

The Nevada Commission on Tourism held a Commission meeting at 12:00 p.m. on January 21, 2015 at 401 N. Carson Street, Carson City, NV 89701 and by teleconference.

Call to Order

Lt. Governor Hutchison called the meeting to order at 12:28 p.m.

Commission Members present:

Lieutenant Governor Mark A. Hutchison
Brian Ayala
Christopher Baum
Cindy Carano
Lorraine Hunt-Bono--by phone
Don Newman
Rossi Ralenkotter--by phone
Herb Santos, Jr.
Ryan Sheltra
Bob Stoldal--by phone
Mike Vaswani--by phone
John Wagnon

Commission Members absent / excused:

Julia Arger
Richard Arnold
Bob Ostrovsky

Staff present:

Claudia Vecchio, Director
Larry Friedman, Deputy Director
David C. Peterson
Greg Fine
Sarah Bradley, Deputy Attorney General
Dee Chekowitz-Dykes

Roll Call and Determination of Quorum

Hutchison: Welcome, everybody, to the Nevada Commission on Tourism meeting January 21, 2015. Let's get it started here. I will just start by saying anybody who thinks that I am causing problems, messing up, doing something wrong, is free to speak their mind, but only today. All right, let's go with our roll call. Julia? Is she here? No. Richard Arnold? No. Brian?

Ayala: Here.

Hutchison: Christopher Baum?

Sheltra: He will be tardy.

Hutchison: So, he's coming. Is Cindy Carano here?

Carano: Present.

Hutchison: Governor Hunt-Bono?

Hunt-Bono: Here in Las Vegas, Lieutenant Governor. My personal welcome to your first meeting.

Hutchison: Thank you. I expect you to keep me on track. Commissioner Newman?

Newman: Present.

Hutchison: Bob Ostrovsky? Is Bob on?

Chekowitz-Dykes: Unable to attend.

Hutchison: Okay. Is he absent/excused? And is Rossi with us?

Ralenkotter: Here in Las Vegas.

Hutchison: Rossi, welcome. Thank you. Herb, you're here with us.

Santos: Present.

Hutchison: Okay. Great to have you here. Ryan?

Sheltra: Present.

Hutchison: Bob is on the conference call as well?

Stoldal: Here in Las Vegas.

Hutchison: All right. John, you're here.

Wagnon: Yep.

Hutchison: Mike Vaswani? Is Mike here on the phone?

Vaswani: Yes, in Las Vegas, sir. Welcome back.

Hutchison: Okay, Mike. Thank you. Claudia, you're here.

Vecchio: Here.

Hutchison: Sarah's here.

Bradley: Yes.

Hutchison: And Ryan is here, and Cory Hunt. Cory Hunt? Nope. Kevin, are you here with us on the phone? Kevin? No, all right.

Public Comment

Hutchison: Okay, great. Let's open it up for Public Comment. Is there anybody here in Reno, or in Carson City, or in Northern Nevada, anywhere, who would like to give public comments? Hearing none, is there anyone in Las Vegas? All right. I close the time for public comment.

Approval of Minutes

Hutchison: And we will move on to Item No. 3, which is the Approval of the Minutes. We'll start with the October 27, 2014 Commission Meeting. Are there any questions or corrections or concerns about any of those meeting minutes before I take a motion?

Santos: Herb Santos, for the record. There was, on page 1, it didn't list me as being there but I was at the meeting. As you can see on the next page where I said, present...

Hutchison: All right, Herb, we will fix that. Any other comments or corrections? All right. Do we have a motion for approval?

Carano: Move to approve.

Hutchison: Okay. Commissioner Carano moved. Second?

Santos: Second.

Hutchison: Seconded by Commissioner Santos. All in favor, say aye.

Group: Aye.

Hutchison: Any opposed, say no. All right. Let's do the same thing. Moving on to the December 10, 2014 Commission Meeting Minutes. Any corrections, comments, concerns, thoughts about those minutes? All right. Hearing none, entertain a motion.

Carano: Move to approve.

Hutchison: Commissioner Carano again moved to approve.

Santos: Second.

Hutchison: Commissioner Santos seconds it. I guess I should take any discussion on that. Any discussion? No discussion. All in favor, say aye.

- Group: Aye.
- Hutchison: Any opposed, say no. February 21, 2014 Strategic Planning Meeting Minutes. Any comments, corrections, concerns about those minutes? Hearing none, I'll take a motion.
- Carano: Move to approve.
- Hutchison: Commissioner Carano again moves to approve. Seconds by?
- Santos: Second.
- Hutchison: Commissioner Santos. Are there any discussions, comments about that? All right. All those in favor, say aye.
- Group: Aye.
- Hutchison: Are there any opposed, say no. All right. Motion passed. All three motions passed. All minutes approved.

Reports

- Hutchison: All right, we'll move on now to Item No. 4, The Reports. We have the Chairman's Report. I've been sworn into office for about two weeks and so I don't have a whole lot to report. Let me tell you how thrilled I am to be with so many competent professionals, and I look forward to working with you. Once again, I'm serious when I'm saying keep me on track and if you think that we need to do something differently, certainly let me know.
- We're going to move over to Claudia, aren't we, Claudia, for your Tourism Report?
- Vecchio: Good afternoon, everyone. Thank you for your patience as we got this meeting going. We appreciate those of you able to join us. You have in your packets the highlights for the quarter. I think it was a tremendous quarter in terms of our fall/winter campaign, which is getting underway in a good way.
- Larry and his team on the international front are accomplishing just extraordinary things. We were thrilled to be part of and in partnership with the Reno-Tahoe International Airport as they welcome the new flights. It's really amazing what that team has been able to accomplish in the past 90 days. Larry and the work that he does internationally, has been a great help in partner with that. We're thrilled about that.
- The rest of it is in your packets. If anybody has any questions about what's been accomplished over the past quarter, please let me know.

Normally we have team updates that we're not including today, just so we can get on to the strategic planning part of this. If you have any questions for the team or about anything that they have done, they can certainly let you know those things.

The FY15 Budget Update. David Peterson's going to provide that to you. I see he has a worksheet and we'll get this to those of you in Las Vegas as well, but just a simple update of where we are year-to-date FY 15. Let me see, we started July 1 so we end June 30. David Peterson is now at the helm of our operations and financial world. He's keeping us on track. Take it away, David.

Peterson: Good afternoon Commissioners. For the record, David Peterson, Operations and Finance Manager. This sheet that I just passed out to everybody here in Carson City, takes a look at four categories that make up the action steps, which are our program budgets for Larry and team, Bethany and team, Greg and team. This is a brief look at the out-of-state travel, authority amount that we have in-state, and then training and promotion and advertising.

Just a quick overview. We have approximately \$50,000 in work program. All these numbers are invoiced through the 31st, so halfway through the year. We spent a little over \$24,000 in out-of-state. About 48 percent of our work program authority has been spent in our out-of-state category. In the in-state, we have a little over \$45,000 of authority. We've spent just under \$20,000, or 43 percent of that category's budget so far this fiscal year. Training, about \$6,500. We've spent \$1,700 to date, or 26 percent. We've got some additional training coming up for some of the staff and that will take up the rest of that budget by the end of the fiscal year. And then the biggest category is category 31, all of our promotion and advertising. We've got about \$9.2 million, and so far we've spend just over \$2.7 million, so we're sitting at about 30 percent. Obviously, we're in the middle of our winter campaign right now, we've got invoices coming in to finish that out for January and February. We'll have our Spring/Summer campaign as well. We plan to fully expend all four of these categories by the end of the fiscal year. So just a brief update on where we're at with our action-step categories.

Vecchio: The way we convey our budget and where we stand with our budget, to all of you, is critical for us. I don't know that we've done a particularly great job of that in the past. Now that David's here he fully understands this. If there's a different way that you are used to seeing budget updates from boards that you are or working for you, or any other way that you'd like to get this information, please let us know and we'll certainly provide that out to you, so that you have a good tracking of where we are, from a budget standpoint.

The only other category that we don't show here is personnel. We had very little say over that. It's done in a certain way for the state and won't really change

much. These are the budget categories that we have some ability to influence. If you want to see this information in any other way, let us know.

- Hutchison: Any comments about format?
- Vecchio: Cindy.
- Carano: I have question. Where is international?
- Peterson: Category 43 is where the base administrative costs come out of, it's a different category than anything related to advertising and PR, separate type of promotion, that comes out of category 31.
- Carano: So the international offices are in category 43?
- Peterson: We can add that on here. Absolutely.
- Carano: So how are we on those?
- Peterson: Basically, tracking a little bit less than half. The only reason for that is we're working with our international vendors as far as the necessary backup that we require for the invoices. So we're working with them right now. But we're a little less than half.
- Carano: What's the total budget for international?
- Peterson: Off the top of my head, it's at about 690, somewhere around that, 678, 688, somewhere in that amount.
- Carano: And then your travel goes into that? Or is it...
- Peterson: No. That would be within here, for staff...
- Carano: Out-of-state?
- Peterson: ...that would be, yeah, 02, 03.
- Friedman: This is Larry Friedman, for the record. With the exceptions of China and Canada, Canada being a PR-only contract and China being a different representation, the other countries all are a \$60,000 contract. That is for both sales and PR. They are paid quarterly. They need to do appropriate backup to show not only what they've done in the previous quarter -- we require quarterly reports -- but also, what they plan to do in the upcoming quarter. At this time of year, with two quarters gone, we would be at approximately 50 percent.

Hutchison: David, is there a reason that we're at 30 percent with promotion and advertising halfway through. Is there a reason for that? Or is it coming up on a big expenditure coming forward?

Vecchio: Yes, it's as he said that it is because we're in the middle of a campaign and not all of the invoices from the forward of the campaign have come in. We've had some, but there will still be some invoices to come. Our larger expenditure is in our Spring/Summer campaign. We really do spend more at that point. We're tracking just about right based on the size of the Fall/Winter campaign and what we're going to need for our Spring/Summer effort.

Hutchison: Thank you.

Santos: That's really what I was going to ask is if these percentages, that's where we want to be in terms of what we've got left and what you spent?

Peterson: Right. Yes.

Vecchio: We will include all of those categories with our category 1, which is personnel costs.

Santos: Is it possible to show -- maybe go back like three years, so we could see if our percentages are right online with what we've done in the past? Can that column be added?

