

MINUTES



Meeting: Board of Directors
Meeting Date: January 17, 2019 ▪ 12:00pm
Prepared By: Elizabeth Anderson

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

I. Call to Order

A meeting of the Board of Directors of Visit Sacramento was held at Hyatt Regency in Sacramento, CA. Board Chair Scott Vandenberg called the meeting to order at 12:12 pm. It was established that a quorum was present, and the following attendance was recorded:

PRESENT

Directors

Christine Calvin
Nikki Carlson
Joe Chiodo
Phil Garcia
Kathleen Gilbey
David Huber

Josh Nelson
Rick Pickering
Royce Pollard
Sami Qureshi
Scott Vandenberg, *Board Chair*
Doug Warren, *Past Chair*

Industry Advisors, or Their Designees

Michael Ault, *Downtown Sacramento Partnership*

Jody Ulich, *CCS Director- Designee for Howard Chan*
Mark Davis, *Airport Economic Development*

Guest(s)

Jose Hermocillo, *Hermocillo-Azevedo Comm.*

Emily Baime Michaels, *Midtown Association*

Visit Sacramento Staff

Mike Testa, *President & CEO*
Sonya Bradley, *Chief Marketing Officer*
Sarah Atilano, *Chief of Strategy & Market Growth*
Kari Miskit, *Vice President of Communications*
Nick Leonti, *Director of Tourism*

Mike Sophia, *Director of Sports Commission*
Annie Mosely, *Director of Events*
Elizabeth Anderson, *Convention Sales Coordinator (Recording Secretary)*

ABSENT

Directors and Industry Advisors

Henry De Vere White
Shelly Moranville
Patrick Mulvaney
Dennis Raymond
Alison Sandman

Steve Young
Amanda Blackwood
Nav Gill
Darrell Steinberg
Matt Voreyer

II. Public Comments – Matters Not on the Agenda

Board chair Scott Vandenberg called for public comment on items not listed on the agenda; there were no matters presented.

III. Approval of Board Meeting Minutes: November 15, 2018

There being no changes to the November 15, 2018 minutes, *David Huber motioned to approve the minutes as presented; Sami Qureshi seconded. [Vote: Unanimous]*

IV. Chair's Report

Chair Vandenberg was honored and happy to be back as Board Chair. He is happy to be able to be with everyone for this exciting year. He stated at there is a lot going on with the Convention Center. He added that seeing the results of the building coming down is great and the first step. Vandenberg shared that he and Mike Testa met in December and discussed the board for 2019 and what we wanted to change or keep during the year. One thing they decided to change is the committee set up. Typically, there are 4-5 committees and we felt that some of them have been beneficial but are not necessary any more.

Below are the committees that will be disbanded:

- Bylaws
- Community Advocacy
- Events: Scope, Funding, Resources
- Marketing
- Sales
- Sports Advisory Board

The committee's that will remain are the Goal Setting and Finance and Executive Committees. This will allow us all to hear updates and reports together instead of in different sub-committees. Vandenberg let the group know that they are taking volunteers for the goal setting committee and to please let him or Testa know if they would like to be involved.

Vandenberg also reported that Visit Sacramento staff will deliver quarterly marketing updates at board meetings to ensure that the BOD is regularly briefed on the organization's targeted outreach and advertising efforts.

V. President's Report

Testa started by letting everyone know that instead of board binders everyone received a flash drive with the meeting information and can utilize this moving forward. The goal is to save paper and make communication more efficient and timely.

A. Annual Code of Conduct / Director's Agreement

Testa informed everyone there was copies to sign at their seat and to please return them once signed.

B. Year-End Goal Report

Testa let the board know that they had a copy of the draft Year-End Goal Report. He reviewed the report and let the board know that all goals were met for the year. Testa also mentioned with the closure of the convention center for the renovation that leisure, sports and music festivals will become very important as the organization looks to book new business in future years.

Testa also addressed how the Sports Commission was behind goal by 90% at the November board meeting. He then turned the floor over to Mike Sophia so he could explain how they were able to meet goal.

Mike Sophia informed the board of the administrative changes over the last year and how that created a back log of information being built in the system. Sophia continued that the Convention Sales Coordinators have been working to get everything into the system and were able to get them caught up.

Testa let the board know that the organization has learned from this and that new protocol has been put in place so that it will not happen again. Testa also reported that the production numbers would be audited to ensure accuracy.

Testa then reviewed the private revenue goal and stated it was at the listed amount due to better than expected sponsorship sales efforts and because there were events from previous years that were not being held this year. The revenue was balanced in Farm-to-Fork sponsorship sales that came in much higher than previous years. Visit Sacramento also brought in an additional \$30,000 in beer and wine revenue at the festival.

