

Board of Directors Meeting
Thursday, January 21, 2016
12:00 p.m.
Minutes

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.

MAYORAL CANDIDATE BRIEFING: Angelique Ashby, Mayor Pro Tem, City of Sacramento

Steve Hammond introduced Angelique Ashby, Mayor Pro Tem for the City of Sacramento, as well as Mayoral candidate and friend of the SCVB. Hammond said Ashby will participate in the Mayor Forum at the SCVB's Annual Lunch scheduled for March 17.

Ashby said that after a reconfiguration of districts a few years ago, she now represents 60,000 residents in the North Natomas area. Ashby said that through her engagement with the community since taking office, she has discovered she wants to be involved with the City on a larger scale and is therefore running for Mayor. Ashby said that at year three, she was selected by the Mayor as Mayor Pro Tem and that the council now votes on leadership positions with her being selected in her position for the past four years – something never done before. Ashby said she has the campaign support from all the councilmembers and Mayor; and that she wants to capture the momentum of Sacramento's growth and continue helping the City grow further, including development in both the north and south areas.

In terms of the SCVB, Ashby said she is familiar with our interests and feels the organization is incredibly important to the City of Sacramento. Some of the issues she is working on in her district that affect the SCVB are improving sports amenities, including the recent completion of a feasibility study for an Olympic-size pool in North Natomas. Ashby said she is also a big supporter of the Convention Center/Theater District Development and feels it's doable but will require some practical steps. Lastly, Ashby said she feels there is a big difference in the Mayoral candidates as she sees that the concerns of the SCVB would be more supported by her than if another candidate was elected.

Ashby then asked for questions. Tony Giannoni asked for her feedback on how she might see the timing for completing the Convention Center/Theater District Development. Ashby said she has been a positive voice on the council for this subject, as well as a supporter of the Sports Commission becoming a part of the SCVB. Ashby added Brian Larson has been very influential in helping her understand the many facets of why the City should move forward with the Convention Center/Theater District Development, and she feels that building/funding both projects at the same time would create an economy of scale and improve the amenities for Sacramento, as well as provide greater opportunities for convention bookings which drive economic impact.

Lina Fat asked for Ashby's opinion on increasing the minimum wage. Ashby said she voted against it as it puts the City at an economic disadvantage. Ashby added that if the State wanted to review the current wage system, she would be willing to look at their recommendation, but until then she feels the City should not make that decision.

Larson then asked Ashby about her economic development priorities. Ashby said that in addition to the Council's number one issue of safety for the citizens, she would like to see a reduction in crime and additional emergency services in her district, as well as for the entire City. As for economic development, Ashby said Peter Tateishi of the Sacramento Metro Chamber has recently gathered a group of business leaders to develop a statement of principles and priorities that are important to the growth of Sacramento and while historically the process for new development has been difficult, she understands it needs to change.

Ashby concluded by encouraging anyone that had any more questions to contact her or her chief of staff, Kevin Greene.

I. Call to Order

A meeting of the Board of Directors of the Sacramento Convention & Visitors Bureau (SCVB) was held at Fat's Catering in Sacramento, CA. Chair Richard Hill called the meeting to order at 12:10 p.m. The following attendance was recorded:

