Crowne Plaza), January 29-31, 2019 (Initial Request: \$6,200)

Committee Review: Dan Santucci explained the zone budgets in detail and stated that funds were available in Zone 4.

MOTION: *Scott VandenBerg motioned to approve the fund request as submitted; Royce Pollard seconded. [Vote: Unanimous]*

2. Zone 2: Amgen Tour of California 2019 (DoubleTree by Hilton Sacramento) – May 4-13, 2019 (Initial Request: \$10,000)

Committee Review: Testa shared that DoubleTree is addressing room attrition costs with Amgen Tour of California and it would be in bad taste to ask them to pay for parking at this point as the event has already taken place. There are funds available in Zone 2 to cover the \$10,000

MOTION: Scott VandenBerg motioned to approve the fund request as submitted; David Huber seconded. [Vote: Unanimous]

D. Review, Discussion and Approval of the STMD Portion of Visit Sacramento’s Draft Budget for FY2019-20

1. FY 2019-20 Budget Summary

FY 19-20 Proposed Budget Summary		FY18-19 Approved Budget	Variance
Total Revenue	\$13,391,335	\$11,452,232	+17%
Total Expenses	\$13,391,335	\$11,452,232	+17%
Net (+/-)	\$0	\$0	

FY 19-20 Proposed Budget Motivation

The proposed FY 19-20 budget rationale aligns with the leadership team’s vision, and Board of Directors priorities:

- Prioritize departmental programs (Convention Sales & Services, Sports Commission, Marketing, Tourism and Festival & Events) that contribute to hotel room nights during convention center closure and post-convention center expansion
- Maintain current programs and identify new programs and opportunities to draw visitation to Sacramento
- Assess individual budgets to identify what is necessary vs. what does not provide significant ROI

Overall Budget Strategy and Highlights

- Programs are meant to maximize/align efforts across all departments to streamline programming, mitigate duplicative expenses and make strategic decisions designed to grow market share during convention center expansion
- All departments are putting emphasis on efforts that support the Sacramento Convention Center expansion, from personnel to individual tactics

Committee Review:

John Reyes shared that the narrative explains budgeted variances from last year.

2. Administration

Budget Strategy and Highlights

- Administrative Budget focuses on needed maintenance in offices, equipment, vehicle and computers
- Salary & Wages reflect two fewer employees than prior year
- Second year investment in Smart & Healthy Training to continue to develop an organizational culture built on accountability and results

Key Line item Budget Variances

Line Item	FY 19-20	FY 18-19	Narrative
Contract Attorney	\$6,000	\$2,000	Fees increased to apply legal cost containment action when required
Vehicle Maintenance	\$10,000	\$5,000	Company vehicle four years old with over 100K miles
Computer Maintenance	\$22,500	\$15,000	City costs; IT Services \$12,500 and licensing Office 365 & Adobe \$10,000
Property Rental Storage	\$18,500	\$12,500	Consolidating multiple storage units into one functional warehouse with receiving capabilities
Mortgage Loan Principal and Interest	\$44,268 \$21,728	\$35,000 \$12,748	Second mortgage for office renovation

Committee Review:

No additional discussion.

3. Marketing

Budget Strategy and Highlights

- Continuation of partnership with Misfit to develop brand-focused creative for advertising and promotional leisure campaigns. Also includes Misfit securing media buys for the campaign(s)
- Expansion of scope of work for Digital Edge agency handling SCC expansion & renovation marketing campaign components. These include additional media buying, promotional campaign, web site audit and content development
- Redesign of VisitSacramento.com website. Redesign to include new branding, along with more focused, optimized content

Key Line item Budget Variances

Line Item	FY 19-20	FY 18-19	Narrative
Promotional Giveaways	\$35,000	\$25,000	Low in-house inventory and need to replace and/or purchase new giveaways that reflect new branding
Brand Development	\$150,000	\$67,000	Misfit to execute new creative campaign
Print/Visitor Guide	\$10,000	\$128,000	Production of VG, including printing is no longer in-house and being fully published at Sacramento Magazine
(Convention Sales) Ad Place/B2B Media, Digital Edge Agency, Partnerships	\$589,250	\$175,000	Increased media buys to promote SCC Expansion & Renovation, expansion of scope with Digital Edge and addition of new customer-focused partnerships, i.e. MPI, Experient, PCMA
(Travel Industry Sales) Ad Place/Consumer Leisure Travel	\$420,000	\$300,000	Increase in media spend by Misfit

Committee Review:

No additional discussion.

