

MINUTES of the NEVADA COMMISSION ON TOURISM
June 20, 2018

The Nevada Commission on Tourism held a Commission meeting at 1:00 p.m. on June 20, 2018 at 401 N. Carson Street, Carson City, NV 89701 and by video conference to 555 E. Washington Avenue #5100, Las Vegas, NV 89101

Call to Order

Cindy Carano, Vice Chair, called the meeting to order at 1:00 p.m.

Commissioners Present:

Lieutenant Governor Mark A. Hutchison, Chair
Cindy Carano, Vice Chair
Don Newman
Rossi Ralenkotter
Herb Santos, Jr.
Bob Cashell
Brian Krolicki
Bob Stoldal
Denise Miller
Phil DeLone
Mike Vaswani
Julia Arger

Commissioners who are absent/excused:

Bob Morse
Richard Arnold

Staff present:

David Peterson, Interim Director
Rosalie Bordelove, DAG

Roll Call and Determination of Quorum

CARANO: Good afternoon, everyone, Cindy Carano, Vice Chair of the Nevada Commission on Tourism. I'd like to call the regular meeting to order. Today is June 20th at 1:00 p.m., I being in Reno on the phone, and I know that several people are in Carson City and I would assume several people in Las Vegas. So, I would like to confirm that there was proper posting of this meeting; is that true?

PETERSON: Yes, Cindy. For the record, David Peterson. Lieutenant Governor Hutchison?

HUTCHISON: I'm here.

CARANO: Thank you, Lieutenant Governor. I will turn the meeting over to you.

HUTCHISON: Thank you very much, Vice Chair Carano for taking over for me and appreciate that, but Mr. Peterson, please continue the roll call.

PETERSON: Thank you, Lieutenant Governor. Cindy Carano?

CARANO: Present on the phone.

PETERSON: Commissioner DeLone?

DELONE: Present.

PETERSON: We'll mark Bob Morse as absent and excused. Commissioner Miller? Commissioner Newman?

NEWMAN: Present.

PETERSON: Commissioner Ralenkotter? Herb, we believe, is on his way, so we'll mark him present when he arrives. Commissioner Cashell?

CASHELL: Here on the phone.

PETERSON: Thank you. Commissioner Vaswani.

VASWANI: On the phone.

PETERSON: Thank you, Mike. Commissioner Krolicki?

KROLICKI: Here.

PETERSON: Thank you. We have a quorum, Lieutenant Governor. And Commissioner Arger?

ARGER: Here.

PETERSON: Please mark Commissioner Arnold absent excused. Commissioner Stoldal?

STOLDAL: Present.

PETERSON: Thank you. And we also have Michael Detmer [phonetic] with the Las Vegas AG's Office on the phone as well I believe. Michael, are you on? Michael?

BORDELOVE: Rosalie Bordelove is here.

PETERSON: Okay. We do have a quorum.

MILLER: You have Denice Miller on the phone.

PETERSON: Okay. Thank you Commissioner. We do have a quorum, Lieutenant Governor.

Public Comment

HUTCHISON: Okay, great, and we've got Deputy AG Rosalie Bordelove on call here right next to me, so we're well represented. Thank you very much, Mr. Peterson. Let's move on to Agenda Item B, which is Public Comment. Are there any members of the public in Carson City who would like to come forward and address the Commission at this time?

PETERSON: No, Lieutenant Governor.

HUTCHISON: All right, thank you very much. Any members in Las Vegas who would like to come forward and address the Commission at this time? I'm not seeing any here, either, so we will close out Agenda Item B.

Approval of Minutes

HUTCHISON: Agenda Item C, Approval of the Minutes. Have all of the Members of the Commission had an opportunity to take a look at the March 29th, 2018 minutes, and are there any corrections or changes that need to be noted before we take a vote? I'm hearing none. Chair will accept a motion to approve the March 29th, 2018 meeting minutes, and if you could just identify yourself for the record.

KROLICKI: Chairman Hutch, it's Brian Krolicki. I move for approval of the minutes.

HUTCHISON: Thank you very much, Governor Krolicki. Is there a second?

CASHELL: Bob Cashell, second.

HUTCHISON: Thank you very much, Mr. Cashell, and is there any discussion or comments on the motion? Hearing none, those in favor signify by saying aye.

GROUP: Aye.

HUTCHISON: Any opposed, nay. Thank you very much. The motion carries unanimously.

FY19 1st Cycle Rural Marketing Grants Status Update

HUTCHISON: That takes us to Agenda Item D, Fiscal Year '19 1st Cycle Rural Marketing Grant Status Update. Mr. Peterson.

PETERSON: Thank you, Lieutenant Governor. For the record, David Peterson, Interim Director of the Department of Tourism and Cultural Affairs. As you are all aware, we lost our amazing Rural Programs Manager, Kari Frilot, on June 1st. I'm sure you can all imagine the impact that this has had on the Department, on TravelNevada, but even more so on the Sales and Industry Partners team. In spite of the team's loss, I am super proud to say that Teri Laursen, with the help of Christian Passink, Mary Hummel, and Dee Dykes, stepped up to go through all 216 grant applications with attention to detail that would have made Kari proud. The staff recommendations were completed last week. They were provided to the Territory Advisory Committee for their Monday meeting earlier this week, and I also want to thank the TAC for their flexibility in making the meeting happen and for an amazing effort in getting through the grants in a very truncated timeline. I just want to thank everybody for getting through the grants. I'm happy to say that the electronic copies of the TAC's recommendations will all be emailed to you as our Commission on Tourism, and hard copies will be overnighted in advance of next Monday's special conference call at one o'clock, and that will be to review and approve the 1st cycle fiscal '19 grant recommendations. That's my update, Lieutenant Governor, on where we're at with the grants for cycle fiscal '19.

HUTCHISON: Thank you very much, and we all know how big of a loss it was for The Commission on Tourism and TravelNevada as well as the hospitality industry in general. We lost really a true tourism advocate and a friend when Kari left us on June 1st. She, of course, was our Rural Programs Manager at the time that she unexpectedly passed away. Kari has just been absolutely dedicated for the past ten years and such a staunch supporter of what we do at the Commission and with the tourism industry and TravelNevada in particular. I know, Governor Krolicki, you spent a lot of time with Kari as well, and certainly would be appropriate, I think, for you to also make some comments after I conclude here,

but we're going to miss her tremendously. We know that she loved what we're doing here. We'll carry on in her spirit and in her tradition.

Some reminiscences about Kari. She started off as TravelNevada Chair in what was then known as the Pioneer Territory. She emerged quickly as a leader in the industry and demonstrated the ability and the talent that we all saw on a regular basis, and she met the needs of that rural community and those challenges of her constituents there. Because of her leadership and her compassion and her attention to detail and her, really, genuine desire, as we all know, Kari had to really make a difference.

She joined TravelNevada as the Rural Grants Manager in June of 2008, and communities throughout Nevada recognized her contributions and have acknowledged the difference that she made in the development of tourism products and services. In fact, the good people of the town of Tonopah, and Shari Bombard in particular, attributes Tonopah as being identified as a model for rural tourism development due in part to Kari's expertise and her guidance there. She understood the challenges, and she understood the strengths of, as I said, the rural programs. We certainly never would have had the successes that we've had without her, and I know that Tonopah feels that way. Shari Bombard mentioned that herself, and those same sentiments have been shared throughout the state as we all mourn the passing of Kari.

In December of 2015, she moved from the Rural Grants Manager to the Rural Programs Manager, which included the planned execution for our annual Rural Roundup, an event that she, of course, dearly loved, and as you all know, Kari has been described by us, by her family, by her friends as a dedicated, caring, smart, funny, fair, and all around amazing human being. She was also a daughter and a wife, a mother, a mother-in-law, an aunt, an Elk, a sister, and a twin, and I know that you all join with me on the Commission and throughout Nevada in expressing our deep felt love and appreciation for Kari. Our condolences to her family. She'll be sorely missed as a true Nevadan and a great partner in the tourism industry. God Bless her memory, and God bless all she did for the great state of Nevada. Governor Krolicki, why don't I turn some time over to you? I know you've had some experiences and many years with Kari.

KROLICKI:

Chairman Hutch, thank you so much. I think we're all shocked. David, thank you for being prompt and exquisite and gentle touch with everyone, so word quickly got around. I was actually just looking at the minutes yesterday. I never realized my last conversation with Kari was our exchange about some of the grants at our last meeting, but as you've just perfectly said, she was part of this

very special fabric of our little tourism family here in Nevada. I think anyone who spends time with NCOT, knows what we do in the Las Vegas and Reno areas. But the heart and soul, the most precious moments of the Commission on Tourism, with all due respect to outside of Nevada, is rural Nevada. The volunteer networks and the people who just do it out of passion and she was at the very heart and soul of it. That's why she achieved the role that she did.

But again, she was taken too quickly, you know, just shocking. I hope that this Commission can perhaps do a resolution or something, Mr. Chairman, at some point in time when it's appropriate, when we do get in front of the family. I believe the services may have already happened, but if there's another occasion where we can invite the family to be with us so they have a chance to see and feel how much we cared for her. I know there are others on this Commission who spent time with her, but I will miss her dearly. What an extraordinary person. She had the perfect job at the perfect place with the perfect team, and the perfect venue, and that's pretty sweet. God speed to her, and God bless, and perhaps, Mr. Chairman, if we can adjourn today's meeting in her memory, I think that would be very nice, and that could be forever part of our minutes.

HUTCHISON:

You're absolutely right, Governor Krolicki. We will do that, and thank you for your kind remarks. You've added greatly to what we hope as a Commission we can express publicly, and I think also to her family. Mr. Peterson, if you can make an arrangement for her family to be with us and agendaize that, we'd certainly like to do that. I think that's a great suggestion, Governor. Thank you. Are there any other Members of the Commission who would like to talk on this point and particularly about Kari under this Agenda item, I think now would be the time to do so.

CARANO:

This is Cindy Carano, Vice Chair. I would like to thank the Nevada Commission on Tourism and Department of Tourism and Cultural Affairs for bringing Kari into our fold. She just tremendously took over really big shoes from Christian, and they just really -- she just really ran a wonderful rural program. The last Rural Roundup I was so fortunate to attend was just absolutely incredible. I know she was nervous. She went into it. It was her second one, and it just went off without a hitch. It just was amazing, and she was healthy and vibrant. I'm just really shocked to hear just shortly thereafter that she had passed, and so I'm just very grateful that I got to know Kari and especially very grateful for the time we spent in Tonopah. Thank you.

HUTCHISON:

Thank you, Vice Chair Carano. Any other comments under this Agenda item?

NEWMAN: This is Don Newman for the record. I just would echo the sentiments, Lieutenant Governor, Krolicki and Governor Hutchison have expressed. Having administered for the past years the rural grants program as the Rural Commissioner, working with Larry, Christian, and then the opportunity to work with Kari. She just thrived on this, and her attention to detail, again, felt throughout rural Nevada has been demonstrated time and time again. I'm still kind of in a little bit of a funk over this surprise. I would just echo the sentiments, and she will be missed. It was a tragedy that no one expected, but again, our family will move forward, and hopefully, we'll just do that in remembrance of her. Thank you.

HUTCHISON: Thank you, Commissioner Newman. All right. Perhaps, Mr. Peterson, we can take this transcript and compile it and use it and make it part of what we're going to present and offer to the family as we honor Kari in the future.

PETERSON: For the record, David Peterson. Absolutely, Lieutenant Governor, and we'll agendaize something on the September meeting's Agenda.

HUTCHISON: All right. Unless there are any further comments, we will move off of Agenda Item D and move down to Agenda Item E.

Discussion and Approval of New Marketing Committee Members

HUTCHISON: Discussion and Approval of New Marketing Committee Members. Mr. Peterson.

PETERSON: Thank you, Lieutenant Governor. For the record, David Peterson. This Agenda item is a carryover from the March Commission meeting pursuant to the addition of two Marketing Committee members. If you will recall, the Commission previously discussed the addition of Kristin Windbigler, the Executive Director of the Western Folk Life Center, and Carl Ribaldo, founder and President of SMG Consulting. This Agenda item does include the letter S in members with both individuals properly being listed for the Commission's consideration. Resumes for both candidates are included in your packets after the yellow sheet.

