

Idaho Travel Council
Coeur d'Alene Resort, Coeur d'Alene, Idaho
Wed - Thu, 13 - 14 October, 2010

Minutes

Council Members Present

J.J. Jaeger, Region I
Frances Conklin, Region II
John May, Region III
Diane Newman, Region IV
Bill Code, Region V
Dick Anderson, Region VII
Paul Norton, Member At-Large

Council Members Absent/Excused

Ray Byington, Region VI

Commerce Staff Present

Karen Ballard, Tourism Administrator
Peg Owens, Film Program Specialist
Laurie Zuckerman, Tourism Assistant

Guests Present

Bill Drake, Drake Cooper
Josh Mercaldo, Drake Cooper
Robbin Gibson, Drake Cooper
Todd Christensen, CdA CCVC

Guests Present - Continued

Kathleen Burnz, City of Moscow
Ted Parvin, Northwest Film Institute
Phil Edholm, Lookout Pass

Wed 13 October 2010, Audio Tape *ITC Oct 2010 Budget*

Meeting called to order by Chair John May, followed by welcome and introductions.

Approval of Minutes - It was moved (Bill Code) and seconded (Dick Andersen) that the minutes of 3, 4 August 2010 meeting be approved. Motion passed.

Budget- Karen Ballard, Audio Tape *ITC Oct 2010 Budget* (starting at 4 minutes)

Karen Ballard discussed the budget, collections, and increases. Please see attachment July 1, 2010 - September 30, 2010 Collection Status Report and July 1, 2010 - August 31, 2010 FY11 Monthly Collection Report. She pointed out high points.

Ballard is watching fulfillment. We are seeing a large drop in phone calls to fulfillment house; as a result, this budget item may not be completely spent. However, requests for Travel Guides are level. We are working with fulfillment house to watch mailing costs.

Ballard noted that traditionally payroll came out of both budgets because of the amount of work done on marketing; however, she is working to move payroll into Administrative budget. She noted cuts the division is taking with memberships, periodicals, in-state marketing, etc. She noted work with film, video, and CRM (Customer Relationship Management). *10 minutes*

Norton asked about item 6, page 4, for international. Ballard stated it is low because we have not paid for Japan office and other items yet.

Norton asked about increase with legal fees. Ballard explained that calls to the Attorney General have increased due to GBAD-BVCB and Tax Commission. She expects that will increase.

Jaeger asked about what FAM trips have been done. Ballard talked about recent Cruising the Loop trip. Richardson will be doing several international trips.

Conklin asked Karen to explain the Gateway Visitor Center. Parks & Recreation budget cuts have impacted their portion of Visitor Center funding, so Tourism is doing that for potentially the next two year. Ballard explained that Tourism had to fire the manager at SW Visitor Center and so there will be some cost savings as Department of Transportation covers the stocking of brochures through the spring. *15 minutes*

May asked Ballard about future fees. Ballard said that neither Parks & Recreation nor Tourism will approach the legislature about having Parks charge 2% bed tax on camp grounds to help fund these visitor centers. While Director Nancy Merrill is open to collecting the tax in the future she is reluctant to do so in light of the recent fee increases. While tourism may have the funding resources to keep the centers open Ballard expressed concern that the tourism division does not have the resources, especially staff, to manage these centers and the necessity of keeping both Parks & Recreation and Idaho Department of Transportation involved due to their staffing at a local level. May does not understand why Nancy Merrill from Parks and Recreation does not feel comfortable moving forward with settling who will run these. Ballard said that Merrill seems concerned that she will be asking too much from the legislature. Chairman May asked Ballard to question Director Merrill as to if she'd be comfortable with a legislator introducing such legislation rather than it coming from her recommendations. *20 minutes*

May asked about year round program with education and research piece. Ballard stated that the \$12,510 funds had been reserved for the State Comprehensive Outdoor Recreation Tourism Plan; Tourism did not have to spend this the previous year. This year the funds are set for the economic impact study. It will be at county level in conjunction with Drake Cooper, Department of Labor, and SCORP. *25 minutes*

May asked about \$20,000 in Winter FSI and \$20,000 reduction Winter On-online. Ballard stated that this is more correct alignment.