Vecchio: The percentages will be right, you know, our budget fluctuates based on a number of things. So the dollars, you will see a difference in dollars, but the expenditure percentages per quarter, we could certainly put together.

Santos: That would be helpful because it would show me, you know, we're in line with where we should be and then 10 percent (inaudible).

Vecchio: All right. Thank you. Any input that you have about that, let me know, and we'll put together the report that works for you.

The third point on here is the Governor's Conference on Tourism. We've been hosting and conducting the Governor's Conference on Tourism for many years. The industry has changed. The way these conferences are perceived has changed. It seemed like it was an appropriate time to evolve this beyond being a more generalized, educational conference like we have with Rural Roundup, which is very successful and is targeted in that it provides information salient to our rural partners. It's a great networking opportunity, and great fun. It really is a treasured event and we don't want to change that.

I think the Governor's Conference on Tourism, again, because of some changes in the industry, needs to evolve. We've really tried, from an educational-output standpoint, to provide the highest level of educational opportunities that we possibly can. The speakers are the best in the business, but it still is pretty stagnant at about 200 to 275 people. I'm not sure that our relevance for people in the urban areas is the same as it has historically been, for a variety of reasons.

I thought it might be a nice opportunity to take a little bit different tact on the Governor's Conference on Tourism, and to focus in on an area that really is incredibly relevant for our urban partners. In this case, it would be international travel. To identify key areas within the international travel segment and help educate, continue to be an educational conference, but also to be a much more business-building type of opportunity. The Nevada Marketplace that we started three years ago, has become a very popular part of the Governor's Conference on Tourism, and certainly can be a greater part of a global tourism summit. Not only is the business-to-business, the one-on-one opportunity of the conference important, but also the fact that we bring in international buyers and they do a FAM trip around the area, whether we be in the north or the south. Plus, the two-and-a-half to three-day conference, as we've talked about in the past, is a challenging opportunity to event plan and is a very time-consuming undertaking.

With that said, you have a one-page overview and explanation of why the change might be a good one at this point. On the second page, you have a draft Agenda of the day. It would shorten this conference to be a day and a half. We'd have a Commission meeting, in this case it would be on a Monday afternoon Commission meeting, followed by potentially an opening speaker, followed by an evening reception. Then the next day would be the one-day, jam-packed session.

It would be a smaller time commitment on the part of our partners, an area that is of incredible importance to us now. This isn't going to be a one-time shot, with us saying in 2016, "Well, we're going to do a bicycle summit," and in 2017 something else. It's not a fleeting focus. I think international tourism is something that will be with us for a very long time. There are lots of opportunities for Nevada to better position itself in this growing market. I think this might be a great way for the Nevada Commission on Tourism/Division on Tourism, to show its relevance in the state.

That is the proposal to evolve the Governor's Conference on Tourism into a focused, one-and-a-half day Global Tourism Summit. I welcome your input on that idea. It's for possible action, so if it meets with approval today, we can move forward. We have a couple other stakeholders that we need to get this through, so it would not necessarily be a done deal, for those who are on the phone that

might be in the media. This a first step to building and evolving this Conference. Any questions?

Hutchison: Comments about this discussion?

Hunt-Bono: Claudia, Governor, this is Lorraine Hunt-Bono in Las Vegas. I think it's an excellent idea, having been in the original Governor's Conference on Tourism, Governor Bryan in '83, till today, this is a great opportunity for us. We know, even in Southern Nevada, that our international capacity rose -- Rossi's on the line -- I believe it was over 13 percent for the second straight year, making Las Vegas the fastest growing international market for the second straight year. This is the time to do this, and it brings people from all over the world. I totally support it. And our Rural Roundup, fantastic. We don't want to ever change that. It's exciting and very motivating for all of us that attend. But this is perfect. I totally support this.

Vecchio: Thank you. Governor.

Hutchison: Any other thoughts, comments?

Carano: I, too, support that. I think it's great for Northern Nevada as well. The Marketplace -- is that enough time for the Marketplace, or would you also be going to the 2:00 on the first day?

Vecchio: Yes, and Larry and I have talked about that. We want to give that Marketplace timeframe enough of a piece of this, so now it's from 9:00 till Noon. It has been historically two hours.

Carano: Oh, okay.

Vecchio: Our suppliers have said, you know, not enough time. If we give it an extra hour, we think that will give them time to meet. That's why we extended it.

Newman: This is Commissioner Newman. I would agree that the format, the shortened timeframe, and a little more dense in things going on. I think Nevada Marketplace was huge this past year. It really was. I mean, going into the room, the energy, the light came on. This was the direction that it needs to go. That really needs to be the focus of the meeting. So I, too, would agree that this is headed in the right direction, and would support condensing this meeting. Budgets being what they are, it's harder to go that extra night in a hotel, even though the hoteliers provide us with great rates and partnerships. But the travel and for those folks that participate in this, I think this format would lend itself very much to a successful meeting.

Hutchison: Great. Thank you. Other thoughts, comments, questions, input?

Sheltra: Have we -- Governor?

Hutchison: Please.

Sheltra: Ryan Sheltra, for the record. Have we, on any post-event surveys, asked the attendees what they thought about change or direction or what they'd like to see going forward, of the 250, 275 attendees we've had in the last year and similar numbers in the past?

Vecchio: We ask them if they have ideas for sessions and other kinds of things like that. We have not asked the holistic, global: Do you have any ideas for how this conference can evolve? We ask about sessions at that's it.

Sheltra: My only concern would be just trying to think around the whole circle here, international tourism is unbelievably important. We all agree with that. It's why we're here, a whole large part of what NCOT does. This certainly is going to be much more impactful to Las Vegas. I would imagine when the Conference is hosted in Vegas, our attendance is going to be very large on this theme. I'm really (inaudible) every other year, when the Conference is hosted in Northern Nevada, we will draw those Vegas attendees and that this same topic will grab more than just a couple properties in Northern Nevada, to get them to come. So the content, when it moves up here, is what makes me nervous.

Vecchio: Well, and Larry knows this, Expedia just named its top four international destinations for 2015, and it was Orlando / Kissimmee, Napa Valley, Yosemite, and Reno-Tahoe. So the opportunities for growth, at least from Expedia's standpoint, are enormous up here. I think if we start this in Las Vegas and we can get the momentum going in Las Vegas, the folks in the north need to understand the importance of international travel.

Sheltra: Yeah, I don't disagree with you at all. I'm just thinking about sales, you know, getting the people in.

Vecchio: Yes.

Friedman: I think every single one of the primary hotel casinos in Reno-Tahoe, did participate this last year in the Marketplace. They were there. Just to clarify what Claudia was referring to. It was that Expedia, at the Expedia Conference in Las Vegas, did show exactly those four communities for the greatest percentage in growth for future bookings in the year 2015. Not currently the largest international destinations, but those with the largest international growth 2015, with Expedia. The countries that are responsible for that, the top five, are China, Mexico, the U.K., Australia, and Canada, in that order. I think the rurals do know, because they know who their guests are and they see their guests, know the importance of

the internationals there. I think the Reno hotel community certainly does. And as you indicated, Ryan, Las Vegas does. I think that as the Marketplace and a targeted subject become better known with the Las Vegas community, they will indeed, be interested in participating.

As Claudia indicated, one of the reasons why the Rural Roundup has been able to be the success it is, is because it knows its audience and its target. I think that this is one of the things -- instead of trying to be all things to all people, this targets an important statewide focus.

Sheltra: Thank you. And I agree. The Conference has to evolve. Changes can be scary at times. But launching in Vegas is absolutely the right place. To try to start it in Reno, I think, would be a mistake. But Vegas will be a great test.

Hutchison: Here's a question, and this just exposes my ignorance of the Governor's Conference on Tourism. Does this switch back-and-forth to north, south?

Vecchio: Yes.

Hutchison: So have the Las Vegas stakeholders been unwilling to move north in the past? Or have they come north in the past, you know, given the former format?

Vecchio: Yes, some do. But I don't know that it has the relevance for them -- for either to go either way. I think, this has a greater relevance.

Hutchison: So that's kind of my point. But I mean, it can't get any worse, right? I mean, it can only improve, right? So if you're not getting the south participating right now, it's like, okay so they don't participate. They're not participating now as much. There's a no-lose situation, it seems like. Let's try it. Give it a shot.

Carano: Yes. This is Cindy Carano. There was a year that we considered not even having it. Or we did skip a year because of special session. But then another year we thought about not even having it. I think it is definitely time because it's a little stale. This will give us northerners something to go to Las Vegas for. And if it is something that we don't get access to for international travel, they will come north the following year, for education.

Vecchio: And the idea again, to keep the educational speakers at an incredibly high level. For the opening speaker on Monday, you know, I'd love to get Congress Secretaries or Brand USA leaders here. The educational piece plus the Nevada Marketplace, really does, I think, create a vibrant opportunity for the state.

We'll build this out. It's for possible approval. If we could get your approval on moving in this direction, that would be great. Are there any concerns?

- Hutchison: Do you need a motion on this, or what do we need?
- Vecchio: We need a motion on it.
- Hutchison: Okay. So is there a motion then, to move forward with -- okay, other comments or are we ready for motion?
- Ralenkotter: This is Rossi in Las Vegas. Just one comment. Naturally, international is the growth potential for all the destinations in the state itself. But to put a little balance, we might want to add something to the agenda that addresses the domestic market, as well as the state of travel and tourism and conventions in Nevada. Just one session of, What's the State of the State of Tourism? That just puts a little bit more balance to it. Because all of us also are, you know, strategically looking for domestic increases, as well as the one thing we've talked about over the past year, is the importance of getting Nevadans to travel within Nevada, north, south, east, and west. So I think, if we just added that to it, then you're balancing it out.
- Hutchison: Okay, thank you, Rossi. Thank you, Rossi. It's a good comment. Do we have any other comments, questions? Brian, you've got a motion?
- Hunt-Bono: One comment, Governor. This is Lorraine in Las Vegas. I'm still very supportive of this whole idea. I also wanted to mention that many of our Chambers, like our Asian Chamber, Korean Chamber, Indian Chamber, they will all be very excited about this event. I think that we need to reach out to them and they will attend.
- Hutchison: Thank you. Any other comments from anybody in Las Vegas? Okay, now we'll take a motion.
- Ayala: Move to approve.
- Wagnon: Second.
- Hutchison: All right. We've got a motion and a second on the table. Is there any discussion on the motion? All those in favor, say aye.
- Group: Aye.
- Hutchison: And are there any opposed, say no. All right, passes unanimously. You've got your direction here, Claudia.
- Vecchio: Thank you. We will run with that. Legislative Session, obviously, will be starting coming up in ten days, February 2. We've provided you with legislative communications plan. I did this the last time we met and we continue to watch. Certainly the budget's going to be a major issue. Those of you who listened to the State of the State the other night, know where the challenges and the

opportunities come from the Governor's Office. I did mention the global -- Rossi, what is the official title of that?

