

MINUTES of the NEVADA COMMISSION ON TOURISM  
June 29, 2016

The Nevada Commission on Tourism held a Commission meeting at 1:00 p.m. on June 29, 2016, by conference call and at 401 N. Carson Street, Carson City, NV 89701.

**Call to Order**

Lt. Governor and Chair Hutchison called the meeting to order at 1:00 p.m.

**Commissioners Present:**

Lieutenant Governor Mark A. Hutchison, Chair  
Cindy Carano, Vice Chair  
Kevin Bagger for Rossi Ralenkotter  
Jennifer Cunningham  
Don Newman  
Herb Santos, Jr.  
John Wagnon  
Julia Arger  
Dallas Haun  
Mike Vaswani  
Bob Stoldal

**Commissioners who are absent/excused:**

Richard Arnold  
Bob Morse  
Ryan Sheltra

**Staff present:**

Claudia Vecchio, Director  
Larry Friedman, Deputy Director  
David Peterson, Operations & Finance Manager  
Kari Frilot, Sales & Industry Partners  
Sarah Bradley, DAG

**Roll Call and Determination of Quorum**

VECCHIO: Good Afternoon. Who just called in?

VASWANI: Mike Vaswani.

VECCHIO: That's great. We're in business.

VASWANI: Hi, how are you?

VECCHIO: We're good. Who just joined us?

WAGNON: John.

VECCHIO: John, excellent. All right. Lieutenant Governor, I think we are ready to go. We have a quorum so we can start a meeting and move forward.

HUTCHISON: Great. Thank you everyone for making time in your schedule, being on this conference call and this is the time and place set forth for the Nevada Commission on Tourism meeting, Wednesday, June 29, 2016, 1:00 p.m. I'd like to begin with our agenda, Item No. 1 which is the roll call. Ms. Vecchio, if you could please call the roll and confirm a proper posting and then we'll move on to Subsection D and determination of a quorum as well. You can take all that in one fell swoop.

VECCHIO: We do confirm a proper posting. We had a revised agenda but that was posted before the time required which was Friday at 9:00 a.m. It was properly posted online and then at various physical locations prior to that time. I will take the roll call. Lieutenant Governor Hutchinson?

HUTCHISON: I'm here.

VECCHIO: We believe Commissioner Morse is not able to join us. Are you on the line? He's not. We excuse him. Jennifer Cunningham?

CUNNINGHAM: I'm here.

VECCHIO: Thank you. Cindy Carano?

CARANO: Present.

VECCHIO: Dallas Haun?

HAUN: Present.

VECCHIO: Don Newman?

NEWMAN: I am present in Carson City.

VECCHIO: We appreciate you coming over. Rossi Ralenkotter?

RALENKOTTER: Here.

VECCHIO: Thank you, Rossi. Herb Santos, Jr.?

SANTOS: Present.

VECCHIO: Excellent. Ryan Sheltra? We've spoken with him. I think he's going to call in at some point here and we'll mark him present when he arrives. Mike Vaswani?

VASWANI: Present.

VECCHIO: Thank you. John Wagnon?

WAGNON: Here.

VECCHIO: Thank you, John. We also have Commissioner Arger.

ARGER: Here.

VECCHIO: Julia is here. Richard Arnold? He's not in attendance. Bob Stoldal?

STOLDAL: Present.

VECCHIO: Thank you. I am here, sir. Sarah Bradley is here. We have a couple of folks in the audience here who will be part of the sponsorship discussion, but Lieutenant Governor, we have a quorum so we should be ready to go.

### **Public Comment**

HUTCHISON: Great. Thank you very much. Let's move on to Agenda Item No. II which is public comment. I'll just note that the telephone number and the access code number were posted as part of the notice so is there anyone on the phone call who would like to make a public comment? All right, I am hearing none. Is there anyone in Carson City? You're physically present in Carson City. Is that right, Ms. Vecchio?

VECCHIO: Yes, we are.

HUTCHISON: Is there anyone there that would like to offer public comment?

VECCHIO: There does not appear to be.

HUTCHISON: Is this being broadcast to any other location?

DYKES: No, Lieutenant Governor.

### **Approval of Minutes**

HUTCHISON: All right, well then we will close out Agenda Item No. II which is public comment and move on to Agenda Item No. III, Approval of the Minutes. Commissioners, you've seen the minutes which have been included in the materials from a March 15, 2016 meeting. Are there any comments, corrections or additions to be made to the new minutes? I'm hearing none. Chair will expect a motion to approve the minutes. Please identify yourself on the phone just for the purposes of the record whenever you speak.

CARANO: Cindy Carano, move to accept the minutes.

HUTCHISON: Thank you very much. Vice-Chair has moved for the approval of the minutes. Is there a second?

SANTOS: Commissioner Herb Santos second.

HUTCHISON: Thank you, Commissioner Santos. Are there any comments on the motion? I'm hearing none. Those in favor signify by saying aye.

GROUP: Ayes around.

### **Reports**

HUTCHISON: Any opposed no. That motion is approved unanimously. We will close out Agenda Item III and move to Agenda Item IV, which are the various topics.

Because of the length of our agenda and wanting to get to our marketing grant program I'm going to forego my Chair report for now and move on to administrative and budget updates. Ms. Vecchio.

VECCHIO: Thank you very much. This is Claudia Vecchio for the record. I want to go through a couple of items from an administration and budget standpoint. First, I just wanted to provide some input and we'll be putting this in commissioners packets moving forward about the state of the Nevada tourism industry which is doing very well. Thank you to all of our partners statewide who are really helping to boost numbers across the board for Nevada tourism.

When we look at the first quarter of calendar year 2016, which is the third quarter of FY '16, our visitor volume is up almost 4 percent for January, February and March. Healthy numbers there during a generally slower part of the year, we're doing very well there.

Occupancy level is up. Net change over the three months is 1.5 percent. Room inventory of course is flat, so the fact that we're tracking against a flat room inventory is good news. Gross gaming revenue is up .8 percent. Some softness in January and March but February was up 8 percent so a strong month in gaming revenue.

Convention attendance is really where we're seeing significant increases and those DMOs that are involved with convention business have had a terrific quarter, January up 14.5 percent, February 11.6 percent and March 23.8 percent for rolling. Total over the past 12 months up 15.3 percent, so the convention business is really a great light in the overall Nevada tourism environment.

Airport volume is up too. You know we've seen significant increases at the Reno-Tahoe International Airport. McCarran is tracking a strong increase but the percent change over the rolling 12 months given January, February and March is 6.9 percent so airport buying was up strong as well.

The other bright light we see is in state parks usage. This number is a little skewed in that it does include some of the big national parks that are outside of Nevada. Generally speaking, the net-net is that people are really flocking to the parks, obviously to the centennial of the national parks.

There's a lot of publicity and a lot of notoriety around these extraordinary parks and so for the rolling 12 months park usage is up 7 percent. Overall numbers are good and again, we'll include these numbers in our upcoming commissioner report. Overall the industry is doing well.

From a staffing standpoint, I sent a note out to everyone regarding the change in our marketing director position. Brenda Nebesky who was our art director is now moving on to what we're calling our Chief Marketing Officer, a change of title. Bethany is now Chief Communications Officer and David Peterson is our Chief Operations and Finance Officer. David, I apologize if that's flip-flopped.

These titles are more indicative of private sector titles. We've all agreed that it's a good way to position those this year. Brenda Nebesky who was our art director is now our Chief Marketing Officer. She had some terrific marketing jobs prior to

coming to the state and is a great team leader. I look forward to having you all better integrate with her and get to know her and the marketing team.

Danny Miller who was the art director at Nevada Magazine is now going to move up and be our art director for Travel Nevada. We are recruiting for a marketing specialist, and as I mentioned in the email we'll put our web services out to bid. We have a master services agreement environment here at the state so we can select from a list of vendors without having to go through the whole procurement process. At some point, we'll do a contract with an external web master. We have just not had luck with having an internal person do that work. The marketing specialist will take on many of the projects that have been on the back burner for awhile.

From a budget standpoint, you have a very skeletal FY16 category expenditure update. This is for FY16, which ends this week, the end of our fiscal year. When you look at the end of these categories, which are noted there, obviously travel and state travel and so on, we're coming very close to spending all of that. The one area that we are low on, are those that have to do with vendor contracts and advertising. As you know, those invoices come in after the fact so we fully anticipate completely expending the promotion advertising international trade and tourism budgets.