May asked about raising the film budget. Ballard stated that this is for the new Film Grants and several shows that Peg and Diane attend. Ballard noted the funding for the grants came from cutting our attendance at Sundance Film Festival. *30 minutes*

May asked putting more funding into Niche Marketing and less on highway brochures. Ballard stated that is because the maps are only printed every other year and this is an off year.

Conklin asked about Association Membership, in-state, under Administration Fees. Ballard explained that we are no longer members of many associations due to tighter budget. Conklin noted that this figure is cut in half. Ballard explained that these cuts are in line with Governor's views on government.

Tax Commission MOU - Karen Ballard Audio Tape *ITC Oct 2010 Tax Commission MOU*

Karen Ballard discussed the MOU with the Tax Commission. Mark Warbis from the Governor's office has asked that Don take over this project to negotiate our fees. Don prefers to not sign the MOU as is because it requires us to renegotiate next year for next year's fees.

Melonie Bartolome has dug into this and found many more anomalies. In 2002 Tourism took what was supposed to be a onetime fee. However, that fee has carried forward which may explain why our fees are disproportionate.

They tend to not want to negotiate this; on the other hand, we have received very improved service. For example, they are now able to tell us what collections are compliant. Ballard is working to get clarification on the meaning of this compliancy report.

May explained how tax is taken. Tax Commission does not specifically do audits on our program or auditorium tax. They audit for us as a result of doing a sales tax audit. If a payment is late it will incur penalties and interest. (6 minutes)

Conklin wants to know if ITC/Tourism could get one of these compliancy reports each month. Ballard said yes.

May asked Ballard to thank Don Dietrich for his work and to tell him that ITC agrees that we should not sign the MOU until we know what our fees will be moving forward.

Grant Program Match- Karen Ballard, Audio Tape *ITC Oct 2010 Grant Program Match*
Karen Ballard discussed the Tourism Grant Program especially match. Ballard stated that the proposed changes for the guidelines came about because several grantees had difficulties understanding match. Nelson has outlined some proposals in the guideline verbiage.

There are difficulties understanding 100% match per project verses element. For example, Ballard explained that, "Match per element not to exceed one hundred percent (100%) of ITC dollars requested," referred to grantees and events that had huge amounts of cash match for one element. The grantees would use the match for one element to fund all other grant elements. May elaborated on this. Match is tied to a particular element. (2 minutes)

Conklin pointed out that the two issues ITC needs to clarify are: (1) project verses element, and (2) can direct expenses for projects that are done outside of the grant be eligible for match. ITC needs to make a statement that this is allowed.

Motion - It was moved (Code) and seconded (Andersen) to change wording from projects to elements. Motion passed. New wording is, "Match per element not to exceed one hundred percent (100%) of ITC dollars requested per element." (8 minutes)

Motion -- Conklin motioned to change the guidelines to read, "Direct expenses for tourism related project(s) which enhance and promote grantee marketing plans and promotions can, with proper documentation, be used as cash match. Tourism related projects such as visitor guides, websites, etc. that have become self sustaining may be used as cash match." May seconded. Motion passed. (9 minutes)

Motion—Andersen motioned to change the guidelines to read, "Expenditures claimed for components necessary to the completion of the plan such as staff/intern payroll, rent, travel, audits and watts line, will be allowed as cash match." This clarifies work time verses payroll. Code seconded. Motion passed. (12 minutes)

Motion—Andersen motioned to change the grant guidelines to read, “Expenditures claimed for projects funded in a previous grant cycle will not be allowed as match.” Jaeger seconded. Motion passed.

Motion--Code motioned to change grant guidelines to read, “Co-Op partner advertising or local advertising which compliments promotional campaigns and further enhances the state and grantee message by including the grantee or regional organization’s call to action may be used as cash match with the appropriate documentation.” Norton seconded. Motion passed. (15 minutes)

Grant Program, Minimum Revenue Guarantees (MRGs) - Karen Ballard, Audio Tape *ITC Oct 2010 Grant Program Match*

Ballard introduced the issue by stating that Representative Jaquet wanted to know whether or not 2% grant fund could be considered a marketing spend for MRGs. Ballard believes that they could. Visitors would be more inclined to come to a location if flights exist. MRGs may be the only way an airline would agree to come to a community. ITC would have the choice to decide if that application of grant funds would be a sound marketing choice for a particular location.