- Ralenkotter: It's the Global Business District.
- Vecchio: Global Business District. The Governor did mention the Global Business District, which was tremendous.
- Newman: Yeah, good job, Rossi.
- Vecchio: Yes, nice. I was very glad to hear him mention the industry. We'll have our first budget hearing on the 28th and certainly not too different from the past, we'll talk about this agency's ability to generate revenue. We are now up, depending on the model that you look at, we're at 33 to 1 now. As you know, when we started last Legislative Session, we were at 19 to 1. For every dollar we put in towards the marketing, we returned \$19 to the state this year. We're up to 33 to 1, and yes, almost double.
- Ayala: That's impressive.
- Vecchio: With the new model that we're launching, our landmark benchmark model with TNS, we're closer to 62 or 63 percent return on investment based on PR, owned and earned, social and digital channels.
- Ayala: You were right.
- Vecchio: So I was right. We'll continue to convey the revenue generation, and performance-based budget and the importance of the industry. I also want to take a look at and figure out, above and beyond our value, from a lodging tax standpoint. As you all well know, the tourism industry also impacts entertainment tax and other taxes such as sales and research tax. I don't know if we have a broad enough look at the impact of tourism and what this industry is for the state. We're going to look at those other tax places. There may be additional ones that you all know of, that we can start looking at what the reasonable -- we always are conservative -- what the reasonable percentage of tourism's impact is in these various tax areas, so that we can better understand the total overall performance of this industry. We'll continue to message the importance of tourism in the state, to continue to help everyone realize that we are moving forward, that this is a robust, vibrant industry and just to broaden the discussion of the impact. That will be something that we're looking at internally. If you've done that or there are models that we can look at I'd be more than happy to do that.
- Hutchison: Claudia, just a quick follow up. What role has the Commission historically played in the Legislative Session, and what role do we play in this session?

Vecchio: Well, we provide talking points to the Commissioners. Each of them have legislators that they know well and talk to fairly consistently, and just to continue to convey the messages of what we do as a division, and what this industry means to the state. It will be important. We'll provide that information out to you.

Hutchison: Historically, have you been the one that's presented to the legislature at any kind of Committee hearings?

Vecchio: Yes.

Hutchison: Do any of the Commissioners ever get involved with the Chair or anything, just for my own education?

Vecchio: They haven't since I've been here. But, there may be times prior to that, when they certainly have.

Hutchison: Okay.

Vecchio: We'd welcome that, certainly when we have hearings. We don't have any bills that we anticipate this time around, nothing that we're really pushing forward. There isn't anything that we need a lot of support on. But, you never know how a session's going to fall.

Hutchison: Right.

Vecchio: Retaining our funds this session is going to be important, as it always is. I think we want to continue to talk about the value of this industry, that will be our greatest topic.

Hutchison: I think it's going to be very important to have our finger on the pulse of what's going on over there. I'm going to be over there every day, obviously. But in terms of any kickback on our budget amounts, there's any kickback on what's happening, I think we just descend on the legislature if that's the case, and just let them know exactly how we feel. I mean, there's nothing like a whole bunch of people showing up for a hearing getting in front of legislators, to emphasize the importance of what we're doing and what our position is. Anyway, we've just got to keep an eye on that. I don't know if you've heard anything about that. It's going to be a very fluid session over there. It's going to be very interesting. It's going to be a lot of challenges, I think, from a lot of areas. I think we've got a direction that we want to head and that we've embraced what was referred to in the State of the State. All I'm telling you is, let's just stay engaged. Everybody here is so influential. We've just got to be engaged. I'm telling you, this session, we've got to be engaged at all levels. We really do.

Hunt-Bono: Governor, this is Lorraine in Las Vegas. I have a comment.

- Hutchison: Please.
- Hunt-Bono: Okay. I just wanted to say that return on investment number, for every dollar we spend, regenerates \$33, not including the multiplier. That's really important to educate the legislators because in so many ways we are an enterprise fund. We make money for the state, which in turn pays for schools and social services and all of the other responsibilities we have. The other issue that I would like to mention, and I don't know if Rossi can answer this or not, there's someone there, that they used to tell me our sales tax revenue, that two-thirds of it was generated by our visitors. Is that number still kind of a ballpark figure? Is it more? Is it less? Because when they talk about revenue-neutral, raising taxes, lowering others, they always talk about lowering that sales tax. It sounds nice. But when the visitors are paying two-thirds or more and we keep increasing our visitation, especially with longer visits and international visitors, that would be kind of shooting ourselves in the foot. That would be a pot I wouldn't want to mess with necessarily. Does anyone have that figure, as to sales tax generated by visitors in the state? Is it still around two-thirds?
- Ralengkotter: I haven't seen it recently, but it probably is close to that. This is Rossi. The other thing, too, is the total impact on all of the tax sources that the Tourism Convention Industry in the state generates.
- I mean, we're the number one employer. You look at some of those numbers and they are very substantial. And you look at entertainment tax, you look at the room tax that goes back into both the state for NCOT, as well as the communities themselves and the share that they have. So actually the message, it's impacted the industry plus jobs, jobs and jobs. So that's really why...
- Hunt-Bono: That's right, it is.
- Ralengkotter: ...(inaudible) forward, so.
- Hutchison: Thank you.
- Hunt-Bono: As hard as we try to diversify, we're continuing to do so and doing a good job, tourism is still the engine that drives this economy, right?
- Hutchison: Thank you. Commissioner Santos.
- Santos: My question was -- Herb Santos, for the record -- do we have someone that is dedicated to watch bills as they come in and (inaudible)?
- Hutchison: Yeah, good question. Good question.

Vecchio: That's a great question. We are in the midst of hiring a legislative intern who will be doing just that, day-in and day-out. Not only bills that smack of tourism, but those that somehow shape the floor and might impact us. They'll be watching that. The people I'm talking to have run critical campaigns and other things, so they know what they're doing.

Santos: Thank you.

Hutchison: Let's say that there isn't a bill that's of interest or something that we want to be involved in, and then is there a mechanism or can you think about a mechanism, in terms of how we get involved at that point?

Vecchio: We will definitely think about a mechanism.

Hutchison: Yeah.

Vecchio: Yes. There is not one right now in place.

Hutchison: Right, thanks.

Ayala: On the \$33 return for every dollar, which is a significant increase from the \$19. Can you highlight what is the major contributor to that increase and if you can, what your goals and objectives are to increase the number this year? I think that's great.

Vecchio: I think it's more effective, more targeted. Are you asking me to do that now or just...

Ayala: Well, you know, I mean, because, I don't know. Do you want to hit that later or something or what?

Vecchio: Well, I mean -- I have never had an ROI number that is fully believable by all. Everybody wants backup and a reason for it.

Unidentified Male: So true. So true.

Vecchio: Especially when you've got a big number. I think that it's more targeted campaign that better reaches our audience. It's just a more effective media buy, and more effective use of those dollars. That really is why our ROI goes up. We haven't changed our model. I mean, sometimes if you change your model, you can get a (inaudible) budget at the same time.

Newman: This is Commissioner Newman. I would take a stab at this by saying that with ADRs across the board probably increasing statewide, as well as Southern Nevada, you know, the news recently was Las Vegas is going to hit 41.6 million. The

increase in travel, with the higher ADR, I think, lends itself to that percentage increase.

Vecchio: There are likely those kinds of impacts as well. The 33 comes from the research program done by TNS that measures only Division of Tourism marketing. They are pretty good about honing in on our marketing and it will put some spill over, undoubtedly, by other big campaigns. But anyway, we'll be sure...

Ayala: But you and I had a conversation that the expected increase wasn't that high.

Vecchio: That could be.

Ayala: No, it wasn't. I mean, we had (inaudible) 26 or so.

Vecchio: Yes.

Ayala: I think that's great. I'm not questioning the metrics at all. Keep it up. And so, 44 next year?

Vecchio: It's 60 already. Definitely, that is our key performance in success. When we talk about what success looks like in 2020, much of it's going to revolve around our return on investment that we were able to (inaudible).

Hutchison: That was a great story to tell, right? I remember when Claudia came in at the freshman orientation for legislators and I said, you know, I think it was 19 then, right?

Vecchio: Yes.

Hutchison: Let me make sure I understand what you're saying. Every dollar the state gives you, you give us back 19. Why don't we just give you all the money, you know? You know what, we'd be 19 times more wealthy as a state. So I was a little incredulous because it seemed to me that might be a great way for the state to make money, right?

Vecchio: Well, it is.

Hutchison: So that's why it's good to have (inaudible). How do we justify this? Because really, as you look at it, you go, really? Why aren't we just pouring everything in there.

Vecchio: Well, Florida went from about a \$20 million to \$150 million budget in six years or something like that.

Hutchison: All right. That's our story.

Vecchio: The value of the tourism market. It's a different industry there. But they recognize the value of the return on investment.

Hutchison: Okay. Any other questions or comments about the Legislative Session?

Carano: To your point, when is our Tourism Day? Is that April 15?

Vecchio: The 21st.

Hutchison: Okay.

Vecchio: April 21. We'll have a full day at the Legislative Building. Like last year, we'll do some displays downstairs and then we'll also do a breakfast this time. We had lunch last time and it's not nearly as well attended as breakfast. Unfortunately, that is a day that something happens at the legislature, something like bills come out. I can't remember what that exact day is. But there's an activity on that day, which is, we kind of wanted to avoid. But that's how it shaped up.

Hutchison: Let me just inject here, in terms of, again, I don't know how active we've been in the past. I come from a legislator's perspective of the world, in terms of government. But if we want to descend on the legislature in the sense of, the Commission is going in there, and if we have a story to tell and a message to tell, I mean that's something that we could divvy up, right. By assignment, we could just say here's some of the key legislators. We could at least, sit down as a group or as a little subcommittee or whatever and say, "Look, we want to make sure you understand what's going on here with tourism." Maybe we can give some thought to that, Claudia, in terms of organizing our forces. Let's go hit five or six key legislators and make sure that we spend our time wisely with that day. It's just going to be all about tourism. And we'll talk about it on the Senate floor. We can, you know, we can make a big deal out of this.