It's critical that we spend down to as close to zero as we can in FY16 because that then becomes a base year for our FY18-19 budgets. The legislature who approves our 18-19 budget looks at how we spend this particular year and will make determinations on our budget based on the effective use of the money we are currently given. This is an important year. It's important for us to spend down to zero.

You were sent, and I apologize if this was a little later than I wanted it to be, but the FY16-17 expenditures only. I know there are those on the phone who are very much budget and financial experts and I would welcome a different format if you choose.

We don't have the typical revenue expenditure kind of an environment. For example with Governor's Conference, we can show the expenditures and I can show the sponsorships but they don't link in our system. Those revenues just go into our reserves and other places. There's no real link between programs, revenue and expenditures.

David Peterson, who is on the phone, also can answer any questions. This goes through a very detailed look at our programs and how those funds are allocated at this point. We'll go through sponsorships in a second. There's \$10,000 more in sponsorships that I was not aware of until yesterday and I'll go through that in a

second. But his gives you an overview of how we spend our money based on the various categories and the various programs. Are there any questions about that? I went through that pretty quickly, but any questions, comments?

HUTCHISON: Any questions for Ms. Vecchio concerning the budgetary items that she just reviewed?

CARANO: Yes, this is Cindy Carano. Claudia? The revenues aren't on a separate sheet or could you include revenues and so we could see what room taxes are. As you mentioned on the conference, if there are any revenues would be on a separate account.

VECCHIO: Yes, we can certainly send revenues and room tax collections and when we look at 16-17 we're anticipating room tax, and we can send that. Our budget of 40 for the room tax is on the back of the page, what we're estimating, but this doesn't give you a total picture of that anyway. So yes, we can send that revenue so you can get an idea of where those are. David, I'm not speaking out of turn, am I?

PETERSON: No.

CARANO: But I didn't see that. I wasn't able to print what you thought the room taxes were going to be.

VECCHIO: Yes, and even on the sheet that I gave you, that's not the total room tax allocation; it's the allocation based on these particular categories because we don't have the personnel category or operations category on here because those are set. Those then don't have the room tax that is associated with those categories. We can send you what that is with the revenues in the report as well.

CARANO: Okay, where did you say the room tax was?

VECCHIO: It's on the back, where it says total legislative authority. We're funded 100 percent with the room tax, so that's the room tax that is associated with these programs. It's not the overall total room tax collection. This really just shows expenditures in our program categories.

CARANO: Okay. In the past we've had it year by year and so we could see how it's grown and how our expenditures would have been able to grow with it.

VECCHIO: Yes, absolutely and we'll continue to provide that. We have not provided this depth of allocation overview of the particular programs that we're working on in the past

so I wanted you to see what that is. That other sheet that we provide that has the year over year tax, we will continue to provide that to you.

CARANO: Okay, great. How much percentage are we up total over year? Year over year?

PETERSON: Claudia, do you want me to take that?

VECCHIO: Yes, please, David.

PETERSON: Okay, for the record this is David Peterson, Chief Operations and Finance Officer with tourism. Right now Ms. Carano, we are projecting that FY16 lodging type collections will be up around 10.6 percent so we're projecting 22.64 million dollars for this fiscal year as compared to 22.47 million dollars last fiscal year being fiscal year 15.

CARANO: Okay, thank you. The majority of that would be going into marketing?

VECCHIO: Yes, of that amount we also deduct the transfers. David, what is our total after we take the transfers off? It's 14?

PETERSON: Ms. Carano, are you just referring to what it would be for us?

CARANO: Yes, the program budget that we have here. It's only raising about \$80,000. I was just wondering if the other increase, the 10 percent increase, was being shown in marketing or if it's going into operating budget.

PETERSON: For the record, Dave Peterson. It's split across all of the different categories that we have as Claudia mentioned. We have category one which is our personnel. We have our grant program as well that take up some of the allocations separate from all of the transfers. That fell out of our account, but the largest category that we have is category 31. That's our promotion and advertising marketing category.

What happens is, at the end of the fiscal year if there are additional lodging tax revenues that come in above and beyond what was original legislatively authority for lodging tax collections, those collections go into our reserves category. When we close out the year at the end of August, those dollars will go into our category 86. The excess lodging tax collections that come in during the course of the fiscal year build our reserve account.

CARANO: And then we're able to access those?

PETERSON: Through a work program, correct. Say we wanted to do an additional domestic market or ad buy or some additional international advertising, we would do that through the work program process and be added to the Interim Finance Committee agenda.

CARANO: Okay. Good I think we'll be doing that, right? Thank you.

HUTCHISON: Yes, probably. Okay, thank you Vice-Chairman Carano. Any other questions? Yes, please, identify yourself for the record.

RALENKOTTER: This is Rossi. How is everybody?

VECCHIO: Hi Rossi.

RALENKOTTER: It's a little warm down here. How is it up there?

VECCHIO: It's warm but it's not toasty so...

RALENKOTTER: I got you.

VECCHIO: Yes.

HUTCHISON: It's plummeted to about 110 down here right, Rossi?

RALENKOTTER: That's very true, very true. Claudia, are we doing anything on a co-op basis with Brand USA?

VECCHIO: Yes. For Brand USA we have \$150,000 co-op that's taken out of our marketing budget. That is split between a number of programs that we're doing with Brand USA, and I can certainly send you those programs, Rossi. We're looking at that television show, what used to be the Jen and Ollie Show that's kind of morphed into the Ollie Show.

We did a bridge website program for China with Miles and Yennifer who we hired as an International and PR specialist is our contact with Brand USA. I think we're still working out some programs. At this point we're at \$150,000 level with them.

RALENKOTTER: Okay, does that show up just as part of our marketing or is it a separate line item?

VECCHIO: It's not a separate line item, Rossi. Right now it's within the international section.

RALENKOTTER: Okay.

- VECCHIO: And we can break that out as a separate line item.
- RALENKOTTER: I think it would be good because hopefully that will be able to be expanded as you continue to increase revenues so I think that would be good for us to see.
- VECCHIO: Sure.
- RALENKOTTER: The second one I have is on the co-op Regional Air Service Committee and Ski Marketing Council. It shows \$100,000 for 16 but nothing for 17. Is there a reason for that?
- VECCHIO: We've been doing that for years so that's an ongoing partnership that we have with those two organizations. The Sierra Ski Marketing Council is actually the \$10,000 difference. Their membership rate went up to \$60,000 but there is no reason to anticipate that's not going to move forward in 17. Those are partnerships that are important for us.
- RALENKOTTER: Okay. All right.
- NEWMAN: This is Commissioner Newman. That was one of my questions also, the \$100,000 went to zero but then there's a notation, "see sponsorships". And that only changed \$19,000.
- VECCHIO: Right. The sponsorships are programs that we'll talk about.
- NEWMAN: Separate.
- VECCHIO: Right. Those sponsorships and the organizations that we sponsor and the amount that gets sponsored to each of those is in the recommendations and those change year over year. I moved those two organizations into sponsorships and I'll talk about that when we get there, but that's why that changed.
- NEWMAN: Again Commissioner Newman, another just notation here, Visitor Guide production went up about \$25,000 over last year. Was that something we're doing in-house? Are we subbing that out?
- VECCHIO: No, that's Nevada Magazine and we are printing up more guides. We're also changing paper, we're changing some of the design of the guide to up that guide a little bit, so it was important for us to put some more money into that, not putting much and it may not be that much but that's just what we're anticipating.

NEWMAN: And then my last question is down about two-thirds of the way down, ad evaluation. We had \$81,000 in there in 16 and nothing. Is that something that we're relying on our agency to give us that information?

VECCHIO: We do that kind of full study when we do new creative and to evaluate that sort of a thing. We do the ongoing evaluation of our advertising in the TNS report, so that's a little different spot. This is specialty advertising that we did when we had new creative and otherwise we rely on these other sources of research to do that for us. We do that on a bi-annual basis or when we get new creative.

NEWMAN: Okay.

VECCHIO: We see that in a couple of different research programs that we did. Web usability too, we did that this year and we'll wait a couple years before we do that again.

NEWMAN: Okay. Thank you.

