

SACRAMENTO TOURISM MARKETING DISTRICT

MINUTES

Special Meeting of the Tourism District Committee

Tuesday, June 28, 2022

Visit Sacramento

1608 I St, Sacramento, CA 95814

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 Chair David Huber called the meeting to order at 1:03 p.m. and conducted a roll call of the committee as follows:

PRESENT

STMD Committee Members

Zone 1: Barry Miller

Zone 2: Royce Pollard, Sami Qureshi

Zone 3: Denia Phillips

Zone 4: David Huber

Sacramento Hotel Association

Teresa Stephenson, Executive Director

Visit Sacramento Staff

Mike Testa, Kari Miskit, Sonya Bradley, David Eadie, Dan Santucci, Elizabeth Anderson (*Recording Secretary*)

ABSENT

STMD Committee Members

Zone 1: Nikki Carlson, Shelly Moranville

B. **Public Comments – Matters Not on the Agenda**

Chair Huber called for public comment on items not listed on the agenda; there were no matters presented. Huber also shared the committee's time limits for presentations.

C. **Review and Approval of STMD Portion of FY 22/23 Budget**

Mike Testa shared a brief overview of the Fiscal Year 2022-23 budget including that the budget is designed to be strategic as opportunities arise post-pandemic. Testa continued discussing how overall costs are up across all section of the budget. Revenue is up from last year and a portion of that is due to the funding received from the city to host the GoldenSky Festival as well as various sporting events that do not occur every year.

Budget Rationale:

Testa continued that the budget was designed to support continuous efforts and programming that will:

- Maximize overnight visits to Sacramento within the framework of the current local and national tourism landscape
- Drive support for hospitality businesses in the wake of the pandemic
- Educate a broader potential visitor audience to encourage future travel to Sacramento

Landscape Overview:

Testa shared that convention attendance is still down, both nationally and in Sacramento, and that reality is driving Visit Sacramento to continue investing in leisure travel and outdoor events that have been successful through the pandemic. Further, contractors, rather than new full-time staff, have allowed Visit Sacramento to stay nimble and keep staffing streamlined.

Administration:

Testa continued by discussing changes in the administration budget which a portion of the increase is from wages increasing based on workload due to a smaller staff. He added that the annual board retreat may be in Sacramento again in 2022 instead of out of town due to how expensive the bids came in from the locations where the board retreat has previously been held.

Marketing:

Kari Miskit shared changes in the marketing budget include that the team is working well with a smaller group, but a junior staffing position is needed to assist with content development. There is also an increase in leisure marketing spend to help offset the conventions not returning as quickly as everyone had hoped. Investments are also being made in video content as it is performing well and proving beneficial. Testa added that the team is having a tough time getting people to travel for familiarization tours and site visits, so video has been a helpful tool for communication and marketing.

Sports Commission:

David Eadie discussed the bid support line item and clarified that this is for previous commitments made when securing business for the city. The event lines that have a large expense also have revenue that will offset the expense.

Convention Sales:

Testa informed the group that there are currently 43 tradeshow and conferences scheduled for the staff this year. As with the previous two-years this list could change based on any event cancellations that may occur. The forecast for the upcoming year is still rocky across the nation, but it is expected more travel will begin in 2023.

Miskit shared that Digital Edge is being contracted to help market Sacramento as a convention destination for another year. Miskit reminded the committee that Digital Edge is a convention sales marketing agency, and they handle the media marketing for the department. Miskit added that the budget line for Digital Edge was reduced as Narimel Tarver has stepped back into the Director of Convention Sales role and is able to handle some of these items instead.

Testa shared that a new research and reporting platform, Zartico, was purchased and is included in the Dues/Subscriptions line. Testa reviewed the STMD sections of the budget and shared the growth year-over-year and that all the funds will not be spent, and there will be carry over.

Discussion:

Sami Qureshi asked about the actualized numbers on the draft budget and Dan Santucci clarified those are through the end of April and are not the full amount. Qureshi confirmed that the team felt they had adequate funds in the Digital Edge marketing line. Testa clarified that overall, the

convention sales budget has increased over 35% and is designed to be changed if necessary and as of right now the team is comfortable with that amount for Digital Edge.

Tourism/Travel Industry Sales:

Sonya Bradley discussed Tourism and Travel Industry Sales sharing that the department was eliminated during the pandemic and there are currently no plans to have it return in fiscal year 2022-23, based on Group Travel demand. Based on forecasts group travel will start to increase in 2023 and 2024. Bradley is maintaining relationships with customers and attending the most impactful tradeshows. One of the most important shows is IPW and it does have a minimum amount of advertising to maintain a presence. Bradley clarified that IPW is the largest tour operator travel show in the United States and we have done it every year, this year Bradley conducted upwards of 30 appointments at the show.

Bradley added that the United Kingdom marketing representation will be kept as well, as it is a good market for Sacramento. Ares is a room booking engine and it is currently being discussed about the level Visit Sacramento wants to maintain it at.

Partner Marketing:

Testa shared that some line items have been reduced. The team has added back attendance for the Cap-to-Cap event as it is a valuable networking event. Testa clarified that the contract for sponsorship sales is for Catchlight Ventures who is on a monthly retainer to assist the team. Rick at Catchlight Ventures is also working directly with Karlee Cemo-McIntosh in house, as she takes on more responsibility in the sponsorship department.

Community Relations:

Testa continued that the Annual Lunch line is a best estimate for next June. This year the team budgeted for \$25,000 and it is coming in significantly higher, due to inflation across the board, even with multiple discounts. The New Year's Eve fireworks show may be changing in the future and transitioning to the Downtown Sacramento Partnership as there is value in having them own the event, as they directly represent the Old Sacramento District. It may not fully transition this year, but the discussion has started about the change.

Farm-to-Fork:

Testa reviewed the Farm-to-Fork budget section sharing that there are larger expenses than there were last year. Some sponsors have been lost, but new ones are being added as well with time to still add more sponsors before the event. In previous years all the event Farm-to-Fork month events made a profit, but this year the festival may not. The team is seeing that due to COVID, budgets are not the same for event sponsorships, while costs are as much as 40% higher than they were in previous years.

Testa shared that the festival will include a third stage, hosted by a prestigious national food foundation, and it will have a focus on chefs, with some being flown in for the event. Miskit added that the marketing team is being strategic on the marketing for the festival with a focus on the music and enticing more visitors from outside of the region. Testa shared that the music lineup is being elevated as well, as one of the headliners was just the musical guest on Saturday Night Live.

The committee discussed different possibilities for the festival in the future and how to make it more profitable. It was noted that when events are marketed more to visitors from outside of the region, local businesses see a more significant impact.

General Budget Discussion:

Royce Pollard asked why the DEI is budgeting less money than was spent this year. It was clarified that the amount is high for 2021-22 due to the Colour of Music Festival. There is \$125,000 that is scheduled to be reimbursed from the festival; if it is not the city will underwrite it. Bradley continued that she would like to see the event return to the city, but they need to repay the debt before that can be discussed. Bradley concluded that the budget for 2022-23 is sufficient to cover local sponsorships and contracts for DEI initiatives.

The committee discussed adding another column to the budget to show variance for each line item for year-over-year.

***MOTION: Sami Qureshi motioned to approve the budget as submitted; Royce Pollard seconded.
[Vote: Unanimous]***

D. Future Meetings and Agenda Items

The next regular quarterly meeting is scheduled for July 25, 2022, at 11:00 a.m.

E. Adjournment

Chair Huber adjourned the June 28, 2022, meeting at 1:42 p.m.