Vecchio: A big deal needs to be made. That's great.

Hutchison: Yeah. All right.

Santos: Governor, based on your experience, do you think that that day, the 21st, time wise, is good for the legislators or ask if we want to get there earlier, or--

Hutchison: Yeah, so the question really becomes, when do any bills that we care about surface? I mean we want to be able to get in there earlier than that if we could. I'll say that the best time to be there is in February, because that's when it's not crazy yet, and bills are making their way through. But you've got to work within the schedule.

Vecchio: There's a schedule.

Hutchison: You've got to work on the schedule, so...

Vecchio: We got the earliest we could get. But Dee's already booked this next session, and we got March.

Hutchison: Are we earlier than next session?

Chekowitz-Dykes: I think we're in March.

Hutchison: Good, yeah. So the earlier the better. Maybe we can keep moving up.

Vecchio: Yes.

Hutchison: That's a great question.

Okay, great. Claudia, why don't we take the Statewide Air Service Committee comments out of order, wait for Commissioner Baum to be here. And then let's circle back that if you don't mind.

Vecchio: He's going to be here at 2:00, so we may have to go back to that.

Okay. Greg's going to provide a snapshot of the Fall/Winter Campaign Overview and where we are with that.

Fine: Hi. Greg Fine, Director of Marketing. Commissioner Newman, if I understood your hand signals, I have 45 minutes.

Newman: No, no, no. I thought this was the fifth meeting that you were off the hook.

Fine: Oh, I'm sorry. I misinterpreted that!

Newman: Yeah. No, no.

Fine: I'll be brief. As you saw in the packet, our campaign is performing well. I think it's being seen by a lot of people. I just wanted to hit upon a couple of highlights. The campaign started on December 1, which was when our first flight of TV started. Then TV ended in, December 18. The second flight of TV started on Monday in San Diego, L.A., San Francisco, Phoenix and Salt Lake City, and will continue through the 8th of February. Then our digital, including all our pre-roll and the other supporting elements, have been running from the 1st of December and will run through February 27. We've been getting pretty good coverage. Digital and pre-roll are actually augmenting and being supported in Salt Lake City, as well as the other four metro markets that I mentioned.

One of the things that we have implemented for this campaign, that seems to be performing nicely at this stage that happened through the program is called digital segment targeting. I don't want to get too deep into the weeds, but this was a

program we put into place with our research partner TNS. It's a new program they developed. Essentially, they've taken a small pool of people who are confirmed Nevada travelers in the digital marketplace. They've taken and extrapolated that information and applied it to a much larger pool of people. Then we have served ads to those folks. Even though we're six weeks in to the campaign, the ads that are being seen by this larger pool--or this segment of pool of people, are performing considerably better than a lot of our just traditional marketing, digital marketing. So we're looking forward to keeping that going and seeing how that performs with the campaign. So that was nice.

Another high point that we've seen is in our website traffic has been spiking, as expected. But we have a component on our website called Adventure Pages, which is really detailed posts about what people can do around the state. We're seeing a considerably higher engagement rate with people reading through those posts. From the start of the campaign to now, we've had over 20,000 page reads of that. They're staying on the page about 2 minutes and 49 seconds, which is pretty substantial. It means they're absorbing the content and seeing what's taking place.

Finally, our partnership with Travelocity and Expedia, is doing well. It's a direct-booking link straight from the website. We're able to drive that type of immediate booking opportunity, should people want to do that. I'm looking forward to seeing how that performs when we get our results in at the end of the campaign.

Other than that, I think there's quite a bit of detail in the report that's on your desk. So please, feel free to ask any questions.

Hutchison: Questions, comments for Greg.

Newman: Yes, this is Commissioner Newman, for the record. We were a little late out of the gate. I mean, did that impact us, or were we able to just hit the ground running and move forward with the campaign?

Fine: TV started as we wanted it to, right on 12/1. Our digital components had to ramp up a bit. But pretty much everything was within that 10-day segment or 10-day launch.

Newman: Okay.

Fine: So it did pretty well.

Newman: Okay. No pressure on you?

Fine: Yeah. It was quick. But it went along pretty well.

Newman: Right.

Hutchison: Any other comments or questions?

Vecchio: We have a Marketing Committee Meeting scheduled for Friday, February 13. At that point, we'll talk about the Spring/Summer. It's time for us to take a look at the overall creative. It's time for us to look at how we're evolving that, how we're evolving the brand. We've had this same television commercial for two years, so it's time to evolve what is really, I think, a good campaign. But, all campaigns, all brands, need evolution. We'll start to tap those conversations with the Marketing Committee on the 13th, and then bring back that activity to everybody.

Fine: I wonder if the new agency's going to be onboard?

Vecchio: I didn't hear that. That's where we are with all of that.

Hutchison: Great. Are we finished with Item 4, except for our Statewide Air Service Committee that we wanted to postpone?

Vecchio: We can come back to that.

Hutchison: Circle back to that? Okay.

Vecchio: I have just one more thing that doesn't require any action. Hopefully I can talk about this. It will be in our next meeting. Those of you who have been here for a long time, do you remember STAR bonds? We've had a request for a STAR bond discussion and approval, and this body needs to be involved with that.

Sheltra: There's your first bill draft request right there.

Carano: I thought they were eliminated.

Sheltra: Debbie Smith did her best.

Bradley: I think it's still there. We were going to try to do a regulation because that way you'd have some criteria to evaluate, because I know there were some issues with that. But then we kind of let it alone. It's been alone for about six years now.

Sheltra: Commissioner Sheltra, for the record. Just for all new Commissioners, this was my seven-years-ago christening into NCOT. And STAR bonds, there are three facets to the approval process. One is the local entity. Two is NCOT. And third is the Governor.

Vecchio: No number three.

Sheltra: I'm sorry.

Vecchio: Three is out. The third...

Sheltra: They cut that out. So it's just us and the local entity?

Vecchio: Yes.

Sheltra: That's even more dangerous. Debbie Smith...

Hutchison: What is a STAR bond?

Bradley: Sales tax anticipated revenue.

Hutchison: Sales tax anticipated revenue.

Bradley: That's how we get STAR.

Sheltra: Correct. Cabela's is a STAR bonds project. Legends in Sparks is a STAR bonds project. I believe Mob Museum down in Las Vegas, if I understand it correctly, is a STAR bond district.

Santos: Or the restaurant district (inaudible).

Bradley: It might be. But I don't recall that this Commission approving them.

Sheltra: Oh, yes.

Bradley: Okay. I may be wrong.

Sheltra: Any STAR bonds comes in front of us.

Sheltra: So to not blow this up for a front-page news story, the way the law was originally written, and I'm not sure how Debbie -- how much she got through, but our -- the only thing we could do is say yes or no, does the anticipated revenue history going to be 50.1 percent or more, in terms of money.

Bradley: Yeah.

Sheltra: Yes or no.

Bradley: Out of the state.

Vecchio: Out of state.

Bradley: If it's a preponderance of out of the state.

Sheltra: Correct. But here's what was, in my humble opinion, incredibly broken. The entity asking for our approval, got to bring in the professionals to give us the proof. They hired -- it was their report. They'd write the report and give it to us

and we had to say yes or no. And that's all we could do. We couldn't ask any other questions in that and...

Hutchison: There was nothing to validate, right, those numbers and...

Sheltra: And there's no -- and at the time, and again I'm not real fluid with what happened in the last session with Senator Smith, because she was trying to fix things. But at the time, there was no component to look back and to see, did they actually meet those thresholds.

Bradley: Yes.

Sheltra: So STAR bonds are close to...

Bradley: Well there was controversy, I think, over how you counted the preponderance.

Sheltra: Yeah.

Bradley: Because, like you said, you could hire one person that would say this and then another person would say this.

Hutchison: Right. Nothing was audited. There was no objective.

Bradley: I know there were definitely articles in the paper and questions and scrutiny, but I sort of came in at the tail-end of it. I'd been at the AG's Office almost eight years, and I think you'd approved all the projects before I came on. But I had to do a couple of Attorney General Opinions on STAR bonds.

Hutchison: Okay.

Sheltra: Well, it's interesting. Many of the proponents on one of those projects, had later come back and said, we made a mistake. So they're a good thing, can be, if they're used properly, for the press.

Bradley: I believe I did at least one Attorney General Opinion on STAR bonds.

Hutchison: Are they online?

Bradley: I can send it to you. I believe it was requested by, I want to say the City of Reno. It had to do with the statute at issue. The statute may have been changed so it may not be helpful anymore. I know that they had asked some questions. It's been quite a while since I did that.

Sheltra: Maybe it's the Aces stadium STAR bonds.

Bradley: I just know, I started working with you June of 2007. I think there were some of these questions still percolating. I think a lot of the major decisions had already

been made before I was your attorney. So I don't know all of the intricacies of how you approved them. But I do know that I did have to do an Attorney General Opinion on it. Then we've had some discussions about it.

Santos: If this is something that we're going to have to consider at one point, I mean this is the first time I've heard of a STAR bond. Where can I go to educate myself?

Vecchio: Well actually, we will provide you with a whole packet of information on STAR bonds. It's NRS 271A. But we'll provide you with that. We'll provide you with some of the historic decisions and what went in to this, knowing that statute has changed since the last time it was done.

Hutchison: Claudia, what is there to do with STAR bonds for our Commission? I mean, what do we do at this point with STAR bonds?

Vecchio: Upon request from the entity, the Commission of Tourism needed to provide a listing of companies that would develop this preponderance study. That's been done. The preponderance study is completed. The entity is going to present that preponderance study to their approval authority next week. Then the Commission needs to take that preponderance study, review it and then come up with an opinion of whether or not, as they said, that project will generate 50.1 percent of out-of-state tourism. I will provide everybody with background information on STAR bonds and tourism improvement districts. This entity has requested that we meet in March. That's an additional meeting. This meeting has to be in person, from what I understand, so they can present it to the Commission.

Hutchison: The Commission, okay.

Vecchio: That's all we'll do at that March meeting, is have discussion about this project.

Bradley: You could do it video conferencing if you wanted to save money, or have -- but it does need to be primarily, at least give them an opportunity to present.