4. Sports Marketing

Budget Strategy and Highlights

- Budget Strategy for Sports Marketing is driven by an aggressive goal to reach 125,000 room nights in 2019
- The potential for back-to-back Junior Olympics and the additions of the NCAA Basketball tournament and NCAA DII Cross Country in the upcoming FY have significantly impacted the budget from both an expense and revenue standpoint
- Due to Convention Center expansion and increased reliance on non-convention sales room nights, increases to Tradeshow, Travel Marketing and Marketing Promotion to increase sports related room night bookings

Key Line item Budget Variances

Line Item	FY 19-20	FY 18-19	Narrative
Salaries & Wages	\$332,468	\$241,152	This increase represents the addition of a Sports Development Manager position
Contract CSUS	\$0	\$240,000	Visit Sacramento has completed payments for the track surface at Sac State
Tradeshow NASC Annual Symposium	\$7,500	\$3,500	Add one additional staff member to increase sales exposure and professional development opportunities
NASC Large Mkt Segment Meeting	\$5,500	\$2,500	To provide professional development opportunity for new Sports Development Manager
Sport Accord – Regional	\$5,000	\$0	Newly created regional version of the Sport Accord Conference that will provide the opportunity to position Sacramento to host international events
Local Meetings	\$5,000	\$3,500	Broader reach and exposure with local customers and stakeholders
Bid Support	\$90,000	\$70,000	Increase is a placeholder for the potential opportunity to host the NAIA T&F Championships or other short-term opportunities for 2020
Host USATF Junior Olympics	\$640,000	\$200,000	Majority of the expenses and revenues for 2019 JO's to be realized in FY19-20. Also includes projected expenses to be incurred in for 2020 JO's
Host NCAA Basketball	\$225,000	\$3,500	We will host the tournament in 2020, expected net revenue of \$75,000
Host NCAA Cross Country	\$80,000	\$25,000	Reflects the cost differences between an NCAA Regional event, hosted in 2019, and a NCAA Championship event, hosted in 2020. Revenue projections increase accordingly
Host NCAA Regional T&F	\$0	\$125,000	Not hosting this event in 2020
Volunteer Management	\$20,000	\$15,000	Proposed increase in operational budget to support growth of the program
Youth Sports Development	\$7,500	\$0	Proposing a quarterly youth sports community benefit program delivered in cooperation with local sports partners. Aligns with the Mayor/City initiatives to reach youth

Committee Review:

Mike Sophia explained that “Sports Accord – Regional” is a new budget item and is a tradeshow. He continued that sports commission has not attended in the past as it conflicted with the spring sports programs. This year the tradeshow has changed dates which will allow the sports commission to attend.

Sophia also shared that there was a large variance in revenues from 19-20 due to Junior Olympics and NCAA for 2020. Royce pollard asked if the approval line will be for \$640,000 in 2020. Sophia stated that was correct.

5. Convention Sales and Services

Budget Strategy and Highlights

With the convention center expansion starting July of 2019, it is crucial that FY 19-20 Convention Sales & Services Budget focuses on:

- Combined short-term sales activities generating in-house self-contained meetings and post promotion of the expanded and renovated convention center to current and new convention center customers
- The 22% year-over-year increases are in Tradeshow/Travel Marketing, Advertising and Sales Support