Directors present

Mitchel Benson

Joe Chiodo

Robert Dugan

Lina Fat

Jeroen Gerrese, *Treasurer*

Tony Giannoni

Richard Hill, *Board Chair*

John Janosko

Brent Larkin

Brian Larson, *1st Vice Chair*

Shelly Moranville, *Secretary*

Sami Qureshi

John Rinehart

Mabel Salon

Alison Sandman

Scott VandenBerg

Industry Advisors present

Mark Davis, *Sacramento County Airports*

Karen Doron, *County of Sacramento*

Peter Tateishi, *Sacramento Metro Chamber*

Jody Ulich, *City of Sacramento*

Matt Voreyer, *Sacramento Convention Center*

Guests present

Angelique Ashby, *City of Sacramento*

Emilie Cameron, *Downtown Sacramento Partnership*

Kevin Greene, *City of Sacramento*

SCVB employees present

Steve Hammond, *President & CEO*

Mike Testa, *Chief Operating Officer*

Sonya Bradley, *Chief Marketing Officer*

Sarah Atilano, *Director-Convention Sales*

Mike Sophia, *Sacramento Sports Commission*

Nick Leonti, *Director of Tourism*

Joe Klegseth, *Director of Partner Development*

Nicole Rogers, *Director, Farm-to-Fork*

Kari Miskit, *Director of Public Relations*

Dan Santucci, *Director of Accounting*

Sherlynn Clifford, *Executive Assist. (Recording Secty)*

Directors and Industry Advisors not present

Michael Ault, *Downtown Sacramento Partnership*

Kipp Blewett

Butch Corum

Kevin Johnson, *City of Sacramento*

Steve Mammet, *Past Chair*

Patrick Mulvaney

Rick Pickering

Dennis Raymond

Clint Reed

John Shirey, *City of Sacramento*

Liz Tavernese

Doug Warren, *2nd Vice Chair*

II. Public Comments – Matters Not on the Agenda

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

III. Approval of Board Meeting Minutes: November 19, 2015

There being no changes to the November 19, 2015 minutes, ***Tony Giannoni motioned to approve the minutes as presented; Brian Larson seconded. (Vote: Unanimous)***

IV. Chair's Report

A. Approve Executive Committee 2016

Board chair Richard Hill said the Nominating Committee discussed the slate of officers and recommended the following candidates to the Executive Committee for 2016:

Board Chair:	Richard Hill
1st Vice Chair:	Brian Larson
2nd Vice Chair:	Doug Warren
Secretary:	Shelly Moranville
Treasurer:	Jeroen Gerrese
Immediate Past Chair:	Steve Mammet

There being no discussion, ***Robert Dugan motioned to approve the Executive Committee for 2016 as presented; Alison Sandman seconded. (VOTE: Unanimous)***

B. New Director: Sami Qureshi

Hill said that Ibrahim Measher resigned from the board in November 2015 due to moving out of town for another hotel position. Hill said that Teresa Stephenson, Sacramento Hotel Association (SHA), followed up by sharing that Sami Qureshi, General Manager of the Hilton Arden West, expressed interest in completing Measher's term on the STMD Committee. As a result, Qureshi was appointed to the STMD Committee at the SHA Board Meeting on January 15, 2016.

According to the STMD Management District Plan, Qureshi's appointment to the STMD Committee requires that he also be a member of the SCVB Board of Directors. Therefore, Hill asked the board for official approval of Qureshi's appointment to the SCVB Board.

Brent Larkin motioned to approve Sami Qureshi to the board of directors; Jeroen Gerrese seconded. (Vote: Unanimous)

Qureshi said he's been in Sacramento for three years and in addition to his hotel career, has served on the boards for both the Chicago and Peoria CVBs and is happy to also now serve on the Sacramento CVB.

C. Board Retreat: October 13-14, 2016

Hill said that a date has been secured for the 2016 board retreat. He shared the 2016 key priorities for the board, as previously shared at the November 2015 meeting, and said they were a good roadmap for committee focus. Hill asked Sherlynn Clifford to follow up by emailing the list again to the board.

D. Annual Board Binders

Sherlynn Clifford distributed the annual board binders to those present and asked everyone to review the contents, which includes: the 2016 board meeting schedule, the 2016 board terms, the 2016 board phone/address/email list, a current staff phone directory, the 2016 board overview of responsibilities, and current SCVB Bylaws.

E. 2016 Board Committees / Descriptions

Staff distributed a draft board committee list for 2016. Hill asked the board to review it and see which committee they would like to participate on with the hopes that every director will serve on at least one committee. Clifford was asked to email the list to the board with instruction to review it and reply with confirmation of assignments so it can be shared at the February board meeting. It will also be reviewed at the October 2016 board retreat in preparation for the new 2017 board year.

Hammond said a new committee was added – Events – as a result of one of the board’s key priorities for 2016. This committee’s focus will be to look at increasing funding and staff resources as the Bureau is at a tipping point of maximizing these resources.

Larson said that events like the Farm-to-Fork Festival and Tower Bridge Dinner require a “all hands on deck” from the staff and agreed the SCVB needs to look at other opportunities for funding and staff needs, as well as looking at other business models or outsourcing event management.

F. Annual Board Agreement/Code of Conduct

Clifford distributed the 2016 Director Agreement to voting directors and the 2016 Code of Conduct to all board members, for their annual signature as required by law. She will also follow up via email to those not present to ensure signatures are received from all members.

G. 2016 Activity/Event Timeline

Staff distributed the 2016 Activity/Event Timeline of internal activities including reporting requirements to the City and County, and the annual budget process. Hill said it was a good information tool and asked the board to add any relevant activity to their calendar where appropriate.