VECCHIO: Unless you think we should do it more often. Then we can certainly add the cost back in there, but that's the idea.

HUTCHISON: Thank you. Mr. Newman, any further questions?

NEWMAN: No, that's it for me. Thank you.

HUTCHISON: Commissioners, any other questions of Ms. Vecchio concerning the Agenda Item IV B, Administrative and Budget Update?

HUTCHISON: Claudia, I've got one. Just quickly I'm looking at the international promotion and advertising budget item, and we got 550 fiscal year 16, 609 fiscal year 17. Can you just give us just what are the top three or four markets that that's directed towards? Let's say the top five markets.

VECCHIO: Yes. Those are funds and Larry, jump in here if I'm misspeaking, but those are funds that go to our 10 rep firms for their overall sales and marketing efforts. When we do the contracts with these rep firms we have an administrative side that is different for each of those markets depending on the expense of operating in those markets.

We also have the promotion and advertising side, and again each are allotted a certain amount based on markets. It's kind of across the board and we can provide to you the breakout per market; how much is spent both on the administrative side

and the promotions side. We're happy to do that and we can get that to you as a follow-up for this. Larry, anything else missing?

FRIEDMAN: No, that's correct.

VECCHIO: Okay.

HUTCHISON: Okay, great. Yes, if you could just give me the allocation that would be great. I'm just interested in how we allocate that.

VECCHIO: Absolutely. We'll provide that to everyone so you can see.

HUTCHISON: for the record it's Mark Hutchison. The only other point that hasn't been raised before is this Chambers AV System, \$35,000 fiscal year 17. Can you just put a little detail on that item?

VECCHIO: Here in the Laxalt Building chambers we're constantly challenged with technical issues. We've had some experts in this area come in and look at the chambers and we've had a number of bids from local companies that exceeded \$150,000. We have figured out with our Buildings and Grounds people, a way to get an actual AV system in here so that those of you who are sitting on the dais and watching via video conference will actually be able to do that in a way that is not as awkward as it is now. It really is just bringing us up technologically.

As you may know too, we host a certain number of meetings in this room that are public meetings, and we're constantly technologically challenged with those also. We're not being extravagant but we're really just trying to bring this room up to a technological level that allows us to run a flawless, seamless meeting.

HUTCHISON: Have we signed up on a contract on that yet or what are we doing as far as just documenting that?

VECCHIO: We've not signed off on a contract. David, can you provide updates? He's working with these folks.

PETERSON: Yes. For the record Dave Peterson. Lieutenant Governor, sir, what we're doing is we're working in conjunction with Purchasing and Buildings and Grounds to help us minimize the costs associated with the renovation. The plan is to work through Buildings and Grounds to have them do the labor portion of this so that we can make the payments directly to B&G so they would be responsible for all the wiring, the electrical, you know, running the necessary cables. And then maybe doing an RFP informal solicitation, to have like a company come in and do the design of it and

the actual setup of the system and the training. That's currently where we're at right now between our conversations and meetings with Buildings and Grounds and Purchasing.

There are some things that we will be able to purchase ourselves directly to try to minimize the costs to us as an agency. We have the luxury of working with a person who is familiar with all the electrical in the whole Laxalt building and the part of this process of running the necessary electrical wiring and data cables. That's currently where we're at and I think we have a meeting next week with B & G and Purchasing to discuss the project itself.

HUTCHISON: Okay, thank you. My biggest concern, Mr. Peterson, is that we make sure that we have performance criteria identified in the contract and documentation and then waiver to hold people accountable if the system doesn't work.

It seems like we put these expensive systems in, they don't work, and then they want to come back and charge for something that should have been done initially but probably wasn't spelled out clearly. Let's just make sure we have clear performance criteria for whoever is going to be handling this side of the program.

PETERSON: Yes, for the record, Dave Peterson. That's something that we discussed with B&G and even if we installed the system let's say in October, November, December time period, we're going to have whatever contract would be in place with the outside vendor run through June. That way in case there are any issues with the system, the equipment, the software and any training that we need we still have an additional six months to be able to work with or for those folks to be able to work with us.

HUTCHISON: Yeah.

PETERSON: So thank you. We're definitely keeping that in mind so we don't wind up in a situation.

HUTCHISON: I'll just mention this and then I'll get off this subject. We just went through this with an executive audit committee that I was involved in, the head of the agency signs off on this and is responsible to make sure that the RFP is accurate, the criteria is accurate and make sure that you're happy with it. Don't think you're going to hand it over to a different department or the attorney general's office and there's going to be some substantive involvement there in terms of terms and performance criteria. We have to make sure that it happens out of NCOT and we're happy with the criteria that we set forth because we're ultimately going to be responsible for it.

## Rural Marketing Grants

HUTCHISON: All right, any other questions on Agenda Item IV B, Administration and Budget Update? All right, I'm not hearing any. We'll go ahead and close out that agenda item and move on to Agenda Item IV C which is Fiscal Year 17 First Cycle Rural Marketing Grant Recommendation Allocation. This will be for possible action and a vote. Ms. Vecchio.

VECCHIO: Thank you, Lieutenant Governor. Just as a reminder, the Division of Tourism works in two different grant categories. One is our Rural Marketing Grants in which there are two cycles per year. This is the first cycle and that's what you'll be voting on today.

We also have the Projects Relating to Tourism Grants and this is primarily infrastructure grant allocation. You voted on that one last meeting and that one is a biannual amount of \$200,000. This one, the Rural Marketing Grants are 1.4 million dollars and Kari Frilot will go through the recommendations for this year along with Commissioner Newman who sits on the Territory Advisory Council who is painstakingly and intimately involved with the decision making process. I will turn it over to Kari for her overview of this process.

FRILOT: Thank you Claudia. Thank you. For the record Kari Frilot, Rural Programs Manager. Good afternoon, Governor, commissioners, callers, co-workers and those of you in Carson City. I'm before you today to ask for your approval to award funds from the fiscal year 2017 Rural Marketing Grant Program as recommended on the Excel spreadsheet included in your meeting packet.

These recommendations are a result of a process that included a meeting with all of the territory chairs and the rural commissioner to review and agree on awards. That meeting took place on June 14 and concluded with a vote of consensus for the awards reflected in today's request.

Fiscal year 2017 has 1.4 million available for awards. That will be this year that we're awarding. This amount will increase to 1.65 million beginning in fiscal year 2018 and that's the result of having a meeting with the Interim Finance Committee on April 14 of this year where they allocated an additional \$250,000 for this program.

We were able to allocate the additional \$250,000 in fiscal year 2016 to those projects that were not fully funded in 2016, and comments in the grant recommendations for fiscal year 2017 reflect those allocations so that's what I'm referring to when you read anything in the current recommendations about allocations in 2016.

One example of that is that we were able to allocate an additional \$10,000 to the Lake Tahoe Shakespeare Festival for their marketing campaign. A brief description of the grant program is included under this topic on today's agenda. Thank you, Claudia, for including that.

For the fiscal year 2017 First Cycle Marketing Grant Program we received 207 applications. There were nine new organizations that applied for funding in that. We are recommending funding 162 of the projects. 1.747 million was requested and we're recommending an award of \$895,770 which leaves us a little over \$500,000 for the second cycle awards.

I humbly request your approval to move forward with recommendations and invite any questions you might have.

HUTCHISON: Thank you very much, Ms. Frilot. I appreciate that update. I know Commissioner Newman, you've been very involved in this process. Would you like to make any record comments or comments about the process?

NEWMAN: Well, yes I would. Commissioner Newman for the record. I would just let everyone know that each and every one of these applications is thoroughly vetted. We spent a lot of time discussing the merits, the history and the intent, what we believe to be the intent of these requests. Again, this is a three-hour to four-hour process that we go through each time we review these applications.

We put a lot of time, effort, energy and thought into this and Kari, I'm sure can answer any questions or myself regarding any specific requests so all of the advisory or the chairmen participated and it's a pretty good healthy discussion that takes place so we're all pretty proud of the outcome.

HUTCHISON: Thank you very much, Commissioner Newman, again for your time and your effort and your talents you bring to the task. Before I open up for questions, I just have a couple of overview questions.

You have 207 requests. How does that compare to prior years? Ms. Frilot or Commissioner Newman, whoever wants to take it. How does the 207 compare to prior years? And then, are there any territories that you are concerned about that have not been submitting applications or are not as dialed into the rural grant programs as we'd like them to be? If you could take those up one at a time I'd appreciate it.