HUTCHISON: Thank you, Mr. Peterson. Members of the Commission, is there any discussion or further comment? We talked about this last meeting and felt very strongly about both of these candidates as potentially becoming members of the Marketing Committee. Would anybody else like to speak on this matter before I accept a motion? All right, hearing none, then the Chair will accept a motion for the approval of the new Marketing Committee members of Kristin Windbigler and Carl Ribaldo.

CASHELL: So moved.

HUTCHISON: Commissioner Cashell, thank you for that motion. Is there a second?

NEWMAN: Commissioner Newman. I'll second that.

HUTCHISON: Thank you. Commissioner Newman has seconded. Is there any discussion on the motion?

KROLICKI: Would members in the motion -- would the S be a capital S for emphasis?

HUTCHISON: We will take it as a capital S. All right, any further discussion, comments on the motion? Hearing none, those in favor signify by saying aye.

GROUP: Aye.

HUTCHISON: Any opposed, nay. Motion carries unanimously, and we welcome our new Marketing Committee members to the team and look forward to working with both of them.

Brand USA Update

HUTCHISON: That takes us now, Commission Members to Agenda Item F, which is Brand USA Update. Mr. Peterson.

PETERSON: For the record, David Peterson. I'm very excited to introduce to you today Mr. Phillip Joseph, who's the Senior Manager for product engagement with Brand USA. Phillip worked with Yennifer Diaz on our staff along with Teri and our market managers as well as our marketing and PR teams to come up with the FY '19 programs that TravelNevada will be partnering with Brand USA on. I'd like to turn the time over now to Phillip to provide the Commission with an overview of Brand USA as well as the programs that TravelNevada will be participating in next fiscal year. The budget details of the fiscal '19 program activities for us, for the agency, can be found after the yellow tab in your packet. Thank you.

JOSEPH: For the record, my name is Phillip Joseph, and I'm on the partnership team at Brand USA. Thank you, Dave, for that introduction. I would also like to acknowledge my colleague, Demetria Clemons, who's with our marketing partners at Miles Media, who's here today. I appreciate the opportunity to be here on behalf of Brand USA and tell you a little bit about Brand USA, how we work with TravelNevada, and our strategic plan for FY19. I'd also like to

recognize Rossi Ralenkotter, who's a Board Member of Brand USA as well as TravelNevada's Commission.

RALENKOTTER: Thank you.

JOSEPH: Travel, as you all know, is a major economic driver. In 2017, traveling tourism represented more than 10% of global GDP, supporting 313 million jobs around the world. In the USA, travel is the number one service export with over 76 million international visitors who spend \$245 billion annually, and it represents 2.7% of GDP, supporting 7.6 million jobs in the US.

A little about Brand USA, created by the Travel Promotion Act in 2009, Brand USA has the privilege of being the destination marketing organization for the United States, and our mission is simple. It's to increase incremental international visitation, spend and market share to fuel our nation's economy and enhance the image of the USA around the world.

Supporting our mission are five foundational elements. To promote the entirety of the USA, all 50 states, five territories, and the District of Columbia to, through, and beyond the gateway. To "market the welcome," inspire, inform, welcome, and thank visitors while communicating visa and entry policy. To build and maintain trusted relationships with our stakeholders around the world, including state tourism partners like TravelNevada, and to add and create value, and this is where we feel we can help our partners like TravelNevada the most, by creating cooperative marketing programs and platforms that destinations would be challenged or unable to do on their own. And of course, to maximize and optimize our resources.

Brand USA is funded by international travelers from visa waiver countries who pay a \$14 fee to visit the USA. Ten of those dollars go into the Travel Promotion Fund, and Brand USA has the ability to unlock up to \$100 million of those dollars each year. And the good news is that our marketing efforts are working.

Over the past five years, Brand USA's marketing efforts have generated 5.4 million incremental visitors who have collectively spent 17.7 billion incremental dollars supporting the creation of \$51,000 each year, and before I talk a little bit about our partnership with TravelNevada, I'd like to show you a video that highlights some of Brand USA's recent accomplishments.

JOSEPH: Brand USA is now fully deployed with consumer trade and cooperative programs in 14 countries that generate more than 80% of inbound travel to the USA and have some marketing in over 40 countries around the world. First, I'd

like to thank TravelNevada for being a consistent partner of Brand USA. We truly appreciate the support. Brand USA promotes Nevada in three traditional ways featuring Nevada and our consumer trade and cooperative programs, and I'd like to share a few highlights with you.

TravelNevada recently supported Brand USA's Mega Media Ventures Program, part of our Visiting Journalist Program in partnership with American Airlines and Marriott Hotels. Hector Rizzo from the Mexican publication *Tour Magazine* spent time in Nevada earlier this month, and we look forward to seeing the results of his visit. Nevada has also been featured in several of Brand USA's increasingly popular MegaFams, bringing top-selling travel professionals and product developers from key countries to the USA to enhance their knowledge and ability to sell the USA. In fact, in August of this year, Nevada will host Brand USA's Australia MegaFam finale, which will bring more than 75 travel professionals from Australia to experience Nevada.

Brand USA recently announced the launch of GoUSA TV, a first of its kind connected TV network featuring best in class created, curated, and licensed video content to inspire, invite, and welcome travelers to visit the USA. Our goal is for GoUSA to become a top ten travel channel and generate three million views in the first year. We're thrilled to feature TravelNevada's insider series on GoUSA TV, and I would like to show you an example of what one of the videos looks like on our channel.

JOSEPH:

Brand USA's #AskaLocal Campaign uses a documentary styled approach to share amazing travel experiences through the voices and faces of people in the USA. The first person recommendations highlight local attractions, food, nightlife, music, and scenery throughout the 50 states, five territories, and the District of Columbia. Brand USA recently produced an #AskaLocal Nevada video that features Las Vegas, and the intent is to add more Nevada series to create one big welcoming Nevada video, and I'd like to show you the #AskaLocal Nevada video.

JOSEPH:

And finally, in your packets, you have a copy of the recommended Brand USA, TravelNevada FY19 Strategic Plan. The plan was put together with the awesome TravelNevada team and includes Brand USA originals, our foundational programs like the inspiration guide that inspire international travelers to visit the USA, country-specific programs targeting TravelNevada's key markets such as the UK, Mexico, Canada, Australia, and Germany, travel trade initiatives, including participating in Brand USA's sales missions to India, Japan, South Korea, and China, and a few other cooperative programs that Brand USA will support. It includes a combination of consumer media, content creation and

distribution, travel trade, and activation programs, and because Brand USA contributes and invests significantly into each of these programs, by partnering with Brand USA, TravelNevada is able to achieve a nearly five-to-one value on their investment. At this point, I'd like to thank the TravelNevada team for their hard work and partnership, and I'd be happy to answer any questions you have about Brand USA or the Strategic Plan for FY19. Thank you.

HUTCHISON: Mr. Joseph, thank you very much. Members of the Commission, questions for Mr. Joseph.

KROLICKI: Mr. Chairman, it's Brian Krolicki.

HUTCHISON: Governor Krolicki, please proceed.

KROLICKI: Thank you. Phillip, welcome. It's not so much asking questions, but just recognizing the value that Brand USA has provided for so long. Welcome to you and your colleague. I hope you get to stay a couple extra days and see all that we have. We're all on message here, but enjoy Lake Tahoe, Reno, rural and down to Rossi's territory down there and just enjoy, take some vacation.

Brand USA has been an exquisite partner with us under my time as your Chair, Mr. Chairman. Rossi Ralenkotter, you're on the phone, you know. Not only do you serve us exquisitely well, but your efforts on the national and global scene, your leadership has been instrumental. Phillip, you mentioned this your comments. We should all cherish the fact that we've had Rossi Ralenkotter, a Nevadan, a Las Vegan, being a voice for the United States. Rossi, there are 76 million people coming through this program. There's still some for you to capture and for us to capture up here. So, you could do a little bit better. That's my joke!

RALENKOTTER: We can [inaudible]

KROLICKI: We, the Commission, LVCVA, RSCVA have wrestled the folks in Congress in the past. Understandably, they like to divert some of these monies from the visa waiver countries fund operations. It's always an easy source of funding to divert elsewhere. But as you said, the return is five to one, tourism being so large. We've always been supportive of you in your message, and we should continue to do so as a Commission, as individuals, as our convention and visitors authorities. I think what you do is terribly important, and folks don't always quite understand that, especially those who don't know what tourism does from an economic development part of what we do. I'd also like to ask a favor. Please give my best to Devon Dowell. I think I've traveled with her on multiple

occasions in India and Asia as part of Brand USA, and she just does her job exquisitely well. I think she's the Director of Global Strategy now.

JOSEPH: Yeah, Devon actually just recently left our team to be on a –

KROLICKI: Oh, that's too bad.

JOSEPH: But she's been an awesome friend and partner to Brand USA. I've known her my entire time that I've been at Brand USA, and she's a great person.

KROLICKI: I have personally witnessed the muscle of Brand USA in faraway places. Through Brand USA, US Commercial Services and the State Department, there's still an ability for Nevada to have its voice heard under those larger auspices. Whatever we can do to support and partner with Brand USA is in our best interest and cost efficient. You're effective, and you just make us better. Thank you for being our partner, and Mr. Chairman, thank you for continuing this relationship that we have. I see on the calendar there are multiple touches that NCOT has with Brand USA, and I would always urge this Commission, and Mr. Chairman, you, and those who follow sitting in your chair to continue this strong commitment to Brand USA. Thank you.

JOSEPH: Thank you, Commissioner.

HUTCHISON: Thank you, Governor Krolicki, and as always, well said and you have articulated my feelings, as well. Other comments, any other Commission Members in Carson City who would like to ask questions or provide comment or anyone on the phone who would like to ask questions or provide comment.

RALENKOTTER: Just a comment. This is Rossi in Las Vegas, and as you know, prior to Brand USA, the United States was one of the few countries in the world that did not have a brand marketing organization to promote our country to the world. When this was being brought forth by the industry, Senator Reed led the charge to look at how this could be done effectively and allow all of us to be part of it. They did use the organizational structure design of the LVCVA as they formed Brand USA. It has been highly successful. We still have the goal of bringing in a hundred million international visitors a year to the United States. That's still out there. It is a positive balance of trade. We need to be telling the message of America to everyone that we can, and these programs allow large and middle-sized and small communities and destinations to be a part of it, some things that they couldn't do before because of the cost of this. So we all need to make sure that it stays funded. There are some discussions right now about the future funding for Brand USA. All of us need to be talking to our members in Congress about

this as well as members of Congress from other states, because it has been a great program. I'm glad that they made the presentation today. Good job, and all of us should support it.

HUTCHISON: Commissioner Ralenkotter, thank you very much for your comments and the insights you have being so close to Brand USA and for all your efforts as Governor Krolicki had mentioned previously. Any other comments or questions of Members of the Commission for Mr. Joseph. Mr. Joseph, thank you very much for your presentation, and again, I think Commissioner Ralenkotter and Governor Krolicki really expressed all of our sentiments and our dedication to this partnership and our appreciation to the partnership. I saw not only the muscle and the prestige, but the effectiveness of Brand USA in my travels as well, particularly, in India when we were there, and partnered in Brand USA events. Thank you for being here today and know of our commitment to the partnership, and let us know of anything that you think we could do to strengthen that commitment. Thank you, Mr. Joseph.

Introduction of the New Creative Team

HUTCHISON: Let's move on, then, to Agenda Item G, Introduction of New Creative Team. Mr. Peterson.

PETERSON: Thank you, Lieutenant Governor. For the record, David Peterson. I'm super excited to announce at yesterday's Board of Examiners Meeting that the contracts for BVK, Fahlgren Mortine, and Noble Studios were all approved. With that, I'm going to turn the time over to Brenda Nebesky to introduce our two newest partners as well as Fahlgren Mortine, who, again, will retain a couple of the contracts for media and public relations. Thank you.