V. President’s Report

Steve Hammond said he sent the board an email on the Mayoral candidates’ position paper: “A Strategic Plan to Grow Sacramento” as developed by the group of business leaders that Mayor Pro Tem Ashby mentioned earlier. Hammond said Ashby’s comments today shared how much she has been involved in growing Sacramento over the past several years. Hammond said he and Mike Testa also met with Assemblymember Darrell Steinberg and Steinberg demonstrated that he was well versed in local issues and is learning more about the hospitality industry. Hammond said Mayor Kevin Johnson has done a great job of making things happen but in light of the November election, Sacramento’s business leaders decided to put together a summary of ideas for the two key candidates. Hammond also said the SCVB’s March 17 annual lunch will feature a much different program to include a Mayoral Forum with both Mayor Pro Tem Ashby and Assemblymember Steinberg participating.

Hammond said the position paper is very well done and he didn't see anything controversial, though many topics will spur conversation which is how it was designed. Hammond also thanked Peter Tateishi for being on the committee and reiterated his appreciation of the committee for asking him to draft the talking points for Goal #4. Hammond then shared some excerpts as follows:

Document: "Statement of Principles and Priorities to Grow Sacramento's Economy"

With the right leadership, Sacramento can be California's top destination for job creation

- Best Places to Live
- Happiest Workers in Mid-Sized Cities
- America's Fittest Cities
- Most Fun, Affordable U.S. Cities
- Greatest Small Cities for Food Lovers
- Best Place for Raising Active Children
- Best Cycling Towns
- Least Stressed-Out Cities

• Champion Sacramento's Economic Prosperity

Sacramento's economy is showing signs of recovery but the City's fragile economy still has a long road ahead, as experts believe another economic downturn is coming.

• Proposed Economic Vitality Strategy

The strategy calls for Sacramento's next Mayor to focus on policies and practices that will strengthen Sacramento's economic development strategies, identify roadblocks, and reduce competitive disadvantages for local entrepreneurs and employers.

Sacramento's next Mayor will be charged with motivating all City leadership to subscribe to a robust and effective economic framework guided by the group's core principles, as follows:

- Provide "best in class" public services
 - Embed long-term fiscal consciousness into policy-making
 - Improve and expand quality of life assets and economic development readiness
 - Grow the economy, instead of adding new business taxes or fees, to ensure sufficient fiscal resources are available
 - Develop a skilled and prepared workforce
 - Embrace policies that remove regulatory barriers and stimulate business growth
 - Incentivize quality growth and new development opportunities
- A Prioritized Approach

Goal #1: Improve Sacramento's business environment so that businesses want to locate and grow here.

Sacramento needs to embrace a culture of innovation and leadership in City operations that eliminates unnecessary bureaucratic obstacles and establishes a customer-centric approach. This requires policies and practices that enhance Sacramento's business environment and achieve Sacramento's strategic competitive advantage. Top priorities include:

1. Achieve a top rating among California cities for all business friendliness metrics.
2. Eliminate barriers to development by instituting the Permit Simplicity program.
3. When vacant, recruit a top-tier City Manager to pursue and implement policies that improve the efficiencies and effectiveness of City services.

Goal #2: Stabilize the City of Sacramento's fiscal health in order to avoid higher taxes or reductions to public services.

Sacramento's unfunded liabilities now stand at nearly \$2.3 billion. City leadership needs to tackle this growing problem by establishing fiscally prudent policies that prioritize strategic investments and grow the City's revenue base long-term, and not deplete the existing revenue base by overburdening businesses with new taxes and fees. The lists of recommendations include confronting the City's massive unfunded pension liabilities.

Goal #3: Improve infrastructure and transportation systems to support today's modern economy.

Sacramento is in dire need of a comprehensive and systematic upgrade of its aging infrastructure, improved connectivity for employees, residents and visitors, and a long-term strategy to protect the area's resources. Sacramento must have decisive leadership that will not only lead the City, but also the region, to prioritize resources to improve Sacramento's infrastructure and transportation systems. Top priorities include:

1. The modernization of decaying systems such as sewer, lighting, energy and digital networks that inhibit economic growth.
2. Pursue system improvements to Sacramento Regional Transit (RT), beginning with appointment of business members to the City's four seats on the board of directors to improve fiscal solvency and implement customer-centric solutions.
3. And in a similar vein, unite the region to speak with one voice to support regional water and flood protection policies.

Goal #4: (Close and dear to the SCVB) Develop and enhance quality places and venues that will attract visitors and residents will enjoy.

Top priorities for this goal include:

1. Develop Sacramento as one of the Top 25 convention business cities in America, and set the table to become a Tier One destination by promoting the development of a Convention Center/Theater District in order to attract more regional and national conventions. This includes support for issuance of necessary bonds.
2. Develop public/private partnerships between state, city and commercial interests to maximize the use of the Sacramento riverfront.
3. Take bold steps to address the needs of the homelessness.

