

Visit
S A C R ★ M E N T O

Board of Directors Meeting
Thursday, November 16, 2017
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.

PRESENTATION: Farm to Fork Partnership – Bill Mueller, Valley Vision

Mike Testa introduced Bill Mueller, Chief Executive at Valley Vision. Testa said he had looked at a solution for maintaining the farm-to-fork committees that Nicole Rogers organized, and because of his growing relationship with Mueller, made the decision to have Valley Vision assume oversight of the three committees: steering, culinary, and youth.

Mueller distributed a 2018 Food and Agriculture Strategy document outlining Valley Vision's involvement in the regional food economy, which included their partnering with Visit Sacramento to maximize the impact of "America's Farm-to-Fork" initiative. Mueller shared some history of the organization, saying his staff has grown to 15 with a budget of \$15M that supports the regional health and agricultural businesses. Mueller said Valley Vision also works closely with other organizations such as Greater Sacramento and the Metro Chamber. Mueller said his organization began embracing more agriculture business before farm-to-fork took over because, according to him, Sacramento is an "agricultural juggernaut." Mueller said Valley Vision is now helping agricultural businesses determine their future, as well as assisting with a legislative agenda for the Metro Chamber's annual Cap-to-Cap trip. Testa concluded by saying he's known Mueller for a long time and is excited to be working with Valley Vision moving forward.

I. Call to Order

A meeting of the Board of Directors of Visit Sacramento was held at the Holiday Inn Express-Natomas in Sacramento, CA. Board Chair Brian Larson called the meeting to order at 12:23 p.m. It was established that a quorum was present, with the following attendance recorded:

PRESENT

Directors

Lina Fat
Kathleen Gilbey
Brent Larkin
Brian Larson, *Chair*
Shelly Moranville, *Secretary*
Patrick Mulvaney

Sami Qureshi
Liz Tavernese
Scott Vandenberg
Doug Warren, *1st Vice Chair*
Steve Young

Industry Advisors, or Their Designees

Howard Chan, *City of Sacramento*
Mark Davis, *Sacramento County Airports*
Matt Voreyer, *Sacramento Convention Center*

Guests

Dion Dwyer, *Downtown Sacramento Partnership*
Jose Hermocillo, *Hermocillo-Azevedo*
Bill Mueller, *Valley Vision*

SCVB Staff

Mike Testa, *President & CEO*
John Reyes, *Chief Operating Officer*
Sonya Bradley, *Chief Marketing Officer*
Sarah Atilano, *Director-Convention Sales*

Kari Miskit, *Director of Public Relations*
Dan Santucci, *Director of Accounting*
Sherlynn Clifford, *Executive Assist. (Recording Secty)*

ABSENT

Directors and Industry Advisors

Michael Ault, *Downtown Sacramento Partnership*
Kipp Blewett
Joe Chiodo
Butch Corum
Phil Garcia
Nav Gill, *County of Sacramento*
Kim Nava, *County of Sacramento*

Rick Pickering
Dennis Raymond
John Rinehart
Mabel Salon
Alison Sandman
Peter Tateishi, *Sacramento Metro Chamber*
Jody Ulich, *City of Sacramento*

II. Public Comments – Matters Not on the Agenda

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

III. Approval of Board Meeting Minutes: July 20 and September 21, 2017

There being no changes to the July 20 and September 21, 2017 minutes, ***Brent Larkin motioned to approve the minutes as presented; Lina Fat seconded. [Vote: Unanimous]***

IV. Chair's Report

A. 2018 Board Committees

Brian Larson asked incoming board chair Doug Warren to share the conversation he had at the board retreat regarding board committees. Warren said that he would like to see the board more engaged in 2018 and asked board members to become more involved by joining a committee. The committee list was distributed and Mike Testa said that in past board retreats, the board determined their top priorities for the year; however, for 2018, the focus will be different and it will be important for board members to participate on a committee so they can help move Visit Sacramento issues forward.

B. Aggressive Panhandling Ordinance

Howard Chan said it was good to see Visit Sacramento support at the recent city council meeting regarding the aggressive panhandling ordinance. Dion Dwyer thanked Mike Testa for his and other board member comments at the meeting. Dwyer added the presence of several downtown business owners helped council take a strong stand, despite opposing comments. Testa said that the ordinances approved at council were important as it's not just about homeless panhandling, but about anyone feeling secure against inappropriate behavior.

Larson concluded by saying it was good for Visit Sacramento to have a strong internal voice before expressing a strong external one and that the organization is doing a better job. Larson said that more board engagement will help make a difference and encouraged board members to join a committee.

V. President's Report

A. Convention Center Expansion/Privatization Update

Sarah Atilano said she and John Reyes recently attended the first steering, user and technical users' meetings and that discussions included the redesign and budget for the expansion project, which includes the convention center, community theatre, and Memorial Auditorium. Atilano said the group recommended the convention center's second floor ballroom, in addition to other improvements, be completed during the first phase, not the second. The next council meeting is set for December 12 to review staff recommendations on the design and schedule.

Regarding privatization of the convention center, Atilano said that SMG and the Sacramento Kings have submitted a joint proposal and that city staff is reviewing with an update to be provided to the council in December, though a recommendation will not be made until early 2018.