NEBESKY: For the record, Brenda Nebesky, Interim Deputy Director. As Dave mentioned, we underwent an extensive RFP solicitation and evaluation process for marketing services. Those contracts, were approved by the Board of Examiners yesterday, I'm very happy to be able to introduce those teams to you today. We'll be working with Fahlgren Mortine for PR and media-buying, BVK for creative services, and Noble Studios for digital and web development. I think you'll agree they'll bring TravelNevada the vision and creative strategy necessary to take the "“Don't Fence Me In”" campaign on to even greater success. So, with that, I'll introduce our long-time colleague from Fahlgren Mortine, Marty McDonald.

MCDONALD: Thank you, Brenda. Good afternoon. I'm Marty McDonald for the record, EVP with Fahlgren Mortine. As Brenda and David both had said, we just wanted to

do a reintroduction. We feel like old friends. We've been on board this ship for some time, but we're very excited to be turning a page and opening a new chapter of where this campaign and where this program will go next. What we have prepared is just a quick look back. We always say that we realize that every time we stepped up to this podium, it's really about today and tomorrow and where we're going, not about the past and where we've been. We do like to use the phrase, at least check your mirrors, you know, a quick look back over the shoulder just to remind ourselves where we've been and how we got here. So, just a few slides that'll take you quickly, kind of catch you up for those who may just be tuning in, and out of respect for new Commissioners and new people who are just joining, again, we just want to do a quick reminder here.

This doesn't look great on a slide. It's really just here for the purposes of being in your packet. It's a quick height and weight overview of our agency. It gives you a sense of how many associates we have, what kind of work we do. You'll see a lot in here about awards, and we talk about awards not because we like to pat ourselves on the back, but because awards are about measured success and often are judged by a panel of peers.

PETERSON: Lieutenant Governor, this is Dave. I think somebody needs to mute. If you're on the phone, we're getting a lot of feedback here in Carson City. So, if everybody could just mute their phones, please. Thank you.

HUTCHISON: Okay, we'll make sure everybody does that in the room. Thank you.

MCDONALD: That's okay. I understand. All right, we'll see how that does. All right, so, just flipping quickly through, at some of the other brands we serve. We play very deeply in the tourism space. You'll see some of those brands that we work with in just a moment, but a quick look at some brands, everything from consumer packaged goods, paint, garden products, to beer and doughnuts. It kind of runs the gamut. Some of the other destinations that we represent are up here on the slide for a quick at a glance. On the right, the ones that are shaded a little darker blue represent our subsidiary brand, Turner, and the work that they do on the PR side of the world. We have locations in multiple places, and then looking at our team, we've spent a lot of time here in Nevada, and I think we won't talk too much about that, but we have gotten to know a lot of the partners throughout the state. We understand the power, as you mentioned earlier, Governor, about the rurals and the destination and the product that we represent. You really can't do that over the phone. We've spent a lot of time in the field, and I would like to think the state's a little richer as a result of our work, and our hearts are certainly bigger.

We've also brought in a lot of national recognition for this program. We feel like we've set a really strong table, but there's plenty of room, and we're excited to welcome new partners in this journey. I'm going to jump back real quickly. The next slide is really a quick look video that'll catch you up to speed on this program and what has happened really since 2014 since we joined the conversation.

MCDONALD:

Excuse me. That was a quick overview and a flashback for you, and the last slide there, we talked about the importance of driving results, and so we don't just generalize. These are actually some of the results that we've driven as a testament and as verified by our third party research partner. Looking back to 2014 we began really leaning into a millennial marketing campaign knowing that we were hitting some saturation in key markets and we needed to drive and widen our appeal to a younger audience. This is how we've migrated that audience and our visitor today. They're younger, 47, the average age, versus about 55, have a higher household median income, and they're more educated. There's so much we could dive into which results in metrics, but that gives you a nice snapshot, and most importantly, we've driven visitor volume at a rate of about 2% per year.

That said, we're turning a page today, shifting into where we're going from here. We pivot. Right now today, we'll shift into a mode of serving as your PR and external communications partner and also media planning and buying. We do have four of us in the room today represented there in the center. We have an extended PR team which is augmented with boots on the ground here with The Abbi Agency based in Reno to help make sure, again, that we stay connected and having real live conversations and story-mining about the great stories there are to tell throughout our state. And on the right-hand side, we have the full media team represented just to give you some names and faces of who's going to be working on your behalf.

Next are a couple slides each on our approach for PR. We take a strategic approach to PR. We don't like to be called publicists just pitching stories for the sake of generating ink. Some say, I don't care what you say about me as long as you print a lot, you know, as long as we're out there, but we feel differently. We're about adding dimension to brands and being very thoughtful and strategic about how we are building brands as a destination. So, three prongs to our approach, national media. Those are the kinds of things, the efforts that shape our brand and our reputation nationally. We focus heavily on target markets and the visitors that are likely to really come and convert into our state and the niche -- the enthusiasts who care passionately and deeply about the kinds of things we have to offer. We've got to do all of those things in harmony.

These are just a quick look at some of the key storylines that we have been promoting in conjunction with the great team here at TravelNevada. We work together in the trenches every day at promoting some of these storylines, and then we want to just give you a quick preview on the paid media planning and buying side of some tenets of our approach. Chrystie Reep, my colleague.

REEP:

Hello, for the record, I'm Chrystie Reep, and I'm an EVP at Fahlgren Mortine as well and oversee our paid media team, and I just want to echo Marty and our excitement to continue working together and continue to grow and evolve the programs as the media landscape, as we all know, continues to change daily, if not hourly, and, you know, really keeping ahead of that.

For us, there's really three key tenets to our paid media approach, creating connections between brands and consumers, not just simply reaching them, but creating that relationship and creating connections so that they begin to build that relationship. We do that by using all of the data that's available to us today to help guide every decision that we make, and there's more data than ever that helps us ensure that we're leveraging that data to ensure investments work hard to deliver meaningful ROI. We're always looking at not just media metrics, but what are we truly delivering and getting more visitors to the state.

Our approach is kind of five key tenets of surrounding that audience and becoming part of their daily lives. We can't ask them to do something different, so we really need to engage with them in environments where they're at so that we can create relationships. So, they're inviting us into their lives. People have so many options today when it comes to media and the media that they're using, that it's important for us to find them and use all of the data. I talk a lot about data, but using all of the data that's available to create relevant targeting so that the messaging is relevant to those people at that moment. But everything we do is performance-based, and we're constantly optimizing, constantly making programs stronger. It's not developing a plan and buying the media and then letting it run. It's a constant everyday evolution and optimization of all of those programs. Then finally, again, always driving to those end results, and part of that is the IME studies and keeping a close eye on those at all times, but then also ultimately delivering that ROI. Turn it back to you.

MCDONALD:

All right, for the record, I'm Marty McDonald just bringing us home, one last slide on integration. As we go forward, we mentioned this is about tomorrow and where we plan to go, and we have a lot of experience working with partners in the industry, one of which is BVK. We also work and have crossed paths

many times with Noble, and we're just so excited to continue the great path that we're on. It has been an honor to serve as your partner in the last nearly four years, and it will be an honor to continue on. With that, I believe you want me to just keep rolling with introductions. All right, I'll introduce our great partners and our new friends at BVK.

SIMMONS:

Thank you, Marty, and good afternoon, Commissioners. For the record, my name is Victoria Simmons. I'm a VP Group Director at BVK. I'm one of the senior leaders of our travel and tourism practice, and I'm here with a couple of my colleagues, Kevin Kriehn who is an Executive Creative Director who you'll hear from momentarily, and then Bridget Wirth, who is an Accounts Supervisor who's going to be actively managing the relationship with TravelNevada. And we're incredibly excited to be here with you today. You know, we had met with the Selection Committee back in April, and I feel like I have a permanent smile on my face, because we've had to be very patient. So, really excited about the opportunity to be here with you today and to get started. So, for those of you who aren't as familiar with BVK, I thought I'd start with a quick background on just who we are and our philosophy.

So, we are a top 25 independently owned full service advertising and marketing agency. We have about 230 employees who generate about \$300 million in annual billings. We're actually headquartered out of Milwaukee, Wisconsin. We have a couple of satellite offices throughout the US, and we have a multicultural division located in Miami. We're actually fairly large to still be independently owned. The V in BVK, Michael Voss, is still very much part of our company today. We have a depth of resources certainly that we can bring to bear in terms of creating economic impact for the state of Nevada. We like to say that we create category-changing, innovative ideas for brands that really create life-changing experiences for consumers.

We're organized very much like a management consultancy in that we have deep category experience across a couple of key verticals, so travel and tourism, of course, but also health care and education. These are categories that actually do have a lot in common. They're what we call high aspiration, high involvement categories, right? You spend a lot of time thinking about where you want to travel and planning your trip and where you might send your kids to college and certainly what hospitals and doctors you would trust with your health care, but also they're very retail in nature, and tourism, it's about heads in beds and education. It's about enrollment, and on the hospital side, about filling beds as well. There's a lot that we can learn by working across these three particular verticals, because at the end of the day, right, you've hired us to

be your creative agency, but all that work is really aimed at driving revenue and economic impact for the state of Nevada.

Our love affair with the state actually started with Reno-Tahoe. We have been privileged to work with the RSCVA for about the past two-and-a-half years, and, you know, we're really blown away by the bold and ambitious and, you know, the spirit of that community and privileged to be able to be a part of the renaissance and the revitalization that's happening there, and a lot of that is really born out of sort of that maverick spirit that's so prevalent here in the state. You Nevadans don't do things the way everybody else does, and that's really infectious. We're very much looking forward to branching out, getting to know your industry stakeholders located throughout the rest of the state.

Next, I have just a short video to share with you that'll give you a little bit of our philosophy as it relates to travel and show you some of the work we do for our tourism clients. This is just a quick snapshot, too, of who we're currently working with. Obviously, very happy to add TravelNevada to that list, but we are working with several other states, and we're working with Maine, Wyoming, West Virginia. I think that's important to you guys, because states do have very specific needs other than individual CVBs, but of course we're working in Reno-Tahoe, in Columbus, and with one of the biggest CVBs in the country with Visit Orlando. Just a snapshot of our depth of expertise and the travel space, and here is that video.

KRIEHN:

For the record, Kevin Kriehn, Executive Creative Director, BVK. Hopefully, that gave you kind of a quick snapshot of some of the work we've done in the space, but also kind of our approach and philosophy on the work itself. One of the mantras we have in our office and use quite often is "don't swim in the same slew" right? By that, we mean, you know, what can we do to separate and differentiate the clients that we work with, and in the travel space, we often see a lot of that sea of sameness going on with messaging look and feel, and it all begins for us with the premise that iconic brands create brand craving. And by brand craving, I mean really getting to the point where consumers are so passionate about a brand or a product they offer that they actively seek it out. They constantly crave it. It becomes a component of who they are and how they live their lives. When we do that, we create not only an affinity for the brand, but people who are active advocates for it, and if you think about how that can work in particular for a travel or tourism destination and really reframe it in becoming a lifestyle brand, because it's so episodic in nature, when people consider travel or take a trip, we really want to figure out ways to become part of their lives outside of that one or two-week timeframe.

There's been a lot of research done in neuroscience that's really based on the idea of narrowing that psychological separation between us and the consumers, and much of that is tied to really making more of an emotional connection. We all like to think we make this rational thought process when we're choosing a destination or making a decision on a product, but the reality is it's often really tied to an emotional decision, and then we sort of backfill that choice or decision with the rational thought process.

A lot of the work that we do begins with our strategic planning team that's focused on what we call values-based positioning. There are over 500 different values that have been defined by behaviorists. They're shared human values that we can all relate to in some fashion, and values really are so powerful because they define who we are, how we choose to live our lives, kind of that reflection of either who we are or who we want to be. In this case, we go through a fairly rigorous thought process with our research team and our insights group to not only identify a value that we think is representative of the brand, but it's also reflected in the audience and those that we're trying to attract. It's not just that they can relate to a value, but it's a value that they desperately seek more of, and it becomes an antidote for what's missing in their lives. When we bring the two of those together, it's that sweet spot in the middle where we can start to tap into the emotional side.