FRILOT: This is Kari Frilot for the record. The 207 requests is pretty close to what we received last year for the first cycle. It was a little lower than that the preceding four years, but before that it was right up around 200 plus. So it runs pretty true.

As far as the territories participating, this particular cycle I was really pleased to see that there was a lot more participation by the territories and the one territory that really was not requesting funding before this, really stepped up this time and that was Las Vegas Territory. They really want to beef up their marketing in the rural areas of Clark County. Also in Pony Express Territory there's a few changes going on in that territory, but they still come through with a good number of requests.

HUTCHISON: Thank you very much. We'll open it now for questions from the commissioners concerning the Rural Marketing Grant Program recommendations. And please identify yourself for the record when you speak.

SANTOS: This is Commissioner Herb Santos. If I could ask a question? Would it be possible on these forms to, if it's not too much work, to get a breakdown as to how much was recommended to each of the counties, what percentage of the funds that were distributed, and then what each county requested and what was recommended for each county?

NEWMAN: By county or...

FRILOT: This is Kari Frilot.

NEWMAN: Go ahead, Kari.

FRILOT: No, that wouldn't be a problem. I can certainly do that.

SANTOS: Thank you.

HUTCHISON: Great. Thank you. Other questions, comments of other commissioners concerning the Rural Grant Recommendations? All right, this will be the last chance before we take a vote, anyone? Ms. Frilot, thank you very much. Commissioner Newman, thank you very much.

The Chair will entertain the motion to approve the fiscal year 2017 first cycle Rural Marketing Grant Recommendations as set forth in Agenda Item 4C and as encompassed within the packet of materials that we all received with the heading Fiscal Year 2017 First Cycle Rural Marketing Grant Program Recommendations and with the summary of the grants and the comments and the funding that has been recommended.

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- WAGNON: This is Commissioner Wagnon. I move to approve the FY17 First Cycle Rural Marketing Grant Recommendations as outlined in your comments.
- HUTCHISON: Thank you very much, commissioner. Is there a second?
- CUNNINGHAM: Commissioner Jennifer Cunningham, I second.
- HUTCHISON: Thank you, commissioner. Are there any comments, with the motion and a second, are there any comments on the motion? Hearing none those in favor signify by saying aye.
- GROUP: Aye.
- HUTCHISON: Any opposed no. That motion passes unanimously. Thank you very much. Let's move now onto Agenda Item IV D, 2016 Governor's Global Tourism Summit Overview. Ms. Vecchio.
- VECCHIO: Thank you, Lieutenant Governor. Claudia Vecchio for the record. In your packets I provided a preliminary agenda of the upcoming Governor's Global Tourism Summit that will take place October 11 and 12, but with pre and post FAM and press trips a couple of days before and after that conference.
- I just wanted you all to see where we were going with this conference. It will be at the Grand Sierra Resort in Reno this year. Larry and his team have created great excitement among the international buyer community and I know we'll have at least 40 if not more buyers from our international markets. Larry, do you have an update that you want to add?
- FRIEDMAN: Basically our goal is to have 50 plus and many of the countries have already come back with companies like Australia is bringing JUCY, South Korea is bringing Hana, but the invitations have gone out. The two FAM trips both start in Las Vegas. One will go up to Reno via 93 and the other will go up via 95.
- VECCHIO: Thank you. Larry and his team are working incredibly hard on this and they always provide an extraordinary number of international buyers for our industry to meet with. New this year and you'll note this on the agenda will be a Media Marketplace. Bethany and her team as well as our international PR reps are working to bring in media as well. Invitations have gone out for that and we're excited about having that opportunity for our industry to meet with media as well.

The agenda continues to form and we have good speakers. We have Richard Cutting-Miller from this group called Resonance Consultancy and he's going to do Global Tourism Trends with some interactivity with the audience so that will be a great way to start the agenda.

We'll also have a panel on looking at the issues that impact the U.S. brand abroad. This kind of morphed from a political environment into more of a social and economic overview environment, but we have so many things happening as you all well know in the world right now that could impact travel to the U.S.

We are going to be privileged to hear from Jonathan Grella who's Executive Vice President at U.S. Travel Association and Mike Fullerton who's with Brand USA. Daniel Chan who's our rep firm at East West Marketing in China will be part of this panel, and we're continuing to look for panelists who can provide insights into particular regions in the world. I think that will be an incredibly enlightening discussion about all these potential impacts on inbound travel.

We also have a great lunch speaker, Jeff Salz, who can be seen on the Discovery Network and the History Channel. He's a cultural anthropologist and an adventurer and he'll talk a little bit about how to compel travelers to come to Nevada to this great adventure that we have in the state.

Going back on the evening of the 11<sup>th</sup>, the dinner event, we're going to do a celebration of the U.S. China Year of Tourism so we're looking at having some Chinese entertainment as well as a speaker who can talk a little bit about the importance of this year and our relationship with China.

That's where we're going with this. I think it's shaping up well. We're working with Tiffany East as our event planner and she's doing a great job working with the Grand Sierra Resort folks. I wanted you all to see where we were, and if anybody has any thoughts about speakers or anything else you'd like to see please let me know.

HUTCHISON: Thank you very much. Commissioners, any questions for Ms. Vecchio about Governor's Global Tourism Summit?

CUNNINGHAM: This is Commissioner Jennifer Cunningham. I think it sounds great and I applaud you for all the hard work. I look forward to sending our whole staff there, so thank you.

VECCHIO: Excellent.

HUTCHISON: It's a terrific summit and the folks who show up for that are just excited, they love Las Vegas, they love Nevada, they love Reno, they love the exposure to the state.

I'm really looking forward to spending time no matter which side of the state you're on it's always a success and people are very excited.

I know that Claudia, you and Larry and the team have spent a lot of time, so thank you for your efforts. I think half the people show up just to see Larry because he's such an international rock star as I call him in the tourism community. He's a big draw, just having Larry show up. It's quite a phenomenon to see Larry's groupies following him around the conference, so show up if for no other reason than to see that.

All right, any questions or comments about Agenda Item IV D? We're going to close that out and move on the Agenda Item IV E, Commercial Airport Summit June 30 and our meeting update, and that's tomorrow. I know we're getting ready down here to welcome the summit and move forward in a big way.

FRIEDMAN: Claudia, would you like me to talk about it?

VECCHIO: Yes, please.

FRIEDMAN: The summit will be tomorrow starting at 9:00 a.m. at the Nevada State Museum in Las Vegas which is where I currently am having checked out the facilities and how the room is set up, et cetera, and we're all ready for everyone.

We decided to invite the five airports that have had or have commercial service so the airports included are Las Vegas, Reno-Tahoe, Elko, Wendover and Ely. In addition we have invited the five corresponding marketing entities, the LVCVA, the RSCVA, the Elko Convention Visitors Authority, the city of Wendover and the White Pine County Fair and Rec Board.

There is an agenda, which includes airport infrastructure, air services, customs, airline risk mitigation and potential partnerships. One of the things that I think that's already come out of the meetings we've had with the entities in setting up this meeting is I think a better understanding of room tax and the Travel Nevada room tax and that risk mitigation is not an appropriate use for the room tax funding.

The other thing about the meeting tomorrow, just for those on the call that are participating in the meeting, I had wondered how to be politically correct in positioning the different attendees. The room we're in is shaped like the State of Nevada and so the RSCVA will be where Reno would be. Las Vegas will be on the Las Vegas side of the state and the Lieutenant Governor is approximately in Tonopah.

HUTCHISON: Probably the way that you feel about the Lieutenant Governor and where he ought to be positioned.

FRIEDMAN: Are there any questions on the overview?

HUTCHISON: Larry, this is Mark Hutchison. How does the attendance look and confirmations for the summit?

FRIEDMAN: All ten entities invited are participating.

HUTCHISON: Great. That's what we were hoping for.

FRIEDMAN: Yep.

HUTCHISON: Okay, great, any further questions on Agenda Item IV E, Commercial Airport Summit that's being held tomorrow in Las Vegas? All right. Larry, thank you very much. Let's go ahead and close out that agenda item and move on to Agenda Item IV F, Sales and Industry Partners Update, Ms. Vecchio.

