

Board of Directors Meeting
Thursday, November 19, 2015
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.

I. Call to Order

A meeting of the Board of Directors of the Sacramento Convention & Visitors Bureau (SCVB) was held at the McClellan Conference Center in McClellan, CA. Chair Steve Mammet called the meeting to order at 12:16 p.m. The following attendance was recorded:

Directors present

Joe Chiodo	Steve Mammet, <i>Board Chair</i>
Butch Corum	Shelly Moranville, <i>Secretary</i>
Robert Dugan	Dennis Raymond
Lina Fat	Clint Reed
Jeroen Gerrese	Mabel Salon
Tony Giannoni	Alison Sandman
John Janosko	Liz Tavernese
Brian Larson, <i>2nd Vice Chair</i>	Doug Warren, <i>Treasurer</i>

Industry Advisors present

Michael Ault, <i>Downtown Sacramento Partnership</i>	Karen Doron, <i>County of Sacramento</i>
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SCVB employees present

Steve Hammond, <i>President & CEO</i>	Brad Hillard, <i>Sports Development Manager</i>
Mike Testa, <i>Chief Operating Officer</i>	Nick Leonti, <i>Director of Tourism</i>
Sarah Atilano, <i>Director-Convention Sales</i>	Sherlynn Clifford, <i>Executive Assist. (Recording Secty)</i>

Directors and Industry Advisors not present

Mitchel Benson	Rick Pickering
Kipp Blewett	John Rinehart
Mark Davis, <i>Sacramento County Airports</i>	John Shirey, <i>City of Sacramento</i>
Richard Hill, <i>1st Vice Chair</i>	Warren Smith
Brad Hudson, <i>County of Sacramento</i>	Peter Tateishi, <i>Sacramento Metro Chamber</i>
Kevin Johnson, <i>City of Sacramento</i>	Jody Ulich, <i>City of Sacramento</i>
Brent Larkin	Scott VandenBerg, <i>Immediate Past Chair</i>
Ibrahim Measher	Matt Voreyer, <i>Sacramento Convention Center</i>
Patrick Mulvaney	

II. Public Comments – Matters Not on the Agenda

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

III. Approval of Board Meeting Minutes: September 17, 2015

There being no changes to the September, 2015 minutes, ***Shelly Moranville motioned to approve the minutes as presented; Doug Warren seconded. (Vote: Unanimous)***

IV. Chair's Report

Board Chair Steve Mammet thanked Jeroen Gerrese for hosting the meeting. Gerrese said each person present today received a welcome card to the McClellan Conference Center which includes a gift card to the center's coffee shop. Mammet said most of discussion at today's meeting will be recapping the October Board Retreat. Mammet then congratulated the staff for an outstanding year which had a lot of changes including a new fiscal year planning cycle which has proved to be very successful. The Sacramento Sports Commission is also now two years under SCVB administration and running well with new sports events planned for the coming year. Lastly, Mammet said he has heard great things about Farm-to-Fork both regionally and internationally stating the programs have exceeded everyone's expectations in a short time and said the SCVB has done a stellar job of creating the F2F brands.

A. 2016 Board Meeting Schedule

Mammet said the 2016 board meeting schedule was distributed and mentioned the annual lunch is now calendared for March as a result of the changes to the end of the fiscal year.

V. President's Report

A. Board Retreat Recap

Mammet said the October Board Retreat was well attended with great input from those present and all five board priorities as agreed upon by the board are stellar. The Retreat Summary was then distributed as prepared by retreat facilitator, Laura Mason-Smith, and Mammet said it was a fairly easy read though asked if anyone that attended the retreat saw any omissions to contact Steve Hammond or Sherlynn Clifford for edits.