Reyes said he, Atilano and Testa shared the concerns of Visit Sacramento's convention clients, adding the decision process for the expansion should not be to build to cost, but to be competitive. Larson said he was disappointed that recent discussions included a reduction in the expansion and that it appeared to be more like a renovation. Larson added the ballroom really requires improvements since there have not been any changes for 25 years. Testa said the importance of ballroom's improvements importance can be demonstrated by using the Unified Wine and Grape Symposium as an example, i.e., without an expanded ballroom, they don't feel they can grow their business by remaining in Sacramento. Testa said the economic impact to the local restaurant industry for this one convention is \$40K for one day so it's important to consider one of Sacramento's largest clients.

Patrick Mulvaney asked about the TOT impact from the downtown hotels. Atilano said she didn't have that information readily at hand but would obtain. Atilano said it was also important to include TOT data from the downtown restaurants, and that we need to help them understand the importance to their business of having a large convention in town such as Unified Grape. Reyes added that from his experience at SF Travel, it's difficult to get business back once you've lost them to renovation. With these things in mind, Reyes said Visit Sacramento's leadership team was working on a strategic plan, and that the expansion, overall, was a great opportunity to increase business.

B. Board Retreat Summary

Testa distributed a summary of the October board retreat that was also emailed, and said it contained the key messages from the retreat, which he hopes the board will use to tell our story. Testa said that in addition to the presentation by John Rodriguez on how to become a "smart and healthy" organization, the retreat included presentations by Louis Stewart from the Mayor's office for innovation and entrepreneurship; David Flanagan, the retreat's facilitator, on branding; and the leadership team regarding Visit Sacramento's 20/20 vision for the future. Testa said the retreat agenda was focused on looking forward, not on past performance.

Warren said there were a few “squishy” comments during the smart and healthy presentation, namely, don’t be afraid to have the difficult conversations. Mark Davis said the retreat was refreshing; Kathleen Gilbey said she appreciated the new format; and Sami Qureshi said he felt the smart and healthy information was beneficial for his team and has implemented some of those ideas already.

C. 2017 YTD Goals Update

A goals update summary was distributed reflecting the projected figures and percentages for reaching goals at year-end. Reyes explained difference between the Sports Commission’s core and non-core room nights. Testa congratulated Atilano and the convention sales team for doing an incredible job of nearing goals in 2017 in light of the public expansion.

D. FY2016-17 Audit Results

Dan Santucci distributed the FY2016-17 audit results. Testa said there were no surprises and knew there would be a financial loss attributed to the Sports Commission. Testa said he would address any gaps moving forward by being more strategic in filling the currently six staff positions. This may include contracting with outside help for sponsorships, as done for 2017’s farm-to-fork events; partnership with Valley Vision which was discussed in the meeting earlier; and reducing a few events. Testa also said the team renegotiated the contract with Amgen Tour of California and that includes less financial risk for the 2018 overall finish.

Testa said the end result of the audit and it was reviewed and approved by the finance and executive committee. He also said the contract approval policy was reviewed with a few corrections made. Larson said the coming fiscal year will focus on improving the cash flow, including requiring a pro forma for events to prevent any loss, and that the element of accountability will be applied during the decision process which should help turn things around. Qureshi asked about the oversight of contracts requiring signatures. Larson clarified there were three contracts affected in the review and none had any impact to the audit as all were budgeted.

E. Retirement Plan/JP Morgan Chase Bank Account Resolutions

Santucci said two motions were needed for the retirement plan, and JP Chase bank account. Santucci explained the changes, after which the board made the following motions.

Retirement Plan: Motion by Sami Qureshi to update Visit Sacramento’s retirement plans to include a Roth contribution option in the 401k Plan, and a Safe Harbor provision in the Pension Plan to allow executives to contribute the IRS maximum allowable amount to the 401k plan; Shelly Moranville seconded. [Vote: Unanimous]

JP Morgan Chase Bank Account: Motion by Patrick Mulvaney to change the tax ID number on the bank account that the City uses to process Visit Sacramento’s checks and deposits; and change the tax ID number from Visit Sacramento’s to the City of Sacramento; Doug Warren seconded. [Vote: Unanimous]

F. Op-Ed/Radio Spots

Testa shared information about recent radio spots designed to highlight the value of Visit Sacramento. He also said he met recently with Dan Morain of the Sacramento Bee's editorial board to make sure the newspaper understands the impact of Visit Sacramento. Larson said he listened to several of the spots and was very impressed.

G. Board Member Updates

Testa said today was Brian Larson's last meeting as board chair. Testa said Larson has held this position on and off for the past few years and thanked him for his work on the convention center expansion. Testa also shared that Kipp Blewett, Butch Corum and Lina Fat were terming off the board at the end of December, and all will be recognized at the annual meeting in 2018.

H. Board Comments

Shelly Moranville thanked Dion Dwyer, Downtown Sacramento Partnership, for his work with the city regarding homeless issues and the recent aggressive panhandling ordinance. Moranville said that work was not complete; however, and the next topic to support will be Proposition 47. Dwyer said he would get some talking points to share with the board.

VI. Committee Reports

A. Finance

Dan reported on the October 2017 financials as follows:

- The revised FY2017-18 budget approved by the board was implemented in September.
- STMD figures:
 - * City: 5.7% ahead of budget
 - * County: One month behind in payments (note: payment was received the first week of November; now 18% over budget)
- Overall year-to-date net income is ahead of budget.

VII. Department Reports

The September and October 2017 department reports were e-mailed to the board for their review prior to the meeting.

VIII. Calendar of Events

Larson mentioned the calendar of events as listed on the agenda.

IX. New Business

None to report at this time.

X. Adjournment

Board chair Brian Larson adjourned the meeting at 1:28 p.m.

Respectfully submitted,



Sherlynn Clifford
Executive Assistant
(Recording Secretary)



Mike Testa
President & CEO