

**Idaho Travel Council
DoubleTree Riverside – Boise, Idaho
May 3 & 4, 2010**

Minutes

Council Members Present

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

Guests Present

Bill Drake, Drake Cooper
Josh Mercaldo, Drake Cooper
Lindsay Schumate, Drake Cooper
John Blaye, Valley County Economic Dev.
Evelee Hill, Aura Soma Lava
Bobbie Patterson, Boise CVB
Jeannie Rogers, Teton Valley Chamber
Reed Rogers, Teton Valley Chamber
Anne Chamber, IRVC
Michael McLaughlin, McCall
Terry Kopp, Boise CVB
Laurie McConnell, Boise CVB
Janice Nally, Boise CVB
Pat Rice, Great Boise Auditorium District
Donna Benfield, Yellowstone Teton Territory
Nick Gailey, Yellowstone Teton Territory
Mark Lowe, Pioneer Country Travel Committee
Destiny Egley, Pioneer Country Travel Committee

Council Members Absent/Excused

Bill Code, Region V

Commerce Staff Present

Don Dietrich, Director
Karen Ballard, Tourism Administrator
Kellie Reed, Tourism
Cathy Bourner, Tourism
ReNea Nelson, Tourism
Peg Owens, Tourism

Guests Present - Continued

Christine McNall, Kamiah Chamber
Katherine Coppoche, Coeur d'Alene Chamber
Todd Christensen, Coeur d'Alene Chamber
Tim Cochrane, McCall Area Chamber
Rick Certano, Brundage/McCall Chamber
Gail May, Greater Boise Auditorium District
Tom Stebbins, Idaho Ski Areas Assn.
Courtney Ferguson, Yellowstone Bear World
Shar Scott, American Country B&B
Tina Hough, Roosevelt Inn B&B
Pam Hinser, Post Falls Chamber
Jeff Naylor, Teton Springs Lodge
Judy Holbrook, Bear Lake CVB
Grant Simonds, IOGA

Monday, May 3, 2010

Meeting called to order by Vice-Chair John May, followed by welcome and introductions. Council Member Bill Code participated via conference call.

Motion – It was moved (Conklin) and seconded (Norton) to include discussion of the grant program conflict of interest talking paper on the agenda. Motion passed.

Election of Officers – Vice-Chair May told the council that Tadd Jenkins, council member representing Region VI has accepted a job with Jayco, and will be re-locating to Middlebury, IN. Jenkins chaired the council and his departure has left the chairmanship position open. The council traditionally holds chair and vice-chair elections at the May meeting.

Motion – It was moved (Code) and seconded (Andersen) that John May be elected to the position of council chair and Frances Conklin be elected to the position of council vice-chair. Motion passed.

Approval of Minutes – It was moved (Andersen) and seconded (Newman) that the minutes of the March 15, 2010 meeting be approved with the change to include Paul Norton, Member At-Large, as participating in the meeting. Motion passed.

Budget Review – Karen Ballard ask Peg Owens to brief the council on the proposed Film Workforce Development Grant Program. Owens distributed a briefing memorandum and program guidelines for a proposed Media Workforce Development Grant and a Proposed FY11 Film Office Budget for the council's review. She told the council that the mission of the Idaho Film Office is to enhance the economic climate for the media production industry in Idaho through production support, legislation, marketing and workforce development. Annually the film office has organized workshops for workforce development in editing, producing and screen writing. Idaho Media Professionals and Kootenai North Idaho Video Entertainment Society and various private parties have begun to offer workshops on a regular basis, and film office staff Peg Owens and Diane Norton propose taking funds reserved for workforce development a step further via a grant program that would be a catalyst for hands-on production experience. Proposed partners in the grant program include the Idaho Commission on the Arts, colleges, and The Idaho International Film Festival for the first year. If the program is well received and successful, the second year could expand to include Lakedance Film Festival in Sandpoint and Northwest Nazarene University. Program elements would include:

- A MOU with partners
- Final grant award would rest with ITC
- Initial funding would be \$20,000 (maximum per applicant \$3,000 to \$5,000 with matching funds requirement of 20%)
- Ineligible areas would include short films, documentary, narrative or animated
- Internet or device game design
- Smartphone app design

Hopeful results from the program would include workforce development of crew/apprentices on the production; footage to be donated to ITC for marketing purposes; greater collaboration between program partners and educational opportunity for students reviewing proposals.

Karen Ballard told the council that funds would be pulled from 2% tourism promotional assistance funds for the film grant program in an effort to be more pro-active to do workforce development with which the division is tasked.