Vecchio: I'm not sure I can say. You'll know next week.

Hutchison: Okay.

Bradley: Technically, we don't -- I mean, it's a business, so it's not a person. But normally we don't...

Hutchison: Disclose.

Bradley: ...disclose names unless the person's been noticed that we may say their name in a public meeting. Normally, that applies more to people. In this case, it sounds like you'll know soon. And we'll get the materials to you.

- Hutchison: So this is by way of information?
- Vecchio: By way of information, which is why I think it's okay to put it on here, just so you know it's...
- Bradley: That we'll have to have a March meeting.
- Vecchio: We'll have to have a March meeting.
- Carano: So last time, I took individual meetings. I was basically presented individually, by the two STAR bonds that we approved. Is that okay?
- Bradley: Because--what happened?
- Carano: They called me and they came to my office and gave me presentations prior to the Commission's presentation.
- Sheltra: Yeah, they lobby the Commissioners to Sarah and ACES.
- Bradley: I would say that's not appropriate. Now I don't know all the circumstances there. But the way I think of you as Commissioners is you're semi-like-judges, at least in this regard. It would be very improper, generally speaking, for someone to lobby you one way or another regarding your vote. Your decisions are supposed to be made, based on the evidence presented at the public meeting, and the discussion that occurs at the public meeting. That's normally how we would do it. Now, obviously, there are times staff provides you with materials. And it's perfectly fine for staff to say, "We received this proposal. Here's the pro that they've given us. Here's the con that someone else gave us." Staff gives you materials to review ahead of time. And that's fine. But generally speaking, if something is going to be on a future agenda meeting, they shouldn't be talking to you. Now it's not as clear for you guys, only because you don't have licensees. Most of the time, when I'm working with commissions and boards, I'm working with people that are deciding livelihoods in professional licensing contexts. We have statutes and we have cases that talk specifically about, you cannot do that. This situation, I would say it's close to that. I don't think it's proper. I don't know that we have a specific mandate on point. But I guess I would say, if anyone asks, they need to present in the public meeting, that we need to vote, based on what you hear in the public meeting. If someone is unable to attend, then the materials maybe can be sent through staff potentially to them. I think there should be no contact with those folks with you guys.
- Santos: Herb Santos for the record. Then I would suggest that, when someone applies for something, if we have consensus on that, there should be some type of warning saying not to contact any of the Commissioners. They're not going to talk to you.

Right from the beginning, so there are no attempts at communication that would put us in situations where we might talk to somebody and not realize it.

- Bradley: Yeah, they should know that. If this ever happens, please let us know as soon as it does because we would need to put a stop to that.
- Hutchison: In fact, you could just probably give them heads-up, right?
- Vecchio: This is a group that I can do that. Oh, yeah.
- Carano: What's the date, March?
- Vecchio: March. We'll poll you to get a good date. This is a long-lead meeting. It needs 15 days of public posting before the meeting can occur. This is something we do need to plan well in advance.
- Hutchison: Okay. Anything else on Item 4, other than what we're holding on the Committee agenda?
- Ralengkotter: Hey, Claudia, this is Rossi. Just for information purposes, could you provide us with a summary of the history of the STAR bond requests and what the Commission's recommendations were, so that we can have a sense for what has happened in the past?
- Vecchio: Absolutely, Rossi. We'll provide that to you.
- Ralengkotter: Thanks.
- Hunt-Bono: Yes, also, this is Lorraine in Las Vegas. Along with that, would you also give us what happens with some of the ones that we already did approve, and what the current status would be?
- Vecchio: We can certainly look into that.
- Sheltra: That's the trouble, there's no...
- Hunt-Bono: The ones that we approved, what were the results of those approvals? Where do they stand today?
- Vecchio: They're required to show results. It would be more anecdotal, I think. But we could probably provide that.
- Hunt-Bono: Okay. Thank you.
- Vecchio: David is telling me they do have to provide a report to the legislature. We can get you those reports.

Hutchison: Okay, anything else on Item 4 before we move on to Item 5, which is our Strategic Planning, facilitated by OnStrategy. Claudia.

Strategic Planning Session

Vecchio: We appreciate everyone's taking the time to be here for phase two of strategic planning, as you all likely vividly remember last year at this time. It's taken us a year to get this all put together again. We talked -- it really moved the first phase of this, which was to take a look at the Commission and how the change in the structure of the department may or may not have impacted how we all operate. We got some good feedback about some of the things that you all are looking for from staff, to make sure that this all works better. Today, we have taken that to the next step. We continue to work with OnStrategy. They were the same folks who were here last time, although we have a different facilitator this time, for no other reason except that the person we had originally is unavailable for today. It's not like they ran screaming, which we thank them for. We have a new person and they'll introduce themselves, as they do a better job of that than I do.

We talked a little bit the last time about identifying a vision, which we really kept for this group to do, to identify a vision, to identify what our key performance indicators are, how we as staff better communicate our tracking against those and how you want to see that. Then any other items, obviously, that come up for discussion. I'll turn it over to the folks at OnStrategy to introduce this session. Again, thank you for this. We take strategic planning very seriously, because it lays a foundation for our success. Having this group be successful is the most important thing that we do, and the reason we get out of bed every day. Your direction in helping us to be better at what we do is very much appreciated.

Brunings: Thank you, Claudia. Yes, I am a new facilitator for you all. It's not because Lisa Toutant didn't go running or any reason like that. I'm excited to be here. My name is Jeff Brunings. I'm with OnStrategy. Today really is the continuation of the work that was done a year ago. We're going to recognize and honor that work and bring it in to today's exercise. Today's exercise in strategic planning, is really an exercise of clarity and focus. It's going to be an exercise of clarity in painting a picture of where we see the organization in the future. It's going to be focused because we're going to begin the exercise of focusing on those strategic priorities that are required to get us from where we're at today, to where we want to be in the future, and how the Commission and the Division will help set those priorities and the guiding principles of what needs to be accomplished.

Claudia, I wanted to ask you specifically, what are a few outcomes that you would like to see as a result of today?

Vecchio: I think for today, it would be wonderful if we could identify a vision. I know lots of Boards take long periods of time to come up with an organizational vision. We had worked through a mission statement last time that, as all of these things are, is dynamic. Generally speaking, a mission and a vision don't change particularly often. But, if we feel as though we need to revisit those, the mission statement, we can. We did not identify a vision statement, keeping that for today. So, that would be terrific if we could identify the vision of this organization and talk about what that should look like.

Also, to help you all champion what we do, to make sure we're aligned under our key metrics of success and what it is that we need to be working toward as an organization. That we all agree, given your direction, that we need to achieve these particular goals in the next year, next five years. They have 2020 up there, so that's a ways down the road.

Then, that we're communicating back to you in a way that helps you champion what we're doing. It really is those three things, three big things to accomplish in an afternoon. That would help us, again, as you said clarity is really important and helps us all to be really closely aligned as an organization.

Brunings: Claudia, I have three desired outcomes. There was the identifying the vision, align on the division and the strategic priorities of the Commission and the Division working together, and the communication of keeping the Commission informed of the progress made by the Division against executing those strategic priorities (inaudible) Division.

Vecchio: That would be terrific from my standpoint. Others may have other things they want to accomplish. For us, it would be great.

Brunings: Lieutenant Governor?

Hutchison: Well, I think if at the end of the day when we all feel like we are contributing in a meaningful way, to the mission of the Division or at the strategic opportunities of the Commission that would be a good day. We all have busy lives. We all have a lot going on with our family, our professions. We're taking time out of our lives. We also need to contribute to the State of Nevada. We want to be meaningful contributors and make that part of what we do on this Commission. So if I walk out of here, and if I'm a Commission member and member of staff, and I feel like, this Commission is vibrant, it's meaningful and I've contributed in a meaningful way, I think that's going to drive a lot of our enthusiasm and our motivational results.

Brunings: I'm going to open it up shortly, because I do want to hear from all Commissioners on what would make this a really meaningful afternoon in achieving desirable

outcomes of all the individuals as well. But I did want to go into the agenda for today. Right now I'm just going to step up, setting the stage. We have the record a little over three hours, three-and-a-half hours to work with. And then I understand that we have, if there's an opportunity, we will open it up for public input at the end of the process. Really, when we jump into this exercise, it is going to be one of creating clarity around the vision. Vision is looking at, you know, future state. We'll be going through the process, where do we envision ourselves as an organization in 2020, and looking at what does that look like, what does it feel like?

The vision exercise really creates the foundation of where we see ourselves in the future, and it begins to identify themes that begin to get us closer to the priorities. How do we get from where we're at today, to where we need to be? That's going to be the back half of this afternoon, is beginning to look at the themes, the priorities, tackling it across very different perspectives. It could be a perspective of one that's very focused on the audiences served. It could be one focused on revenue, financial and funding. It could be one focused on internal processes, keeping the Commission and the Division aligned. It could be one just simply of the people that comprise the Commission and the people that comprise the Division.

This is really a launch pad into continuing to work with Claudia in rolling out the strategic plan for 2015, for the Division, which will ultimately begin -- it will clarify organizational objectives and goals, measurements, targets, actions, ownership and accountability, all of those elements of the strategic plan. Today's really a front-end exercise in getting strategic input by the key stakeholders, which are all of you, in helping to define and guide the rest of the exercises of strategic planning.

Several "ground rules" you guys don't need to probably be reminded of this, but I will give it to every audience I always present to. Be present, focused. We're going to get out of today what we put in to today. Be respectful. Everybody's input (inaudible) equally weighted. Be strategic. We're going to stay on topic. We must keep this focused on vision and the alignment on strategic priorities for the afternoon. A lot of times there's a lot of good ideas that come out that just don't have a perfect fit in what we're going to be doing today. That's What we call "parking lot." Those are good ideas that we will capture and we will come back and we will get to. We'll figure out how to assign and make progress on that. Just not today.

I did want to open it up to the Commissioners. Knowing the context of how this afternoon is going to be spent, what would be an important outcome to make this day really productive for each of you? Anyone want to start? I'm going to open

the floor to any input from any of the Commissioners. What would make today important?

Newman: I think for me, the importance would be to support the staff and tools so that they can succeed and meet their objectives. Digging a little deeper to their needs, so that hopefully we can support the next steps for them.

Brunings: Thank you, Commissioner Newman.

Newman: For the record.