As we have gone through the process, and I certainly share Victoria's sentiment, it's been really exciting to go through some of the initial thinking and share that when we were here for the pitches. It's been a little stressful, this waiting to come back here and kick things off, because we get excited when we're doing this and for the opportunity, and one of the great things about being the independent agency that Victoria described is we can be pretty selective about who we work with, and we really want to find clients that we become true partners with, where we know we can have an impact. One of the reasons we do that -- and this is an example, right? It's four years. We become friends with those people over the years, and we really want the outcomes not just for ourselves, but to show the success that we can have in driving more visitation. One of the big indicators for us is that our average tenure with clients is three times the industry average, and in fact, our longest client, which is Mark Travel, has been with us for nearly 35 years now. I think, our goal, is not only to, you know, deliver great work that has successful outcomes, but really become those partners and friends over time, and we can share in the success together. So, with that, we will take any questions.

HUTCHISON:

All right, thank you very much. Were we going to have a presentation at all from Noble Studios?

PETERSON: For the record, Lieutenant Governor, this is Dave Peterson. Yes, Mr. Michael Thomas is coming up.

HUTCHISON: Why don't we have that presentation, and then we'll ask questions of all three since we're grouped here together. Please proceed.

THOMAS: Good afternoon. For the record, I'm Michael Thomas. I am a partner and serve the role of Chief Marketing Officer at Noble Studios, and it is a pleasure to be in front of you today. Next month, the agency -- we're a digital marketing agency - - was founded just down the street at one of the Pony Express stops right across from the state capital and the legislative building. We celebrate 15 years next month being a business, and we could think of no better way to celebrate our 15th anniversary to be able to work on the TravelNevada account. For those of you that don't know Noble Studios, I want to introduce you to our work and to the way that we will approach our assignment.

As a digital marketing agency, we have a really important mantra around our office and what we work on behalf of our clients. It's pretty simple. It's about being better every day, and we think that's so important because while there are great ideas and big thoughts, incremental improvement is what wins in today's marketing world. There are some folks from our team that are here. We wanted to show some of the thinking and some of the fire in our belly about taking on this account, so we put together a little video that was part of our introduction to Noble. We'd like to play it for you, and you can get a sense of what we think that means day in and day out.

THOMAS: We're very excited about the opportunity. There's a lot of fire in our belly. It wouldn't be enough just to be from the state. We think there's some other reasons why we're uniquely qualified to take advantage of this team, and we also want to echo the spirit of partnership that we have. We have an incredible roster, very capable, creative media, public relations, and digital agencies that are in front of you. These are just some of the reasons why we think that Noble is a great fit for this. We use data. We really think about technology first. You know, our mobile devices really change the way that travelers choose destinations and interact with them. So, we're going to really take all the experience that we've leveraged in other destinations.

A little bit about us as an agency, we have some distinctions that we think are really important to bringing an important foundation to this team. We're in the top three percent of all Google agencies, and that's called a Google premiere partnership, and we're also Google Analytics' premiere partners that allows to

use data to inform not only the work that we do on the website, but it helps inform and improve all of the creative aspects, and we know data is at the core of the decisions that we need to make. A couple of other partnerships that we want to mention, we're going to talk about the work that we'll do around CRM and personalization, but we have the ability to customize the website experience based on attributes we know about the visitors. So, we're going to bring that level of thinking to try to increase conversion, and then we're also going to be utilizing demand. The demand that's taking place on Google, about nine out of every ten purchases in the world today begin with a search engine. So, while it's important for us to have our story that we want to tell the world, if there's no demand for that story, then no one finds the content. So, we have to make sure that we're aligning to what the search demand is telling us that people are looking for and align a very diverse product that we have in our state to make sure that that pays off.

We also have the benefit of working with a number of other leading destinations, including the country of Tahiti. We just launched a major overhaul of all of their digital properties. We have 18 different country websites for the islands of Tahiti. We've got the opportunity to work in destinations as diverse as Santa Monica, Newport, and even Fargo, North Dakota, and then we also have a broad-based approach. We focus on higher education, business-to-business technology companies, and we have the ability to be diverse in our point of view, and we try to apply thinking that isn't limited to just being travel experts, because consumers are exposed to a lot of things. So, we don't want to be cookie cutter, and we don't want to approach things in the same way.

To get a little specific about how we plan to work on the account, these are the things that we believe are incredibly important to bring this team together. The brand of Nevada is really strong, but we also know there's some limitations to what people know of the state. We've got to be able to make it look like a cohesive experience. As we push the rule and diverse product that we have here, how do we take advantage of what we're known for to bring that cohesive experience together. We also want to make sure that we hit travelers at the stage where they're still considering multiple destinations and make it really easy for them to visualize their experience, and they're going to do that through a very relevant, useful website. We need to anticipate the demands of a user. It's got to be very simple for them to do. Then we also know the native app that was launched last year, very capable. We need to really drive a more cohesive experience to drive a greater share spend in the destination. We were talking about it today. We can get someone to extend their stay by six hours or eight hours and hit a cultural museum, go out to a rural area, it just creates a greater

capture of that economic impact that tourism makes. So, we understand this indelibly in the way that we approach our work.

Outside of being better every day, we like to call our approach as an agency data-informed digital. Everybody can be data-driven. We think the perfect intersection is a process that we like to follow that will fit very nicely with the way the other agencies are going to come to the table. We have to understand the goals and objectives of our audience. We then go into the fun part of marketing, which is about the making and the building and then pushing it out, and then it's using data to make sure that the process is informed and we rinse and repeat. So, we're going to be directly involved with the entire team to make sure that all of these efforts come together and we can provide a cohesive report as three very capable agencies along with your staff to make sure that we're making really good decisions.

It's really a left brain, right brain approach. We call it creative digital performance, and what that means is yes, you have to have numbers. You have to have how many impressions, but if you don't capture someone's heart -- I think you said it very well. If we don't get into connecting to someone's values, then they're going to ignore the media no matter how many times we get it in front of them. So, we've got to bring this together to be relevant at the moment that someone is looking within the destination.

A little bit about the team. We don't have time to introduce everybody here today, but just a quick show of hands, the Noble team that came down from our offices. We are headquartered in Reno. We have satellite offices in Las Vegas and San Francisco, but the team that you see are set up in what we call dedicated cohesive teams. The team that's in this room today are going to be the team that are focused on this account day-to-day. That'll be experienced team members. I will mention our CEO and founder is on vacation taking advantage of the opportunity to be out. Couldn't be here today, but this will be the executive and leadership team that many of them are here today, and then the day-to-day team that will be the folks that are actually implementing and being a part of the working mechanism of what we are going to bring to TravelNevada. So, we're very excited about that opportunity.

How we work together I think is also important, because anybody can get up here and say we're good partners, but let us take you through the process that we've learned in working with other agencies. I think the TravelNevada staff has set a really strong framework. Anybody can have a good idea, but it starts with understanding the problem we're trying to solve, collaborating on those solutions, leveraging all of our collective experience, and then being able to

actually get to resolution. So, I think we're going to have some -- I would call them creative discussions. Just because we're digital and just because we focus on website doesn't mean that we can't have an idea and vice versa. So, we know that the best ideas come from that team approach.

These are the specific services that we'll focus in on, web, search engine optimization, user experience design, which is about improving the experience that visitors will have across all the different channels. We're going to be, again, looking at the native application that's in the market. I think what gets us very excited, obviously, you know, your interim director comes from a research and data-driven background, and we are very delighted at the amount of data that this organization is sitting on that we can use to make our marketing better. But now we want to unleash that marketing through really effective utilizations to make personal experiences more relevant content so that we can go after the different segments. We love that you're skewing towards a millennial, but we also know there are very viable audiences that need a different call to action. The great thing about technology is it's not one size fits all. We can be very custom in the message we deliver to those potential audiences. So, with that, I wanted to wrap it up on time, but just say, again, we're very excited about this opportunity. We really look forward to working with this great team that's assembled, and I know I speak for all of us that have gone through the process. It was a very well-run RFP. It was a little excruciating to wait. We finally got to announce it to the world yesterday, and again, we're very, very delighted to be part of this very talented team. Thank you very much.

HUTCHISON: Mr. Peterson, do we have any other presentations or does that conclude the presentations before I open it up for questions?

PETERSON: For the record, David Peterson. No, those are the presentations underneath this Agenda item.

HUTCHISON: Great. Well, thank you all. It was a lot of fun and exciting emotions for me as I watched those videos and listened to your presentation. We're very excited to be working with all three of you. Here's just an overall question for anybody to answer. Give us an idea in terms of how all three agencies will complement and work together. Take me through a media product that will be produced for TravelNevada, and how do all three of these agencies fit in?

NEBESKY: For the record, Brenda Nebesky. One example, Governor, would be we intend to integrate fully the PR sales and marketing efforts through our domestic market. So, for instance, we'll have creative activations at sales events in

combination with a PR event, and so we'll have all three teams working with us to produce an integrated product like that.

HUTCHISON: Great. Thank you very much. I can't remember which one of you at BVK said this, but you felt like, what you bring to the table really would have an impact on us here in Nevada. Why is it that you feel like you can have a particular impact in Nevada having looked at the RFP process, understood who we are, and what you can bring to the table? And in particular, you had mentioned that there are very specific needs that each of the states have, and you've got different clients in different states. What do you understand about Nevada and the impact that you can have for TravelNevada?

SIMMONS: Sure. Hi, this is Victoria Simmons again for the record. I think what we can bring to you specifically is, obviously, our expertise in the travel category, but more specifically because we are working with other state organizations. So, we understand things beyond just sort of living in our marketing box, right? We understand your funding model. We understand how you interact with all your industry stakeholders and how incredibly important it is to make sure that they feel very much that they're a part of this brand and a part of this campaign. We actually do think our work is stronger when we have collaborative relationships with each and every one of those industry partners. We do look forward to getting out in the state and meeting those people and making the work stronger as a result sort of our collaborative knowledge. Does that answer your question, Governor?

HUTCHISON: Great. Well, thank you.

SIMMONS: Thank you.

HUTCHISON: Thank you, Ms. Simmons. Thank you for following up for me, and I'm going to open it up now to any other questions or comments, insights from members of the Commission. Let's start in Carson City.

DELONE: Phil DeLone for the record. Victoria, Kevin, you've been a delight to work with, and I'm so happy, and I know our authority is so happy to see you come aboard on this account, and I would just like to commend you for the great work you did for Reno-Tahoe. You have been involved with our authority and our creative staff, truly meshed, and we really appreciate the work you've done, and you're going to do a great job for TravelNevada. Mr. Thomas, nice to see you. I see you have some gray hair finally, and Noble Studios, you've also done an excellent job for the Reno-Tahoe region, and it's great to see you obtain this account for TravelNevada. Great to see great things from both of you.

- NEWMAN: Governor, this is Commissioner Newman for the record. The creativity, the power is oozing out of this room right now. If you look around and see everybody that's present, I think that the combination of the perfect internal team that we've assembled and where this group can go with the rest of you. Marty, the work that Fahlgren Mortine has done over the past has been wonderful, but to be able to divide and conquer this challenge that we all are now going to undertake with this group it's very, very powerful. I love this kind of stuff, and I'm so excited for the opportunity to work with everybody going forward. Congratulations, but good luck, and hopefully, the sandbox is big enough for everybody. I'm going to plug Elko, and Labor Day, we have the county fair and horse races. This is much like the horse race. We've got everybody at the starting gate. They've been waiting, and now the gates are open, and if you can control these horses, God bless you. It's going to be a great challenge, but wow, it's an amazing group that's assembled here, and this is really exciting as we go forward.
- HUTCHISON: Thank you, Commissioner Newman. Any other comments, questions, follow-ups on this Agenda Item G?
- ARGER: Julia Arger for the record. I echo the sense of creativity in the room, and I'm curious to know how you're going to focus or help focus on arts and culture in our state as part of the tourism package.
- NEBESKY: For the record, Brenda Nebesky. Later in the Agenda, I'm going to be discussing our arts and culture guide, which is one of our premiere projects focused on the cultural traveler. We're also within next year's budget allocating marketing dollars specifically to cultural buys both for museums, arts and culture. So, we're really focusing on that, and we don't have specifics of the plan for you yet, but we will.
- ARGER: Great. Thank you, Brenda.
- PETERSON: Lieutenant Governor, for the record, Dave Peterson. If I can just add one thing to that. I discussed this very topic this morning with the three teams when we met and did our introductions. I told them it's about integrating this entire department together. We have the Nevada Indian Commission, the Nevada Arts Council, and we have the Division of Museums and History. It's not just TravelNevada or the Tourism Development Fund. So, not only do I see us integrating the arts, culture, and heritage as we have identified and outlined in the strategic plan for this current biennium, but also the Department specifically as well. We have an all-day meeting tomorrow where we're going to be

discussing these very issues, but we did talk about this, this morning, and they all know the direction that I want to take our agency, but the Department as well. So, we're on it.