Peg Owens reviewed the film program budget with the council. Idaho does have film incentive legislation in place; however the program was not funded. In response to questions from the council, Owens told the council that even without incentive funding this year, the program brought in about \$1-1/2 million between a Japanese crew filming in Moscow and a project in Buhl. Paul Norton suggested that the Economic Development Council should take this project on, not tourism. Karen Ballard responded that she sees it as an Innovation Division program, but they have no funding. She said tourism benefits when films are made in Idaho with hotel stays and other spent dollars in communities.

Frances Conklin asked what responsibility would fall on the council, should funding of the grant program be approved. Owens said the plan is to have panelists score the application and bring their recommendations to the council at the October meeting for their approval. Ballard told the council that they would be decision makers on film grant awards.

John May said from his standpoint, he questioned the value of attending the Sundance Film Festival in the past because nothing ever came from it, so he feels it is appropriate to look at the film grant program in favor, with the understanding that a budget hasn't been set because of the uncertainty of 2% collections. He does support going forward with the program, but final outcome will be based on collections and funds being available.

Tourism Budget – Karen Ballard reviewed collections and the budget with the council. She had projected a 5% drop in collections, and collections came in down 5.5%. These numbers mean that Ballard needs to find \$200,000. Proposed budget cuts include travel, clipping service, education/research, promotional assistance/workshops, fulfillment, e-mail and snowmobile marketing and advertising, trade shows, ad agency projects, film program funding and niche brochures. She told the council that the good news is that any dollars not spent roll over into next year’s budget. The council discussed specifics of the cuts with Ballard. Proposed budget cuts include:

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| Year Round Program: | |
| Travel | \$24,000 |
| Clipping Service | 8,000 |
| Reports/Subscriptions | 12,500 |
| Traveler Profile Study | 38,750 |
| Promotional Assistance/Workshops | 15,000 |
| Program Operations: | |
| Fulfillment – Contract Labor | \$25,000 |
| Advertising & Promotion: | |
| Email Marketing | \$ 3,500 |
| Snowmobile Advertising | 2,000 |
| Other Promotions: | |
| Trade Shows | \$ 6,000 |
| Advertising Agency Projects | 5,000 |
| Film | 15,000 |
| Niche Brochures | 6,000 |
| Remainder from Winter Marketing savings and online media | \$40,000 |
| Total: | \$250,750 |

Motion – It was moved (Norton) and seconded (Conklin) to approve shifting of funds and proposed budget cuts presented by Karen Ballard in an effort to make up for the shortfall in 2% collections. Motion passed.

Visitor Center Funding – Karen Ballard told the council that in the past, the tourism division has worked with Idaho Parks Department and the Idaho Transportation Department in funding of the three major visitor centers in the state: Huetter Visitor Center, Cherry Creek Visitor Center, and Snake River Overlook Center. Ballard received notice from Nancy Merrill, Park Department Director, that they would not be able to honor their \$25,000 commitment to the centers. Ballard said that she is in the process of holding discussions with Merrill to determine if funds have already been earmarked by the Joint Finance Appropriations Committee out of the RV Trust Fund, but asked the council how they feel about funding visitor centers. She said the Idaho Department of Parks owns the Huetter Center, and the Idaho Transportation Department owns the other two centers. Ballard’s philosophy is that the centers are key to encouraging visitors to linger longer and she is impressed with how influential the centers are in making this happen.

After a lengthy discussion, council members agreed that keeping visitor centers open is crucial to Idaho’s tourism programs and asked Ballard to pursue conversation with Park’s Department staff about collecting 2% tax on campgrounds. Those funds collected could be used to support visitor center operations.

Advertising Agency Update – Bill Drake and Josh Mercaldo provided updates to the council on the following projects:

Winter Update

- All media ended in March (search, banners)
- Impression levels were up, as were click rates
- Cost per click dropped
- Interactive video ads and “Great Deals Now” messaging very effective
- Overall site traffic dipped slightly compared to last year given lower budgets
- Continue to work with Google for search and content network
- Continue to work with OntheSnow and iExplore for driving traffic to winter
- Drop Yahoo and Bing for search and Specific Media for ad networks

Sled The Rockies sweeps ended in March. Over 12,321 total submissions (6,200 opt-ins for Idaho compared to approximately 4,400 in 2009). Site travel was up and sweepstakes winners will be posted in May.

Great Idaho Getaway Update

- All media is in circulation (online, print, search, Delta in-flight)
- Sweeps is providing tremendous growth in web activity and submissions
- Up to approximately 60 offers for weekly prizes and additional ways to win
- Continue aggressive PR and social media engagement and footage distribution
- Toolkit is live
- Home page adjustments based on consumer date have been made

FY10 Cuts – Based on latest collection numbers, Drake/Cooper will scale back on search and online banners and reduce online serving fees. No additional print will be cut. Cost savings will be applied and marketing budget will be scaled back.

