

Visitors Promotion Committee
Meeting via Zoom due to COVID-19
June 17, 2020
MINUTES

In Attendance: Jeff Cunningham, Amy Dickerson, Tara Knuth, Susan Madsen, Roland Morgan, Becky Perrett, Roma Amundson, Dave Derbin, Kerry Eagan, Nicole Fleck-Tooze and Michelle Waite

Absent: Aaron Stitt and Tammy Ward

Staff Attending: Jeff Maul, Derek Feyerherm, Diane Pryor, Ron Kalkwarf and Todd Wiltgen

Call to Order:

Becky Perrett called the meeting to order at 1:32 p.m. and asked Diane Pryor to call the roll. Next, Perrett congratulated Kerry Eagan on his retirement after 30 years with the County and welcomed Dave Derbin as the new Chief Administrative Officer for Lancaster County. She said we feel lucky to have both of them here with us today. Kerry Eagan suggested everyone introduce themselves for Dave's benefit and everyone introduced themselves, giving their title and the name of the company they work for.

Approval of February and April Minutes:

First, Perrett asked if there were any questions on the February minutes that had been sent out ahead of time in the email on June 4th. With no questions, she asked for a motion to approve the February minutes. Madsen made a motion to approve the minutes and Morgan seconded the motion. There being no further discussion, Perrett called for a vote. Knuth, Madsen, Morgan and Perrett voted yes. Stitt was absent. Dickerson abstained as she was absent at the February meeting. Cunningham had not arrived for meeting yet. Motion carried.

Perrett asked if there were any questions or comments regarding the April minutes. There were none so she asked for a motion of approval. Dickerson made a motion to approve the April minutes and Cunningham (who had now joined the meeting) seconded the motion. Perrett called for a vote. Cunningham, Dickerson, Knuth, Madsen, Morgan and Perrett voted yes. Stitt was absent. Motion carried.

Perrett had Jeff Cunningham introduce himself to Dave Derbin.

Approval of May Financials:

Ron Kalkwarf presented the financials showing the CVB Profit and Loss statement covering fiscal year July 2019 through May 2020. Room Tax-CVB, we are used to seeing that right on every month but we requested \$50,000 less from the County due to reduced spending. Other Income is showing an increase because of higher Visitors Guide advertising. Total Income is at \$1,808,981. Looking at the expenses, salaries were down due to an open budgeted position not being filled. Printing expense was over budget by \$6,925 because of higher advertising for the Visitors Guide. Advertising-CVB, Event and Sports Event Promotion-CVB were all under budget and that was mostly due to the reduced spending due to COVID-19 and cuts made because of that. This makes the expenses for the fiscal year at \$1,848,042. Kalkwarf said right now we're showing a net loss of \$39,061. Kalkwarf asked for questions. Jeff Maul gave additional

information regarding the room tax CVB amount that we budget. He said we get a twelfth of that amount every month from Lancaster County, over a budget period of 12 months. In that we recognized less expense with event promotion, sports event promotion and other areas in the months of May and June, we only requested what we needed in the way of that 1/12. The ultimate goal there would be if we would've asked for our normal amount, the County could have had to draw down on the reserves. In being good stewards, we only wanted to ask for what we actually needed based on our actual current expenses. There were no other comments or questions, so Perrett asked for a motion of acceptance. Knuth moved to accept the financials as presented. The motion was seconded by Cunningham. With no further discussion, Perrett called for a vote. Cunningham, Dickerson, Knuth, Madsen, Morgan and Perrett voted yes. Stitt was absent. Motion carried.

½% CVB/Event Promotion Lodging Tax Request

Jeff Maul gave information to help everyone understand the request we have is something we do twice a year. It is a request of the Improvement Fund which is 2% of the overall 4% of lodging tax collected in Lancaster County. That Fund is typically used for capital projects through a grant process through the County. There are a portion of those dollars that the County allows us to use for bid fees and those are fees we use to bring events into the county that ultimately generate lodging tax. Twice a year we have the ability to request a portion of those funds. This time of year, we are requesting from January of 2019 through April of 2019, \$40,000, coming from the Improvement Fund for expenses that we had part of our overall expense for the NSAA Boys and Girls State Basketball. Perrett asked if there were any comments or questions. There were none. Susan Madsen made a motion that the VPC determines the facilities in Lancaster County as adequate and approves the use of Improvement Fund dollars for promotion as presented by the CVB. Morgan seconded it. Perrett called for a vote. Cunningham, Dickerson, Knuth, Madsen, Morgan and Perrett voted yes. Stitt was absent. Motion carried.