MRGs are a pledge that there will be a certain amount of revenue for the airline. Airlines would be able to figure out what percent of passengers are flying for leisure and convention vs. local travel.

Andersen has a non-profit group called Fly Sun Valley Alliance made of local businesses. They guarantee two flights a day into Sun Valley. Forty percent of those flying were tourists, 33% local 27% 2nd home owners and guests. They only do this summer and winter, not off-season. Andersen would like this to be qualified as an eligible grant expense.

For example, right now they are minus \$65,000 but are waiting for one week in September to be calculated. If 40% are tourists that would be \$26,000 that the grant funds could pay. Andersen believes MRGs would increase heads & beds for Sun Valley.

May asked when MRGs need to be to be paid and how that fits into the grant cycle. Andersen said it varies; it can be yearly or seasonal. The current charge is due this fall. However, once the flight is established, the MRGs pay for themselves. May reiterated the need for the council to approve grant funds going to specific MRGs.

Andersen asked Jaeger how he felt about the cuts to flights to Spokane. Norton responded that it has not been good. Ballard said we would need to know how many Spokane passengers are coming for leisure into Idaho. With that kind of information, May said that this could become an element in a grant. If it doesn’t get used, it would need to be able to be shifted to another element. (8 minutes)

Andersen responded to Norton’s question stating that the airlines have been doing this for Sun Valley for seven years. Typically Sun Valley has been able to make the minimum requirement to keep the flights.

Motion-- Code motioned that the ITC will allow MRGs to be an considered an eligible grant element. Norton seconded. Motion passed.

Film Grant- Peg Owens, Audio Tape *ITC Oct 2010 Film Grant Review*

Owens discussed the use of film industry to increase heads and beds historically. This industry is changing and now focuses primarily on incentives. Since the legislature does not fund incentives for the film industry, big studios no longer call us. However, local Idahoans are writing their own scripts and funding their own films. As a result we started this grant program.

Owens explained how the films were judged. Please see attachment "Idaho Film Office - Media Workforce Development Grant." Owens asked the Council to narrow it down to four films. Six scored high enough to be considered. The amounts are not set to \$5K but can be cut or increased as long as we limit to \$20K. Ballard is going to continue to try to find funding for these projects in the future.

Owens described each of the films, their directors, and how a grant would be used.

Norton asked how these films will promote tourism and coming to Idaho. Owens said that we can use clips.

Jaeger asked if these projects bring work into Idaho. May explained that he had three in his hotel this summer.

May wants to know what amount will help the most. Is it better to give a lot of films a little or less films more? Owens explained that their budgets are much larger. They get their funds through artists. If we fund less, they will have to make cuts; however, they will be grateful for what they get.

Ted Parvin stated that his focus is on being able to market them. These six are all marketable. He suggested that they all get equal amount with letter of explanation. He also suggested that the two films that market Idaho could get \$5k. However, we did not tell potential grantees that it had to be about Idaho.

Norton doesn't feel comfortable choosing the films for the film department and would like for ITC to have film office choose. May would like the council to consider this for the evening.

ROI on Ironman (June) & Triathlon (August) - Todd Christensen, Audio File *ITC Oct 2010 Todd Christensen*

Todd Christensen, Executive Director of the Coeur d'Alene Chamber of Commerce and guest presenter, discussed ROI on the Ironman in Coeur d'Alene. He thanked ITC for coming here.

Ironman started in 2003. Today, WTC (World Triathlon Corporation) already has 2732 registered for next year's event and will reach maximum participants at 3000.

WTA provides \$15,000 mostly to youth activities and equipment in the area; these are Ironman dollars that are donated to the local community. Hotels in the area have 100%

occupancy during the event. From 2003 impact, \$4.23 million dollar impact (lodging, meals, and so on). Each visitor spent an average of \$127/day.

97% of the survey respondents said they would come back to visit north Idaho for personal recreation. Since 2003, they community has seen dramatic increase in health especially among youth.

Many races have generated as a result of Ironman which attract out of state visitors and increase overnight stays.

Christensen continued to describe the economic benefits.

Future Directions in North Idaho - Todd Christensen

Todd continued to discuss other athletic events that are attracting visitors to Northern Idaho.