Key Line item Budget Variances

Line Item	FY 19-20	FY 18-19	Narrative
Tradeshow MPI WEC	\$20,400	\$13,000	Addition of second salesperson to generate self-contained group leads
Tradeshow Connect Marketplace	\$30,000	\$22,500	Addition of 10x10 booth space to promote Convention Center and group lead generation
Tradeshow IAEE	\$10,000	\$7,000	Purchase buyer appointment sessions to promote expanded convention center
Tradeshow Local MPI	\$10,000	\$6,000	Increase promotional opportunities for self-contained group leads
Tradeshow Helms Briscoe	\$16,000	\$8,000	Attendance by two salespeople. Last year had \$8,000 credit this year pay in full reg
Site Visits	\$20,000	\$15,000	Budget for increased Sacramento customer site visits
Advertising Ad Place	\$230,000	\$100,000	Expand convention center advertising
Digital Edge	\$132,250	\$25,000	Convert Digital Edge as dedicated convention agency
Special Promotion Partnerships	\$237,000	\$50,000	Increase strategic partnerships levels for greater lead generation; CVENT, Helms Briscoe, Experient, Conference Direct
Bid Support	\$700,000	\$400,000	Dedicated relocation dollars for key convention customers during center closure.

Committee Review:

Sonya Bradley shared that Visit Sacramento is working with Digital Edge to increase digital buys. Digital Edge is an expert in the meetings and convention industry.

6. Travel Industry Sales

Budget Strategy and Highlights

- Strategic budget increases geared toward generating room nights during convention center closure through incentive programs, tour operator co-ops and sales missions with a focus on FIT business. International FITs stay longer, spend more money and have a shorter booking window than group business
- Familiarization Tours - Hosting industry groups in Sacramento to give clients firsthand experience of all the region has to offer is a strategy that continues to convert to future room nights
- Hosting Industry Events to market Sacramento to the travel industry and generate room nights during closure. Visit CA SuperFAM 2019 and California Cup 2020 are both looking at Sacramento to host

Key Line item Budget Variances

Line Item	FY 19-20	FY 18-19	Narrative
Sales Missions	\$15,000	\$7,000	An aggressive schedule of sales missions will allow the department to work with key decision makers, conduct staff trainings and keep Sacramento top-of-mind for new domestic and international itineraries for both groups and FITs. Increase allows Sacramento to participate in programs through Visit CA
Tradeshows	\$38,000	45,000	Changing our attendance and participation levels in these shows to focus on other priorities to increase FITs in 2020 during center closure
Tour Operator Co-ops	\$25,000	\$15,000	Combining powers with other California destinations to assist international tour operators with the creation and marketing of new itineraries is a highly effective method of producing trackable FIT room nights
Familiarization Tours	\$60,000	\$35,000	Increase is for hosting 100+ tour operators/travel agents from the UK and Ireland as the host city for the 2019 Visit California SuperFAM
International Representation	\$105,000	\$90,000	Making a strategic entrance into the China/Asia market and bringing in Seven Dragons Marketing to assist in our efforts
California Cup	\$25,000	\$5,000	Securing Sacramento as the host city for the 2020 event which brings the top executives from tour companies all over the world. Adds 500+ room nights during the center closure
Ad Place/ Consumer Leisure Travel	\$420,000	\$300,000	Increased media buys (Misfit)

Committee Review:

Nick Leonti shared that Visit Sacramento will not be attending the SYTA conference this year and will instead be focusing on the international market. This is due to the fact that international travels have a longer length of stay and higher economic impact. Testa added that Visit California has dedicated a large portion of their marketing budget to the Asia market and Visit Sacramento is following their lead.

Bradley added that the majority of money spent on the China market is in social media, which is the number one avenue for consumer purchases, decisions made and influencing. David Huber asked if there is a misprint for FY 19-20 on “Ad Place/ Consumer Leisure Travel” as the budget said \$420,000 and the narrative stated \$450,000. Bradley stated the budget was correct with the amount of \$420,000.

7. Partner Marketing

Budget Strategy and Highlights

- The partner marketing department is being fully relaunched in 2019/20 to:
 - Better engage our larger hospitality community
 - Provide more meaningful results for our partners
 - Potentially enhance the scope of our partnerships to include more sponsor bands and regional organizations

Key Line item Budget Variances

Line Item	FY 19-20	FY 18-19	Narrative
Conferences	\$15,000	\$0	DI Summit, Simpleview Summit
Local Meetings	\$10,000	\$1,500	Partner meetings and events were previously coded to another line
Partner Events/Meetings	\$12,000	\$8,000	Annual Kings Mixer
Contract Sponsorship Sales	\$100,000	\$78,000	Forecasted contracted commission increase related to increase in sponsorship sales

Committee Review:

No additional discussion.

