

Visitors Promotion Committee
May 9, 2018
MINUTES

In attendance: Lynne Ireland, Dave Wheaton, Amy Dickerson, Jeff Cunningham, Becky Perrett, Roland Morgan, Susan Madsen, Carl Eskridge, Michelle Waite, Nicole Fleck-Tooze

Staff attending: Derek Feyerherm, Jeff Maul, Ron Kalkwarf and Justine Petsch

Call to Order and Introductions:

Lynne Ireland called the meeting to order at 1:36 p.m. and introductions were made.

Approval of February Minutes:

Ireland asked for approval of the February minutes. Morgan made a motion to approve the February minutes. Cunningham seconded the motion. There being no discussion or corrections, Ireland called for a vote. Perrett, Dickerson, Madsen, Morgan, Wheaton, Cunningham, and Ireland voted yes. Motion carried.

Approval of April Financials:

Kalkwarf presented the financials with the profit and loss statement covering July 2017 through April 2018. Income was \$1,654,071 which was over budget by \$8,804 due to a contribution by the Lincoln Sports Commission. Maul explained that the Lincoln Sports Commission was created to help support sporting events in Lincoln with financial contributions from the corporate community. The organization went defunct 20 years ago and the balance of the funds has sat in an account controlled by Glenn Moss, former chair of the LSC. The CVB has asked to access these funds for bid fees over the years and with Moss retiring from his professional career, he reached out to Maul to turn over the remaining funds. Expenses totaled \$1,828,599, \$82,339 over the budgeted expenses. Kalkwarf pointed out overage in event promotion due to the costs associated with the NE 150 celebration held on Centennial Mall as well as overage in sports event promotion due to expenses for the upcoming Volleyball Nations League event. The profit/loss statement shows a net loss of (\$174,528). Kalkwarf noted this loss would be addressed in next agenda item. Dickerson moved to accept the financial as presented. The motion was seconded by Perrett. With no further discussion Ireland called for a vote. Perrett, Dickerson, Madsen, Morgan, Wheaton, Cunningham, and Ireland voted yes. Motion carried.

½% CVB/Event Promotion Lodging Tax Request:

Maul referred to the memo in the VPC packet that outlines the request of the CVB to use improvement dollars for the use of promotion. The request for the VPC to review is use \$170,000 in improvement funds to cover expenses for the 2018 NSAA Boys and Girls State Basketball State Tournaments. Maul reminded the VPC of the difference between the promotion and improvement funds. There currently is \$1.1 million in excess in the promotion fund held at the county, with approximately \$75,000 to \$100,000 of lodging tax collected, but not requested through the promotion fund by the CVB. Madsen asked if the excess promotion funds can be used for anything outside of the CVB. Maul stated they could not but there may be a point that the county suggests using the balance of the promotion fund for bid fees instead of using the improvement fund. Wheaton made the 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 in the amount of \$170,000.

Dickerson seconded the motion. Ireland called for discussion. There being none, a roll vote was called by Ireland. Perrett, Dickerson, Madsen, Morgan, Wheaton, Cunningham, and Ireland voted yes. Motion carried.

CVB FY 2018/19 Budget:

Maul presented the proposed CVB budget for the July 1, 2018 through June 30, 2019 fiscal year. Beginning with income the total room tax request is up 7.9% over the previous budget. Maul stated this amount came from discussions with Dennis Meyer, fiscal officer for Lancaster County who feels comfortable with this projected growth in lodging tax receipts over the next fiscal year. Bid fee room tax from the improvement fund is up 7.7% to \$366,000 due to events that will occur. Total budgeted income is \$2,265,120. Moving to expenses, Maul stated salaries are up 3.8% to allow for a new communications employee shared with the Lincoln Chamber of Commerce. Medical dental, life and disability insurance rates also are projected at double-digit increases. Travel and training is up 10.2% due to new tradeshow being attended by the CVB. Garage/Parking rental is down 47.4% due to less parking needs for the Visitors Center. Dues and subscriptions are up 14.9% because of participation in the new Sports Nebraska coalition and increased membership costs with Destinations International. Postage is up 15.8% due to increase in information requests. Public relations is up 79% as a result of familiarization tours and new specialty items which generally are ordered every two years. Advertising is up 35.5%. Maul showed the VPC examples of a new national print and media advertising campaign the CVB is doing through Aradius who was hired through a marketing grant from the Nebraska Tourism Commission. The increase in advertising will include items such as billboards and video placement in movie theatres. Depreciation and amortization is down 34.7% due to being in the new office for three years. Total expenses are \$2,264,644, showing a net profit of \$476 for the upcoming fiscal year. Ireland asked what the total increase in budgeted expenses are. Maul stated the increase in budget expenses is 7.8% to match the increase in income of 7.8%. Maul explained the approval process for the budget including the Lincoln Chamber of Commerce board of directors the following day and the Lancaster County Board of Commissioners in June. Eskridge commented that he heard NSAA Golf State Championships have moved to western Nebraska due to those communities offering to cover all expenses. Maul stated that the CVB goes after all events put for bid by the NSAA but said the NSAA prefers to move around events to ensure championship locations are spread throughout the state. Feyerherm commented that the bids the CVB offered for golf and tennis have covered expenses and noted to Maul's point those sports are easier for smaller communities to hold due to facilities. Madsen asked what type of events are included in event promotion compared to sports event promotion as there is a sizable difference. Feyerherm reviewed the types of events in event promotion, noting there is a 11.3% increase in event promotion in the upcoming budget. Being no further discussion, Ireland asked for a motion. Madsen moved to approve the proposed CVB FY 18-19 budget as presented. Perrett seconded. Being no further discussion, Ireland asked for a roll call vote. Perrett, Dickerson, Madsen, Morgan, Wheaton, Cunningham, and Ireland voted yes. Motion carried.

