

**MONTEREY**  
**Monterey County Convention  
& Visitors Bureau**



*2018-19 Business Plan and Budget Outline*

*TID Oversight Committee*

*May 24, 2018*

## Summary

The following is a draft outline of the goals, key strategies and detailed line-item analysis of the proposed MCCVB FY18-19 Budget. There are a number of funding challenges for the coming year which have made it incumbent on the MCCVB to devise both 'best case' plans/budgets and alternative contingencies.

Among the variety of considerations for the upcoming year is the need to detail how TID funds are allocated relative to Other (TOT/Private) revenue. The following outline incorporates the thinking behind this allocation.

There is no question amongst tourism stakeholders of the critical importance of the tourism economy for our community and the role MCCVB plays in driving that economic impact. The challenge in the coming year is one of tough choices that will impact MCCVB's ability to drive revenue to the community - and choices in how MCCVB will deal with budget reductions. The following is devised with those choices in mind.

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## *Organizational Opportunities*

Regardless of budget challenges, there will be priorities for the coming fiscal year – these include the following:

### **Monterey Conference Center (MCC)**

The newly opened Monterey Conference Center is a ‘force multiplier’ for our destination. It has the ability to draw in new, high value, incremental business; it creates compression that drives incremental room nights for hotels throughout the region; and every person who visits for a conference at the MCC is a high-potential repeat visitor with their family and friends. As such, MCC remains high on the priority list into the next year.

### **Big Sur**

The Big Sur experience remains a challenge. While the north side has been open since October 2017, the south side will not be open until Fall 2018, and the businesses and employees who rely on tourism in Big Sur remain in a challenged state. Simultaneously, Big Sur residents are challenged by some tourists who do not respect the destination (see Sustainable Moments.) *Balance* is the key and the focus in marketing what is an essential part of the Monterey brand.

### **Sustainable Moments**

Responsible tourism is a top priority for MCCVB. Not simply suggestion tips to tourists on how to be better travelers, but banding together with similar-minded organizations within our community to develop and execute strategies and tactics that secure the long-term viability of our destination as one of the world’s most scenic tourism destinations *while* ensuring the quality of life for our residents.

## TID Revenue Assumptions

TID Revenue	Actual 2016/17	Budget 2017/18	Forecast 2017/18	Rereforecast Growth	Budget 2018/19	Budget Growth
Monterey County	856,209	799,991	817,558	-4.5%	850,011	4.0%
City of Monterey	2,036,493	2,023,649	2,026,990	-0.5%	2,065,809	1.9%
City of Carmel-by-the-Sea	304,609	300,696	299,457	-1.7%	300,696	0.4%
City of Pacific Grove	250,345	244,775	246,762	-1.4%	246,763	0.0%
City of Seaside	234,558	214,226	214,393	-8.6%	216,263	0.9%
City of Salinas	261,224	282,065	295,445	13.1%	282,065	-4.5%
City of Marina	162,215	174,008	182,426	12.5%	182,427	0.0%
<b>Sub-Total TID</b>	<b>4,105,653</b>	<b>4,039,409</b>	<b>4,083,032</b>	<b>-0.6%</b>	<b>4,144,034</b>	<b>1.5%</b>

April Forecast for FY17-18 basis for FY18-19 with FY17-18 beginning to show some bounce post the Pfeiffer Bridge repair and a milder winter

- City and County of Monterey showing growth now after Big Sur repairs, potential upside for County after Hwy 1 repair is completed
- Carmel and Pacific Grove conservatively expected to flatten out after down year
- Seaside expected to see some growth with full year of remodeled Embassy Suites
- Salinas down due to out of period collections totaling \$14K at two properties in FY17-18, normalized for those expect minimal growth
- Marina expected to flatten out in FY18-19 after up year in FY17-18 due to opening of SpringHill Suites

## Group Sales + Client Services

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### Department Goals:

	2018-2019 Goal	2017-2018 (YTD as of 3/31/18)	2017-2018 Goal
Total Room Nights	70,000	51,956 (79.9%)	65,000
New Room Nights	52,000	36,970 (75.8%)	48,750
300+ Room Nights	40,000	20,343 (54.2%)	37,500

**Explanation of Goals:** Goals are commensurate with ideal business mix and business strategy of our hotel and conference center partners.

### Overall Strategy:

- Drive new compression-causing business into hotels and Monterey Conference Center
- Target sales efforts in key territories and market segments (Business Development, FAMs, Sites, Tradeshows, Sales Missions, Client Events)
- Provide exemplary client services to drive high client satisfaction

### Areas of Focus and Targeted Group Segments:

- Business Development Strategy: Engagement, Action, Transaction, Participation
- Compression causing business from further out markets
  - Higher rated corporate and association that will lift group ADR for the destination
  - 350+ on peak room blocks
  - Northeastern (DC, NY,NJ, MA, PA), Midwest (IL, OH, MN, MI), Southwest (LA/OC, Sacramento, AZ, TX)and Pac Northwest (WA, NV, OR, CAN) markets.
  - Market Segments: Financial, Medical, Tech, Automotive, Agriculture
  - Non-peak need time groups: September to March, Sun to Wed, Mon to Thur patterns.