HUTCHISON: Thank you, Mr. Peterson. Other comments, questions. All right, well, again, thank you all very much for being here. We're excited to be working with you. You've got a great staff. We've got tremendous confidence in the members of TravelNevada, the staff, and the professionals there who are just the gold standard as far as we're concerned. We know that you'll have a great partner with our staff, and we look forward to a lot of creative, energetic ideas and products coming from all three of your shops. So, thank you again, and congratulations. We look forward to working with you.

SANTOS: Excuse me, Governor. This is Herb Santos for the record. I apologize. I was stuck in court, just got out, and so I'm here now to probably confuse everything.

HUTCHISON: Well, Commissioner Santos, it's good to have you here. We know we can never have enough lawyers on this Commission protecting our constitutional rights and looking out for our property interests. It is always good to have a fellow member of the bar joining us. I'm waiting for some sort of comment on that, but we'll move beyond that, and again, thank you all for being here under Agenda Item G and our new creative team. Welcome to the team, and we're excited to have you here.

Agency Reports

HUTCHISON: All right, let's move on, then, to Agenda Item H, which are our Agency Reports. Mr. Peterson, do you want to introduce what we're going to do here. I know I'm going to start with my comments as the Chair Report, but I'll turn the time initially over to you to introduce this Agenda item.

PETERSON: Thank you, Lieutenant Governor. For the record, David Peterson. Yeah, I thought we should do the Chair Report first, and then I'll walk through each of the sub items underneath H2 if you're comfortable with that.

HUTCHISON: You know, I'm happy to start off. Why don't we begin with the Chair Report. We'll proceed as we've agendized it, and I want to just start off with a couple of different subjects that I'll address. The first is just to tell you a little bit about what we've been doing with a video shoot earlier this month. I was privileged to spend some time with our wonderful gold standard professionals at TravelNevada and had an opportunity to do a video shoot throughout Reno and Tahoe and Virginia City and Fallon to meet with our northern Nevada tourism

partners. TravelNevada's marketing team along with Orange Tree Productions, wanted to capture footage of businesses and business owners and community representatives who really demonstrated the spectrum of what we have in the state of Nevada within our tourism destinations and the impact that tourism has on our economy throughout the region. Some of the people and places that I went, just to give you an idea, Commissioner Arger, we did a walking tour of Reno in midtown and experienced all those wonderful murals led by Art Spot creator Eric Brooks, a wonderful experience for me to see some of those hundreds of murals downtown and in midtown that I don't think a lot of people know yet about that we really want to promote. It's just such a treasure for us there in midtown.

We then had lunch at the historic depot, the Reno Brewery and Distillery and Restaurant with owner Chris Shanks, and that was a wonderful experience to see that completely renovated railroad depot and the vibrancy that has occurred in that part of the town and that part of the region. Then we went to Zephyr Cove up in Tahoe on a scenic cruise on the MS Dixie. George Sojka who's a sales manager there, hosted us, and, I don't have to tell you about Tahoe. It's the most beautiful place on planet Earth, and we experienced that and captured that experience, I thought, really well.

We did a ride on the restored McKeen train cars in Carson City at the Nevada State Railroad Museum with Peter Barton, who's the Administrator there with the Division of Museum and History, and Dan Thielen, who's the Museum Director there with the Nevada State Railroad Museum, great experience to just embrace and understand and feature our railroad history and culture of Nevada.

Then we spent a night at the Yellow Jack Mine. I spent mine, at the direction of our gold standard staff, in the haunted cabin at the Gold Hill Hotel and heard the rattling of picks and shovels as I was haunted all night long in that hotel and enjoyed the advice and the counsel of Denny Dotson, who many of you know as the Virginia City Tourism Director there. We had a lot of fun in Virginia City. Then we had lunch and toured in Fallon the Frey Ranch Estate distillery, one of the few state distilleries in the country with Colby Frey and had a great experience and a great time there. And then finally, we ended up visiting Stillwater National Wildlife Refuge in Grimes Point petroglyph trail with Jane Moon, Director of the Fallon Convention and Visitors Bureau, and it was just a wonderful experience. TravelNevada is going to use those interviews and the location footage as part of our "Tourism Means More" campaign, which as you know, is a very important public affairs effort that we're going to have with the legislature in the coming session. It will also be used for Nevada communities

about how tourism enhances the quality of life and the economic impact it has in a variety of unexpected ways. So, that was a lot of fun, and thanks again to TravelNevada, the staff, and everybody who put up with me for two days and made it a wonderful and enjoyable experience.

The next thing I want to talk about is our late arrival and our constitutional property interest protector, Herb Santos, who was recognized as the 2018 Nevada Justice Associate Trial Lawyer of the Year, and from one lawyer to another, congratulations, Herb. That's a very, very prestigious award that honors one of our fellow Commissioners, and he'll receive that at the annual summer gala coming up in Las Vegas on June 21st as well as June 22nd in Reno. And you can arrange tickets through Kathy Cowlen if you are interested in attending that, and Herb, congratulations and my very best and the very best, I'm sure, expressing the sentiments of my fellow Commissioners in congratulating you on a well-deserved professional recognition. That's an applause line if I've ever heard one.

And lastly, the Commission has to announce sadly that we will be moving forward without its single biggest champion of the arts and culture of Nevada, Julia Arger. You already heard her championing arts and culture in our meeting today. Commissioner Arger, we are going to be less of a Commission without you, and we will try our best to make up the large shoes that you have to fill in your role as a champion of all champions of the arts and cultural sector of the great state of Nevada. You'll be stepping down from your role as a member and of course the Chair of the Nevada Arts Council Board, and as a result, be stepping down as a member of our Commission, and we all know Julia and love her and appreciate her. Just want to give her a little recognition and remind us all just how fortunate we have been to have her as a member of our Commission. She first joined the Arts Council Board back in 2008, and we've had her experience and influence for the last ten years. She's chaired the Arts Council since 2013 with the creation of the Department on Tourism and Cultural Affairs. She became a member of Nevada Commission on Tourism in 2013, and as I mentioned, constantly championing and educating and advocating on behalf of the arts and cultural community and the assets we have in the state while informing the Commission and the Department about the importance of recognizing cultural tourism as a significant part of the Nevada tourism product.

Julia successfully helped the NAC regain some of the BOD budget that was lost during the recession. Like other parts of state government, there was some challenges with funding, but because of Julia's leadership, we were able to regain much of that budget lost during the recession. Julia hosted Jane Chu who is the chairman of the National Endowment for the Arts in Nevada through the

western state's arts federation, the Reno Arts Consortium, and the National Association of State Art Agencies. She's been a representative at each one of those in addition to what she did in terms of hosting Chairman Chu for the celebration of the NAC's 50th anniversary.

Julia, we know that you're going to have a great time in kicking back and relaxing, writing a little poetry while you're overlooking your family-owned Odyssey Vineyards in Napa Valley with your husband, Costa. We all wish we had such an opportunity, and we are happy that you've got that opportunity coming up. We'll miss seeing you and your amazing hat collection, which we are so happy that you are displaying today, and we understand that the hat collection of yours was inspired by your grandmother, and you've been carrying on that tradition for many years, and we've enjoyed that. You add a lot of character and a lot of class to our Commission. We want to thank you for all that you've done for arts in Nevada to make them a priority and to promote them in tourism for our great state, and on behalf of the Commission, we all want to thank you and present you with your very own cover of the Nevada Magazine. And again, Julia, thank you for your years and years of dedicated service to this Commission.

PETERSON: Thank you, Lieutenant Governor. This is Dave Peterson for the record. Brenda's going to present the cover of Nevada Magazine to Julia right now. I just echo those comments. Julia's been absolutely wonderful to work with, and I can't thank her enough for providing me with some insight and guidance and direction to help us with our strategic plan, again, to integrate the Department better than we were integrating it before. So, thank you for everything, Julia.

ARGER: Thank you, Governor. Thank you, David. I'm truly humbled, and I do like my hats, and this will be a reminder. Thank you. Thanks to everyone, Board, everyone.

HUTCHISON: Julia, thank you. I know my predecessor, Governor Krolicki, has had a lot of years with Julia, and we're going to exercise a prerogative of the Chair and ask Governor Krolicki to express some of his thoughts as well.

KROLICKI: I love it, love the hats. We'll miss you terribly. I've known your family before you ever arrived on this Commission, so it was a great pleasure to welcome Julia to this Commission. We reintegrated the department and you joined us on the Commission, we benefited from your advocacy, passion and decency has been just great. You and your husband deserve a wonderful life after these kind of duties. The wine you make is extraordinary, and, you know, you can always send us a case or two. You know, we appreciate that, keeps overhead down in

this Laxalt building. But again, thank you for all that you've done, and Hutch, you said it exquisitely well. The elegance and class you've brought to this Commission will be missed. God speed.

HUTCHISON: Thank you, Governor Krolicki, and again, Commissioner Arger, thank you. God bless you, and I wish nothing but the best in all your pursuits in retirement and enjoyment with you and your family. All right, well, Mr. Peterson, why don't we move on, then, to the remainder of our Agenda under Agenda Item H, and if you can walk us through that and tell us where you're headed.

PETERSON: Thank you, Lieutenant Governor. For the record, David Peterson. Item H2.1 is the Quarterly Staff Update for January through March 2018. In your packet, that document is located after the pink sheet labeled agency reports, and again, that's for the third quarter fiscal '18. I'm happy to answer any questions. We also have our program directors here as well if you have any specific questions at this time.

HUTCHISON: Commissioners, any questions? Hearing none, Mr. Peterson, please continue.

PETERSON: Thank you. For the record, David Peterson. H2.2 is the Fiscal '18 Budget Update. In your packet, that is located directly after the Quarterly Report, and it's through June 10th, and it's for our primary program categories for fiscal '18. I'll just briefly go through those. Category 02, again, is our out-of-state travel category. We have spent just over \$35,000 so far. The remaining funds, based on activities through June as well as flights for travel in July and August will be spent by the time we close our fiscal year at the end of August. Category 3 is our in-state travel category. We've spent just over \$29,000. I do expect the remaining funds to be spent based on some heavy travel by staff in the month of June as well as travel claims for May that weren't processed prior to June 10th. Category 30 is our training category, and as you can see, we have just under \$300 left. Those we'll push into our reserves as we close out the fiscal '18 budget. Category 13, that's our primary category for all of our promotion advertising public relations, international contracts, research contracts, et cetera. We do show about \$4.2 million left at this point in the fiscal year, but as I mentioned, in March, that number is a bit deceiving. We're on a 60 to 90-day lag on media-related invoices, so we still have April, May, and June media to pay, and then all of our final outstanding invoices on the rest of our contracts and services, they typically come in at the end of June or July for the June services. We will spend that down pretty close to what is left in terms of the authority. I'm happy to address any questions that you all may have about the fiscal '18 budget.

HUTCHISON: Mr. Peterson, any concerns at all about given where we are in the calendar year and where we are in terms of our expenditures within our budget?

PETERSON: Lieutenant Governor, will you repeat your question again? Sorry.