Testa briefly touched on media stories, as the numbers have not finished coming in and the executive committee will be updated once everything has been received.

C. FY 19-20 Goal Setting

Testa informed the board that the 2019 goals were being set in the next few weeks. The team will be taking a similar look at goals as they did with budgets in the sense that the targets would be strategic and based on holistic strategies that would grow the market. Sarah Atilano is taking focused on data gathering and is getting more reports commissioned so that we can make better, and more strategic, decisions. Testa then turned the floor over to Atilano.

Atilano shared that goal setting will be different this year and that the organization is taking a team approach to try and offset the potential losses from the closure of the convention center. Visit Sacramento is going to do a goal setting workshop March 11, 2019 to present the goals and to ensure collaboration on the decision. They will also do a whole session instead of just a short meeting to present data and gather input, concerns, and other impacts to the market.

D. Approve New Board Members Miry, Harvego, Rodrigo, Michaels, Carlson, Pollard

Testa discussed how three board members reached their term limit at the end of 2018 and that there was a list of new board members that needed to be approved. New board members are listed below:

- Bay Miry- A developer who is working on multiple projects including hotels and retail. Testa added that we are looking to grow the market and having his voice on the board will be very valuable.
- Terry Harvego – Is from the Old Sacramento Waterfront. Testa continued that Old Sacramento is a big tourist driver and we did not currently have that area of the city represented on the board. Michael Ault has said that he is the best board member he ever had. Harvego is also planning the Chamber Study Mission and is very engaged with the efforts of Visit Sacramento.
- Alex Rodrigo – Is with the Sacramento Kings. He has worked with a lot of other stadiums that were able to hold conventions in their space. Testa added that since Rodrigo has joined the conversations with the Visit Sacramento team and the Kings have been great and have made it easier to secure business.
- Emily Baime Michaels- is with the Midtown association and the influence she has in the City is obvious, she also offers great perspective. She would come on as Ex-Officio—which means that she can be vocal on issues but cannot vote.
- Nikki Carlson – Is the General Manager of the Kimpton Sawyer Hotel and is automatically on the board due to being on the STMD committee.
- Royce Pollard – General Manager of the Doubletree and is automatically on the board due to being on the STMD committee.

Scott VandenBerg called for a vote. ***Rick Pickering motioned to approve the new board members as listed; Doug Warren Seconded. [Vote: Unanimous]***

E. Destination Attractiveness City Comparisons (DACC)

Atilano shared that George Fenich, who invented the TAP report, has been hired for an additional report. His new business report is called the Destination Attractiveness City Comparisons (DACC). This report looks at what attracts and turns away conventions. The report considers crime, arts, culture etc. He uses independent contractors to get his numbers for example when looking at crime rates he consults the FBI. Atilano continued that after getting all the data he will put us in a national list and compares Sacramento with the other national cities he has reported on. We have also requested to be compared against 18 specific cities. Atilano added that this report is beneficial as it will tell us what we need as a city. For example, more art or restaurants. The report can also tell us what kind of hotel properties we need in the future.

F. Destination Attractiveness Mathematical Market Metrics (DAMMM)

Atilano continued to the Destination Attractiveness Mathematical Market Metrics (DAMMM) report which will be created by Fenich as well. She stated that this report is the perfect consumption benchmark. This report will tell us where everyone feels compression and economic impact. Atilano stated that Visit Sacramento wants to ensure that the benchmark number created is accurate. Atilano added that we want to make sure that the hotel occupancies are where everyone wants them to be. It will

quantify the number of convention rooms nights we can obtain in any year based on the DACC report as well. The report will also compare us to the 18 competing cities we have requested.

Atilano shared that this is a great measurement of if we are getting a fair share of the convention rooms for our city. It will also take into consideration the convention center closure as well as what the benchmark for booked rooms should be after it the convention center reopens as well.

Atilano clarified to Doug Warren that the reports will be presented at the goal setting meeting in March. Testa added that these reports are being created so that we are not just guessing at where we should be from a production standpoint. We want to make sure the nuances between the cities are seen. For example, Portland, OR has 80 more rooms in "convention" hotels when compared to Sacramento, but we don't know how many hotels they have. The MSA says we have 24,000 hotel rooms total because of the radius it includes, but it is closer to 15,000. What is good is that we had a conversation yesterday and there is a report that we ranked very high on for restaurants. He shared that on many other reports that we've seen Sacramento also ranks high when it comes to restaurants, which shows that his report is accurate.

Royce Pollard asked if it is an annual report and Atilano explained it is a one-time report, but we can ask him to revisit the report as needed.

G. Hotel Workshop

Atilano shared that Christine "Shimo" Shimasaki is working with hotel partners and stakeholders. Shimo is assessing the current state of business and seeing what our perfect mix of business is. This will affect how we hit goals for the next few years, due to the convention center expansion. We have a meeting on January 30, 2019 with the Director of Sales and Shimo. This should be last meeting before we put our plan into play.