### SIBT FTEs and any role changes:

- Alter SCS roles to integrate with marketing

The TID split for Best Case scenario is 78% for TID / 22% for Other. This is based on the fact that overall, the main TID contributors receive the most direct impact from the group sales program (heads in beds/overnight focus). In addition, the MCC needs more sales and marketing support than is able to be funded by the City of Monterey's jurisdiction investment. Ensuring the MCC is appropriately utilized by room night driven and compression-causing business will benefit all TID payers.



	Budget 17-18	Best Case Budget 18-19	Yr over Yr Change	Best Case Other Funded	Best Case TID Funded	Worst case Budget 18-19	Total Difference to Best Case	TID Difference to Best Case
<b>Group Sales + Client Services Total</b>								
<b>Total Expense SIBT and Programs</b>	<b>2,839,888</b>	<b>2,464,214</b>	<b>(375,674)</b>	<b>531,746</b>	<b>1,932,468</b>	<b>2,440,232</b>	<b>(23,982)</b>	<b>151</b>
<b>SIBT</b>	<b>1,228,497</b>	<b>1,158,977</b>	<b>(69,520)</b>	<b>307,713</b>	<b>851,264</b>	<b>1,158,977</b>	<b>0</b>	<b>0</b>
<b>Programs Total</b>	<b>1,611,391</b>	<b>1,305,237</b>	<b>(306,154)</b>	<b>224,033</b>	<b>1,081,204</b>	<b>1,281,255</b>	<b>(23,982)</b>	<b>151</b>
1 Group Marketing	597,537	536,469	(61,068)	95,165	441,304	535,195	(1,274)	(849)
2 Memberships/Affiliations	17,457	11,458	(5,999)	11,458	0	12,650	1,192	0
3 Customer Advisory Board	21,000	0	(21,000)	0	0	0	0	0
4 E-Tools	32,041	29,700	(2,341)	4,000	25,700	29,700	0	0
5 Promo Items / Client Amenities	38,164	24,000	(14,164)	4,800	19,200	20,400	(3,600)	0
6 CVENT	56,722	57,000	278	12,000	45,000	57,000	0	0
7 Tradeshows + Sales Missions	320,097	150,000	(170,097)	0	150,000	150,000	0	0
8 Client Events	137,124	77,500	(59,624)	12,000	65,500	77,500	0	0
9 FAMs	134,296	122,000	(12,296)	10,000	112,000	122,000	0	4,000
10 Tour + Travel *	0	141,650	141,650	11,650	130,000	128,650	(13,000)	(13,000)
11 Sponsorships	95,331	70,000	(25,331)	10,000	60,000	70,000	0	10,000
12 Conference Services	12,335	6,500	(5,835)	6,500	0	6,000	(500)	0
13 Housing Bureau	3,500	3,500	0	2,500	1,000	3,500	0	0
14 Opportunity Development	62,280	21,500	(40,780)	0	21,500	21,500	0	0
15 Postage	4,034	4,000	(34)	4,000	0	4,000	0	0
16 Professional Development	12,943	5,800	(7,143)	5,800	0	5,000	(800)	0
17 Cell Phone Reimbursements	8,035	8,160	125	8,160	0	8,160	0	0
18 Travel + Entertainment	58,495	36,000	(22,495)	26,000	10,000	30,000	(6,000)	0

\* Tour + Travel FY1819 budget amounts historically in Tradeshows \$79,000, Client Events \$39,000, FAMs \$22,000, Memberships \$1,650



1. Group Marketing
  - Paid media, PR, social content, collateral and other marketing expenses to promote Monterey County for meetings/conferences. The budget is \$500K and equally split between MCC specific marketing and Destination-wide marketing (which MCC is typically included in).
  - TID funding is 80% and non-TID is 20% - the reasoning is that much of the focus is on the MCC and City of Monterey Properties.
2. Memberships/Affiliations
  - Industry memberships for Sales and Services teams
  - Administrative in nature thus fully funded by other funds
3. Customer Advisory Board
  - Meeting focused on integrating planners in new group marketing campaign
  - Deferred to incremental spending plan
4. E-Tools
  - Strategic selling and prospecting tools for business development (LinkedIn Sales Navigator, Knowland Insight, Cvent-CRM integration)
5. Promo Items / Client Amenities
  - Tradeshow materials, client and tradeshow amenities
  - Fewer tradeshow materials and give-a-ways needed with reduced shows planned  
What is cut if necessary in Worst Case - Further reduce purchases
6. CVENT
  - Annual marketing and user fees, destination page management
7. Tradeshows + Sales Missions

See Tradeshows + Sales Missions report for schedule of events. (PAGE 10)

  - Focus on higher ROI, visibility, and partner participation
  - Client facing sales effort fully funded by TID
8. Client Events

See Client Events report for schedule of events. (PAGE 11)

  - Focus on higher ROI, visibility, and partner participation
  - Client facing sales effort mostly funded by TID with a few sponsorship type events funded by other

9. FAMs-

See FAM report for schedule of events. (PAGE 12)

- Engaging more clients in the destination yields higher return
- Client facing sales effort mostly funded by TID with an MCC FAM partially funded by other city TOT funds

10. Tour + Travel

See Tour + Travel report for schedule of events. (PAGE 13)

- Focus on higher ROI, visibility and partner participation
- Client facing sales effort mostly funded by TID with China Sales Mission and memberships funded by other

What is cut if necessary in Worst Case- Trim budgets for sales calls/missions, FAMs, and VCA UK and Canada sales missions

Tour and Travel is a new aggregation of spend dedicated to FIT and group leisure travel that was historically embedded in Tradeshow + Sales Missions, Client Events, FAMs, and Memberships.