When asked, Christensen said that the economic impact statistics came from several organizations including University of Idaho and Spokane Sports Association. They will also be studying the impact on real-estate as they are seeing people come back to purchase homes as a result of the event.

John May temporarily adjourned the meeting for the evening.

Thu 14 October 2010

8:00 Meeting called to order by Chair John May, followed by welcome and introductions. Additions to the agenda:

Film Grant Awards- Peg Owens, Audio File *ITC Oct 2010 Film Grant Awards*

Peg presented the following awards that total \$20,000 with the goal of presenting those who attained high scores to receive more funding.

- Gregory Bane \$4000
- Bob Bagley \$3600
- Pixle Fish 3200
- Josie Fusel \$3200
- Knives Organization \$3000
- Lairs \$3000

May reiterated the ending of yesterday's discussion that the film office should choose how the money is granted. May reminded the Council that there was discussion on whether or not the council should be guiding the film office. Norton asked that it be put on the record that the council is not re-awarding the money because it has already been budgeted. May elaborated that the Council is supporting Owen's distribution of the funds.

Motion - It was moved (Conklin) and seconded (Jaeger) to support Film Grants as Owens as proposed. Motion passed.

Tourism Media Distribution - Peg Owens, Audio File *ITC Oct 2010 Tourism Media Distribution*
Peg Owens presented Tourism Media Distribution program. She explained the history of how media used to be sent via mail to people who needed media to promote the state. Later we would attempt to send media via email. It took very long to find appropriate media to meet people's requests. It was difficult to send due to memory limits with email attachments.

With Reel Scout, when a business contacts us, we give them information to register to use our website. They choose the media that meets their needs. We can track the media they use. May asked Owens to clarify that she vets those who are allowed to use the data base.

Owens demonstrated various ways to search for media including regions, topics, and key words. This means that tourism staff no longer has to search for and email photos and media back and forth to publishers. The report function tracks what photos and types of photos have been used and by whom. There will be over 5,000 photos and media in the database.

May asked Owens how she is going to get the existence of this website to the public. Owens will be doing a press release once all photos are loaded. The web site is ID.reel-hub; that will take one to the registration page.

Conklin elaborated that this would be helpful for the bed and breakfasts. May added that other hoteliers and event leaders could contribute.

Kathlene Burnz asked if professional photographers could contribute. Owens said that they would not get money for images but would get credit. Kathleen knows of artists that would want to contribute simply for the credit.

Drake commented on how efficient this system is. Owens clarified that it was \$9800 to set up and approximately \$15000/year for storage.

FY11 Marketing Plan - Bill Drake introduced presentation, Audio File *ITC Oct 2010 Drake Cooper*

Drake outlined presentation which will cover review of program updates, winter program, media plan, and marketing plan.

Josh Mercaldo presented program updates.

GIG, Great Idaho Get-Away (1:30 min on audio file)

1. We came - We saw - We GIGed
 1. GIG campaign complete for first year
2. Promotional contest ended in Sept
 1. Site will remain up
 2. Re-launch Spring 2011
 1. Contest will be leveraged with new partners
 2. Lumpkins on TG cover
3. Continuing to send footage requests
 1. Smithsonian TV
 2. Netflix (partnership with IPTV)
 3. In-state partners
 4. Regional film makers

4. Uploading files to IFO's new online image mgmt site id.reel-hub.com
5. Winter promotional effort will begin

Winter (5:00 min on audio file)

1. Snowmobile - Sled the Rockies Campaign
 1. Tri-state co-op with WY & MT
 2. Four in-state partners
 3. Updated site launched on Oct 1
 4. Media starts the week of Oct 18
 5. Three new offers - 1 per state

Visit Idaho: Revamped web shell (6:00 min on audio file)

Travel Guide (7:30 min on audio file)

1. Currently working on listing sections, editorial, photography
 1. Qty: 140,000 guides, Regal 360 shots
2. Ad sales efforts

Research (11:00 min on audio file)

1. Currently working with Dept of Labor on Idaho tourism taxonomy
 1. Statewide economist meeting in late Sept
2. \$45,000 slotted for partnership
 1. Dept of Labor
 2. EMSI, Moscow-based
 3. Dean Runyon, Portland-based

(Side discussion on organization that claims to be Idaho Travel Council, 12:30 min on audio. May reiterated that if any of us hear from this organization to please call Ballard.)