Brunings: For the record. (Inaudible) protocol. For the record, thank you. What else?

Sheltra: Ryan Sheltra, for the record. I think the biggest change since last time we met now, unless my mind's jumbled, which could be, but this organization looks a whole lot different now, with the other departments that are now under this umbrella. So the dynamics of NCOT -- am I correct? That was (inaudible) last time we met in this forum, right? We had it already, it did happen.

Vecchio: It had happened.

Sheltra: We hadn't felt the effects of it...

Vecchio: Correct.

Sheltra: ...like we apparently see now. So this organization has to learn to be (inaudible) could be more along (inaudible), in working with these additional departments that are under our umbrella.

Brunings: What else? Anyone else? What about anyone on the phone? A good outcome of today that would make today really meaningful to you, in the context of strategic planning?

Newman: I would throw out another one. I mean, knowing competition or addressing competition and how it impacts as we go forward for us, a new direction, based on what others are doing.

Brunings: Where is some of that competition coming from today?

Newman: Well, neighboring states, or those that are looking for the same visitor dollar that we're trying to find.

Carano: I think what was said in the last, what I read -- I wasn't actually present during that one, I was on the phone -- was that we were going to utilize more committees, and so we are more useful to the staff. Because we do have a lot of talent and

different people -- or different divisions of tourism represented here. So maybe a way where we could utilize the Commissioners better for staff, for the option of...

- Brunings: Utilize the Commissioners better?
- Carano: Yeah, with committees, so actually -- we actually have work to do instead of just showing up once every quarter. Except for Don has a Rural. And then you have a Marketing Committee with four commissioners on it. Seven?
- Vecchio: Well, six Commissioners.
- Brunings: Commissioner Santos?
- Santos: You sort of mentioned what I was going to talk about. I mean, I've always wanted to know, other than just coming to a meeting and approving this, that and the other, how can I as a Commissioner make an impact. I think that sort of goes to what you're saying. We'll provide tools for our staff, but also, I want to be able to do something more than just here's exactly what (inaudible).
- Brunings: We're going to come back at the end of this session and see how many of these we've knocked off and how successful we were in achieving...
- Ralenkotter: This is Rossi. Just two things. One, there seems to be something in the background. It's making it somewhat difficult to hear on the phone. I don't know if there's something, a closer microphone or whatever. But if we could just kind of check that. Going to the overall discussion, and the things to put on the table making it very simple, is that the goal that we all have is heads in beds. Because we need to make sure that that room-tax revenue continues to grow, and the ADR continues to grow for the hotels, and so we have the abilities to do that. That's the simplistic side. I think there's some issues that, from a strategic planning side and strategic initiatives, that we need to look at the overall mission of NCOT, as well as its position as the brand organization for the state, knowing the rest of us, both in Vegas and Reno and in the rurals are, but we promote our brands underneath that. Heads in beds is what drives us. I mean that's the most important thing that we have when we look at all of our strategic plans.
- Brunings: So goal alignment on heads in beds as a performance measure, and that the activities and strategic direction stems from that key performance indicator. What I didn't want to do is...
- Vecchio: Can I just interrupt?
- Brunings: Yes.

Vecchio: Whoever, the folks on the phone, if you could mute your phone while you're not speaking, that would be lovely. Because there is something on there. That seems to have worked it. Thank you.

Brunings: Thanks, Claudia. Next slide. We're going to have Zach briefly recognized the work that's done to date just as a quick grounding, before we go into our (inaudible) work and talking about creating a portrait of the future.

Yeager: Thanks, Jeff. Zach Yeager, also from OnStrategy -- and Claudia also went into the work that we've done leading up to this session. I'll be very, very brief here. Last time we dug into the mission statement. What does this Commission really exist to do. We didn't make any significant changes to the content, just tweaked up the wording just a little bit, came up with a revised draft of promoting tourism, or promoting statewide tourism to enhance the economic vitality of Nevada. We're trying to ground this organization and what it exists to do. We really dug in, as we all remember, to the way the Commission functions was, right after a change in structure, the organizations that we really landed on a few things, such as a monthly briefing, regular press releases, in order to keep the commission more informed. It sounds like that's something we'll also want to get in to today, as well as meeting structures as well. There was a desire on the Commission to have more robust subcommittee meeting structure, which Commissioner Carano also mentioned today as well.

Following that session, what we did is, we recommended a few next steps. To really build on the momentum that we had coming out of last session, and answer a few questions that we did get to last session, such as really see this organization in the future. Where do we want to be in five years, in 2020, or somewhere like that. We really want to dig into the vision. But the rest of the strategic objectives of what is going to allow us to get us to that vision, once we've agreed upon. And of course, key performance indicators, exactly how are we going to measure our success as a mission of the Division? I appreciate Claudia running with these suggestions. That's exactly why we're here today, to answer these questions and get to these results for the Commission.

Then finally, our next recommendation was around creating that accountability. The work that we do today can't end today. We need to, as this Commission, set the policy. But then, identify what that process looks like, to make sure that we hold ourselves accountable to the decisions about the priorities that we make today.

We were just going over the work done today, as well as the recommended next steps. Just so everyone's aware, we have documents in front of us. One, a more

detailed Agenda for the day, as well as a discussion guide that follows the same flow as the Agenda, with relevant content.

Stoldal: Well, we're still at about 65 to 70 percent. Have we asked the question about what we're expecting out of this meeting?

Vecchio: Yes.

Stoldal: Well, I missed that.

Vecchio: Do you have something to add?

Stoldal: Well, I didn't. I don't mean to put us off in to another level, but maybe this goes on the parking lot. With the changes that were made by the 2011 legislature -- and I'm with Rossi and everybody else, it's beds and heads -- but this is the Department of Tourism and Cultural Affairs. My question is, what role does NCOT play in the cultural affairs responsibilities of this Department? What part does that play in our strategic plan? Is it NCOT Cultural Affairs, or is it just the Nevada Commission on Tourism that we deal with? Thanks.

Vecchio: Good point.

Yeager: Thanks for that additional comment. Just to make sure I'm clear, is that similar to the outcome Commissioner Sheltra mentioned around how do you be more synergistic with our sister commissions or departments that are also under the Department of Tourism and Cultural Affairs.

Hunt-Bono: This is Lorraine in Las Vegas. I'd like to address that if I may. I think cultural affairs is another fantastic tourism opportunity that we have to sell to the world. I think that we need to engage our marketing people in the creativity of how to position our museums and our other things that are involved with the cultural affairs. There are so many with the Indians and the tribes that are so exciting, and that need to be promoted in such a way to the international visitors and all the visitors, and visitors within Nevada too. This may be a little sexy, a little exciting, a little bit more something. That's what I think that we can bring to this that's going to increase their attendance and it's going to increase everything that we're all supposed to do together. I just see them as another component of what we have to offer visitors that come to this state. It really shouldn't be any different. We've got to sell it, is what I'm trying to say.

Yeager: Right.

Hunt-Bono: Maybe in a little different way, so they have higher attendance and they get more appreciating what they have to offer.

Brunings: I've captured that as the role of the Commission in supporting the cultural affairs of the Division in driving and how that is used to drive tourism?

Vecchio: Yes, that's what I said. That's one part of it. Because, you know, certainly -- and Bob is our cultural guru here. He's been at this a very long time. Bob Ostrovsky couldn't be with us today and he certainly is also incredibly important in our cultural community. We have a tourism component of this cultural components, for the most part in each of those areas, in the Division of Museums and History, to some extent in the Arts Council and increasingly so within the Indian Commission.

There are also other components of their operation, such as preservation, the Arts Council does a lot of granting out to artists and they do artists in communities that aren't necessarily for tourists, but are for growing and developing a community. There are pieces of the overall of what we do at the Department level, that are very much part of tourism. I would say approximately two-thirds of it, that tourism doesn't impact. This Commission is not involved in the other two-thirds piece of it, but this Department is. This Commission is involved with how we grow tourism in those agencies.

Brunings: I think, as we go through the exercise of painting a picture of what we envision, say, 2020 to look like, how some of this may come up, in terms of how the picture is going to be painted. Tourism through what means and (inaudible) what assets? I do kind of want to transition into some discussion on this, the majority (inaudible).

What we're going to do is, I'd love to spend maybe 40 minutes on this. It is a great foundational exercise for alignment, so we're all on the same page, pointed in the same direction. I think this work is also going to help begin to identify the paths needed to get us from where we're at today, to where we need to be. I always call this exercise my vision mind-meld. It is just an open discussion of beginning to articulate what it looks like, what it feels like as we start defining it. I'm going to write down, okay, what does this picture look like? What does this picture begin to look like in 2020? We envision success in 2020 to look like this for the Commission, as well as the actions and the direction of the Division.

Yeager: Just to bring everybody up to speed, you'll recall if you were involved last year at this time, there was a survey that went out ahead of our first meeting. We asked, specifically, about the Division or the organization. We didn't have time to address it during that meeting, but we did ask and did get some really great feedback from those Commissioners who were able to participate. I just wanted to pull that up. For those of you who are on the phone, they're on the slide labeled Division Feedback. This is also in your discussion guide as well.

We had some really thoughtful responses as to what success looks like for the organization. We grouped them into a few themes. One, obviously, is increase tourism, but increase tourism to the rest of the state. There were some thoughts around unifying the specific needs of all the state's regions equally and speculatively to promote Nevada as a unique, desirable, popular destination. Some people really put some good thought into what success really looks like for the Commission as a whole.

Another theme was increasing the impact of tourism on the state, so our success should be measured by the success of attracting a significant amount of national and international visitors to the state. There was a general theme around improving the economic vitality of the state. There were certainly some other themes that didn't necessarily come up from multiple people but were very thoughtful. Since we really have strategic vision in garnering funding and political support to realize that vision. Making sure that this Commission and Division is fully supported through the legislature, in order to be able to have that impact that is asked of us. Achieving those historical and diverse experiences for the visitors to our state.

That's all great feedback as of a year ago. What we're going to do now is get into, has anything changed? What's the change? What is the current thinking around what success looks like for the organization? What you see up here, what pieces still resonate strongly with you? What pieces don't resonate strongly?