FY11 Strategic Recommendations – Drake/Cooper has conducted an in-depth audit of current marketing efforts. The goal of the FY11 plan is to streamline and simplify program components for focus and impact. The Great Idaho Getaway campaign will be repurposed, bundled, and re-edited. New distribution channels will be explored with a focus on PR & Social Media.

Other Items – ESTO award submissions have been made (national travel event in August). ITC won multiple awards during the Boise Ad Federation’s Rockie Awards, including GIG as best complete campaign. Other tourism work receiving awards include the Travel Guide, and a variety of local community tourism focused ads.

Council Choice Awards – Council members reviewed nominations for Council Choice Awards and voted for their choices. Frances Conklin will tally votes and report back on the winners.

ITC Administrative Tutorial – ReNea Nelson and Cathy Bourner reviewed tools that have been added to the grant program website that will assist council members with reviewing and awarding grants. Bourner asked council members to provide comments and suggestions to these new tools so changes can be made during the time a programmer is on loan to the department from the Department of Insurance.

Conflict of Interest – Chairman May asked the council to review the conflict of interest statement so it can be presented to new grantees. He has had some potential concern in reviewing different grant applications and feels that a strong and clear statement of the council's policy will help alleviate any conflict of issue situations that may occur in the future. He asked that the council be prepared to vote on the changes to the statement after they have had an opportunity to study them.

Idaho Promotional Campaign – Karen Ballard told the council that after the January meeting, she was inspired to do a press release to encourage Idahoans to try and get out of the economic doldrums. The release was co-authored by various CVBs and chambers. Council member Frances Conklin took the release one step further and authored a program to encourage citizens to invite family, friends, and business or organization colleagues to come to Idaho for a vacation, convention, or other event or gathering. Conklin presented her campaign to Governor Otter during his Capitol for a Day visit. The Governor wants to consult with the council for its support and approval before taking the concept further. Conklin told the council that she visited with Josh Mercaldo who told her it would be inexpensive for a platform on the Web with slogans and logos that could be used so every organization could send the same message with every piece of correspondence or communication. Ballard told the council that a tool kit has been placed on the tourism site with that information in it. The council supports the program and asked Ballard to move forward in working with the Governor to develop and launch the program. Ballard suggested that the Lt. Governor, who is the spokesperson of Project 60, could be the one to invite people to participate in the program. Since the Lt. Governor will be participating in the Idaho Conference on Recreation and Tourism Awards Luncheon, Ballard will discuss the program with him and report back to the council.

Motion - It was moved (Andersen) and seconded (Code) that the council endorse the crafting of a public relations program tailored after Frances Conklin's concept and present it to the Governor. Motion passed.

Meeting adjourned for the day.

Tuesday, May 4, 2010

Meeting called to order by Chairman John May, followed by welcome and introductions. May also welcomed those participating in the web cast of the day's grant presentations.

Motion – It was moved (Conklin) and seconded (Jaeger) to add a discussion of the pre-approval process for the ITC Grant Program to the agenda, following Karen Ballard's review of the conference agenda. Motion passed.

Director's Update – Don Dietrich thanked the council for all they do for Idaho's tourism program and welcomed them to Boise. From an economic standpoint, Dietrich said the department continues to have a very active pipeline of companies continuing to bring their businesses to Idaho. International companies are also looking at Idaho as a great place to do business. Credit continues to be a major problem in the state and until businesses are able to find working capital, things will probably remain slow. Some international money has been identified as potential for investing in Idaho. Dietrich told the council that the Governor's Small Business Summit was a success. The summit provided an opportunity for the Governor to hear from small businesses from each region of the state. Health care costs continue to be a major obstacle for small businesses. The next major event for the department is the Governor's Trade Mission to China, June 4-12. Work continues on trying to lure the F-35 program to

Idaho. Dietrich anticipates that the F-35 preferred location will be identified as summer approaches but it is uncertain if the location will be made public. Dietrich said he continues to be optimistic about Idaho's economy and as soon as credit frees up, he anticipates a great deal of activity. He also said it would be great if 2% hotel/motel taxes increased.

Idaho Conference on Recreation & Tourism – Karen Ballard reviewed the conference agenda with the council. The Boise CVB, Idaho Recreation & Tourism Initiative, and the Idaho Restaurant Association have helped plan the conference program. A strong recreation track, which has been missing in past years, will be represented. A reception, silent auction, and golf tournament will be held to raise funds for the Larry May Foundation, which provides scholarships to students interested in pursuing a career in tourism. Chairman May thanked those donating to the foundation and told the council that between four or five scholarships will be awarded this year.

Grant Pre-Approval Process – Chairman May requested that the council set a date for grant application pre-approval submission in order to provide council members an opportunity to review the applications prior to the formal grant presentation meeting, which is held in May in conjunction with the Idaho Conference on Recreation & Tourism. He said the pre-approval deadline date would not affect the final submittal date. May would like to see the date mandatory for all grant applications. After discussion, the council moved to accept May's recommendation.