Josh Mercaldo presented Winter Marketing (15:30 on audio file)

Downhill skiing and snowboarding are critical defining activities of Idaho's image; therefore use them as a lure to attract winter visitors.

Objectives

1. Raise interest & awareness of Idaho as a ski/snowboard vacation destination during the entire 10-11 season
2. Generate highly-qualified inquiries and actionable leads to State and Ski Idaho
Increase lodging revenue and skier/boarder visits throughout the state during entire 10-11 season

Strategic Game Plan: Integrated, multi-touch "shred" campaign

1. Season-long promotional contest with statewide offers
2. Dedicated web page for entries and interactive content (video, social media)
3. National, integrated media campaign
 - A. Print
 - B. Online
 - C. Google search
 - D. Bar code scanning (Microsoft Tag)
4. PR and social media coverage
5. In-market tactics in Bellevue (18:30 min on audio file)
 - A. Visual display installation & event in Bellevue Square (mass awareness for general audiences)
 - B. Retail presence and offers within Sturtevant's & Ski Mart stores (target marketing to niche audiences)

Goals (23:30 min on audio file)

1. Generate a minimum of 3,000 - 5,000 opt-in leads
 - a. Measured by e-newsletter sign-ups for Ski Idaho and Visit Idaho
2. Generate 7,000 - 10,000 contest entries
 - a. Measured via online sweepstakes
3. Generate 5,000,000 ad impressions and over \$100,000 in earned media exposure
 - a. Measured by media plan and VOCUS reporting
4. Grow winter season lodging collections by 5% over FY10
 - a. Measured by Tax Commission reports
5. Executed at various intervals, all goals Nov 2010 through April 2011

Campaign Roll Out Specifics

1. Budget of \$210,000
 - a. \$190,000 from State
 - b. \$20,000 from Ski Idaho
 - c. \$10,500 in-kind prize offers
2. Target markets
 - a. Seattle/Bellevue
 - b. Geo-target Pacific NW, SW Canada
3. Timeframe
 - a. Media and PR is scheduled Nov 1, 2010 to March 15, 2011
 - b. Bellevue marketing & contesting is scheduled to start mid-Nov (Black Friday, pre-season)
4. Robust partnerships
 - a. Ski Idaho and multiple resorts, ski areas and lodging industry
 - b. Horizon Air
 - c. Bellevue Square and Sturtevant's

Winter Marketing: Execution & Planning, What's happening now

1. Contest pages & promotional engine
 - a. Calendar of upcoming prizes
 - b. Lead distribution process
 - c. Link checking
 - d. Logo toolkit for partners
2. Bellevue visual display & event
3. Sturtevant's "Ski Idaho Now" promotion
 - a. In-store roll out plan
 - b. Lift ticket offers
4. Media plan: Media plan secured
5. PR: Ski Idaho and State resources

Offer Overviews

Bellevue Square/Promotional Site (29:30 min on audio file)

1. Lookout Pass/Wallace Inn
2. Schweitzer
3. Silver Mountain
4. Sun Valley
5. Bogus Basin
6. Selkirk Powder Company/Selkirk Lodge
7. Brundage/Shore Lodge
8. Brundage Cat Skiing
9. Grand Targhee
10. EpicQuest (heli trip)

11. Peak Adventures
12. Horizon Air
13. Core Concepts
14. Lucky Bums
15. Smith Optics
 - Bundled offers executed every Friday from 11/12 through 2/25
 - Toolkit shared with partners for cross-promotions (sites, blogs, email, social media, PR, on mtn)

Offer Overviews

- I. Promotional presence within Sturtevant's & Ski Mart locations
 - A. Lead-generation effort
 - B. Bellevue and surrounding areas
 - C. Warren Miller Wintervention openings
- II. Individual lift ticket offers from resorts: "Ski Idaho Now" via spin wheel
- III. Partners include:
 1. Lookout Pass
 2. Silver
 3. Sun Valley
 4. Pebble Creek
 5. Brundage
 6. Grand Targhee

Robbin Gibson presented the following points about Media (31:00 on audio file)

Online Magazine goals

1. A cohesive message
2. Increase heads & beds

Purchase funnel

Targeting strategy: demography (families & boomers), affinity (outdoor adventure), geography (11 western states)