Directors Report:

Maul gave an overview of upcoming events and the status of several contracts. NSAA Girls and Boys Basketball were awarded to Lincoln for the next five years and NSAA Class B State Baseball begins on Saturday. The FIVB Volleyball Nations League will be in Lincoln May 15-17 with USA Volleyball hosting Italy, Poland, and Turkey. Feyerherm stated this is the inaugural year of this event and that USA Volleyball won the bid to host the first of five weeks of the competition, with USA Volleyball awarding the location to Lincoln. USA Wrestling will be hosting the Final X Wrestling on

June 9th at the Devaney Center. Feyerherm commented that unlike last year, the trials are being held in three different cities with the weight classes divided out, but that both men and women will be competing this year. These finals will determine the 2018 US. Senior World Teams according to Maul. The 2018 Lincoln Craft Beer Tour will be kicking off Memorial weekend with ten participating local breweries. Maul stated that the passports can be picked up at the Visitors Center with the first 100 participants receiving a t-shirt. Each passport gets you a free pint at the breweries and the first 140 people to finish will receive a free pint glass, compliments of Empyrean Brewing Company. Maul gave an update on Speedway Village's new indoor basketball complex, as well as the one being built by Manzitto. Both will have eight basketball courts which can accommodate 12 volleyball courts. USA Volleyball will be using Speedway for a coaches clinic during the FIVB. Maul reminded the VPC to go to the Visitors Center to see the 5-foot Abe Lincoln Bobblehead if they have not done so already. It was unveiled in March and media coverage for it has hit over 51,000 households in 5 states through television news coverage. Both Facebook and Twitter activity has increased because of the bobblehead. Maul said that attractions have been encouraged to go take their pictures with it and tag themselves to receive cross promotion. Wheaton stated he has a cardboard cut-out of Lincoln which his guests love. There has been an increase in tourism related business growth according to Maul who stated he has met with individuals interested in opening up businesses that will bring in outside visitors including an indoor climbing wall. Maul then gave an update on the status of the Haymarket Park digital sign grant request. The Lancaster County Board encouraged the Saltdogs to find other partners to help fund the construction and they have done so by reaching out to Breslow, NSAA, PBA, etc. Maul said the Visitors Center has begun summer hours with operation from 9am-6pm Monday through Friday, 8am-2pm on Saturdays and 10am to 2pm on Sundays. National Tourism Week is currently happening and members of the CVB staff have been visiting attractions and posting their experiences to social media. Maul said he has been serving on the Nebraska Tourism Marketing Committee and the state is close to unveiling their new marketing campaign. An update on the tourism facility survey requests was given with Maul stating that less than ten surveys being completed. The surveys were sent out twice over the last few months. Maul said that Tracie Simpson would be heading to McCook for the annual brochure swap. Simpson will take 20 cases of visitors guides to give to the 15 I-80 visitor centers. As mentioned during the budget report, the CVB has awarded a new advertising and marketing campaign to Aradius. Maul said this campaign is through a Nebraska Tourism Commission marketing grant and will cover the production of digital and print media of five different markets including sports, religious, group tour, leisure travel, and associations/meetings. This campaign will lend itself to other opportunities including billboards, theatre advertising and much more.