VECCHIO: This is Claudia for the record. I will turn this back over to Larry to provide a brief update of the activities in his group.

FRIEDMAN: The first one mentioned is the IPW, which is produced by the United States Travel Association with Brand USA, the primary sponsor. It is an extraordinary opportunity. The top buyers from all over the world come to meet with the tourism industry of the United States.

Our activities started off the first Saturday with the Chairman's Circle Awards where the 50 top buyers of U.S. tourism product are honored, and we are able to join them and be with the 50 top companies who according to Roger Dow represent 75 percent of the travel into the United States from abroad. Christian Passink, David Lusvardi and I participated on behalf of sales. Bethany Drysdale participated in the media marketplace.

On the sales side, we had two completely full sets of appointments generated by the marketplace. In addition we had a third set of appointments that we manually added which were for people who also wanted to see us, people we wanted to see, a meeting with Brand USA, meetings with our international reps who were in attendance like Mexico, South Korea and China.

IPW, we had a record number of Chinese requests and a record number of requests from India, but even from our bread and butter markets of Europe. We had great

appointments with those we've been working with for years, but it's also an opportunity to talk about what's new in the state and offer new itinerary ideas and new destinations for them to promote. IPW without question was a huge success for not only us but I think all of the Nevadans who participated.

The European sales mission, we went in May to Paris, Amsterdam, Stockholm and Cologne. We had 10 partners joining Christian Passink and myself. They were truly from all over the state from as far north as Elko to as far south as Las Vegas, as far west as Lake Tahoe and as far east as Ely.

All four cities had meetings with tour operators and evening events with travel agents. I think that everybody would agree that probably the most remarkable surprises came from Amsterdam and Stockholm where there was huge interest in the entire state and the invited guests were extremely engaged.

In Amsterdam I will tell you that the tour operators were to come at 12:00 and their time with us was supposed to end at 3:00. At a quarter of 4:00 I had to tell them that we really had to leave in 15 minutes because we had to move on to our travel agent event. Great interest and great statewide interest.

I'll let Claudia talk about the trade mission to Australia, but I will just mention the LVCVA China Mission we'll be joining the LVCVA on the 10<sup>th</sup> of July going to five cities and we will be joined by East West China, our new representation firm in China at IPW. Not only did we have several meetings with them but we also had a chance to sit down with the LVCVA and their reps in China to get off to a great start of cooperation and working together in China.

In your commissioner packet there is a list of 2017 shows scheduled. I noticed that there are three items in yellow and I'm assuming those are yellow because they are events that we will be inviting partners to.

VECCHIO: Exactly.

FRIEDMAN: In addition to those partner events we will also invite partners to the Travel Agent Exchange in San Diego in December. Also, invite partners to the Global Travel Marketplace in May in Arizona and also to the Western Regional Red Carpet event as well. Those will also be partner events.

I would like to add to Rossi's question about Brand USA. Claudia and I both participated in the Brand USA China Sales Mission. I'll be participating in their sales mission in September which is our number one lead generator for the state with over 300 leads each year over the past two years.

You'll notice that at the bottom under miscellaneous, it says Brand USA Workshop. Brand USA now has approximately 200 or depending on who you talk to, anywhere from 150 to 200 products that we can take advantage of. Yennifer and I are meeting and doing a Brand USA workshop in Washington, D.C. Actually it is going to be taking place the first week in August, to really assess all the different things that we can take advantage of.

In addition to the 150 to 200 products they offer we also want to take better advantage of their value added program where we can purchase or do a promotion with someone like Knutsa in Germany and with their approval they will add another 15 percent to the amount of money that we are committing to that promotion.

Both Yennifer and I expect great things that we will then be able to come back with a recommendation to Claudia on future activities for the next fiscal year. Those are my items. I think, Claudia, I'll turn it back to you unless anybody has any questions.

HUTCHISON: Any questions, commissioners, from the report that Larry's provided us on our Sales and Industry Partners update? Any of those items that he addressed? Okay, Ms. Vecchio.

VECCHIO: Thank you, Lieutenant Governor. If I might just cover the Governor's Trade Mission to Australia?

HUTCHISON: Yes.

VECCHIO: The Governor's Office of Economic Development contacted us regarding an upcoming trade mission the Governor will be leading to Australia the end of July, first week of August. That group will be going to Melbourne, Sydney and Brisbane and we've been invited to do tourism focused receptions, in Melbourne and Sydney which we are glad to do.

We're working in conjunction with the LVCVA and great thanks to Rossi, Raphael and that team for your help on this to put together these receptions. We also have the partnership of Cirque du Soleil who will be providing performers for those receptions. They promise to be fun and engaging and a great way for us to promote Nevada while we're there.

Our group at Canuckiwi has invited top tour operators, top travel agents, media as well as airline partners. United will be partnering with us in those receptions as well. I think it will be a tremendous way for us to create a great additional product

for a trade mission to Australia. That's what we have for Sales and Industry Partners. If I might move on to marketing and advertising?

HUTCHISON: Please.

VECCHIO: Thank you. The first item on there is FY17 Sponsorships and Commissioner Newman can answer your questions as we go through these sponsorships and how I've organized that for this year. We've had a certain amount of conversation about sponsorships and value of them. What I did with this recommendation was different from the recommendations you received in the past, in that I put in the Reno Air Service Corporation and the Sierra Ski Marketing Council.

We've sponsored these two organizations by being a member of these groups for a long time. But, when I looked at sponsorships and the way that we provide money out to these external organizations to promote tourism to Nevada, we don't influence our overall brand, nor is it our own advertising and marketing. It seemed like these two were lumped together into a reasonable grouping of the way the money gets spent. That's why I put those two organizations into this sponsorship recommendation.

The difference in the totals from year over year is, if you recall, there was \$100,000 that went to Seven Magic Mountains last year. That was included in the sponsorships. That brought us up to \$181,000 because we have historically had \$100,000 in this line item.

You'll see this year it's \$210,000 with the \$60,000 for the Sierra Ski Marketing Council, but that includes the \$100,000 to sponsor the Seven Magic Mountains last year. I'll just go through these and I know we have some representatives here and on the phone who can answer questions.

The Reno Championship Air Races is an event sponsorship that many of you will recall from several years ago. We have had a complimentary sponsorship based on a major gift a few years ago which goes through 2016. This will be the last year of our sponsorship through that original contract and you can see the benefit to Nevada tourism is the international appeal and media coverage that we receive either pre or during the event. We are thrilled to have association with these international luxury brands. It has a remarkable link to the "Don't Fence Me In" brand. You'll see a zero sponsorship level for this year. It continues to be a great place for us to be.

Even though there is a zero sponsorship level on that, we put a certain amount of money into those banners and into all the onsite collateral, so that's a little bit

misleading to say it's zero sponsorship. The money we give to that organization still remains zero and we certainly appreciate that ongoing partnership.

The second piece that comes out of this is a program on NBC. We have Mary Beth Sewald and Mike Crowell on the phone who can talk about this. The National Championship Air Races has put together a program that's seen on NBC Sports. You have in your packets a deck that provides an overview of that sponsorship.

We participated in this last year. It was put into the media buy section, but really by definition of sponsorships, it has morphed into a sponsorship. You can see here and in your deck, we have put our commercials in this broadcast. It is a national platform for the Air Races, for Nevada and for the northern Nevada area. I think this has some good opportunities for us.

You can see there are a couple sponsorship levels in here, one of which, the RSCVA, has taken as a presenting sponsorship at the \$75,000 level and then the one that we're presented with is the gold sponsorship.

I will just keep going through these and then we can go through and talk if that's okay. The Great Reno Balloon Race, and Pete Copeland's here and with us in Carson City. Sponsorship level which we've been at the same for years is \$15,000. I think we went up from \$10,000 at one point. Obviously this is the largest free balloon race that's out there and it's an extraordinary opportunity for us to showcase the brand. We have the brand on a graphic that's on a balloon and that's terrific. We do a number of promotional activities around that but, just another way for us to extend the brand.

Red Rock Rendezvous we've done for several years as well. That is an event that happens in Las Vegas in April. It's a great event for Millennials and we do promotions around that as well. That's a small sponsorship and that's just a nice way for us to continue to get our name out to that rock climbing group. It's a popular event.