Hutchison: I wasn't here last year, obviously. It seems like if we're going to find success, we want to be able to control our success, right? What are our actions that lead to this outcome? We could be doing a great job, let's say, for example at the Commission level, or we could be doing a poor job at the Commission level, and tourism still increases. It's sometimes hard to gauge that. Sometimes it's just hard to gauge what it is that we do and how we can control our success when you have these big macro definitions of success, right? So, if businesses are thriving and restaurants are open, is that really a mark of our success? Or is that just the general economy is better, like gasoline prices are down and the recession is over? To me, sometimes it's hard to really just define success in these macro terms, that just the economy is improving or tourism is going up. To me that's a little bit of a challenge to know how the Nevada Commission on Tourism is succeeding in maybe a little bit more definable way.

Brunings: Rising tide floats all ships?

Hutchison: Right. It used to be in Nevada, you fell out of bed and you were successful in business, right, just because Nevada was on fire. It didn't mean that you were a good businessman or a good businesswoman. You were just in the right place.

We really want to be able to define, how are we really successful? It seems to me you've got to drill down to more than macroeconomic approaches to the State of Nevada.

Brunings: Understanding what the Commission and the Division uniquely contribute in driving the success. Something that is measurable, that we have accountability for, that we're just not riding on the coattails of larger macro issues and saying, That was us that was doing that, when it ultimately could have been none of our actions.

Wagon: You know, if I look out five years from now and define the difference between what we're doing now and what we're doing then in terms of success, it's having a lot more money to spend. In other words, it is a much larger budget to drive tourism in the State of Nevada, and be more competitive against other states. Which means, we have to have a whole lot more people in this state, very powerful, influential people in the state behind the mission of tourism and the importance of tourism in driving the success of the state or the economy. You're not going to get the money, unless there are people that agree that tourism, represents a great opportunity for growth.

To me, if you have a state full of highly influential people that agree that tourism is a way forward or is one of the most important (inaudible) ways to grow the economy and we've been able to increase the budget (inaudible) then we have more highly influential people engaged in how we spend that money. We talked about this at the last budget planning session. If you have a \$4 million budget, you get a certain level of engagement. If you have a \$40 million budget, you get a much different level of engagement. We have to have a \$40 million tourism budget, not a \$4 million tourism budget, to get the kind of engagement we need statewide, to really make a difference in the grand scheme of things.

States like Florida or California (inaudible) have been able to create a burning platform in their state around tourism and the importance of tourism in their economy. We need to be doing the same thing here as a Tourism Commission. We need to be driving that effort to create that burning platform. If we don't do this, we are going to find ourselves 50th in the U.S. in tourism. We really have to get out ahead of this, so five years from now we've got a whole bunch of people saying tourism is where it's at. It's driving the economy. We funded it. The results are there, international, domestic destination, et cetera. That, to me, is a success. If we're still sitting here talking about how to spend \$4 million, we blew it.

Newman: Yeah, to John's point, I think that as we grow that budget, it allows us to drill down into specifics as far as marketing or tourism. And tourism is such a broad

term because cultural affairs, museums, the business traveler, it all falls under the caption of tourism. It's those room nights. But somebody who's in Las Vegas right now for the Surfaces Show, who may take a helicopter tour of the Las Vegas strip, hopefully will come back with their family, to bring the family on the helicopter tour of the Las Vegas Strip. Action creates action. The budget allows us to go a little bit more with the scenic attractions, with the events that people can take place in. It's all going to build upon itself as we go forward.

Brunings: More money is going to allow greater reach and a greater depth within that reach.

Newman: It should.

Brunings: It should. Right. Commissioner Wagnon, you made a very different, unique statement. And that was, not only a vision of the future is a future state where there's more money available to drive the vision, but it was also backed by influential supporters that are aligned behind the role and importance of tourism in Nevada. It almost sounded like influencing the influencers is what it would take, to have this kind of constituency of having influential people all singing from the same handbook.

Wagnon: In this state, I don't think there's a lack of people who understand the importance of tourism in this economy. What there's a lack of is, again, is that burning platform or that focal point of, okay, so what can we do collectively? What can we focus on collectively that's actually going to move the needle significantly for this state? How do you get everybody backing that same vision? Is the Nevada Commission on Tourism the right place to generate and foster that vision, spread the word about that vision, and get people collectively behind it?

When you see a movement around a certain, whatever it is, you know, in this case it would be tourism, and people start saying, "Hey, we've got something here." You know, \$1 equals \$33. All of a sudden people are going, "Well, you've got to be kidding. We can't get that kind of leverage doing anything else." We start to build on that. People start coming in and saying, "Well, if \$1 equals \$33, why aren't we spending ten times the money and getting this budget up to \$40 million?" Which now, \$40 million times \$33, that's a heck of a lot of tax impact, you know, income tax -- sales tax revenue.

You know, I mean, do the math. Help people understand what it's going to take to gain 1 percent or 2 percent or 3 percent of domestic destination market share. What do we have to do to do that? If we are able to get 3 percent of market share, what does that equal in terms of economic impact for the state? Help them do the math. Say, "If we spend this money, by our calculations and what we've been doing, if we spend this we can generate this, this result in terms of

increased market share.” That result in increased market share equals this much economic impact to the state. You start getting people rallied behind that concept. People start, you know, people who are in influential positions start saying, “You know, we've got to give this a try and somehow we're going to have to fund this.”

You know, in the State of California, clearly there was no way to get that funding through some tax revenues, so you have to go out and raise the funds privately. But we were still able to get the entire tourism industry behind the concept of doing this on our own, because we're not going to be able to get the state to do it. I don't think that problem exists here as much. It's always a problem trying to secure more tax dollars. I mean there's no shortage of ways to spend tax dollars. How do we create that sense of urgency that says, you know, right now, there are states, large and small, that are on this? They're moving forward. They're growing their tourism budgets. They've realized that tourism is the way over it and it's a way to immediately impact their state revenue.

If we don't get with the program, we're going to start falling further and further down the ladder. Soon you've got states that are out there that really don't have much going on in the tourism game, spending \$10 million on tourism. We need to be in that game, but it takes a lot of influence. It takes a lot of influencers. It takes a common vision. It takes some entity like NCOT to say, “Here's the vision. Here's the math. Here's what we can do. We need the support. How are we going to get that done and get some shoulders in to it?”

I think from a staff perspective, we're getting the job done. I mean, we've got a great campaign out there. We're figuring that out, spending \$4 million effectively. We're getting the message across. From the Commissioner perspective, how do we get the staff more resources to work with, so we can continue to drive results, increase those results? As opposed to the opposite of that is that the Commission could also micromanage the staff on how to spend \$4 million, which frankly, I think they've got that figured out.

Baum:

You know, in looking at that mission feedback from earlier last year, I'd like to point out the second bullet point, a concern I had. Because it's a great deal of our money, but concerned when we say, Las Vegas and Reno-Tahoe are givens. Las Vegas is ten times the size of Reno and Tahoe. It has ten times the resources. It is a dynamo in the travel industry like only Orlando is in terms of growth of scale and power. There's a tendency sometimes I think for us to say, Vegas and Reno, as if we're both, you know, Minneapolis-St. Paul. We're both almost equals. The reality is Reno-Tahoe is doing better and we're making progress. But Reno-Tahoe is not on the same level as Las Vegas. As we move forward deciding how to best spend our money, Vegas doesn't need the state's help as much as Reno-Tahoe

does. A lot of other destinations in the state will never benefit as much from, on a per-dollar basis, just because of lack of infrastructure, location, et cetera.

So in looking at (inaudible) or at least as it was recorded a year ago, I just want to go on the record as saying that Reno-Tahoe is number two, but it's a way, ways down from Las Vegas, even if it's bigger than everybody else. There's a tendency sometimes towards thinking of us as big guys and we do feel like everyone else. Well, I think everyone else is everyone else besides Las Vegas in reality, not everybody else besides Las Vegas and Reno-Tahoe.

Newman: Yeah, I think, to Chris' point, I don't think we have to recognize it. I think we all know and understand, Las Vegas is its own entity. It's world-class. It's internationally known. There's no place you can go that nobody knows about the success of Las Vegas. You almost need to slide it out of the equation. However, Las Vegas, as a funding source for the rest of us, is critical. It's key. We also need to recognize and maybe say thank you for the funds that they do generate. But the rest of the story is the rest of us. And yeah, Las Vegas is its own -- there's nothing in the world like it. We're fortunate that it resides in our state. But we've got to figure out the rest of the state, if that makes sense.

Hunt-Bono: Governor, this is Lorraine. I have a comment.

Hutchison: Please.

Hunt-Bono: I just wanted to remind us all, and I'm sure everyone knows, but sometimes we have a tendency to forget that our funding and our revenues come from room-tax dollars.

Hutchison: Right.

Hunt-Bono: If you look at what's on the drawing boards now in 2015, 2016, 2017, our rooms are going to be increasing throughout the state -- and yes, predominantly in Las Vegas because that's where the largest percentage of the hotel rooms are located -- but regardless, it benefits the entire state because we get our revenue from that. As those room-tax dollars increase, we automatically have our funding. We don't have to go to the legislature and fight for more funding, it's earmarked. However, we do have to go and fight the money that we do have that is supposed to be earmarked for our efforts.

Newman: Right, we have to defend. And I think our last meeting, we were kind of in that defensive mode of, "We've got to--how do we retain these dollars without the legislative folks..."

- Brunings: So as it relates to funding and what funding looks like in 2020 for this organization. Is it consistency? Reliability? Is it kind of like pay-per-performance? So as the performance of the organization improves in driving the incremental growth in tourism that's quantifiable, does funding go up? What does that look like in 2020?
- Hunt-Bono: Well, wouldn't it be tied to the room-tax dollars income? Unless it's diverted to other entities each time the legislature meets. That's why the protection of those funds to our organization is so critical.
- Wagnon: There are models out there now that show states that have increased their tourism funding significantly, and the net result. There actually is no mystery to it at this point. If you increase your state tourism spending, the revenues go up exponentially. So it's a matter of...
- Baum: It's not universal.
- Wagnon: Well, it depends on how you spend it. I mean, obviously, you've got to be smart about how you do that. I think there are models out there where you can say, you know, here's a situation where a state did the following and "x" was the result. We need to follow in that same direction. I totally agree, if we're in a situation where state tourism funding is at risk, we need to address that immediately. I mean you absolutely can't go backwards. Where do we rank in terms of state tourism funding in the U.S.?
- Hutchison: But when we talk about as a percentage of an overall state budget, or just dollars?
- Wagnon: Just dollars.
- Hutchison: I mean, because we may be number one as a percentage of state budget, right?
- Vecchio: No, not even close.
- Hutchison: I mean, that's what I'm saying. What are we saying? What are we ranking? Are we ranking total expenditures or as a percentage of the state budget?
- Wagnon: We should look at it both ways. But in terms of driving consumer response, it matters how many dollars you have at that...
- Baum: Well, a more relevant comparison is how much is being spent in the marketplace because that's what the consumer responds to.
- Wagnon: Because that's how we're going to drive...
- Hutchison: But if you've got a \$6 billion Nevada budget and you've got a \$600 billion Florida budget, I mean, you're not going to compete with that...