11. Sponsorships

See Sponsorships report for list of planned sponsorships. (PAGE 14)

- Focus on higher yield investments for business development

12. Conference Services

- Services offered to definite groups to the destination (housing, registration, transportation, city or conference center branding and pre show marketing)
- Focus on cost effective solutions for client satisfaction

13. Housing Bureau

- Annual Use Fee and Licensees + Annual User Group Conference

14. Opportunity Development

- Incentives for clients for booking into the destination, transportation, housing and services offsets, mostly based on firm commitments already made prior to FY18/19
- Incentives offered for future years will be noted as liabilities on balance sheet versus current year budgets, as they will not be paid out until events take place.

15. Postage

- Administrative in nature thus fully funded by other funds



16. Professional Development

- Sales and Services related training
- Incorporate trainings into other events (Shows, events & FAMS)
- Training is administrative in nature thus fully funded by other funds

17. Cell Phone Reimbursements

- Monthly reimbursement for full time team members for availability on the road and after hours
- Administrative in nature thus fully funded by other funds

18. Travel + Entertainment

- Expenses for sales client engagement that is not related to tradeshow and events
  - Engaging clients at more structured events, missions and FAMS
- What is cut if necessary in Worst Case- Reduce activity

2018-2019 Tradeshows					
Month	Description	Budget	Co-op Price	Co-op #	Co-op Revenue
Sep-18	ASAE Annual Expo	\$ 22,500	\$ 1,000	5	\$ 5,000
Oct-18	IMEX	\$ 75,000	\$ 5,000	8	\$ 40,000
Oct-18	All Things Meetings 1	\$ 1,500	\$ -	-	\$ -
Dec-18	CalSAE Seasonal Spectacular	\$ 10,000	\$ 750	10	\$ 7,500
Dec-18	Holiday Showcase	\$ 5,000	\$ 750	2	\$ 1,500
Jan-19	PCMA	\$ 5,000	\$ 500	4	\$ 2,000
Feb-19	MPI NCC	\$ 5,000	\$ 750	7	\$ 5,250
Feb-19	Destinations Showcase DC	\$ 2,500	\$ -	-	\$ -
Mar-19	Conf Direct Annual Mtg	\$ 5,000	\$ -	-	\$ -
Mar-19	PMPI MACE	\$ 1,500	\$ -	-	\$ -
Mar-19	Meet NY	\$ 5,000	\$ 750	5	\$ 3,750
Mar-19	Experient's Envision Conf	\$ 2,000	\$ -	-	\$ -
Mar-19	CalSAE Elevate Registrations	\$ 1,000	\$ -	-	\$ -
Apr-19	All Things Meetings 2	\$ 1,500	\$ -	-	\$ -
Apr-19	HelmsBriscoe Annual Bus Conf	\$ 5,000	\$ -	-	\$ -
Apr-19	MPISSN Trade Show	\$ 1,500	\$ -	-	\$ -
Jun-19	MPI WEC-	\$ 1,000	\$ -	-	\$ -
	Total	\$ 150,000		41	\$ 65,000

2018-2019 Client Events					
Month	Description	Budget	Co-op Price	Co-op #	Co-op Revenue
Sep-18	LA/OC Sales Mission	\$ 4,000	\$ 750	2	\$ 1,500
Sep-18	Chicago Sales Mission	\$ 5,000	\$ 1,000	2	\$ 2,000
Oct-18	San Francisco Sales Mission 1	\$ 4,000	\$ 500	4	\$ 2,000
Oct-18	Midwest Sales Mission	\$ 5,000	\$ 1,000	4	\$ 4,000
Oct-18	AZ Client Event	\$ 1,500	\$ 1,000	2	\$ 2,000
Nov-18	Northwest Sales Mission	\$ 5,000	\$ 1,000	2	\$ 2,000
Nov-18	MPI SO Cal Client Event Sponsor	\$ 5,000	\$ 750	2	\$ 1,500
Dec-18	SITE Holiday Luncheon	\$ 2,000	\$ 500	4	\$ 2,000
Dec-18	CVBReps Holiday Event - DC	\$ 1,500	\$ -	-	\$ -
Dec-18	CalSAE Holiday Lunch Co-op	\$ 2,500	\$ 500	4	\$ 2,000
Dec-18	Opportunity Client Event	\$ 5,000	\$ -	-	\$ -
Jan-19	Texas Sales Mission Hou/DFW	\$ 3,500	\$ 1,000	2	\$ 2,000
Feb-19	Philly Sales Mission	\$ 5,000	\$ 1,000	2	\$ 2,000
Feb-19	NY Sales Mission	\$ 5,000	\$ 1,000	5	\$ 5,000
Feb-19	Sales Mission Boston	\$ 4,000	\$ 1,000	2	\$ 2,000
Mar-19	Sacramento Client Event	\$ 3,000	\$ 500	4	\$ 2,000
Mar-19	MPISSN Crab Feed Incl. Wine	\$ 3,500	\$ 500	4	\$ 2,000
Apr-19	DC Sales Mission	\$ 5,000	\$ 1,000	4	\$ 4,000
Apr-19	MPI NCC Client Event Sponsor	\$ 3,000	\$ 750	2	\$ 1,500
May-19	Ohio Sales Mission	\$ 5,000	\$ 1,000	2	\$ 2,000
	Total	\$ 77,500		53	\$ 41,500