Goal #5: Cultivate and retain the nation's top STEM workforce so that Sacramento will attract high-wage technology-based jobs.

Top priorities for this goal include:

1. The development of a strategy to coordinate and elevate partnerships and pathways among Sacramento's educational systems.
2. Lead a workforce initiative to move the City forward toward a modern economy, with a focus on development of key innovation corridors.
3. Champion efforts to improve the City's K-12 education options.

- Keep the Momentum Going

The goals, principles and priorities supported by the business leaders herein are not a comprehensive list, but rather a launching point to build a strong and healthy local economy.

Hammond then asked Tateishi if he had any comments to add. Tateishi said that goal number 3 regarding improving transportation systems was created in part because of the 13 different transit districts and 32 different agencies that all operate independently with their boards making decisions without consulting the other organizations so there's a strong need to look at ways to solve problem so all systems can work together. It would also help with getting financial aid if the region was working better together. Hammond agreed saying that with better communication comes better connection and economic improvement.

Mitchel Benson asked where Sacramento ranks in relation to the top 25 convention business cities and Tateishi said Sacramento was not in the top 50. Emilie Cameron from the Downtown Sacramento Partnership (DSP) said that to bring Sacramento into the top 25, improvements to Sacramento County airports would need to be included. Hammond agreed saying that a 3% increase in airline seats translates to a 1% increase in hotel occupancy. Hammond also said he would share this information with both Mayoral candidates before the SCVB's March 17 annual lunch.

Regarding goal number four and the development of a Convention Center/Theater District, Hammond said he recently joined Jody Ulich and John Shirey on a visit to Phoenix for a site visit of their convention center/theatre district and came away feeling encouraged because Shirey told a group of consultants that when we talk about the convention center and community theater, we can't talk about them as separate entities but as one project.

Lina Fat then asked if the topic about an increase to the minimum wage was included and Tateishi said it was not as that topic was left for the candidates to share their own thoughts. Tateishi said the document outlines the goals of what the community is interested in achieving, particularly in getting Sacramento to a rating higher than D+. Cameron said the document was designed to be a foundation and add clarity for each organization – not an endorsement for any candidate. Cameron said the DSP has endorsed the position paper because it's aligned with their business priorities; Tateishi said the Sacramento Metro Chamber has done the same. Hammond said the position paper was sent to all four Mayoral candidates.

Larson asked if the SCVB needed to endorse the Statement and add our name to the list and Hammond said yes. ***Brian Larson then motioned to support the Statement and add the SCVB signature; Scott VandenBerg seconded. (Vote: Unanimous)***

A. 2015 Goal Production

Hammond distributed the 2015 actual goals and approved 2016 goals saying the SCVB had a terrific year in 2015 goal achievement. The one figure that stands out is the 2015 actuals for convention sales room nights at 114% achievement. Hammond explained how the Goal Setting Committee sets the annual figure collectively with staff. For 2015, staff was effective in booking room nights into the future years so the City is well positioned to achieve the consumption goals in the future. Hammond said the priority is to reach consumption by the end of the year.

Hammond said staff had a good conversation with the committee about raising the committee's original goal of 176,000 to 175,000 room nights and though aggressive, believes they can achieve it. Management is planning some internal incentives as motivation. Larson said he appreciates the teams' aggressiveness since staff raised the goal without being asked to do so.

Hammond then asked for board approval of the 2016 goals as previously approved by the Goal Setting Committee. **Brian Larson motioned to approve the 2016 goals as presented; Tony Giannoni seconded. (Vote: Unanimous)**

VI. Committee Reports

A. Finance

Hammond said Jeroen Gerrese will be reporting for this committee as the new Board Treasurer. Until then, Dan Santucci reported on the December 2015 financials as follows:

- City STMD: 8.2% ahead of budget
- County STMD: One month behind in payments
- Overall year-to-date net income is ahead of budget

VII. Department Reports

The December 2015 department reports were e-mailed to the board for their review prior to the meeting. November reports are available upon request.

VIII. Calendar of Events

Hill mentioned the dates listed on the agenda. Hammond said he thinks there will be a large attendance at the SCVB's March 17 annual lunch because of the Mayoral Forum as the invitations will be extended to business organizations outside the hospitality industry. Hammond encouraged the board to invite their key employees or other business contacts to attend.

IX. New Business

There was no new business to report.

X. Adjournment

The meeting adjourned at 1:36 p.m.

Respectfully submitted,



Sherlynn Clifford
Executive Assistant
(Recording Secretary)



Steve Hammond
President & CEO