The five board priorities for 2016 are:

1. Convention Center Expansion/Theatre District development
2. Farm-to-Fork funding mechanisms, sustainability and brand protection
3. Sports Commission funding mechanisms, partnerships and facilities
4. Event management: needs/opportunities/possibilities, scope, structure, funding/resources, and staffing
5. Streetcar support

At the top of the list is focus on the convention center expansion/theatre district development as led by Infrastructure Committee members Tony Giannoni and Brian Larson. Mammet said the SCVB has held back in pursuing discussions so the Mayor's Performing Arts Task Force can complete their work. Hammond said City Manager John Shirey attended the retreat to see Populous' latest presentation and that Michael Lockwood gave a thorough update. Hammond said that earlier this week the Mayor announced the Task Force would be disbanded due to a lack of funding mechanisms to move forward with a stand-alone theatre in a new location, and that Shirey and his office is now tasked with moving forward with a renovation plan of the theatre at its current location. As follow up to that announcement, Hammond said Shirey sent him an email asking for SCVB assistance and Hammond shared Shirey's email as follows:

“At the end of last night’s council meeting (Tuesday, 11/17/15), the mayor announced that his task force on a new theatre was no longer active and asked me to proceed to explore options for renovating the Community Center Theatre and addressing convention center expansion needs. In other words, he sees no prospects for funding a new performing arts theatre.

I will be assembling a team to immediately begin working on the two projects. As I told your Board recently (at the Retreat), this is the ideal time to move forward since we have completed permanent financing for the arena and two other City refinancings, and now have a clearer picture of our debt obligations. We also know that the cost of borrowing money is not likely to get cheaper and that construction costs will continue to rise in a growing economy.

We are anxious to get moving! We will want the input of you and the (SCVB) Board as well as the help and cooperation of Populous. Feel free to share this information with the board tomorrow.”

~ John F. Shirey, City Manager

Hammond said that as follow up to Shirey’s message the SCVB, with help from Giannoni and Larson, as well as the arts groups, will create a White Paper to put forward to the City Council for their review. Hammond said he has a White Paper from the Los Angeles Convention Center Expansion that is well done which he will use as a template for creating Sacramento’s, after which it will be shared with the Infrastructure Committee, the arts groups and City Manager for their review prior to being released to the public.

Giannoni said he was very excited to see the message from Shirey, adding we now have a chance to proceed with our plan, including financing. The next step is preparation of the White Paper which staff hopes to share with the arts groups, City Manager Shirey and City staff by the end of January/early February. The best case scenario would be to share with City Council by the end of February so we can continue to keep the process moving forward. Larson is currently reviewing the financing. Larson said the topic should be a big part of the conversations in the 2016 Mayoral race. Hammond said Mayor Pro Tem Angelique Ashby, who is running for Mayor in 2016, has seen the proposed plan and has no reservations; and staff will be presenting soon to former Senate leader Darrell Steinberg, also running for Mayor in 2016.

Hammond said that during the retreat there was a constant theme of accolades about the great work the SCVB is doing. Hammond said there are a lot of “rock stars” at the SCVB who perform at a high level all the time and he’s proud of the team for their dedication and resolve. Hammond added it’s also been a pleasure and productive to have a supportive and congenial board.

For the second priority – Farm-to-Fork – Hammond said there’s still a lot of work to be done, including managing time, staff and resources. Hammond said we’ve had some tremendous momentum which gives us a great opportunity but it’s also a challenge because of modest resources relative to the workload.

Regarding the third priority – Sacramento Sports Commission – Hammond said Sacramento is not lacking in sports opportunities, but in the proper facilities. The newly formed Sports Advisory Board has been tasked with looking at facilities that will both help the community and provide locations for booking more tournaments.

Regarding the fourth priority – Event Management – Hammond said there is a growing concern for the impact on staff so the team will be looking at ideas to better manage their time and resources.

Regarding the TAP report, Mammet said he thought Jeff Eastman did an excellent job and pointed out Sarah and her team exceeded their goals and have really over-performed in the past couple of years, especially in terms of filling need periods.

Mammet said that while the SCVB has managed events well in past, the City does not have a department to manage events so the SCVB is asked to perform that task, which is growing. Mammet said there are lots of wonderful event opportunities but before the SCVB can agree to take on something new, it's important to look at the revenue model and whether staff can execute without negatively impacting other responsibilities – and they must determine if the event has potential to grow.

Mammet said this topic will continue to receive more discussion in the future.

Hammond said the most important criteria is if the event drives room nights while supporting the brand without much financial risk. Mike Testa agreed and Brian Larson added events are critical to what the SCVB does. Hammond said that if the SCVB can own an event and it historically generates hotel rooms booked in need periods, it has the ability to drive economic impact and deserves our consideration.

Mammet said that one way a board member can participate further in the SCVB's success is to join a committee. The Goal Setting Committee identifies benchmarks and key priorities and the next meeting is scheduled for December 2 which all board members are welcome to attend.