Then you have the two associations, the Sierra Ski Marketing Council, \$50,000 is on here, but that one had the membership had gone up to \$60,000. Commissioner Wagnon and I were at a presentation by the marketing team for this and they are doing a great job in promoting the area through a variety of integrative marketing activities so that continues to be a good place for us to put our money.

The Reno Air Service Corporation, obviously they are working hard to enhance air service into northern Nevada so we would continue to be part of that. And then, the Continental Cup, the Curling group. We did this last year as well. This is a nice

way for us to have some outreach to an incredibly rapidly fan group of curling enthusiasts out of Canada. They come to Nevada at this great event at the Orleans in Las Vegas and we do promotional kinds of activities to encourage them to come back.

The last piece of this is collateral materials development at \$7,000 and that's about what it takes. What this doesn't include is staffing and the other things that go into this and it is extensive, but the total then for sponsorships would be \$210,000.

I know I ran through that quickly as well and there are people on the phone ready to answer questions about these specific sponsorships, but I would respectfully ask your approval for this and/or any questions you might have. Thank you.

HUTCHISON: Commissioners, what questions do you have on this agenda item, Marketing/Advertising Update Fiscal Year Sponsorship?

SANTOS: This is Herb Santos. Question on the \$50,000 for the National Championship Air Race NBC Sports program. Do we have someone on the phone that does our marketing and our buys? When you look at what you get for the gold sponsorship, is that the best use of our \$50,000 compared to just using it in our regular marketing?

VECCHIO: This is Claudia. We have two very experienced people on the phone to be able to talk to this but from our standpoint it provides us with some national exposure. We don't generally buy national cable and this gets us to national exposure on that. Plus the overall show itself gives us exposure for Nevada and for the northern Nevada area.

If you look at the, you know, the ad equivalency is pretty high for this overall show so I think as a community partner it provides us with a good way for us to get on national cable in association with a program that is a good extension of the brand.

SANTOS: Well if I'm not mistaken it says from the TV shows it's not on NBC; it's on one of their other channels so like CBS Sports Network, right?

VECCHIO: Yes.

SANTOS: It says that 166,000 people watch this nationally and so my question is with a \$50,000 buy is that a good return? I see it as the other regular media and social media, but looking at the people that watch that show, is that a good return on a \$50,000 buy?

- CROWELL: This is Mike Crowell. I'm with the Air Race Association. If you look at the 166,000 people, the program last year was run on Easter Sunday at 12:00 so the timing was not very good and we have worked very diligently with these people for this year to get us in better time slots which will get us more people, you know, participating in the viewing. It was our first time doing something like this and we were very enthusiastic about doing it, you know, nationally and selling our state and so we were encouraged and like I say, that was the first time, but we've gotten better at it especially on the buying side.
- SANTOS: Is there a date that's been set that it won't be on a day where folks aren't watching TV?
- CROWELL: The dates have not been set, but with the pricing we have some general parameters of time lines like between 1:00 and 5:00 and 4:00 and 7:00. There are different time lines and last year they understood that we were very unhappy with the time lines. But, like I said, it was the first time we had done it and we learned a lot.
- SANTOS: Herb Santos for the record. I would defer to our media experts on that. I don't know if any of them are present, Claudia, who would be able answer the question of whether or not this is a good bang for our buck.
- VECCHIO: There was supposed to be a Fahlgren representative on the phone. Carissa, are you on the phone?
- RICHARDSON: Yes, I am on the phone, and I'm sorry, I don't know that. I would need to take another look at this. Is there any way for you to email that to me.
- SANTOS: Sure.
- RICHARDSON: That would be great.
- SEWALD: If I may, Claudia and Commissioner Santos – I'm sorry.
- RICHARDSON: Go ahead.
- SEWALD: For the record, this is Mary Beth Sewald, President of Nevada Broadcasters Association, but I'm here today representing the Reno Air Race Association. Commissioner Santos, I absolutely appreciate your question. I would echo what Claudia said about a certain intangible value although I know we're looking for tangibles and we're going to get that for you.

There is a certain intangible value though that we were able to enjoy by being seen across the country, and then you saw the social metrics as well. As Mike said, we absolutely have our arms around getting good quality time periods this year or and pushing them through social media and promotion.

Without having the benefit of guaranteeing you or the ability to guarantee you of certain, GRP or viewership, I think we can comfortably say that we are absolutely moving forward with providing the best time period. It's in all of our best interests and in our best interest for the event's survival and moving forward to get as much exposure as we can.

For what that's worth I want to assure you that we are definitely pushing as hard as we can to get the best exposure, and we'll provide as many numbers as we can possibly get for you.

SANTOS: Herb Santos for the record. I will accept you as expert in the media, so I appreciate that. Do you think those numbers will significantly increase in terms of how many people view this and based upon your work on getting a better time period in a day?

SEWALD: Yeah, I absolutely do. This last year was Easter Sunday at Noon and we have gone out of our way to make sure that we secure better time periods. As soon as we have that we can pass that along to you and we'll be promoting it because we want everybody to know when it is. For the record too, it's NBC Sports Network. I'm absolutely confident that we'll promote it and we'll have better time periods and with our social that will increase the viewership as well.

SANTOS: Okay. And it will NBC Sports Network, that's going to be on Charter Cable? Are they on Direct TV, DISH Network, all the different cable companies?

SEWALD: Yes, they are.

SANTOS: Okay.

NEWMAN: Mary Beth, this is Commissioner Newman.

HUTCHISON: Yes, please.

NEWMAN: Have there been any discussions about possible rebroadcasts in addition to the original programming? Will they rerun this multiple times or is it one and done?

SEWALD: We don't currently have any plans to run this last one that we aired, but we have discussed re-airing the future show that you are currently considering sponsoring. But would you like for us to re-air it?

NEWMAN: Well I think the more it can be broadcast, the better it would be for everybody.

SEWALD: Yeah, I agree with you on that. We do plan to do three shows over the coming months and year. I'll mark that down and we'll talk about when we may be able to re-air it.

VECCHIO: Mary Beth, this is Claudia. Does it go on to their website afterward for viewing? Do you know? Is there any re-viewing?

SEWALD: On NBC Sports Network?

VECCHIO: On their website or on a digital platform of some sort?

SEWALD: You know it's not on their website currently but, we can definitely look into that too. I don't think it would cost us anything to ask them to put a link on it.

VECCHIO: That would be great. The one thing so you know as well, is we ask that our commercial not be put into the ongoing use of this program because of the rights issues that we deal with, with the songs and the talent. That is an additional cost, so when we budget for the use of this spot it is just in that one program.

SEWALD: Okay, that's good. I know you told me that, so thanks for the reminder.

HUTCHISON: All right thank you. Any further questions on any of the sponsorships that have been discussed at this point? Claudia, we've got \$50,000 allocated in sponsorships to the Reno Air Service Corporation and of course that's in addition to what we've been talking about. What's the relationship there between those two entries with National Championship Air Race and NBC Sports that we've been talking about, the first item which is zero sponsorship level, the benefits of that, and then this other item, Reno Air Service Corporation? What's the relationship there?

VECCHIO: The Reno Air Service Corporation has evolved from a regional marketing group, and their existence now is to work with airlines and the Reno-Tahoe International Airport to enhance air service. They've gone from a purely marketing driven group into very much a sales and business development group.

They operate differently from the events that we're talking about. That's an ongoing group and I know Commissioner Cunningham sits on this. It is a group that

works to enhance air service and has a little different focus from the other entities on this sponsorship list.

HUTCHISON: Got it. Yeah, that was my question. All right, any other questions? I guess Commissioner Santos, what's your pleasure on the questions you'd had on the NBC Sports Program?

I don't know where you are in terms of your satisfaction level and if you have any follow-up to that if you want to have any further discussion on it or an evaluation of that? I know that there's going to be some emailing going back and forth. Where are you in terms of your comfort level at this point?

SANTOS: Well with Mary Beth, I've had a lot of dealings with her in the past and I look at her as being expert in this area and she satisfied my concerns. Certainly this is something that's an ongoing thing. You know I would hope to see some significantly higher numbers next year in terms of what the viewership was, but I'm comfortable with it.

HUTCHISON: Okay.

SANTOS: Thank you.

HUTCHISON: Thank you, commissioner. Are there any other questions or concerns before I ask for a motion? I don't want to have a motion until we're to the point where we're comfortable and satisfied with the discussion and the analysis.