Mix of ads to increase exposure & frequency (35:30 min on audio file)

Explanation of how DC graded magazine ad's performance

List of magazines that DC recommends for use: Sunset, Good Housekeeping, Ladies Home Journal, Smithsonian, USA Weekend, Budget Travel, National Geographic Traveler, and more (40:00 min on audio file)

List of Niche magazines: Yellowstone, Camping Life, Outside Magazine, Golf Digest, RV publications, and others (44:00 min on audio file)

On-life publication recommendations: Paperclip, Facebook, Google, Trip Advisor, National Geographic, I-Explorer, Disney, Yellowstone Park.com, and others (46:00 min on audio file)

Other Program elements: Film Office, Co-op funds, Opportunity Fund, May stated that he is happy with the way DC is spending the budget

Josh Mercaldo presented FY11 Marketing Plan (1:09:00 on audio file)

Overview

1. Complete FY11 Marketing Plan provided in packet of materials
2. Covers Grant & Statewide Programs
 1. Target Markets & Audiences
 2. Domestic Programs
 3. Websites
 4. Travel Publications
 5. Advertising Campaigns
 6. Co-Op Programs
 7. Budgets
 8. Hosted on tourism.idaho.gov
3. Staff managed and operated
 1. Work Plans
 2. Fiscal guidance

FY 11 Strategic Highlights

1. Demography
 1. Families, Boomers
2. Target Affinities
 1. Ski/Snowboard
 2. Snowmobile
 3. RV/Camping
 4. Whitewater/water recreation
 5. Golf
 6. Fishing/hunting/outdoor
 7. Culinary
3. Target Geographies
 1. Continued focus in Western 11 States
 2. Geo-target when possible

FY11 Tactical Highlights

1. Marketing
 1. GIG has been renewed.
 1. Promotional contest
 2. Creative re-packaged
 3. Integrated media plan
2. PR & social media
 1. Continued integration of PR and social media channels.
 2. Partnerships
 3. In-state partners
 4. Industry
 5. Research

May asked how the timing will work. Drake explained that they will use an agency to do the research this year and grind SIC codes. Ballard and Drake would like to have this information by county. The report will be direct and indirect contributions to the state's receipts. (1:18:00 min on audio file)

Gibson showed statistics on website (1:22:00 min on audio file)

New Business - John May, Audio File *ITC Oct 2010 New Business*

Update on Boise Visitors Bureau

May gave update. The GBAD officially pulled back direct funding to BCVB. The staff that stayed is now volunteering. Three of the employees are working for Boise Convention Center. They lost three others who need to look for employment. For example, Laurie McConnell is working for Tourism eight hours / week. The old office is closed and May was able to give them office space. They have been able to raise operating donations, \$30-\$40,000 for operating expenses. They main people are volunteering full time. They have put out many bids.

The group that wanted them to “go away” is finding that they are continuing, are supported by the community, and are doing a good job.

Two of the five members of GBAD are up for re-election. The hope is that the new members will be supportive. At that point, although they will not be able to go back to what they once were, they will have a streamlined operation and might be able to work with the new group. They have continued to do everything they said they would do with the grant money that we gave to them. May reminded board that by first of the year, board will have to decide to give them the remaining funds that they requested.

The new organization has paid employees. They are working on a marketing plan and budget which we have not seen.

Ballard said that Auditorium District may go to legislature to see if they can be defined as eligible for grant funds. That would open the door to other governmental entities and tribes. May is concerned that auditoriums sell their buildings, not heads and beds which fund the program.

Drake said that Michael Kane will be introducing language to clarify some of the language to the legislature.

Update on Sun Valley Visitors Bureau

Andersen gave history of how last year Sun Valley and Ketchum decided to not fund chamber but to start new organization. They have since merged chambers with new organization. The new nonprofit has been established and has their paperwork. They need an executive director and general manager. Carol Waller did not stay because her passion is marketing.

Next Meeting - John May

John May confirmed next meeting time TH/F 27/28 --full day 27, half day 28 Jan in order to meet with EAC)

Ballard brought up new option of doing minutes in audio with abbreviated written. May prefers to not have audio and not put as much detail in minutes as Laurie did with last minutes. Keep detail with motions but not general discussions.

Code moved to adjourn meeting. Conklin seconded. Motion passed
Meeting adjourned.