CVB FY 2020/21 Budget

Maul thanked everybody for their continued support of tourism. They have had a lot of good discussions with everyone about what they are going through and what we are all faced with. Derek Feyerherm and Maul talked about the budget and worst-case, not-so-bad and a really good-case scenarios. They have a good idea where they want to go with the budget and worked on it with Dennis Meyer and Eagan to figure out what the projections look like. Most of what is reflected in cuts and changes are a result of the travel industry shutting down. The Room Tax-CVB is that 1/12 number that we get monthly from Lancaster County. We are projecting there is \$1.1M coming from the county for the promotion fund use. We are asking for an additional \$240,000 from the reserves at Lancaster County. That gets us to \$1.34M. That is a 25.6% decrease over the previous budget. The number is based on lean months to start with and the anticipation that the 2nd six months of the fiscal year will pick up and get going back to what we're used to with tourism. Maul also said, for the first time we have the ability to amend the budget in December and if revenues come in higher than expected, we will access some of those dollars to amend some of the cuts we made in the budget. Room Tax-Bid Fees will be the same as every year at \$366,000. In Other Income we are expecting no non-tax revenues coming into the CVB budget. That is because we are not printing a 2021 Visitors Guide. In expense, Salaries through Life & Disability Insurance, the biggest thing you'll see is that we are not having our hourly staff back in any capacity until winter or spring. We have closed the Visitor's Center and stopped servicing conventions, and when we do reopen the Visitors Center, Tracie Simpson, a full-time staff member, will run it for us. In Travel & Training, it's an 86.6% decrease because we aren't going to trade shows because they aren't happening. We have budgeted \$10,000 for a couple market shows that we know could potentially still happen and we hope those will yield some significant results. In Dues & Subscriptions and Equipment/Maintenance, we have some standard cuts based on our needs. Postage

and Printing decrease will be from not printing and mailing our Visitors Guide. We have about 40-45,000 left from 2020 and will use them. We may put a 2021 label on front or an insert to have people check our website. Public Relations has a 33.3% decrease mainly because we're going to spend less time face-to-face with clients, less time hosting media tours and lunches, etc. In Advertising, we're going to cut print advertising in most outlets. We will lean heavily on digital and social media for marketing. Event and Sports Event Promotion have a 69.5% cut from cancelled or postponed conferences in the next 12 months. The \$338,000 is primarily for the NSAA for their state high school tournament that we are hoping still happens. We are showing about \$5,900 in net income. Maul said he appreciates everyone's efforts including Feyerherm and the sales team. Everyone has just kept moving forward and working hard and he thinks everyone is really positive about Lincoln. Perrett gave good marks to Jeff and his team. She believes being able to amend it in December will be a good thing and hopes for good results so we can do that. Nicole Fleck-Tooze asked about the cancellations that have happened up to this point. Maul said we don't think people who have cancelled will be able to put them back together again in the near future. And the postponements will move to our next budget year. Feyerherm said he agreed. He did point out of the \$127,931 cut in sports event promotion, \$100K of that was for the national high school rodeo that did not get the approval from the LLCHD. We did remove new event and new sport event promotion because a lot of the events that have not made a decision yet, we feel, will be understanding and other cities across the country are in the same boat that we are. Maul added with event and sports event promotion, the cuts weren't made just because of cancellations. Some of the cuts were made because of budget shortfalls. People we have talked to about these cuts have been very understanding. We feel that if things pick up, we will be in good shape. There were no other questions or comments. Perrett asked for a motion to approve the fiscal year 2020/2021 budget as presented. Dickerson made the first motion. Madsen seconded the motion. Perrett called for a vote. Cunningham, Dickerson, Knuth, Madsen, Morgan and Perrett voted yes. Stitt was absent. Motion carried. Perrett said we appreciate the efforts of everyone that helped put the budget together.

Directors Report and CVB Update:

Maul gave a VPC director's report. He went through some trends in the industry we're seeing right now. We have been looking at the Longwoods International benchmark study in tourism to see when travel will pick back up. Since March, most people have changed their travel plans, but that's starting to come down a little bit. What we're hearing is more people want to find a drive time destination. They want to travel somewhere easy without flying. We think this will be to our benefit. Maul went on to say that we have been working from home since March 19 and that has been further delayed to the 3rd or 4th week of July because of the protests and rioting on Lincoln Mall that caused significant damage to our building, with broken windows and several small fires set inside our office space. We are starting to get things back together, thanks to Feyerherm and SERVPRO. Staff has continued to be effective with daily sales calls, Zoom meetings and webinars. We have been as effective or more effective working from home because we want to get tourism back to where it needs to be. The "Let's Save Tourism", #Don'tCancelPostpone campaign has gone over very well. The number one thing we've been talking about and urging is relevance. We are working to make sure our customers and the community understand our relevance. We have done a really good job on social media and our website to maintain our relevance. We've used virtual tours of attractions as well as worked with moms having them pack lunches and going to the basement with the kids for a field trip or tour of Lincoln. These things have been going over very well with our Facebook hits increasing by 68%. In June, our promotion is Lincoln Windshield Bingo. It's a bingo sheet of Lincoln items. You're supposed to go out and take pictures of you and the items for a bingo or a blackout. We are seeing great pictures and it's going over well. Maul talked next about breaking down the rural urban divide with tourism. They have been having great communication on their Monday tourism