If anybody is not, please speak up now. All right, then let's go ahead and Chair will accept a motion for the approval of Agenda Item IV G, Subsection 1, the Fiscal Year 17 Sponsorship as outlined by Ms. Vecchio.

CARANO: This is Commissioner Carano, I move to approve the sponsorship package.

HAUN: Commissioner Haun, second it.

HUTCHISON: We've got a motion and a second. Is there any discussion on the motion? Hearing none those in favor signify by saying aye.

GROUP: Ayes around.

HUTCHISON: Any opposed no? Thank you very much. Motion passes unanimously. We will close out that agenda item and move on to the Spring Summer Campaign, a preliminary report under Agenda Item G. Ms. Vecchio.

VECCHIO: Thank you, Lieutenant Governor. Carissa Richardson from Fahlgren is on the line and she will provide a very brief overview. As you know we just started the Spring Summer Campaign so these results are very preliminary but she's going to give you an idea of where we stand at this point. Carissa.

RICHARDSON: Yes, for the record this is Carissa Richardson with Fahlgren Mortine Media Director. So far, this is actually looking all the way back through November because we've had some "always on" partners that ran. The campaign has actually generated almost 89 million impressions. That's a lot of eyeballs that have been seeing the advertisements and getting a good response.

2.7, almost 2.8 million people have interacted with the ad and that can be anything from rolling over the ad to expand, clicking, watching a video, just moving around and consuming the content that lives within those ads.

Then from there, there's also been 392,000 clicks generated through to the site which has resulted in 92,000 page views, almost 93,000 page views on the site which is a great number, but what's even better is that the people that are coming through are spending over two minutes on the site which is a really long time. They're visiting about 1-1/2 to 2 pages so they're clicking around.

Especially we have data that the Adventures that Sidney puts up on the website, have been viewed by the audience as coming from the campaign 2,700 times. These are really great numbers.

The campaign is also really contributing to a larger social following which is great because then we can continue the conversation. We've actually had 3,172 new Face Book fans just from the campaign alone. That doesn't include any other organic things that we're doing.

Our contents that we're doing in conjunction with the media partners has been shared or re-tweeted over 2,800 times. This is really good exposure and not just exposure but people are engaging with the ads; they're coming to the site, they're consuming the content and they're learning more which is really exciting.

HUTCHISON: Great, Ms. Richardson, thank you very much. Any further update or is that the end of the update?

RICHARDSON: That is the end unless there's any questions anyone wants me to elaborate on.

HUTCHISON: Thank you very much. Commissioners, questions for Ms. Richardson and this Spring Summer Campaign report? I've got a general follow-up for you, Ms. Richardson. You say these are great impressions, numbers and interactions numbers, clicks through and re-tweets and all that kind of stuff. When you say they're great numbers, what are you comparing that to? What's your measurement there?

RICHARDSON: We utilize benchmarks from Google, kind of set travel and tourism industry but desktop benchmarks. That's basically the average results that they're seeing for advertisers in the travel tourism industry that are running across the nation.

For instance, interaction rate of the benchmark, which is the total interactions out of all the people who saw the ad, is typically 1.26 percent and we're at 23.15. Well above benchmark there.

As far as click through rate goes, same thing. The industry benchmark is a .07 percent which sounds really low but when you're serving millions and millions of impressions it's actually a lot of clicks. Actually ours is at .47 percent which is over six times the industry benchmark, so that's kind of where I'm gauging that from.

HUTCHISON: Then you said we've got about 3,100 new Face Book followers. Do we have a total number of followers to our Face Book page?

RICHARDSON: I can look that up right now.

HUTCHISON: If you've got it handy, I just was curious.

RICHARDSON: Let's see here. We've got almost 132,000 followers.

HUTCHISON: And comparing that to benchmarks? I assume that probably depends on population levels and that sort of thing, but how does that compare to in terms of the benchmarks you're talking about?

RICHARDSON: They don't really have benchmarks for social followers just because it varies so much by the type of place. Unfortunately, we don't have benchmarks for that. Increasing the followers, especially by a thousand is always a good thing because it gives you that opportunity to continue the conversation with people.

HUTCHISON: Right. Well thank you very much. Thank you for the good work. Any other questions, commissioners, before we move off this agenda item for Ms. Richardson?

CARANO: This is Cindy Carano. I'm thinking that the RSCVA, our Las Vegas Convention Authority, might have numbers on their Face Book followers that you can compare to.

RICHARDSON: Yes, we can certainly look at that.

HUTCHISON: All right, further comments or questions? Vice-chairman Carano, any further comments or questions?

CARANO: No, thank you.

HUTCHISON: Okay. Thank you. Last chance before we move on to our next agenda item. We'll close that then Agenda Item IV G2 and move on to Agenda Item IV G3 which is Fiscal Year 17 Planning Calendar/August 10 Marketing Committee Meeting. Ms. Vecchio.

VECCHIO: Thank you, Lieutenant Governor. This is a continuation of the last agenda item with the report of the campaign. We will be doing our FY17 creative planning and the integrative marketing planning and will provide the marketing committee with that recommended schedule, time frame, campaign components and an overarching approach to FY17 at our upcoming meeting on August 10.

We'll be sending that to you prior to the meeting for review, so please take a look at that. We'll hopefully have a robust discussion about how we approach this next year as there are some obvious campaign components that we need to work on. We have some website issues we have to work on. We have some CRM opportunities that need to rise to the top of the heap. There are a number of things that we'll be recommending and providing to you as well as results, so you know what's been successful, what we need and what we have challenges with so we know how to better plan the upcoming year.

That will be coming to the marketing committee here very shortly and then once we have that discussion and we have a good plan of attack for FY17 then that committee will present that to the overall commission in September. We have a September meeting because of the need to have quarterly meetings. We'll provide that in September for the whole commission to approve and review where we are for this year. I just wanted to let you know that's coming.

HUTCHISON: Thank you. All right, well that concludes Subsection 3 of Agenda Item IV G. Any questions, commissioners, on that agenda item or any other subsection before we move off of Agenda Item G? All right, we'll close out Agenda Item IV G and move on to Agenda items IV H which is Public Relations Update. Ms. Vecchio.

VECCHIO: Thank you, Lieutenant Governor. Bethany is currently on a press trip with a group of Indian media representatives so she's unavailable today to provide an update. As Larry mentioned, she was also at IPW. IPW has a media marketplace that she participates in that and as well as having ongoing meetings with media during that great show.

You have in your packet the preliminary report of the Media Mission to San Francisco. That was a tremendous event. You have the invitation as well as the event overview in your packets. Our partners at Fahlgren found a tremendous location at the Zephyr Hotel, and what a great millennial focused property. We couldn't have asked for a better spot.

We had tremendous media attendance and not only good numbers but really good outlets like the Huffington Post. The group met with Spud Hilton and some very important media representatives for us in that area. We invited partners and had great participation from across the state of those who came out to support us there. We appreciate that.

We had Clip Joli who's a chef here. We had a woman who is an artist do a painting of Highway 50 which was given away at the end of the event. We had a wonderful singer who did a great rendition of "Don't Fence Me In." It was a very interactive and fun night. Thanks to Fahlgren for doing that. We like doing these in-market missions because it brings Nevada to these locations and we do so in an interactive and fun way. I think everybody had a tremendous night.

Domestic Outreach and Media Coverage, obviously the team works very hard to deal with domestic outreach. I don't have the media report to provide to you today, but they've been doing some great outreach and we'll provide that to you here in an upcoming meeting.

The last piece is Recent Awards. You have a press release in your packet about the Silver Anvil award and I just have to thank the Fahlgren team for all their help on this. For those of us in the PR world, this is a coveted award. Earlier in the year we won some Bronze Anvils. The Bronze anvils are a national award for campaign components, but the Silver Anvil really recognizes the entire campaign. This is an overall program and which is why it's so gratifying to have been recognized for this and it was for our program outreach to Millennials. I have to thank the whole team for their work on that.

Just at this last Reno Marketing Association Chapter Ace Awards we were entered in three categories and we won all three which really we should in a regional

competition. We won for our “Wild Night” television commercial, for our website and then for social media outreach.

I hope that you all agree that the marketing team, the sales team, really I think the whole team is doing an extraordinary job and it's nice to get these awards to not only say it was a good campaign but the campaign showed great results. My thanks to the team.