Feyerherm gave an update on sales. He said the CVB has issued 89 sales leads to hotels with the potential of 103,090 hotel room nights. The leads were made up of 52% regional/national business, with 11% being new business. Feyerherm commented that each five years the percentage of new business decreases substantially due to the NSAA Girls and Boys Basketball bids and the SCCA contract renewals happening at the same time. Each are generally for a five-year term and are deemed repeat business. Additionally, there were eight proposals submitted for consideration and there currently are 45 leads pending for decision for 56,078 hotel room nights. Feyerherm stated that there has been 57 booked events for 50,763 hotel room nights in 2018. He stated that new business will follow the trend of sales leads and will be lower due to Lincoln being awarded both NSAA basketball bids and the SCCA contract renewal. There will be an emphasis by the CVB sales team to fill the calendar for 2019 which has been a difficult year to find business for. There will also be a focus on reaching out to past event organizers to generate business. Feyerherm said there are over

9,000 events in the CVB software system and the hope is most them will be updated by the CVB staff by the end of the year. The CVB has been, or will be going, to three tradeshow this spring. Feyerherm said these included the Meetings Quest tradeshow in March attended along with the Cornhusker Marriott, the NASC Symposium in Minneapolis back in April and the upcoming IPW tradeshow in May. The CVB will be partnering with the Nebraska Tourism Commission to attend IPW which is geared toward international tour operators. This will be the first time the CVB has attended this show in over ten years. Feyerherm said he has re-evaluated the tradeshow the CVB attends for the upcoming budget, looking at ROI and other factors. There will be an increased focus on the group tour market with two new shows being added as well as additional shows for the religious and meetings markets. Feyerherm referred back to the proposed budget and said the increased line-item factors in most of the new tradeshow being traditional in nature with the CVB needing to ship its tradeshow booth to those. There was an update on Sports Nebraska with Feyerherm commenting that the coalition officially kicked off in April with 11 statewide partners. A new website was created (www.sportsne.org) that was funded through a Nebraska Tourism Commission marketing grant. The first event that was sponsored by the coalition was the NASC Symposium. Feyerherm said that Derek Bombeck was elected as a member of the board of directors with NASC. This three-year term will give Lincoln increased exposure and access to the sports rights planners. Feyerherm ended with an update on changes to Lincoln.org. He said that the website will be fed data largely through an API with other businesses being given access to the CVB extranet website which will allow them to update their own information on the site. This will include access for restaurants, shops, meeting and sports facilities, and attractions. Feyerherm also said that each area of the website has had twitter feeds built out which pulls in tweets from the respective business including restaurants in the dining section of the site.

VPC Committee Appointments:

Ireland stated that two VPC members have reached the end of their terms. Dickerson's first term will end in June but has agreed to serve a second term, taking her through June 2022. Wheaton made a motion to re-appoint Amy Dickerson for a second four-year term on the VPC. Morgan seconded the motion. Ireland called for a vote. Perrett, Madsen, Morgan, Wheaton, Cunningham, and Ireland voted yes. Dickerson abstained. Motion carried.

Ireland took the opportunity to thank Wheaton for his eight years of service to the VPC and his term ending leaves a vacancy on the committee. Maul said by state statute that Wheaton's seat must be filled by a hotel representative. Morgan asked if there is a specific criterion such as full service/limited service that needs to be adhered to. Maul said that right now between Madsen and Morgan, full service/limited service are covered so there is no specific criteria. Ireland asked if anyone had recommendations. Wheaton said that Colette Wear who previously was on the committee is back in the industry or that Aaron Stitt with Courtyard by Marriott would be good. Feyerherm stated he thought of Stitt as well as Chad Pitlik from Hyatt Place or Lynn Sangster at Hampton Inn Heritage Park. Maul said he would reach out to see if there is interest to serve and will inform the county board of this.

New Business:

Ireland asked if there was new business. Waite said there are two upcoming UNL events she wants everyone to be aware of. The first was the Salute to Veterans which takes place over Armistice Day weekend. There will be activities during the football game and throughout campus. The second is the 150th anniversary for UNL that will take place in 2019. Waite asked Maul if the CVB has been involved in any of the planning. Maul said currently no but that if Waite suggests a point-person at

UNL to work with the CVB would be happy to. Morgan brought up that the Saltdogs no longer work with hotels or provide tickets in exchange for marketing. He said he has reached out to the Saltdogs about this but has not had much feedback. Wheaton agreed and said he had the same experience. Morgan said there are always seats to fill and this was an inexpensive way for Saltdogs promotion. Dickerson asked if this is something that can get in front of the LAMA organization. Maul said he would reach out to Charlie Meyer and pull in Wheaton and Morgan for a conversation. Morgan acknowledged Dickerson and the successful ground-breaking event at Lancaster Event Center. Dickerson thanked Morgan and Feyerherm for being present at it and was happy with the turn-out.

Adjourn: There being no further discussion Ireland asked for a motion to adjourn the meeting. Dickerson made the motion to adjourn and Madsen seconded the motion. Ireland called for a vote. Perrett, Dickerson, Madsen, Morgan, Wheaton, Cunningham, and Ireland voted yes. The meeting was adjourned at 3:15p.m.