2018-2019 FAMs					
Month	Description	Budget	Co-op Price	Co-op #	Co-op Revenue
Jul-Jun	Site Inspections	\$ 12,000	\$ -	-	\$ -
Sep-18	Mind & Body Monterey	\$ 15,000	\$ -	-	\$ -
Sep-18	MCC FAM	\$ 20,000	\$ -	-	\$ -
Dec-18	Sustainable Moments FAM	\$ 15,000	\$ -	-	\$ -
Feb-19	3rd Party FAM	\$ 15,000	\$ -	-	\$ -
Apr-19	PBFW Group FAM	\$ 30,000			
Apr-19	CalSAE ELEVATE	\$ 15,000	\$ -	-	\$ -
	Total	\$ 122,000		-	\$ -

2018-2019 Tour and Travel					
Month	Description	Budget	Co-op Price	Co-op #	Co-op Revenue
Jul-18	Quarterly North America Sales Calls	\$ 3,000	\$ 500	2	\$ 1,000
Sep-18	SF Travel's Travel Agent Training Event	\$ 6,000			
Sep-18	Quarterly North America Sales Calls	\$ 3,000	\$ 500	4	\$ 2,000
Oct-18	VCA Canada Sales Mission	\$ 5,000	\$ -	-	\$ -
Oct-18	VCA UK Super FAM	\$ 6,000	\$ -	-	\$ -
Oct-18	East West Marketing China Sales Mission	\$ 10,000	\$ -	-	\$ -
Oct-18	NAJ Receptive Operators Orlando	\$ 3,000	\$ -	-	\$ -
Nov-18	Priority International Market FAM	\$ 3,000			
Nov-18	NTA Travel Exchange	\$ 3,500	\$ -	-	\$ -
Jan-19	VCA Mexico Sales Mission	\$ 4,000	\$ -	-	\$ -
Jan-19	Quarterly North America Sales Calls	\$ 3,000	\$ 500	2	\$ 1,000
Feb-19	NAJ Receptive Operators Marina Del Rey	\$ 3,500	\$ -	-	\$ -
Feb-19	Go West Summit	\$ 3,500	\$ -	-	\$ -
Mar-19	Priority International Market FAM	\$ 3,000			
Mar-19	NAJ Active America China	\$ 5,500	\$ -	-	\$ -
Mar-19	NTA Membership	\$ 750	\$ -	-	\$ -
Apr-19	Quarterly North America Sales Calls	\$ 3,000	\$ 500	4	\$ 2,000
Apr-19	NAJ Receptive Operators New York	\$ 6,000	\$ -	-	\$ -
May-19	IPW Pow Wow	\$ 60,000	\$ 4,000	8	\$ 32,000
May-19	Priority International Market FAM	\$ 3,000			
Jun-19	Priority International Market FAM	\$ 3,000			
Jun-19	IAGTO Membership	\$ 900	\$ -	-	\$ -
	Total	\$ 141,650		20	\$ 38,000

2018-2019 Sponsorships					
Month	Description	Budget	Co-op Price	Co-op #	Co-op Revenue
Jul-18	CalSAE Premier Sponsorship	\$ 15,000	\$ -	-	\$ -
Jul-18	SF Travel Partners	\$ 12,000	\$ -	-	\$ -
Jul-18	Helms Briscoe Preferred Partner	\$ 18,000	\$ -	-	\$ -
Jul-18	Prestige Resorts & Destinations	\$ 20,000	\$ -	-	\$ -
Mar-19	CalSAE ELEVATE	\$ 5,000	\$ -	-	\$ -
	Total	\$ 70,000		-	\$ -

## Marketing Communications

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### Department Goals:

	2018-2019 Preliminary/Tentative	2017-2018 (YTD as of 3/31/18)	2017-2018 Goal
Unique Web Visits	1.63 MM	1,369,495	1,717,000
Social Engagement	740,000	666,546	740,000
Earned Impressions	2.85 MM	2,247,655,104	2,966,478,991
Intent to Visit Score	≤44%	44% as of 12/17	44%

**Explanation of Goals:** The goals are designed to measure the Marketing Communications program ability to generate awareness, interest and ultimately intent to visit.

### Additional Monthly Tracking Metrics:

	2017-2018 (YTD as of 3/31/18)
Communication Effectiveness	4.3
Unaided Brand Awareness	84%
Facebook Fans	118,279
Twitter Followers	20,629
Instagram Followers	22,953
Visitor Database	57,990
Journalists Assisted	266
Total Earned media (all segments)	\$63,345,389
Total PR Impressions (all segments)	2,257,879,563
Room Nights (RN) Booked through Web	1,000
Revenue of RN Booked through Web (USD)	\$180,746
Total Onsite Referrals (clicks to a member listing page)	244,938
Total Offsite Referrals (clicks to a direct member URL)	314,138
Total Page views	3,490,840

### Explanation of Metrics

Tracking Metrics are KPIs that ladder up to Department goals and while more tactical in nature, give a point-in-time indicator of success for promotions, campaigns, and other content marketing programs.