HUTCHISON: Yes. Just given where we are in the calendar year, June 20th, and where we are in terms of the expenditures in our budget -- I mean, for example, we're at 95% of training, and we're in the 70s on everything else. Does that give you any cause for concern?

PETERSON: For the record, David Peterson. No, we're okay. There's some issues in terms of all of our travel for flights go on to a State credit card. We're currently processing May. We still have all the June travel that will come through, and we'll end up processing that in July. That's why you see the travel categories look like we won't end up spending those dollars down, and I know we're sitting here on the 20th thinking there's ten days left. We still have May travel claims that we have been processing, and then we'll have all of the June travel claims with all of our flights that went onto the credit card for July and August travel. Those will end up being processed through in July.

As far as Category 31, I don't have any issues with that. It's sort of the nature of the beast. We have several million dollars of media that is running, April, May, and June, and we will process those invoices probably in July, at the latest, early August. You have to remember, too, all of our services that are being rendered for the month of June, we don't receive those invoices until the month of July. So, we're tracking okay. I do meet every couple weeks with our fiscal staff and program directors. I know it looks a little scary with ten days left, but it's just a factor of the invoices coming in for media as well as May and all of our June contract-related costs.

HUTCHISON: Thank you, Mr. Peterson. Other questions or comments on Agenda Item H2.2, the Fiscal Year '18 Budget Update.

KROLICKI: Mr. Chairman, it's Brian Krolicki.

HUTCHISON: Please proceed.

KROLICKI: Thank you. Just looking at the promotion and advertising budget, I'm telling you what you already know, but I just think it's important. We do have an election coming up and a brand-new legislature come the new year that will need to understand what you do. It's kind of the same conversation we had with Brand USA. I cannot imagine that our friends on ways and means and finance won't be

asking, what do we get for that extra \$4 million. In the past, there have been formulas used to track a dollar invested in NCOT correlates to, I've seen 25 to 35 return. We should really try to get a handle on the value of that additional investment because it'll always be on the table. In years past, Mr. Chairman, the Director would reach out, even send booklets, pamphlets to the new legislators. But I think at the end of the year, before things get crazy next year and they start going through the budgets, I think it's important to do that outreach and demonstrate why this investment is so important to all of Nevada. Thank you.

PETERSON: For the record, David Peterson. We have that in the works, Governor, through our public affairs plan, which we're finalizing right now for fiscal '19, and we do plan to do legislative outreach, especially to the new legislators coming in. Something that we're also looking at, I'm working with Kyle Shulz, our research manager, to develop out a tourism ecosystem brochure. We're starting with the lodging tax revenue, a slightly different approach coming into this next legislative session. Instead of just talking about the \$24, \$25 million a year that we receive as three-eighths of one percent, we'll talk about the \$800 million plus in lodging tax revenue that's generated in the state of Nevada and what that pays for. It pays for schools and police and fire services. We are working on that right now, and we're going to definitely push that message through the legislative process, that it's bigger than just our budget and our \$25 million. There's another \$800 million of lodging tax revenue that's out there, and it directly impacts every one of their constituents, within their own representative areas on many levels, like I said, from schools to police to fire, roads, everything you can think of. So, thank you, though, but we are definitely doing that.

KROLICKI: It's a very compelling story. Thank you for already being on top of that, and not to look ahead, but fiscal year '19, budgets are being constructed, drafted, and contemplated now. Going into '19, do you anticipate these numbers to be similar?

PETERSON: For the record, yes. Fiscal '19, if the Lieutenant Governor doesn't mind me jumping ahead to H2.3, I'll walk through fiscal '19 if that's okay. Just starting at the top, and then I'll address the expenditures, what you have in your packet is the current fiscal '19 legislatively approved budget. A couple of changes which I'll note that are reflected on that sheet, right now, lodging tax revenue, again, as it was legislatively appropriated, was \$25.7 million. That was based on our final closing during the session. Again, I'm working with Kyle Shulz. We are updating projections for next fiscal year as well as building out the projections for '20 and '21. That's our budget, again, that we'll be building over the summer due at the end of August. By and large, the fiscal '19 budget is more or less

identical with the exception of small adjustments as to the fiscal '18 budget. So, our travel, training, operating, postage, and grant categories are similar in fiscal '19 as they are currently in fiscal '18. The one adjustment you'll see in the budget document is Category 05, equipment. That is the money that's going to pay for this lovely system that we're still working with here in the chambers as well as a mobile cart AV system down in Las Vegas. We'll actually be able to allow our Las Vegas Commissioners to come right into our office, and we'll connect that way as we move forward. So, those dollars came out of Category 31. That was based on working with the Governor's Finance Office. The \$15.1 million that you see is reflected on our current work program, legislatively approved budget. Again, that was a reduction of just over \$152,000, but again, that's for the system here in the chambers.

On paper, our legislatively approved budget shows about \$5.1 million in reserves. That's 71 days of reserves that we are legislatively approved to have. We need to maintain 60 days reserve. I mean, that is the bear minimum that we will submit a budget in August for '20 and '21. So, that is our goal, always to have 60 days of reserve at the end of each fiscal year. You know, obviously, as we close fiscal '18's budget, where our revenues come in at, where our expenditures come in at, our transfers to the other agencies, we do see reversions that come back based on positions that were either open or vacated during the year. So, there's a lot of things that happen over the course of the summer that determine our final balance forward from fiscal '18 into fiscal '19, and therefore, our reserves as a direct reflection. I feel pretty good going into '19 right now in terms of what our budget looks like and in terms of what our reserves are going to be, that we will continue to maintain a 60-day reserve, and again, that is the plan for the fiscal '20-'21 budget submission as well, is to maintain a 60-day reserve. With that, happy to address any questions that you all might have about the fiscal '19 budget.

SANTOS:

Herb Santos for the record. If I'm reading this right -- accounting was, like, my tough subject in college, but did we project to spend \$400,000 more than what we anticipated bringing in as revenue? Because, I look at the reserves, we're bringing in 5.5, and then we spend all that money, and then our reserve is at 5.1. So, we're spending more than what we brought in since our reserve number is less than what it was when it started?

PETERSON:

For the record, David Peterson. You're correct. The balance forward number that you see is coming from '18. If we spent every dollar this fiscal year in every category, if we received the legislative approved revenues, that would be the balance forward, is 5.5 million, and then you are correct; based on the budget

that we put together with our expenditures, we ate up some of those reserve dollars or some of that balance forward. You're absolutely correct.

SANTOS: If that's something that continues, does that create an issue or not?

PETERSON: We will make sure that our budget maintains the 60-day reserve factor, and it's kind of a byproduct of our expenditures for any given fiscal year, and then we take that, divide it by 365 days to get the average daily expenditure amount. But we will not have a reserve number that is less than 60 days reserved when we build our fiscal '20-'21 budget, and that's inclusive of our transfers as well as our own program costs. So, we will put the budget together to ensure that we have a 60-day reserve, and we'll make those necessary adjustments through the budget process.

SANTOS: All right. And I forget, on the rural grant programs, it's got \$1,650,000. Is that normally what we do each year, because I know we had talked about maybe trying to increase it?

PETERSON: For the record, David Peterson. The \$1,650,000, that's our marketing grant program, and at the March Commission Meeting, we talked about adding \$100,000 to Category 50, which are the Projects Relating to Tourism. So, if you look two rows below Cat 40, the way that that works is we transfer out a budget account 1522. That's the Tourism Development Fund. We transfer \$100,000 a year into budget account 1523, which are the Projects Relating to Tourism, so it's a different budget account. What we would do mechanically when we build out the budget for fiscal '20 and '21 is we would add another \$50,000 per fiscal year in our budget that gets transferred into 1523. But we're going to maintain the \$1,650,000 for the marketing grant programs, and just quickly, historically, the amount of money that's been allocated from our budget has always been \$100,000 per fiscal year. I know there were some issues back during the recession where all of the grant dollars weren't expended from 1523, the actual account where those grants are paid from. But we've always had the \$100,000 per fiscal year in our budget account, and again, mechanically transfer that money into 1523.

HUTCHISON: Any other questions, Commissioners, on the fiscal year '19 legislatively approved budget or the fiscal year '18 budget update. All right, I'm hearing none. Mr. Peterson, please proceed.

PETERSON: Thank you, Lieutenant Governor. For the record, David Peterson. H2.4 is a brief fiscal '19 sales PR update. I'm going to have Teri Laursen, Director of Sales and Industry Partners, and Bethany Drysdale, our Chief Communications Officer,

come up and walk the Commission through our plan for the sales and public relations travel schedule for fiscal '19. That document is also in your packet, and it follows the FY '19 legislatively approved budget sheet that we just went through.

LAURSEN:

Teri Laursen, Director of Sales and Industry Partners for the record, and I'm going to go ahead and start if you don't mind. I did notice that every time you introduce me, you say brief, so I guess that means I'm going to be brief. All right. A couple of quick staff updates before we look at the travel schedule. First of all, David Lusvardi who's based in our Las Vegas office, will be adding Canada to his inventory of markets. David's going to be overseeing Latin America, Australia, and now Canada. Christian Passink was handling Canada, but that's been moved simply because now Hills Balfour has landed the Brand USA Europe account. We anticipate a lot of fabulous things coming out from Brand USA in Europe. Christian will have his hands full. Then David Peterson and I are going to be going with Brand USA to Japan and South Korea and the upcoming sales mission in July. We do anticipate possibly reentering the South Korea, and if that's the case, then Sylvia Welsh, who is also based in Las Vegas, will be adding South Korea. She'll be handling China, India, and South Korea.

Now, if you look at your travel schedule, you'll notice that we have added a big consumer push as well, and I know David's been talking about that. There are four consumer shows that are identified. We're going to be targeting San Francisco, or the bay area, Los Angeles, southern California, Dallas, and Denver. Now, they're identified as consumer shows, but each of the consumer shows are going to really evolve into more of a domestic sales mission. We will be adding a trade component with every consumer push as well as PR and media. I know Bethany will be expounding on that, and it's going to make it more bang for your buck for our partners to accompany with us on those consumer shows, because they're really going to be more domestic sales missions.

Additionally, looking at the travel schedule, you're going to notice two themed fam opportunities. In the past, we've done more market-driven opportunities. This next fiscal year, we're going to be theming some fams that are not going to be market specific. We're going to invite and encourage participation from all of our international markets as well as domestic, and if there's an operator interested in a particular theme, then this is going to be the right fam for him or her.

We will also be inviting partners to join us on two international sales missions, and what we've done this time instead of doing long haul sales missions like to India or China, we're keeping them closer to home so that we can encourage

more partners to join us. We will be conducting a sales mission to Mexico as well as Canada, and again, PR will be joining us on those efforts as well.

Brenda and I will be working on posting a job for our Rural Programs Manager. Our goal is to have that position posted at the end of next week, and that person -- and it would have been Kari, but that person, next fiscal, will be looking at creating programs that will help our rural communities identify products and develop their rural tourism products. We were doing kind of an experiential lab or experiential tourism. We're still going to put that in place. It just might be later on in the fiscal year once this new person comes on board.

We returned from IPW this year. IPW was held in Denver. Actually, it was May 18th through the 24th, and I don't know how many you were here a year ago, but a year ago, I presented the request for support to have a bigger, better trade booth and more presence at IPW. And at that time, you were all behind it. You all supported it. Well, I have to say the marketing got behind it, like, in spades. They were all over it. With worked with Freeman at IPW, and I'm sorry, I did not send these pictures to Las Vegas, but I do have some pictures of what that booth looked like and our presence at IPW. I'm happy to share if you want to just pass them around and take a look. Oh, thank you.

In Denver this year -- and we've never done this at IPW. We actually ended up with ten booths. We purchased four. RSCVA had three. We had presence from North Lake Tahoe and Silver Legacy, THE ROW and of course, Elko was there. Our hope is, of course, that when we go to Anaheim, we're going to have even more partners join us and so that Nevada has an even bigger presence in Anaheim, and then when it moves to Las Vegas, we just want to scream Nevada.