8. Community Relations

Budget Strategy and Highlights

- The proposed budget supports a fully deployed event team with addition of a Director of Events
- The budget also supports expanded programming of the Annual Meeting to make a greater impact
- Volunteer marketing coordinator moved into events department

Key Line item Budget Variances

Line Item	FY 19-20	FY 18-19	Narrative
Annual Lunch	\$40,000	\$20,000	Increasing to enable growth of the event

Committee Review:

No additional discussion.

9. Farm-To-Fork

Budget Strategy and Highlights

- Budget Strategy for Farm to Fork Events emphasizes planning for future event growth and identifying new activities to generate overnight visitation to Sacramento
- Designed to enhance the guest experience and attract visitors and sponsors

Key Line item Budget Variances

Farm-to-Fork Festival			
Total: \$613,850			
Line Item	FY 19-20	FY 18-19	Narrative
Fencing	\$6,500	\$5,500	Addition of scrim for our fencing to highlight the Visit Sacramento brand as well as sponsors'. This requires additional support for the fencing, so the wind does not blow the fence over
Barricades/Traffic Control	\$4,000	\$3,200	Addition of utilizing additional resources from Capitol Barricades to ensure a proper street closure and notification plan
Lighting	\$1,500	\$900	Addition of additional lighting for the Festival on Friday night to enhance the customer experience
Tables/Chairs	\$15,000	\$11,000	Add additional seating to the festival, and also add different seating elements to enhance the overall look and feel of the event
Linens	\$2,000	\$1,000	Elevate the VIP and sponsor areas and use linens instead of plastic table covers
Signage	\$18,000	\$11,500	With the relaunch of Farmtofork.com, increase would cover the reprint and replacement of event signage to show a cohesive brand from website to experience onsite at the festival
Contracted Event Support	\$20,000	\$0	50 percent of subcontractor's total contracted amount to support the festival
Media FAM	\$8,000	\$0	Designating specific budget to support annual media FAM during the farm-to-fork events to generate national media attention (fees were taken out of overall media host budget last year)

Tower Bridge Dinner			
Total: \$270,000			
Line Item	FY 19-20	FY 18-19	Narrative
Production	\$25,000	\$20,000	Addition of lighting to the dessert pavilion as well as add areas for signage to highlight Visit Sacramento
Rentals	\$18,500	\$16,500	Increased delivery cost as well as adding rentals to enhance the guest experience
Clean-up Crew	\$2,500	\$1,500	Add additional clean up staff to help with the commissary
Advisory Committee	\$12,000	\$4,000	Hiring an advisory committee for the dinner to help new class of chefs with logistics so the process is not reinvented each year
Ticket Packaging/Gift	\$15,000	\$7,200	Reduction is due to the elimination of gift bags and instead elevating the ticketing process with a packaged ticket delivery to start the feel of the event as soon as guests get their tickets

Legends of Wine			
Total: \$54,200			
Line Item	FY 19-20	FY 18-19	Narrative
Power/Lighting	\$5,500	\$4,000	Additional lighting is needed for the event
Tables and Chairs	\$3,000	\$2,000	Additional seating to elevate the look and feel of the event
Other Décor	\$2500	\$0	Addition of an entry to the event to highlight the event as a high-end event

Committee Review:

Kari Miskit shared that there would be a new Farm-To-Fork website launching which will lead into a new branding for the event.

Scott VandenBerg asked if there is a contingency plan for the decreased city STMD revenue. Atilano explained that Visit Sacramento will be reviewing the budget quarterly and will decrease line items if necessary. The majority of increased expenses is in Marketing and Sales for tradeshow these can be decreased and/or eliminated through the year if needed.

MOTION: Royce Pollard motioned to approve the fund request as submitted; Scott VandenBerg seconded. [Vote: Unanimous]

A. New Business

None to report.

B. Future Meetings and Agenda Items

The next regular quarterly meeting is scheduled for July 8, 2019, at 11:00 a.m.

C. Adjournment

Vice Chair Huber adjourned the May 31, meeting at 11:59 a.m.