**Overall Strategy:**

- Maintain attention on key feeder markets (drive) in the Bay Area / Central Valley
- Grow new, high value visitation from further out markets (Short Haul, Long Haul, International)
- Optimize Content Marketing (Advertising, PR, Social) mix

**Areas of focus**

- Off-Season Travel, Group Marketing, Sustainable Moments, Big Sur Recovery

**SIBT FTEs and any role changes**

- Re-engineer staffing structure (elimination of vacant Comms Coordinator position and allocation of duties) to maximize efficiencies and align with Group Sales and Services

**Tactics and Line Item Detail (how do they fit into and support strategy):**

- The TID split for Best Case scenario is 71% for TID / 29% for Other. This is close to the overall revenue source split, but allows for more marketing and communications programs to fall under TID, and Visitor Services and Stakeholder Engagement to be properly allocated to “other” funds. New luxury market initiative is the exception on funding as this is a potential county initiative that with some co-op contributions from participating hotels would be fully funded by other revenue. Broad decline in spending across most line items due to carry-over spending in FY17/18, and overall flat revenue FY18/19 over FY17/18.



	Budget 17-18	Best Case Budget 18-19	Yr over Yr Change	Best Case Other Funded	Best Case TID Funded	Worst case Budget 18-19	Total Difference to Best Case	TID Difference to Best Case
<b>Marketing Communications</b>								
<b>Total Expense SIBT and Programs</b>	<b>2,853,592</b>	<b>2,856,725</b>	<b>3,133</b>	<b>1,180,895</b>	<b>1,675,830</b>	<b>2,351,569</b>	<b>(505,156)</b>	<b>(150)</b>
<b>SIBT</b>	<b>810,807</b>	<b>780,634</b>	<b>(30,173)</b>	<b>262,104</b>	<b>518,530</b>	<b>780,634</b>	<b>0</b>	<b>0</b>
<b>Programs Total</b>	<b>2,042,786</b>	<b>2,076,091</b>	<b>33,306</b>	<b>918,791</b>	<b>1,157,300</b>	<b>1,570,935</b>	<b>(505,156)</b>	<b>(150)</b>
1 Advertising+Media Buys	574,260	513,000	(61,260)	195,000	318,000	488,000	(25,000)	15,000
2 Digital Marketing	203,923	183,000	(20,923)	53,000	130,000	193,000	10,000	15,000
3 Agency/Srvc Fees + Cntr	332,400	282,000	(50,400)	82,000	200,000	266,000	(16,000)	0
4 Production/Collateral	255,674	166,000	(89,674)	48,000	118,000	168,000	2,000	12,000
5 Luxury Market	0	367,653	367,653	367,653	0	0	(367,653)	0
6 International	149,797	119,000	(30,797)	34,000	85,000	69,000	(50,000)	(16,000)
7 Research	128,739	79,000	(49,739)	22,000	57,000	51,000	(28,000)	(16,000)
8 Visitor Guide Distribution	14,855	10,000	(4,855)	10,000	0	10,000	0	0
9 Media Relations Programs	125,000	121,000	(4,000)	35,000	86,000	113,000	(8,000)	0
10 Media Tracking	35,700	32,000	(3,700)	9,000	23,000	17,850	(14,150)	(10,150)
11 Photography + Press Materials	6,000	6,000	0	2,000	4,000	4,000	(2,000)	0
12 Website/Digital	144,210	130,000	(14,210)	37,000	93,000	130,000	0	0
13 Dues + Subscriptions	1,138	1,138	0.00	1,138	0	1,138	0	0
14 Postage	600	850	250	850	0	850	0	0
15 Professional Development	11,756	11,700	(56)	3,400	8,300	8,817	(2,883)	0
16 Cell Phone Reimbursements	4,133	4,750	617	4,750	0	3,780	(970)	0
17 Travel + Entertainment	54,600	49,000	(5,600)	14,000	35,000	46,500	(2,500)	0



1. Advertising + Media Buys
  - This line covers: paid advertising for campaigns and promotions such as the Fall and Winter campaigns, sweepstakes; focused on driving leisure travel in drive, short haul and long haul feeder markets
  - Anticipate possible drop in website visits as less paid media fueling SEM, campaigns/promos
2. Digital Marketing
  - This line covers: Facebook advertising, promoted social posts, paid search, social blogs
  - Anticipate flat or declined growth in social engagements due to reduced paid posts
3. Agency Fees
  - This line covers: agency fees for MMGY (advertising / content marketing) and Parasol (public relations)
  - Possibility of replacing advertising agency (a 3-4 months' process and downtime) due to reduced fee budget. In Worst case - high probability of such.
  - PR agency fee would be kept at current level in each scenario - their services/scope and destination knowledge is key to the success of the PR program and their fee is comparatively moderate
4. Production/Collateral
  - This line covers: creative development, printing, outsourced project management, video content
  - Significant decrease from previous year in both scenarios and will limit content development (video, printed collateral, other), but adequate in both for short-term needs
5. Luxury Market
  - This line covers: production, content development, co-ops with VCA, tradeshow (e.g. Virtuoso)
  - New program, would be funded by County and co-op contributions from participating hotel partners. No TID funding - fully funded by other revenue.
  - Would be completely cut in Worst case where county is assumed not to participate
6. International
  - This line covers: agency fee from East/West Marketing (China), paid media and PR co-ops with Brand USA/VCA/CCTC
  - Reduced media reach (advertising, co-ops) in key markets; maintain focus on China with some minor co-ops in Canada and Mexico - very limited or no programs in development markets (UK, Australia, Germany)
  - Worst case would limit focus to China almost exclusively with very minor co-op involvement in Canada and Mexico; no programs in development markets