Motion – It was moved (Conklin) and seconded (Newman) that an April 25, 2011 pre-approval submission date for Idaho Travel Council Grant Program applications be set in order to provide council members with an opportunity to review the applications prior to the presentation meeting. Motion passed.

Conflict of Interest Discussion – ReNea Nelson distributed copies of a conflict of interest talking paper for the council's review and discussion. With the recent passage of updated Administrative Rules governing the ITC grant program, a review has been done of the ITC grant contract entered into with grantees to see if updates are needed. It is proposed the following be added to the contract to alleviate questions if there is a conflict between private interests and the official or professional responsibilities of a person in a position and to also address and avoid even the appearance of personal conflicts of interest. Staff has monitored the 2008-2009 grants to ensure there are no areas of noncompliance and the Deputy Attorney General has reviewed and approved the revised wording. Chairman May said it is a good time to update this section to make the conflict of interest policy clear to grantees. Language change:

~~No member, officer, director, or employee of the GRANTEE who has decision making authority either by himself or by vote, during his tenure or for one (1) year thereafter, and no immediate family member of such individual during this same time period, shall have any interest, direct or indirect, in any contract or subcontract or the proceeds thereof, for work to be performed in connection with the program assisted under the Agreement.~~ The GRANTEE shall incorporate or cause to be incorporated, in all such contracts a provision prohibiting such declaring their interest pursuant to the purposes of this section. A board memo or meeting minutes reflecting sub-committee decisions may be requested and will suffice for full disclosure. "If at any time the Council becomes aware of an apparent or potential conflict of interest between a GRANTEE and a private entity which may influence grant funds, the Council may request a meeting with the grantee's representatives. The Council may, at that meeting terminate the grant if an inappropriate conflict of interest is found. (*Admin. Rule 225.02)

Motion – It was moved (Andersen) and seconded (Norton) to adopt changes to the conflict of interest rule as presented to the council. The council also directed staff to make appropriate changes to all documents involved and make grantees aware of the change. Motion passed.

Council Choice Awards – Vice Chair Conklin announced winners of this year’s council choice awards. They are:

Region I:

Sandpoint 2010 Brochure, First Place
Mille & Mudge Brochure, Honorable Mention

Region II:

Pedaling the Palouse Brochure, First Place
Moscow/Pullman 2010 Visitor Guide, Honorable Mention

Region III:

SWITA September Social Media Campaign, First Place
McCall Winter Campaign, Honorable Mention

Region IV:

People Vacation Ad, First Place
Stay & Plan With Us Co-op, Honorable Mention

Region V:

Bear Lake Valley Brochure, First Place
Birding Trails Brochure, Honorable Mention

Region VI:

Idaho Falls 2010 Visitor Guide, First Place
Yellowstone Teton Territory Website, Honorable Mention

Region VII:

Sun Valley Official Getaway Guide, First Place
Stanley Chamber Website, Honorable Mention

Multi-Region:

Idaho Ski Areas Association Website, First Place
IOGA Wild River Ad, Honorable Mention

Grant Presentations – The following organizations presented requests for ITC grant funds to the council:

Boise CVB
Southwest Idaho Travel Association
McCall Area Chamber of Commerce
Idaho RV Campground Association
Idaho Cutting Horse Association
North Central Idaho Travel Association
Lewiston Chamber of Commerce
Northwest Passage Scenic Byway

Coeur d'Alene Chamber of Commerce
Post Falls Chamber of Commerce
North Idaho Tourism Alliance
Idaho Bed & Breakfast Association
Greater Sandpoint Chamber of Commerce
Southern Idaho Tourism
Sun Valley/Ketchum Chamber of Commerce
Pioneer Country Travel
Pocatello CVB
Yellowstone Teton Territory
Snake River Territory CVB
Teton Valley Chamber of Commerce
Idaho Outfitters & Guides Association
Idaho Ski Areas Association

Council Intent Discussion – Karen Ballard and Cathy Bourner discussed results of a survey Bourner did to help the council convey their expectations of grantees to be consistent with the goals and objectives of the Idaho Travel Council. It is the goal of the council to leverage all grant funds with the state's program and they want to make their expectations known to current and potential grantees. Chairman May asked that this topic be on the agenda at the August meeting for further discussion.

Other Business

Next meeting, August 3 & 4, 2010, Sun Valley

Chairman May asked staff to remind grantees that an update and wording change has been made to the conflict of interest form and let grant applicants know that the council moved to set pre-submittal grant requests a week prior to presentation and that this will be a mandatory request for all those applying for ITC grant funds.

On behalf of the council, Chairman May thanked Kellie Reed, who is retiring May 21, for her service to the council.

Meeting adjourned.