HUTCHISON: Well congratulations to the entire team. We know this is a big deal, the press release was complimentary to everybody on the team, and it's a proud day for Nevada that we have this kind of a marketing and sales effort that's recognized. Thank you all for your great work, and commissioners, thank you for approving the campaign and it's been successful, really on all fronts, and it's nice to get the recognition.

Any questions on Agenda Item IV H, Public Relations Update. I'm hearing none. We'll close out Agenda Item IV H and move on to Agenda Item IV I, Nevada Magazine Update. Ms. Vecchio.

VECCHIO: Thank you, Lieutenant Governor. I will turn this update over to Ms. Janet Geary, publisher of Nevada Magazine.

GEARY: Thank you, Claudia. Good afternoon, Lieutenant Governor and commissioners. This is Janet Geary, Publisher of Nevada Magazine. Just wanted to let you know our most recent issue of the magazine containing our fourth of our sixth Ghost Town series is out on newsstands right now.

We also tied in this year's Silver State Scavenger Hunt using ghost towns as a destination for the hunt. We've chosen 14 ghost towns from the north and 14 from the south and we ask people to go to at least 10, take a selfie with our magazine in front of one of the ghost towns signs and send it in. When they get 10, they are entered into the contest to win a great prize from Land Rover.

We actually had our first person that submitted all 10 photos. They actually made a three-day vacation and completed all ten locations in three days. You should have received our Ghost Town Map in your packets, which was printed last month. We have sold over 1,000 of our ghost town maps so far and are putting them in retail stores as well as our subscribers are picking those up.

We also did a direct mail campaign. You should have received also a direct mail letter in an envelope in your packets. We have just completed our fifth mailing and so far have received over 400 new subscribers at an average of about 28 dollars per

subscriber. They're still coming in at the average of about 5 to 10 per day. We're getting a great response from our direct mail.

We also have launched our Great Nevada Picture Hunt search will which be coming out in our September/October edition and we are receiving a tremendous amount of photos already for the 2016 Great Nevada Picture Hunt. That's it from me.

HUTCHISON: Wonderful. Thank you very much. And I know that those Ghost Town Maps have been wildly popular and I assume the Silver State Scavenger Hunt has been popular as well.

GEARY: Absolutely.

HUTCHISON: Based on that gauge, is that right?

GEARY: Yes, if you go on Instagram you can actually see there are a lot of people that are submitting photos. We had a huge response last year and this year we expect even more people because the ghost towns seems to be such a tremendous subject for everybody. We're starting to put more Ghost Town information on our website and then with the Ghost Town Map and the Silver State Scavenger Hunt we're tying it all together.

HUTCHISON: Wonderful. Questions on Agenda Item IV I, Nevada Magazine Update? Commissions, any questions? Okay, thank you very much. We will close out Agenda Item IV I and we will move on to Agenda Item V, Upcoming Meetings. You can see the meetings there on our agenda. Commissioners, please make note of each of those. Ms. Vecchio, I don't know if you want to make any comments about upcoming meetings?

VECCHIO: I don't think we need to make any comments. Hopefully these are explanatory. The full commission meeting on September 21, again is because we need to do a meeting each quarter by statute. The fourth quarter is the October, November, December quarter and because our conference in October we're going to have meetings very close to one another there, but we'll make good time and good use of both of those meetings.

### **Commissioner Comments**

HUTCHISON: Thank you. We will move on, close out Agenda Item V and move on to Agenda Item VI, Commissioner Comments. Commissioners, open for your comments, observations and words of wisdom.

SANTOS: Mr. Hutchinson, I'm not sure about the words of wisdom but I'd like to just congratulate our incredible staff and the Fahlgren Abbi team for its work and being recognized together that it's the best travel marketing program nationwide.

I just want to put on the record and personally submit that we have an incredible staff and I think it's the best of the best from our marketing to our Nevada Magazine to Mr. Friedman and his universal fam groups, we're really lucky to have the staff that we do. I just you to know you all make us all Nevada proud, and I want to thank you for everything that you guys do.

HUTCHISON: Thank you, Commissioner Santos. I think we all echo your sentiments. We are very proud and very, very honored to be involved with the teams that we have working with us and it's nice, like I said before, to be recognized and I could not agree more. Thank you for your comments, commissioner. Other comments, observations, words of wisdom?

NEWMAN: This is Commissioner Newman. Observations. I'd like to thank Reno in addition to Austin, Wendover and Elko. We hosted recently the Great Race. It's a vintage car road rally that is going from San Rafael, California to Moline, Illinois. They overnighed in Reno with about 110 cars or maybe 115. By the time they got to Elko it was down to 109.

These cars cannot be any newer than a 1972. The entourage traveling with them was about 250 to 300 people so they lunched in Austin, Nevada, and overnighed in Elko, lunched the next day in Wendover and then headed to Evanston, Wyoming, and I don't know where they are now down the road, but it drew a big crowd for us in Elko and was a pretty exciting event. I'm sure us being able in Elko to host that had something to do with Reno being a leg in front of us, so thank you, Reno, for your support.

I just have a question, quick question, back to kind of sponsorships. We did sponsor Seven Magic Mountains, and I saw the vandalism was an issue down there, and maybe Rossi or somebody in the southern side can update what's going on with that, what steps have they taken or maybe at the end we promote an international graffiti festival to wrap it up. What's going on with the Magic Mountains?

RALENKOTTER: This is Rossi. Unfortunately that did occur. They are taking steps to eliminate the graffiti that was placed on the exhibits themselves on the mountain part and increasing some security in the area. They're looking at ways to prevent it in the future. Like I said, it was just a very unfortunate incident. It was reported back by some of the visitors to there and but they acted very rapidly to repair it.

HUTCHISON: Thank you, commissioners.

NEWMAN: Sad but true.

**Public Comment**

HUTCHISON: Any other commissioner comments, observations, words of wisdom, anything else? All right, I'm hearing none. Let's close out Agenda Item VI, Commissioner Comments. We'll move on to Agenda Item VII, Public Comment. First, anybody on the telephone who would like to offer a public comment? I'm hearing none.

SEWALD: If I may, Lieutenant Hutchinson, I'm sorry. This is Mary Beth Sewald again for the record.

SEWALD: I just wanted to say on behalf of the Reno Air Race Association a heartfelt thank you to the commissioners. When the accident happened in 2011 you all stepped up and have supported us robustly ever since. I could venture to say confidently that it's mostly due to your support that we've been able to survive and now thrive. In case we have been remiss in not expressing our deep gratitude, I just wanted to make that known and on the record today so thanks very much.

HUTCHISON: Thank you, Mary Beth, you've already heard some expressions of appreciation for you and for what you do and the confidence that we have in you as well, so it goes both ways and we appreciate the great service to the state. Any other public comments with anyone on the phone?

CROWELL: Excuse me, this is Mike Crowell and I can only reiterate what Mary Beth said, thank you so much for your support. It's been a pleasure. Thank you.

HUTCHISON: Mike, thank you and thank you for being on the phone and sparing some time for us and answering a lot of questions. We appreciate your insight and your candor with us and we have a lot of hopes for the future and we put a lot of confidence in you. Thank you.

CROWELL: Thank you.

HUTCHISON: Other public comments from anyone on the phone? Okay, anyone in Carson City? Ms. Vecchio, is there anyone in Carson City that would like to make a public comment?

VECCHIO: There is not.

## **Adjournment**

- HUTCHISON: Thank you. We'll close out Agenda Item No. VIII and move on to Agenda Item VIII which is Adjournment. Chair will accept a motion to adjourn.
- WAGNON: Commissioner Wagnon, so moved.
- HUTCHISON: Commissioner Wagnon has moved to adjourn. Is there a second?
- SANTOS: Second. Herb Santos.
- HUTCHISON: Commissioner Santos, thank you very much. Any comments on the motion? I'm hearing none. Those in favor signify by saying aye.
- GROUP: Ayes around.
- HUTCHISON: Any opposed no. Motion passed unanimously. Thank you all for your time and for your energy and your efforts. We are adjourned.

The meeting adjourned at 2:40 p.m.

Respectfully submitted,  
Dee Chekowitz-Dykes, Executive Assistant  
Department of Tourism and Cultural Affairs  
Nevada Commission on Tourism