7. Research
  - This line covers: STR reports, Dean Runyan, Destinations International Foundation reports, Communication Effectiveness Study, Visitor Profile Study
  - While the reduction is significant, it can be covered by moving the Visitor Profile Study (VPS) to every other year (approved by Marketing Committee); would have to consider again the cost/value in the FY19-20 planning cycle
  - Worst case would eliminate the VPS, cut one cycle of the Communication Effectiveness study (which might result in needing to find a new research vendor), and limit other research to only STR and Dean Runyan
8. Visitor Guide Distribution

This line covers the distribution of the Destination Guide outside of the county. Significantly reduced size and print run. This program is supported by Other Funding.
9. Media Relations Programs
  - This line covers: FAMs, press release distribution, permits, amenities for journalists
  - Moderate reduction would result in slightly fewer activities such as FAMs, press release distribution, other; anticipate goals to be flat to down year/year
  - Worst case would be a more significant cut from doing fewer activities; anticipate goals to most likely be slightly down year/year
10. Media Tracking
  - This line covers: Burrelles Luce for print tracking and Cision for digital tracking
  - While a slight reduction (relatively) it would require reconfiguring how earned media is tracked and possibly involve RFPs for new vendors
  - Worst case would mean a dramatic change in tracking and possibly some parts of earned media would no longer be tracked (e.g. track print but not digital, or vice versa)
11. Photography + Press Materials
  - This line covers: maintaining a Media Center for PR assets (photography, video)
  - No cut - this is cost to maintain Media Center which holds photo/video assets that is accessible to staff and some members
  - Worst case would require renegotiation of Media Center maintenance
12. Website/Digital
  - This line covers: Simpleview including web management, publishing and map modules, CRM/CMS, Stackla (social integration), and UTrip (itinerary planner)
  - In both scenarios eliminate UTrip - the itinerary building component that is used by approximately 3,000 high-potential travelers per month
  - Expect a reduction in Time on Site metric

13. Dues + Subscriptions

- Nominal expense and not reduced in either scenario

14. Postage

- Nominal expense and not reduced in either scenario

15. Professional Development

- No reduction – relatively nominal expense and critical component to team/culture development
- Worst case – reduced by approximately a third; would use less expensive means of development

16. Cell Phone Reimbursement

- Monthly reimbursement for full time team members for availability on the road and after hours.

17. Travel + Entertainment

- Moderate cut slightly reduced travel
- Worst case is more significant cut and would result in tighter restrictions

## Stakeholder Engagement

**Overall Strategy:** The objective of Stakeholder Engagement Department is to strengthen confidence and support of stakeholders through relationship development, inclusion, transparency, and accountability. The collaboration of the MCCVB, its Board of Directors, industry partners, local government leaders, and residents is imperative to achieving a healthy balance for our community while growing the tourism economy. We seek to foster responsible growth of Monterey County's tourism industry, thereby benefiting the residents of our community.

**Areas of focus:** The integration of Executive Services, Community Relations and Membership under the Stakeholder Engagement department will allow for appropriate focus of resources to effectively foster information exchange and enhance our ability to provide more involvement and opportunities for our members, residents and visitors.

**SIBT FTEs and any role changes:** Executive Services (Community Relations) transferred from Admin; oversees Membership

	Budget 17-18	Best Case Budget 18-19	Yr over Yr Change	Best Case Other Funded	Best Case TID Funded	Worst case Budget 18-19	Total Difference to Best Case	TID Difference to Best Case
<b>Stakeholder Engagement</b>								
<b>Total Expense SIBT and Programs</b>	<b>213,833</b>	<b>405,096</b>	<b>191,263</b>	<b>348,346</b>	<b>56,750</b>	<b>323,596</b>	<b>(81,500)</b>	<b>0</b>
<b>SIBT</b>	<b>155,150</b>	<b>174,176</b>	<b>19,026</b>	<b>174,176</b>	<b>0</b>	<b>174,176</b>	<b>0</b>	<b>0</b>
<b>Programs Total</b>	<b>58,683</b>	<b>230,920</b>	<b>172,237</b>	<b>174,170</b>	<b>56,750</b>	<b>149,420</b>	<b>(81,500)</b>	<b>0</b>
1 Member Events	23,406	23,700	294	12,700	11,000	23,500	(200)	0
2 Collateral	700	0	(700)	0	0	0	0	0
3 Community Relations/Goodwill	31,504	28,650	(2,854)	22,900	5,750	22,350	(6,300)	0
4 Sustainable Moments Collective	0	100,000	100,000	60,000	40,000	100,000	0	0
5 Tourism Master Plan	0	75,000	75,000	75,000	0	0	(75,000)	0
6 Postage	450	150	(300)	150	0	150	0	0
7 Cell Phone Reimbursements	960	1,920	960	1,920	0	1,920	0	0
8 Travel + Entertainment	1,663	1,500	(163)	1,500	0	1,500	0	0