H. Q4 2019 and all of 2020 Planning with Hotels

Testa shared that one of John Reyes focus with the Sales team is Quarter four of 2019 and all of 2020. Reyes further explained that one of the most often asked questions currently is regarding business during the convention center closure. He continued that he is focusing on in-house meetings for the time the center is closed. A hotel availability calendar has been started for internal use by the sales managers. It was targeted to approximately 15 meeting and convention hotels. To be included in this group the hotels needed to have 5,000 gross sq. ft. of meeting space or more. Reyes continued that information and a template to fill in has gone out to the hotels that met the criteria. Currently it will be updated quarterly and will be used to help target dates to be promoted digitally and at trade shows.

Reyes also informed everyone that he wanted to be transparent with all partners and an email was sent to the other properties that did not qualify to let them know what was happening.

Reyes let the group know that the sales team is doing a “Road Map” of quarterly activities and goals. This will allow Reyes to verify on a quarterly basis that they are on track.

Testa asked if there were any updates with SF Travel. Reyes informed the group that the structure of SF Travel is very different based on what they consider an in-house meeting. The team has been working with SF Travel sales managers recently to put more business in the funnel. Reyes believes most of the business will come from the Mid-West, North-West and Washington D.C. area. The sales managers from SF Travel that are in these markets did come to Sacramento for a site visit which allowed them to meet the team and become more engaged.

VandenBerg stated that previously there were sales managers on staff that worked in market and asked if currently we have anyone in market. Reyes clarified that all the Sales Managers work in Sacramento, but now this SF Travel partnership allows us to have a sales manager who is in the market instead of a Visit Sacramento sales manager. Reyes believes that working with SF Travel gives Visit Sacramento a different opportunity and it is because these sales managers know their markets so well and if they can't fit it in San Francisco they will send it to us.

Testa added that the sales managers from SF Travel will receive credit if they book business in Sacramento as well. To VandenBerg's point is we have had DC reps in the past and found that they were essentially lead catchers and were not closing the business. The previous positions did not do what we needed, and these SF Travel sales managers have been beneficial.

VandenBerg added that he thought this is great and that traveling together is key. Atilano added that SF Travel is great because they have great contacts for us and that they are incentivized to book here is positive. It is better than the contract situations Visit Sacramento has had in the past.

I. Mid-Year Budget Review

Testa shared that the team will be doing a midyear budget review in a couple of weeks. Testa explained the budget is being reviewed by leadership and staff and they will redirect funding if needed. Testa wants to stop things that aren't working and change to direction to things that will work. This is a new direction for the organization as it had not been done previously.

J. Expansion/STID Update

Testa shared that the administrative building at the convention center has started to come down quickly. He continues that the STID did get sued and it was not a complete shock. An AirBnB filed the lawsuit and we have learned that the firm handling the suit is out of San Diego and they are known to target Destination Marketing Organizations in these kinds of suits. Testa explained that there are two options being targeted, the first being to remove the AirBnB's from the STID and the second is to petition for a fourth time and being the process again.

Testa continued that by removing the AirBnB's it would be a loss of \$60,000, which is not a large sum, in comparison to the overall project costs, but does affect the bonding process. Testa shared that they asked if Visit Sacramento could pay the \$60,000 for the first year to assist the project in getting bonded. Testa stated that they have agreed to this instead of paying attorney fees.

The floor was then opened to the board for questions. The below questions were answered:

- Doug Warren – Will the money go back to the city for bonding, and if the lawsuit gets dismissed are we done? Testa – Correct, we just need to get past this portion to move forward.
- Michael Ault – If you remove the short-term rentals it does not mean that you need to get everything resigned correct? Testa – No, we do not need to, per the city. The simply won't be billed for the 1%.
- Atilano- What is the time line for this? Testa – Undetermined, though it will ultimately need to be approved by a judge. Our outside counsel said that it should be fine. The City was sued, not Visit Sacramento.
- David Huber – How does this work for bonding, is everything still in line? Testa – Yes, while we need to come up with a solution for the gap, everything is still on target once that happens.
- VandenBerg – They can bond against the Transient Occupancy Tax if needed? Testa- That is the conversation I had with the Mayor and the conversation has been positive.

K. Demand Studio/Branding

Testa shared that Visit Sacramento will be utilizing video in a bigger way than before and turned the floor over to Sonya Bradley. Bradley shared that our three strategies are Brand Strategy, Campaign Strategy, and Content Strategy. Currently the single most popular platform is video.