And let's see. Well, David already mentioned we did review 216 grants for FY19 for the first cycle. We will be making grant recommendations totaling \$1,006,203, recommending funding for 178 of those grants, and we'll be presenting those at a special meeting on Monday. Thank you.

DRYSDALE:

For the record, Bethany Drysdale. I just want to add on to what Teri was talking about with the integrated sales PR marketing efforts going into the next year. I liked how Marty put it about checking your mirrors every once in a while, and we did that with the VR roadshow back in September. We looked at the results of that, and if you remember, that was taking our VR experience on the road in California, ending in LA and San Diego with a big sales event. We had media there as well, and then we followed up the following month with individual media appointments in LA. We love that approach, really blanketing a market where there's a strong consumer audience as well as a media audience. I

should add we just did Boise. We did the same thing in Boise with a sales and media event last week.

Going forward, we are tagging onto some of these consumer shows that have been identified for next year. We have three markets that we're going to do a full integrated presence, LA, Denver, and the Bay Area, great feeder markets, great consumer markets. These are markets where we will have marketing presence. We'll have the consumer show, media appointments, sales appointments and big events. We'll have a lot of fun bringing Nevada to those markets, a really concerted whole Nevada message. We're very excited about that.

And then to expand on what Teri said about the themed fams, in the past, we have required all of our international markets to put together a group fam. We have a fam from Mexico. We have a fam from China, a fam from Australia, and so on. There's only a couple of us in our office, and that gets to be spending all of our time on the road and showing these fam participants all of Nevada, and it's not really targeted to what they are writing about.

Because of that, we've identified three themes for media fams that we're going to highlight over the course of the next year. One will be food and drink and relaxation, and that'll be right after the Global Tourism Summit. We'll have an adventure fam in the spring, and we'll have a winter sports fam in the winter. We're inviting media from all of our international markets and domestic markets that really focus on those themes. Rather than taking them on an entire roadshow of Nevada, we'll be focusing very specifically on those themes, and the writers coming will be writers that really do write about those things. I think it will be a lot more efficient on our time, our budget, as well as the writers' times and our market reps as well. We're very excited about moving forward with that. So, I'm happy to answer any questions about those changes and how we're doing things going forward, and then the next meeting in September, we'll get into that public affairs plan, as you mentioned, Governor.

HUTCHISON: Thank you, Ms. Drysdale. Any questions for Ms. Drysdale or Ms. Laursen on our fiscal year '19 sales and PR update?

NEWMAN: This is Commissioner Newman for the record. At IPW, I believe the importance of travel writers and the opportunities that they present us were rewarded when two travel writers that attended the Cowboy Poetry Gathering in Elko received the International Travel Writers Story of the Year. So, IPW covers the world, and the story that won the award was based by two travel writers who were in Elko, and their story was about the Gathering. Thank you for your

efforts in bringing travel writers. The importance of them seeing our rural communities is, you can't really put a price on it because of the efforts that they do on our behalf. We benefited greatly from that, so thank you.

DRYSDALE: I should mention there must be magic in Elko, because a travel writer that went out there from the UK several years ago won the Best Travel Writer of the Year for the British Travel Writers Guild Association, for his story that he wrote on Elko, and that was all the travel writers in the UK up for that award, and he won. So, we're very proud of our travel writers that win those big awards.

NEWMAN: Don Newman for the record. There is something magical about Elko, and I would encourage our old partners and our new partners to come out and say hello and see just what this magical appeal is, because everybody seems to have a good time when they do come there. Thank you.

KROLICKI: Bethany, you mentioned on the fam tour, you're going to break them up, and one of them is going to be the food and drink. If you need a Commissioner to volunteer, we are here for you, and for the record, that's Commissioner Newman.

DRYSDALE: Duly noted. Thank you.

HUTCHISON: Great. Any other questions or comments on Agenda Item H2.4. All right. Ms. Laursen, Ms. Drysdale, thank you very much. Mr. Peterson.

PETERSON: Thank you, sir. For the record, David Peterson. H2.5, the Arts, Culture, & Heritage Guide. In your packets, you each have a copy of the final printed piece. I'm going to let Brenda Nebesky take you through this because this was her baby. I think she just did an amazing job bringing this piece to life, literally, and she'll talk about the cover, working with the Arts Council and the Museums and History and the Nevada Indian Commission executive directors, administrators, and their teams. I just want to say quickly I was out at powwow, which was amazing, over the weekend, and of course ran into Sherry Rupert, and I ended up schlepping boxes around for her on a cart. I had the opportunity to meet with Paiute elder Ralph Burns and actually show him how the cover worked, which I think he thought was the most amazing thing in the world. I could show my hand behind the cover and him coming to life doing the dance. It was fantastic. I'm super excited with this guide, and we're going to share a little more information as we move forward with it, but I'll be quiet and let Brenda talk about it.

NEBESKY: For the record, Brenda Nebesky. As I promised Commissioner Arger, we have our premiere issue of the *Arts, Culture, & Heritage Guide* released this month. It was produced by Meredith Media, but it was a collaborative effort between the Department's cultural agencies to engage a cultural audience. This month, 90,000 of the guides will be distributed through *Midwest Living Magazine*. An additional 15,000 will be available through our state museums and other cultural partners. The guide was supported by digital ads with many of Meredith's popular magazine brands and a microsite on travelnevada.com/artsguide18, which features assets related to the guide that were captured along the way by the Meredith team, more stories, video, photos, music, et cetera, lots of fun. We're extremely proud of the cover. As Dave explained, features an interactive augmented reality experience. If you download an app, which I'm happy to demonstrate for you after the meeting if you haven't had a chance to do it yet. And within the editorial captures a wide range of Nevada cultural artists, events, opportunities. We were limited to 84 pages in this issue, but we promise this is just the beginning of our conversation with this audience. The next cultural guide will be produced by *Nevada Magazine* in FY19, and we know they'll bring their special brand of Nevada knowledge and professionalism as this becomes a trusted resource for the traveler.

HUTCHISON: Great. Thank you, Ms. Nebesky. Are there any questions, comments on Agenda Item H2.5? All right, I'm not hearing any. Mr. Peterson, please.

PETERSON: Thank you. H3 is a *Nevada Magazine* update, so it's my pleasure to introduce Janet Geary, who's been waiting patiently for the last two hours, and I'm going to give her as much time as she wants. All three minutes are yours, Janet. No, I'm just kidding. There's some really wonderful things that are coming up that we're doing right now that are coming up in fiscal '19, and I wanted you all to be aware of what's happening with *Nevada Magazine* as we continue to push forward the magazine's efforts. So, thank you.

GEARY: Thank you, David. I'm Janet Geary, Publisher of *Nevada Magazine*, and I'm really happy to tell you what's going on with the magazine this year. We're having a very busy summer. We are continuing our train-themed issues. If you've read the last couple issues of the magazine, this whole year we're doing train-themed issues. We're having stories on the history of the trains in Nevada, the Great Verdi Train Robbery, The Race to Bullfrog by the two competing railroads, et cetera, the transitory train towns with Sparks and Wadsworth, and continuing that theme throughout the year. It's in anticipation of the 150th celebration next year of the connection of the railroads at Promontory Point.

Also, in keeping with that theme, our 2018 historical calendar was all historical train photos, and our 2018 Silver State scavenger hunt, which is going to be in this next edition, announced in this next edition, all has railroad locations as to where to go to take your photos with the July-August issue of the magazine. So, we're really keeping that theme going, and our readers, we've received a lot of input from our readers. They absolutely love anything having to do with trains, and so it's been a great theme for us.

We also have in our July-August issue, if you look right after the budget, there is a picture of our latest issue's cover. Unfortunately, it's not here yet. It is at the press. This picture is a historical masterpiece I might say. Peter Barton asked us to come over and take some photos of the trains at the museum. This is the only time these trains will be available for a photo all together. So, it's very historic. He asked us to do this. My art director, who is an FAA drone photographer, took her drone over there and took this picture. And like I say, we're just so thrilled to have it on the front cover of the magazine. It will be out next week. Unfortunately, we don't have it yet, but then on the next page are all the features that are in the magazine for this next issue, the July-August issue, including a couple stories on Tonopah.

When we were out at Rural Roundup, we went through Tonopah. It was absolutely amazing, the revitalization that's going on in Tonopah, and we wanted to do a couple stories. We did that one called The Middle of Everywhere and also The Tonopah Time Machine. We talked about the mining museum down there, and so were going to go to Tonopah for an event, hand out magazines to the residents and visitors, and also present some "best of" awards to the Mizpah Hotel and the TLC, the Tahoe Liquor Company, who has great whiskey if anybody's interested, not that I drink any, no.

We have changed the events and shows distribution going forward. We are no longer distributing events and shows in the Las Vegas airport, but we are distributing them through Certified Folder. This was a cost-cutting move for the magazine as well as to try some new distribution routes for us, and we are still distributing, though, this product through Nevada throughout northern and southern Nevada, and it highlights, of course, shows and cultural events for the coming months for people to plan their visits. We have printed our 2018 rides guide, and I apologize. The one that was on back counter was our -- I mean, this is our 2018-19. If you got the wrong copy, the new ones are on the back, but this guide we print every year. We hand it out at bike events, motorcycle events. They are available at RV parks, and all of our advertisers get many copies of this guide, and it shows itineraries on where to go to drive through the state and take your motorcycle on a trip.

We're also currently working on the second annual *Las Vegas Wedding Guide* in conjunction with the Las Vegas Wedding Chamber of Commerce and completing the sales right now. We're also talking to the Nevada Off-Highway Vehicle Program. We're talking to them about producing a guide of Nevada's off-road trails, just like our ghost town map that we did. We should hopefully get the information for that in the next month or so.

If you saw this on the back counter as well, this is our third focus, and this is a photographer symposium. It's actually happening this Friday, and if you would like to come, Kippy said you're more than welcome to come. We have 72 people that are currently signed up for the forum. If you take a look at this, it's all different photographers doing talks and workshops, and then in the afternoon, they will be going out to Silver Saddle Ranch for an outside workshop. If you're a photographer or would like to be, please join us. It is free, so you're more than welcome to come out. It starts at nine o'clock at the Brewery Arts Center on Friday morning.

Our new website is getting ready to be launched. It will offer online subscriptions and also allow access to our archives. Obviously, the magazine is 82 years old this year. We're getting our archives online as quickly as we can. We will have at least the last 20 years of magazines online for our online subscribers when we launch in July, and also, we will be producing the State Visitors Guide this year. We're already selling advertising for that guide, and also, as Brenda mentioned, we're going to be writing and producing the second annual *Arts and Culture Guide*. We want to continue with the guide's goals that they currently have with more emphasis on events and heritage, including some historical facts and photos that we have in our collection, because, you know, we love the history. We will be adding some of that to the historical guide, or excuse me, to the *Arts and Culture Guide*. So, I think I covered everything. If you have any questions for me, I'm happy to answer them.

HUTCHISON: Ms. Geary, thank you very much. Questions, Commissioners, under Agenda Item for *Nevada Magazine* update.

SANTOS: Herb Santos for the record. You guys do a great job.

GEARY: Thank you.

SANTOS: When you look at the off-road trail guide you're going to do, and I just sort of learned about this as someone that was out and having fun enjoying riding on an ATV. What I would hate for is if we had some type of guide that made the

representation that here are some Nevada trails a family to go out on without calling to attention there might be what I would call draconian type regulations in different counties. I don't know if we have anything in those guides that would refer a person to those regulations. For example, Washoe County has one that says that if the sound of your vehicle disturbs any house within I think, 500 yards, you could be guilty of a misdemeanor. I'd hate to have someone have a bad experience and they say, gosh, we looked at this guide, and there was nothing in there that said that there be any rules that one would not expect. Do we have anything in there that at least points a person to make sure that they check all county rules and ordinances so that they're in compliance when they enjoy the trails?

GEARY: We will be working with the Off-Highway Vehicle Program, which is a state of Nevada program. We will make sure that they give us all the rules and regulations so that we can include them on our map and our brochure. We do this with our motorcycle guide. We make sure that everybody is aware of the rules and regulations of the road for the state of Nevada, wear your helmet and all of that kind of thing and also some precautions on riding in the heat or whatever. We always try to include those kinds of informational things, for the riders, and we will do that in this guide as well. Thank you for the suggestion.