1. Member Events  
Annual Luncheon, Quarterly Forums (3), Member Orientations (MO) (4), Educational Workshops  
Theory of TID and Other split: half of the cost of the Annual Luncheon is allocated to TID – this is an important event that reports on stakeholder ROI and launches the new year’s business plan. Worst Case: Reduced MOs and workshops.
2. Collateral  
Membership recruitment and retention tools
3. Community Relations/Goodwill  
MCHA MOU and sponsorships, Visit California Committees, Airport Task Force, Community Events, VIP Amenities  
Theory of TID and Other split: 20% allocated to TID to support MCHA and Airport Task Force work of securing new flights for MRY. Worst Case: Reduce attendance at community events, maintain a smaller inventory of amenities.
4. Sustainable Moments Collective  
MCCVB is joining forces with various community organizations (Waste Management, Monterey Bay Storm Water, Sustainable Monterey, Sustainable Pacific Grove, Monterey Bay Aquarium, others) to develop local communications to help visitors and the public understand mandated sustainability practices – includes PSAs, POS displays, other.  
Sustainable Moments elements permeate consumer and group communications and are used as a leading destination value point. Theory of TID and Other split: 40% allocated to TID as Sustainable practices and programs give the destination a competitive advantage.
5. Tourism Master Plan  
Development of a Tourism Master Plan would be a cooperative of local governments providing extra funding.  
Theory of TID and Other split: This initiative to be fully supported by Other funding.
6. Cell Phone Reimbursements  
Monthly reimbursement for full time team members for availability on the road and after hours.  
Theory of TID and Other split: This expense to be fully supported by Other funding.
7. Postage  
Nominal expense for renewal invoicing and other regular mail pieces  
Theory of TID and Other split: This expense to be fully supported by Other funding.
8. Travel + Entertainment  
Expenses for member engagement and participation at events  
Theory of TID and Other split: This expense to be fully supported by Other funding.  
Worst Case: This category may naturally see a reduction if some of the other cuts mentioned above are made.

## Visitor Services

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### Department Goal:

	2018-2019	2017-2018 (YTD as of 3/31/18)	2017-2018 Goal
% of Visitors Influenced to stay or extend stay	60%	60%	60%

**Explanation of Goals:** Using guest surveys, we calculate the percent of walk in visitors who tell us that we have influenced their length of stay after interacting with our team.

### Additional Monthly Tracking Metrics:

	2017-2018 (YTD as of 3/31/18)
Total Visitor Engagements	54,149
Walk In Engagements	52,307
Phone/Email Inquiries	1,124
Live Chat Engagements	718
Lodging Calls Made From VIC	1,890
Conferences Supported	3

### Overall Strategy:

The visitor services programs are developed and implemented to encourage overnight stays and increased spending in Monterey County.

### Areas of focus:

The key element to implementing our strategy is engaging in digital and in-person conversations that inspire guests to see and do more while they are here. We share inspirational information that increases visitors' propensity to stay overnight and/or extend their already planned stays in Monterey County. We offer language translation services, free Wi-Fi, direct dial phone system and service to accommodations and restaurants, a digital kiosk with printer and a team of local experts who provide professional and friendly customer service.

### SIBT FTEs and any role changes

The Visitor Services team includes Full-time Manager, Full-time Coordinator and 10) Part-time Destination Specialists. Proposed savings take into account proposed relocation in October.

**Tactics and Line Item Detail:**

Describe theory of TID and Other split: Approximately 28% of Visitor Services SIBT is allocated to TID expense; the team’s goal is to influence visitors to stay or extend their stay.

Visitor Services Programs are proposed to be allocated to Other Funding.

	Budget 17-18	Best Case Budget 18-19	Yr over Yr Change	Best Case Other Funded	Best Case TID Funded	Worst case Budget 18-19	Total Difference to Best Case	TID Difference to Best Case
<b>Visitor Services</b>								
<b>Total Expense SIBT and Programs</b>	<b>408,575</b>	<b>335,309</b>	<b>(73,266)</b>	<b>285,051</b>	<b>50,259</b>	<b>328,509</b>	<b>(6,800)</b>	<b>0</b>
<b>SIBT</b>	<b>236,058</b>	<b>181,134</b>	<b>(54,924)</b>	<b>130,876</b>	<b>50,259</b>	<b>181,134</b>	<b>0</b>	<b>0</b>
<b>Programs Total</b>	<b>172,517</b>	<b>154,175</b>	<b>(18,342)</b>	<b>154,175</b>	<b>0</b>	<b>147,375</b>	<b>(6,800)</b>	<b>0</b>
1 Visitor Center Collateral	11,434	7,750	(3,684)	7,750	0	3,500	(4,250)	0
2 Promotional Items	4,000	2,000	(2,000)	2,000	0	0	(2,000)	0
3 Visitor Center Facility	147,868	138,645	(9,223)	138,645	0	138,095	(550)	0
4 Postage	3,903	4,000	97	4,000	0	4,000	0	0
5 Professional Development	2,239	0	(2,239)	0	0	0	0	0
6 Cell Phone Reimbursements	1,508	1,180	(328)	1,180	0	1,180	0	0
7 Travel + Entertainment	1,565	600	(965)	600	0	600	0	0