calls with CVB's all over the state. Everyone is working together, including work on the CARES Act for 501c(6)s and tax incentives for people that travel to other cities and other states. In May we surveyed many of our Lancaster County attractions. As of May, 40% of them remained closed. Most are hopeful and comfortable with opening in the next 30-60 days and 71% say guest and staff safety is the #1 concern. Our communication with the LLCHD has been phenomenal. They've done a great job and that includes the distribution of outdoor food and liquor permitting. You can still apply for those if you want to expand your operations due to COVID. We have been monitoring our hotels opening and how their inventory and capacities are going to change. Lincoln is #5 destination for staycation in wallethub.com! That comes back to our trails, ease of travel in the Midwest and outside opportunities. Also, we're #14 out of 30 cities to live in after the pandemic. Our economic development folks like that number and plan to use it in their marketing efforts. That comes down to population density, cost of living and educational environment. Maul also said we will continue to work on fall events and community celebrations.

Feyerherm talked about the sales perspective saying right now, year-to-date, we have 65 sales leads for 51,000 room nights that have been bid out. Since COVID-19 began, we've had 7 sales leads for about 13,000 room nights. We had 77 leads for 34,908 room nights last year at this time so we are just 10 behind. He is very happy with the sales team and what they've done for this year and into 2021 and beyond. For the year, we're looking at 52 booked events for 33,574 room nights. We've booked 10 of those events since March. While we're nine events down from last year, actually the number of room nights is larger. Part of that is because of NSAA state volleyball. Looking at lost, cancelled and postponed, Feyerherm explained the factors in determining the differences of the three. For the year, we have 21 events lost for about 17,000 room nights. Since COVID-19, eight of those decided they're not in the position to hold their events in 2020. For the year, at this time last year, we were at 31 leads for 17,290 room nights lost that we had bid on. We are still pacing better on potential events for Lincoln. Dickerson asked about the Family Motor Coach Association (FMCA) show and how that event change would be documented in his numbers. Feyerherm said that one would be a cancellation since they will have a whole new contract. The numbers we're sharing are events the CVB has had a hand in. Of those, 90 have cancelled. Probably almost 20% of those are university, educational conferences. Feyerherm is working to identify a true number of events that have postponed and will share this in August when he hopes to have a better of ideas of those that have settled on dates. In event updates for the year, the National High School Rodeo Finals were not approved by the LLCHD to be held in Lincoln. They looked around and wanted a new location. Dickerson said their first choice was Wyoming, but because of circumstances they couldn't have it there and ended up in Guthrie, OK where it'll be about 70% of the size. Lincoln will host them in 2021, 2026 and 2027. Dickerson said we will ask them to consider us for another year since we lost out in 2020. Next, Feyerherm talked about the USA Roller Sports. We traditionally host them about every other year or so. We got into a verbal agreement with them for 2 years on and 1 year off. We were slated to do 2021 and 2022, but it had not been finalized and signed. For the first time, they were planning to go to Cedar Rapids, IA in 2020. Because of COVID, that has been pushed back to 2021 and as a result we will host them in 2022 and 2023. We will take 2024 off and have them back in 2025 and 2026. We are happy to work with them and do what we can to help them out. In addition, Feyerherm said, the Jehovah's Witnesses' convention that is typically held over the 4th of July weekend will be held virtually in 2020. They will return back in 2021 to Lincoln for the normal convention. Sports Car Club of America's competition held at the Lincoln Airport cancelled their Memorial Day weekend event due to the DHM's in place. They have created three new smaller events and we will host the central one the 3rd weekend in August. The number of outside competitors coming in is something being looked at. We do appreciate the work of the LLCHD in their efforts to keep the Lincoln community safe. The FMCA event was affected as well. They were going to come in 2020 but will be coming in 2022 instead. Back in April, Nebraska FCCLA and FFA cancelled their events. Due to the

school year, they could not push it into the summer. They are still on for 2021. In November, the Nebraska Music Educators have made the decision to cancel but will do the 2021 event as planned. We are fortunate we have great relationships with these people and have been hard at work to get their future events scheduled resulting in a lot of positive feedback.

Maul thanked Feyerherm and the sales staff again. Saying we've been through some low times but we are trying to stay upbeat. He is trying to remind everyone that we are all first line responders in getting our economy back to its glory days. We must be unified and strong in working for Lincoln and our state.

New Business:

In new business, Jeff gave a warm thanks to Kerry Eagan for all the years he has had the privilege of working with him and his contributions to tourism. He made several references to memories over the years, said he will be missed and wished him the best. The committee gave him a virtual applause and Eagan thanked Jeff and the committee. He said we will be in good hands with Dave Derbin.

Adjourn:

Perrett again thanked Eagan and welcomed Derbin. The meeting was adjourned at 2:31 p.m.