I'm sorry, and I forgot one other thing. I have it right here, and this is our new marketing program. We are doing a direct mail to 50,000 households in Reno-Sparks area. Hopefully, some of you that live up there will get a copy of this. This is the front of our postcard, the back, and it's on your very last page of your packet. This is actually going out today, so we're very excited to have it out there, and it is a subscription program so that we hope to gain a lot of subscribers from the 50,000 people that we are sending this to. Okay, any other questions for me? No. Thank you.

HUTCHISON: Ms. Geary, thank you very much again, and that will take us on to Agenda Item H4. Mr. Peterson.

PETERSON: Thank you, Lieutenant Governor. For the record, David Peterson. With us today is Tony Manfredi, and I really appreciate him being here. He's actually on a family vacation up in Lake Tahoe, but he just couldn't stay away from all of you on the Commission on Tourism. He's going to enlighten us on what's going on in the world of Arts and Culture and the Nevada Arts Council in general. So, thank you very much, Tony, for being here.

MANFREDI: Thank you. Tony Manfredi for the record, Executive Director with the Nevada Arts Council. It's a pleasure and a privilege to be here. When last I addressed

this body, it was three-and-a-half months I was on the job, and I've made it to ten months and learning a lot every day. So, it's a fantastic opportunity, and I actually can't thank David Peterson enough for his help and support in helping me through this process along with Julia Arger, who I will greatly miss in her role as Board Chair for the Nevada Arts Council. So, thank you to you both.

Many of you may know the Nevada Arts Council and what it does. Just a quick recap, we're really charged with expanding access to arts and culture throughout the state and to provide public participation to arts and culture. The investment in state's arts and culture by the Nevada Arts Council provides residents, as many of you know, with a very rich quality of life. It contributes to the diversity of Nevada's economy, its workforce development, tourism, of course, and it improves education with the use of the arts. We support, fund, and present arts and culture events, productions, concerts, festivals, ethnic celebrations, arts education opportunities in schools, artist residencies, and healing arts programs. One of the things I wanted to bring up during this time was a report that came out from a group called National Association of State Arts Agencies. The Arts Council is a state arts agency, one of 56 state art agencies, including territories, in the United States, and NASAA as we call it is a national group that helps support the work we do.

The *State Arts and Cultural Production* in 2015, this is a creative economy state profile. Nevada, this is from the US Bureau of Economic Analysis, reports that arts and culture production accounts for actually, over \$6 billion and 4.4% of the Nevada economy contributing 39,304 jobs, some impressive numbers. That number includes core arts and cultural production as well as supporting arts and cultural productions, so things like performing arts companies, performing arts presenters, rental and leasing, office support services, and construction. So, arts and culture have a vast swath in our state. One last point of note along this, in a regional comparison, in the west, Washington and California are ahead of Nevada, but we are actually ahead of Colorado, Utah, Oregon, Hawaii, Arizona, Montana, New Mexico, Idaho, Wyoming, and Alaska in our comparisons for arts and culture in our state. So, we have room to grow in surpassing Washington and California, and we're excited to be a part of being able to do that.

The last component that I wanted to address was, again, from the *State Arts Agency Perspective*, is a really important strength -- a really important component in strengthening tourism. Many travelers, a lot of what was already talked about here today, but many travelers pick vacation spots not only for their natural resources, but for their cultural offerings. Visitors will plan or extend their trips, enjoy area's unique food, history, art, or music. Cultural

tourism is a key component of the economic growth offering local communities a diversified and sustainable means for creating jobs and attracting revenues, and this information that I'm reading from here is actually from NASAA. Visitors to historic sites, again, this is -- that's already been described here, and cultural attractions stay longer and spend more money than other kinds of tourists. And by engaging in cultural tourism, planning, marketing, the state's unique arts offerings, we can attract more visitors and augment the impact of tourism as a contributor to state economies.

Lastly, the publication concludes that culture and tourism have a mutually beneficial relationship which can strengthen the attractiveness and competitiveness of destinations, regions, and counties. Culture is increasingly an important element of the tourism product which creates distinctiveness in a crowded global marketplace, and at the same time, tourism provides an important means of enhancing culture and creating income which can support and strengthen cultural heritage.

So, some great opportunities for us and things that we're already doing here with the Arts Council, with the Indian Commission, and our museum partners and family along with the tourism side of TravelNevada. We're really excited about the opportunities that we have moving forward. I want everyone here to know that the Arts Council is eager and ready and willing to help support tourism, to be a part of it, because we know what we bring to the table, and we're anxious to work together, and it's been very open with the environment that David is helping to create over in our large agency. So, with that, I will be happy to answer any questions.

HUTCHISON: Mr. Manfredi, thank you very much for your update and your report, and thank you for taking time from your family to be with us today. We really appreciate your efforts. Any questions or comments Commissioners on the Arts Council update. All right, I'm not hearing any. Mr. Manfredi, thank you again for a thorough and detailed report. Appreciate again your efforts to be here. Mr. Peterson.

Upcoming Meetings

PETERSON: Thank you, Lieutenant Governor. David Peterson. Upcoming meetings, I just want to remind the Commission that our next full Commission meeting is September 19th at one o'clock. Please let me know if that still works for all of you. We'd like to keep that date and time if at all possible. As far as the Marketing Committee meeting now that we have the two new members and we officially have BVK and Noble Studios and the Fahlgren Mortine contracts

approved, Dee and I will reach out to the Marketing Committee, and we will work toward getting a meeting, hopefully, in early August. That's my plan right now. So, that's all the comments I have to say about this particular Agenda item.

HUTCHISON: Thank you very much. That closes out, then, our Agenda Item I.

Commissioner Comments

HUTCHISON: And moves us to Agenda Item J, which is Commissioner Comments. Mr. Peterson, you need to say something else?

PETERSON: Lieutenant Governor, my apologies. For the record, David Peterson. I need to remind the Commission that we will have the phone only meeting -- thank you, Dee -- to approve the grants, the first cycle of fiscal '19 grants on Monday at 1:00 p.m., and that's a phone only meeting. So, my sincere apologies for leaving that out of my notes.

HUTCHISON: No, thank you for the reminder. I think most of us have that calendared and appreciate your follow-up. All right, Agenda Item J, Commissioner Comments. This is the time, Commissioners, for any comments you'd like to make during the course of our meeting here on any subject that you think is worthy of consideration and comment.

KROLICKI: Mr. Chairman, it's Brian Krolicki, just two quick comments if I might. The first is I thought this meeting was just superb in terms of bringing in new folks, but it also highlighted, Julia, your world, the Arts Council. And David, you said it, but I was going to do it if no one else had. Sherry, again, an amazing and extraordinary job at the powwow for Father's Day. Not only is it a great thing here, it's a great thing around the country. You've done an exquisite job. I had issues that kept me away, but my wife, who's part of your Indian Commission, and my daughter, who's volunteered with all of you before, they loved it once again. Thank you for the magic you all do out there at Stewart for the powwow.

The other item I'd like to just mention, you know, everyone thought the sesquicentennial was over, like, four years ago. It wasn't. It just ended last week. I'm looking at Commissioner Newman and others who are part of the Sesquicentennial Commission. I can still say it. It just rolls off the tongue, but we just finished spending our last dime, if you will, to the museum folks. Later this year, Governor Sandoval, who's insisted it be, before Nevada Day, we'll have a lovely opening for the Battle Born Hall on the 2nd floor of the capitol. Three-quarters of a million if not even more have gone to the Battle Born Hall's

creation. I hope we can all be there for its opening. I just wanted you all to know that your Sesquicentennial Commission continues its hard work as of last week, but we are now officially closed. The bank accounts closed, but there were so many cool things that we were able to do. But the magic that tourism and our rural partners played in all of this, back to that theme, was just exquisite. So, again, happy 154th Nevada, but, you know, 150 is still going, going, well. That's all. Thank you.

HUTCHISON: Thank you, Governor Krolicki, and again, thank you for all your efforts in heading the efforts on the sesquicentennial. The Governor put you in charge of that, and you held hundreds of events and made that a very special time in our state's history. So, thank you for chairing that effort and all you did in that regard. All right, any other Commissioners who would like to comment under this Agenda item?

ARGER: Julie Arger, just a quick thank you for your kind words and recognition, and I guess I really want to leave with a parting recommendation. I would sure like to see asterisks behind the three names representing the Indian Commission, Museums and History, and the Nevada Arts Council and make us voting members of the Commission. That's my parting recommendation. Thank you.

HUTCHISON: Commissioner Arger, thank you very much. I don't think anybody here would disagree with that recommendation. Any other comments, Commissioners, under Agenda Item J? All right, I'm not hearing any. We will close out Agenda Item J.

Public Comment

HUTCHISON: Move on to public comment under Agenda Item K. Are there any members of the public in Carson City who wish to present comment to the Commission?

PETERSON: We do have somebody coming up.

HUTCHISON: Please come forward and state your name for the record.

LOGOTETA: Hi, Tony Logoteta, Chief Operating Officer out of the Reno Air Racing Association, and of course, we put on the National Championship Air Races every year. And we've been kind of out of sight, so I wanted to come down and say hi, introduce myself. As I was listening to some of the presentations earlier, some of the videos they were showing really kind of struck me, and the "Don't Fence Me In" was one of the things. I don't know if everybody knows what we do, but we race airplanes over the high desert north of Reno at speeds up to

500 miles an hour. I don't know how much less fenced in you can get than that, so we should talk.

And also, I think Brand USA left, but our international outreach is also quite extensive, and one of the things that popped into my head as he was talking was a guy named Graham Frew. He brought a plane called Full Noise from New Zealand last year, and he's going to do it again this year. Now, what's involved is he takes it apart, puts it in a shipping box, puts it on a boat, ships it here, offloads it onto a semi-trailer, brings it to Reno, takes it out, puts it together, flies it for a week, and then reverses the process to get it back. He brings family. He brings friend. He brings crew. He brings cameras. When he goes back, there's TV shows stories regarding his involvement here at the races, and in those stories, you hear him talk about the national championship air races in Reno, Nevada, on a New Zealand TV station.

I love this event. I love this state, and I love this area, and I have always loved the exposure that this event brings to us here. We couldn't do it without the support of you guys, of this Commission, of other groups in the area, the casinos, the RSCVA. I could go on and on with all our supporters. You guys are vital to our survival and our existence, and I just wanted to thank you all, and thank you for your support both in the past and your continued support into the future. We're really excited about this year. We have a full civilian and military lineup of performers. Our race classes are virtually full, couple spots still to fill. We're bringing out more than 5,000 students this year as part of our continued educational outreach, and I would just kind of finish with a couple of invites. One is to come out and see, and two is my door is open any time. My phone line is open much to the chagrin of my family sometimes, but it's always open. I would love to hear any input that anyone has and just love to talk any time. So, just thank you very much and look forward to talking to you all more. Thanks.

HUTCHISON: Thank you, Mr. Logoteta, appreciate you coming today. Any other comments from members of the public in Carson City?

PETERSON: No.

HUTCHISON: All right. Any comments from members of the public here in Las Vegas? I'm not seeing any. That will close out Agenda Item K, then, on public comment, and we will move to Agenda Item L, and that is adjournment, and we will do so in the memory of our friend and colleague, Kari Frilot, and remember her in our thoughts and prayers and adjourn in her honor. So, is there a motion to adjourn?

VASWANI: Aye, Vaswani.

HUTCHISON: Commissioner Vaswani has moved to adjourn. Is there a second?

SANTOS: Herb Santos for the record, second.

HUTCHISON: Commissioner Santos has seconded the motion, and we will take any comment on that motion. Hearing none, all those in favor of adjourning and doing so in the memory of Kari Frilot, please indicate by saying aye.

GROUP: Aye.

HUTCHISON: Any opposed, nay. Motion carries unanimously. Thank you all very much for being here, and that concludes our meeting.

The meeting adjourned at 3:29 p.m.

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