1. Visitor Center Collateral  
Area maps, translated destination overviews, and our destination guide.  
What is cut if necessary in Worst Case -reduce print run
2. Promotional Items  
Incentives for visitors to complete surveys.  
What is cut if necessary in Worst Case - eliminate the survey incentives
3. Visitor Center Facility  
Annual operating costs include property insurance, supplies, service vendors, utilities and signage.  
What is cut if necessary in Worst Case - supplies.
4. Postage  
Mailing paper collateral upon request to potential visitors and meeting planners.
5. Professional Development  
None planned for the 18-19 Fiscal Year; bi-annual investment.
6. Cell Phone Reimbursements  
Monthly reimbursement for full time team members for availability on the road and after hours.
7. Travel + Entertainment  
Team familiarization trips and community participation activities.

## Administration

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**SIBT FTEs and any role changes:** The Administration team includes the President and CEO, Vice President of Operations, Controller, Administrative Coordinator and part-time Bookkeeper. Executive Services Manager moves to Stakeholder Engagement.

**Tactics and Line Item Detail:**

HR - Personnel recruitment, benefits administration, training and professional development.

Operations - Office space, insurances, IT services, phone/internet services, equipment/leases, stationery, office supplies, computers, software, furniture and fixtures.

Professional Services - Legal, auditing, payroll, banking, and consulting.

Leadership - Board of Directors administration, memberships and affiliations, cell phone reimbursements and travel and entertainment.

We recommend moving the bi-annual compensation study to FY19/20 budget.

**Describe theory of TID and Other split:**

63% of Administration SIBT is allocated to TID in alignment with overall revenue ratio.

Overall 67% of Administration Programs are allocated to TID. The ratio varies per section depending on the expense type.

For example, 86% of the Legal budget is earmarked for TID conversion.

What is cut if necessary in Worst Case:

More computer replacements would be delayed to the next fiscal year.

Window cleanings would be eliminated.

Consulting and legal budgets would be reduced.

	Budget 17-18	Best Case Budget 18-19	Yr over Yr Change	Best Case Other Funded	Best Case TID Funded	Worst case Budget 18-19	Total Difference to Best Case	TID Difference to Best Case
<b>Administration</b>								
<b>Total Expense SIBT and Programs</b>	<b>905,960</b>	<b>887,081</b>	<b>(18,879)</b>	<b>308,852</b>	<b>578,228</b>	<b>877,680</b>	<b>(9,401)</b>	<b>(1)</b>
<b>SIBT</b>	<b>416,140</b>	<b>419,945</b>	<b>3,805</b>	<b>155,380</b>	<b>264,565</b>	<b>419,945</b>	<b>0</b>	<b>0</b>
<b>Programs Total</b>	<b>489,820</b>	<b>467,136</b>	<b>(22,684)</b>	<b>153,473</b>	<b>313,663</b>	<b>457,735</b>	<b>(9,401)</b>	<b>(1)</b>
Board of Directors	6,222	4,000	(2,222)	4,000	0	4,000	0	0
Memberships/Affiliations	19,583	19,073	(510)	8,392	10,681	19,073	0	0
Human Resource Programs	2,978	0	(2,978)	0	0	0	0	0
Professional Development	6,054	8,000	1,946	5,500	2,500	8,000	0	0
Cell Phone Reimbursements	4,426	3,840	(586)	1,280	2,560	3,840	0	0
Travel + Entertainment	22,941	19,000	(3,941)	6,500	12,500	19,000	0	0
Legal	53,935	23,000	(30,935)	3,100	19,900	20,700	(2,300)	0
Audit/Accounting	19,000	20,000	1,000	7,400	12,600	20,000	0	0
Benefits/HR Services	19,783	14,000	(5,783)	2,000	12,000	14,000	0	0
Payroll Services	6,948	8,000	1,052	1,800	6,200	8,000	0	0
Consulting/Facilitation	11,565	11,550	(15)	5,600	5,950	5,950	(5,600)	0
Lease/Rent/CAM	147,204	151,000	3,796	55,870	95,130	151,000	0	0
Janitorial/Maintenance	10,048	13,923	3,875	5,051	8,872	13,022	(901)	(1)
Operations Taxes	134	0	(134)	0	0	0	0	0
Operations Insurances	17,116	16,950	(166)	5,189	11,761	16,950	0	0
Internet/Phone Service	9,902	9,900	(2)	2,600	7,300	9,900	0	0
IT / Cloud Service	60,989	64,800	3,811	16,200	48,600	64,800	0	0
Banking / Merchant Services	5,318	6,300	982	2,331	3,969	6,300	0	0
Equipment Leasing/Maintenance	12,830	12,000	(830)	3,200	8,800	12,000	0	0
Stationery	5,500	3,000	(2,500)	1,200	1,800	2,400	(600)	0
Office Supplies	7,200	7,200	0	2,400	4,800	7,200	0	0
Conference/Break Rm Supplies	3,881	4,700	819	1,600	3,100	4,700	0	0
Computer/Software	33,266	24,000	(9,266)	6,960	17,040	24,000	0	0
Furniture/Fixtures	1,999	22,000	20,001	5,000	17,000	22,000	0	0
Postage, BM Permit, PO Box	999	900	(99)	300	600	900	0	0