Bradley continued that she has had a vision for the Visit Sacramento Demand Studio for quite some time. It is essentially a content production studio. Bradley was able to visit the Marriott Headquarters and visited the M Life Studios which is where Marriott creates all their in-house video content. Visit Sacramento will now be doing this as well which will allow us to be more agile in the videos we create. Bradley shared that they started in November and created three different videos. The plan is it goes to YouTube as well as other channels.

Bradley clarified when a large full-scale production is needed, we can still contract companies to help. This also protentional offers a new revenue stream and partnership opportunities to produce videos or podcast for partners or sponsors at the Farm-to-Fork Festival.

Bradley stated that the soft launch of the studio is this month and it will be located where Sue Staffer previously sat. There will be camera, lighting, sound and a small editing bay. There will be some walls also torn out and new gadgets being added to

the studio. This will take us to the level we have wanted to be at for a while. We have added a staff member who has been able to take on a log video and we are also training others in the office on how to edit.

Bradley then moved on to the subject of branding and stated that she realized she hadn't gone over the new branding with the board yet. The new brand has been created after a large collaboration with Misfit and others. We are a rebel brand "Nothing in the Way" is our motto. For example, take the Tower Bridge Dinner, we make things happen and get things done and that is the general feeling. We are now in the creative execution phase and even have the "Rebel Alliance" group in the office. We are looking at guidelines, dress code, and office change.

Bradley continued that the brand, content and campaign are all starting to align. We are now in phase two of the marketing campaign for the convention center renovation and expansion. Because of STMD funds we can increase our media spend, and we have videos ready. It is truly an exciting time.

Testa added that he met with Bradley the day before and she shared that she had heard no for so long that I think she is always surprised when I say yes. I know the power of these videos and this is the space that Visit Sacramento needs to be in. A lot of what she is doing is reaching the next level. We talked this through, and if we expect to grow, we must spend money to attract people to the market.

Phil Garcia shared that Sacramento State has a campaign called "Made It" and they have a hashtag called making it happen. There is momentum there and you are on to something.

L. Director of Events

Testa introduced Annie Mosely to the Board. Annie is the new Director of Events and previously worked with the Downtown Sacramento Partnership and the Sacramento Kings. Testa added that Annie has a diverse background in events that will help the vision of the department. The events department is comprised of a talented team but because we have reached a level where we have national attention and we need larger sponsorships, we needed an experienced leader for the team. Testa clarified that Mosely hasn't replaced anyone and that this hadn't been a position at VS for four years. Testa added that the team in place is amazing and that this position will allow us to take events to the next level. Mosely stated she was excited to join the team and to be a part of Visit Sacramento events.

M. Post-Expansion Bookings

Reyes shared that Atilano's focus is on post expansion bookings while he focuses on the need dates for during the center closure.

N. Staff Retreat

Testa stated that the organization has a retreat last Friday with John Rodrigo from the Table Group. Smart and healthy is now being taught to the staff. We had a full day

with him, and it was a lot of getting straight to where we need to be and shifting the focus. We also explained what the goal is and how to work better as a team.

Testa continued that leadership has discussed that DMO's market the same way. We believe that Smart and Healthy will give us the competitive edge that we needed. The staff buy in was great. Bradley added that examples of the handbooks given to the staff were being passed around. Bradley went through the guide that was given to staff and key points on each page. It is a culture Mindshift that Visit Sacramento us working on. We have a new Purpose Mission and Vision as well which is listed below:

Purpose- Improve the quality of life for our residents by driving visitor spending that supports our regional economy, business community, and creates jobs.

Mission- Inspiring people to visit Sacramento and fall in love with our region by connecting them to distinct Sacramento experiences.

Vision- To get every man, woman and child in the world to say, "I want to visit Sacramento".

O. Board Member Reports

None to report at this time.

VI. **Committee Reports**

Finance/Executive Committee:

Doug Warren presented as he was filling in for Denis. He stated that the numbers were great.

- City STMD - 6.8% ahead of last year
- City TOT is up
- The city will be contracting with an audit firm for STMD and TOT for June.
- The numbers are under in county hotels and we don't know why so we are researching.
- Cash flow remained strong due to city STMD and expense control
- Yearend cash projection is 1.2 million and 1million of expenses.
- Strong cash position

VII. **Staff Board Reports**

The November and December 2018 department reports were e-mailed to the board for their review prior to the meeting.

Testa added that the State of Downtown breakfast was coming up on the January 22, 2019. He recognized Michael Ault for everything he is doing.

VIII. **Calendar of Events**

Upcoming events are listed on the Agenda for Board review.

IX. New Business

None to report at this time.

X. Adjournment

Board chair Scott Vandenberg adjourned the meeting at 1:17pm.

Respectfully submitted,



Elizabeth Anderson
Convention Sales Coordinator
(Recording Secretary)



Mike Testa
President & CEO