B. 2014-15 Audit Results

Dan Santucci distributed the FY2014-15 annual audit results. Doug Warren said the Finance Committee reviewed the information at their meeting earlier in the week and the audit firm gave the SCVB an unqualified clean opinion. Santucci said the board is welcome to contact him if they have any questions and Mammet congratulated Santucci and Hammond on the results as he knows it's a lot of hard work.

C. 2015 Goal Production

Hammond distributed a document to update the board on the status on achieving the 2015 goals. The revised document was originally presented at the October board retreat but the new document has a few updates. Hammond said as evidenced by the numbers that the staff is tracking well with projections through the end of the year. Consumer travel room nights are off a bit but staff is working closely with Expedia on more accurate reporting so those figures are expected to improve. Hammond said the workload has been challenging for the team though good for the community as the team continues to produce record numbers. Mammet said that in addition to the great work the directors are doing, Hammond and Testa have also been heavily involved in assisting many of the directors and have many times stepped forward to ask where they can assist.

D. Staff Reports

1. Convention Sales

Sarah Atilano reported the sales team attended a new tradeshow, Smart Meetings West, which resulted in 22 1-on-1 meetings with corporate planners. Staff also gave a presentation to MPI in September in Arizona showing the “Downtown Rising” video and met with planners they had not met with before. Hammond said the convention sales department is doing great work but having difficulty in trying to find convention hotel room availability. Atilano said the good news is there are more booking opportunities further out with committed hotel rooms.

Testa said he had a great conversation with Susan Babich recently who told him she’s never been busier in her 23 years at the SCVB and is booking as far out as 2027. Testa said it’s just an indication of all the growth and interest Sacramento is experiencing and the market is exploding with groups that were not previously willing to look at Sacramento. Testa said the department has a very cohesive team. Hammond said the groups like California Craft Brewers Association are not just great business but help put Sacramento on the map and lead to other similar bookings. When Farm Tank arrives later in 2016 it will also help open new doors. Testa agreed and said when the food bloggers attend Farm Tank it will help increase Sacramento’s social media exposure which could lead to Washington, D.C. decision makers approving government funding for agriculture. Michael Ault asked if the new Golden 1 Center has been a help and Testa said yes because of its downtown location. Hammond said that aside aide from the business opportunity the new arena provides, it has also significantly increased the profile of Sacramento from associations nationwide.

2. Sports Commission

Brad Hillard gave an update on the department on behalf of Mike Sophia. Hillard said the Sports Commission began conversations with USA Rugby about the possibility of bringing the national team to Sacramento. Since then, we have hosted two successful major international rugby events at Bonney Field working closely with our partners at Cal Expo, Sacramento Republic FC and our hotels. This led to the recent announcement that Sacramento will be a part of the new PRO Rugby league that will launch in spring 2016.

3. Tourism

Nick Leonti shared the results of his trip to WTM in London and meetings with UK tour operators who reported Sacramento is receiving some great booking success. Leonti will also be attending the National Tour Operators conference for the first time in December, and next year plans to attend NTA (National Tour Association) and ABA (American Bus Association) where he will present ideas for Farm-to-Fork bus tours. Leonti said the California Beer Fest last weekend was a great success with 13,000 in attendance; board member John Janosko said the SCVB staff did a lot to help market the event. Leonti added that 2015 saw a lot of FAMs and several more are planned in the next few weeks.

VI. Committee Reports

A. Finance

Doug Warren reported on the October 2015 financials as follows:

- City STMD: 5% ahead of last year
- County STMD: Received year-end 6/30/15 true up amount of \$17,692. In the current year, the County is one month behind in STMD payments
- County TOT: Received 100% of this year's budget - \$105,000
- Overall year-to-date net income is ahead of budget

VII. Department Reports

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

VIII. Calendar of Events

Mammet shared the events listed on the agenda noting the December 3 (SCVB Holiday Gala), 7 (board holiday dinner) and 14 (SHA Holiday Gala) events.

IX. New Business

There was no new business to report.

X. Adjournment

The meeting adjourned at 1:26 p.m.

Respectfully submitted,



Sherlynn Clifford
Executive Assistant
(Recording Secretary)



Steve Hammond
President & CEO