- Wagnon: I agree.
- Hutchison: ...larger pool of money. It seems to me the relevant comparison would be what percentages our competitors are spending as a percentage of their state budget.
- Wagnon: I think it would be good to, at least, look at that and know where we sit in that group. Because I would assume that we're in the lower third. But I don't know that.
- Vecchio: Of overall spending, we are. It fluctuates a little bit. But I think we're really 37th or something.
- Baum: A small state spends a lot as a percentage of their budget and a big state spends a small amount. From a consumer perspective, I'm not sure that's a criteria you should be looking at. The real criteria is what is impacting you in the marketplace. Michigan is a leading example. Everyone loves (inaudible) wonderful. But when you're honest, you drill down and read some of the reports on it, Michigan hasn't increased its visitation in proportion to the amount of money it's now spending, versus what they used to. Spending a lot of money doesn't guarantee you a lot more visitors. There's a lot of factors involved. But conversely, Wyoming spends a lot and they have the lowest population. It still might not be enough to overcome what Florida or a Las Vegas has out there in terms of impacting people. Consumers are reacting to the messages they get. They're not saying, "Well, that's a bigger state, so I would expect to see more of those ads." I mean it's just - - it's coming at them and it's making an impact and causing (inaudible).
- Brunings: So looking at the future state in 2020, success looks like...
- Carano: Well, I think what John was saying is that we increase our budget. But really, what I think in 2020, ask us the truthful question, "Are the rest of the tourism entities in the State of Nevada going to look to NCOT, with our track record, to be the marketing entity for the state?" That's where we want to be. I think we should be with our talent here. But today, I'm not sure that that's what the rest of the players in the state, the stakeholders would say. Are they going to give us more percentage of room tax, or are they going to give us more money from the budget? Today, I don't think they would. Not to say that we haven't done a great job. I don't know how long I've been on this Commission. Six years? We've gone through some changes. Seven years? Today would we be that entity? I don't think so. But, I think we're on the right track. In 2020, I think we need to be there, and be the marketing entity for the whole State of Nevada, so we're all supporting the brand and supporting the mission.
- Wagnon: Maybe that's the point, is more -- is really not so much the funding, but the how are you going to get there? How are you going to get there in that area of

establishing credibility for this organization, built on results and our ability to turn dollars into dollars. If we don't have that credibility now, you've got a fundamental problem in asking anybody to give us any more money. If they don't believe that we actually know how to spend it and how to drive results, then you'd better not ask for the funding, because we already know the answer. Maybe there is a credibility issue out there that we need to address. We need to be the definitive agency or organization that has the vision and the authority to move the needle so in 2020, we're in a position to go out and ask for that additional funding and get it.

Brunings: So is that what it sounds like, is in 2020, that this organization is fundamentally, the primary go-to resource for marketing the state?

Ayala: Where do we rank on ROI and data advertising?

Vecchio: I don't know.

Ayala: What does Florida get and somebody else?

Vecchio: I don't know the answer to that. It's not something we track (inaudible).

Baum: One problem of that is uniqueness of this model. If you look at other states, in most states, you've got several big cities that have budgets and they (inaudible) probably more than the budget of the state travel commission. Here, Las Vegas spends so much money that even if we grew our budget for NCOT dramatically, it would still wouldn't be more than Las Vegas spends. So to say that we are the primary voice of tourism in the state, when you've got a destination that's in a different category than any of those in the country, you can't forget about that. It is a unique quality. I'm not sure that Las Vegas would ever defer to NCOT relative to their messaging. Having a majority of the rooms in the state, they're going to do their own thing -- although certainly we work in cooperation with that -- but it's a very unusual one. We have to be aware of that, and realistic about how we can move forward under the shadow of the gigantic spend and the powerhouse is Las Vegas.

Vecchio: But if we look at a state like Illinois, there is certainly a powerhouse in Chicago and then there's many sort of minor markets under that. Their budget is historically between \$55 and \$60 million for the state. While that makes complete sense, I totally agree with what you're saying, there are opportunities from other state models that show how a growth in the statewide, even with the powerhouse, can influence economic impact throughout the state.

Santos: So if we don't have credibility with the stakeholders, to me, that's what we should focus on. If the vision is to become the overall thing, we need to look at our

stakeholders. If we don't have the credibility, I think our focus should be there for (inaudible) credibility as a mechanism to get to where we want to go.

Vecchio: Well, if that's the case, I think we probably need to do some kind of a benchmark credibility survey, if you will, to find out where we stand now and what the issues are that our stakeholders see, so we know what we need to accomplish and to overcome, so that we can start moving that needle.

Carano: I don't see we have no credibility, that you have no credibility. I just want to be, in 2020, I want to be -- barring Las Vegas -- but they have to say, "Okay, you can have some of this money. You can have more of the pie." Will NCOT be the marketing entity for the whole state? I think Rossi even said, under the umbrella of NCOT's brand. I'm not saying we don't have any credibility. It's just we've gone through some changes in the last several years, I think.

Wagnon: I think it's worth at least understanding, if there is a credibility gap out there. If we think we're showing it one way and everybody else feels we're showing it a different way, then it'd be better -- I think we need to know that. You know, I think, and our neighbors to the west, you know, they have that credibility question built in to the referendum process, right? So every, what is it, four years, you've got to go through the referendum again. If the people don't think you're getting the job done, they're not going to continue to fund you. You're constantly held accountable for performance by the very people that are paying the freight.

Ayala: Is it also relevant to how they -- what they know about our success and lack thereof? I mean, not lack thereof but do they -- if they're unaware of the impact that we do have, it would be more efficient to have a...

Wagnon: I would agree that there could be actually an awareness gap, too.

Ayala: Right.

Wagnon: Who knows how many people that are actually in the tourism business even know what we do here -- what NCOT is and what we do? I mean there may be an awareness gap. There may be a credibility gap. We're thinking one thing and in reality, the constituency is thinking something else. We're thinking, "We've got to get more money." They're thinking, "I don't know who you are." You know, I don't know.

Ayala: Education is what is going to create credibility. I mean, do we have some way to educate everyone? Like, "Here's what we have to offer. Here's what we do."

Brunings: But we agree that part of the vision of what we would like to see ourselves becoming by 2020 is that recognized marketing brand, trusted, with credibility, is

a go-to resource. I mean, it is the vehicle, the catalyst that drives tourism for the entire state.

Carano: Supports Las Vegas. In a supportive position for Las Vegas, and then the rest of the state.

Hutchison: Rossi said it well, I thought, in terms of, look, at the end of the day, you've got people paying taxes and the hoteliers, right, are the ones collecting those taxes. That's what funds us. And he said, it's all about, you know, heads in beds, right? So the ultimate credibility would be for people to say, NCOT helps us put heads in beds, right?

Carano: Right.

Hutchison: That's what they do. They help us do that. There can be a lot of different ways we do that. One way may be to extend the stay for folks going in to Nevada that are going to Las Vegas, because they're going to go to Red Rock and they're going to go to the Cowboy Poetry Show, all that. But, at the end of the day, they help us put heads in beds. We'll never compete with the level of marketing and the money that Las Vegas has. You're never going to come up with a "What Happens in Vegas, Stays in Vegas." And, we shouldn't even try to do that. But what it seems to me what we should be able to do is say, "For those who are actually paying the freight for this Commission, we're helping them put heads in beds." It can be a variety of ways we do that. It seems to me you have to be just very measureable.

For example, I could measure success by saying, "We are going create an educational program that helps explain NCOT's vision and we are going to present that to 50 important, influential Nevadans in the next year." I can measure that. I've created an educational program. I talk about the 1 to 33 ratio. I support that with evidence. I go in and I talk to people who have influence, including people within government and outside of government. Then I can measure that. At the end of the year, I can tell whether I'm successful or not.

If we're talking about funding, I can also submit and make a goal. Okay, then my goal is going to be, in the 2017 legislature, I'm going to submit a BDR and the BDR is going to ask for more funding. Now we're either going to ask for more funding through the general fund or we're going to ask for more funding through a different allocation of the room tax, because those are the two ways you get it, right? I can measure that. I know in 2017 whether or not I've got that done. So to me, that's a much more reasonable approach in terms of how do we measure success than maybe like I said, those macro approaches. If it's a credibility issue, it seems to me that just listening here -- again, I'm new to the game, but if it's about

heads in beds and that's what the hotels, casinos and hoteliers want and they're the ones paying the freight, let's help them get there. Then we'll the credibility. Then we'll have a real purpose.

Newman: I think our role, really, is to be a search engine. And I think if that head is in that bed, and that bed is in Las Vegas, somebody who looks to us for...

Hutchison: Other options.

Newman: ...other options. "Where can I go? I want to know about this. I heard there's a dam outside of town."

Hutchison: It's a big dam.

Newman: "Yeah, I don't know the name of it. But I'm going to the search engine to find that information." We have to be that conduit.

Ralengkotter: This is Rossi. Just a couple comments. First of all, as our ADR continues to increase and our room-tax dollars increase, conversely that money also generates back to NCOT. So the same thing holds true for Reno, the two big places that have the rooms. So as long as we continue to increase those ADRs, that's going to happen. But, I think it goes back to the basics of when the Commission was formed, and the purpose of the Commission, and how that's evolved and changed, as all of us have. LVCVA included, we're not the same organization we were even ten years ago.

I think this is a time that the NCOT Board, as well as staff, has an opportunity to determine, what is the purpose. In the beginning, it was to generate people going to the rural parts of the state. If you want to look at it from a marketing standpoint, even today NCOT can be more effective in helping the rural areas drive demand because of the amount of dollars they have and the way they can interface with those areas. That should be a major part of the direction. Advocacy has got to be part of where the NCOT represents the state on the advocacy issues, whether they're inside the state of things that could impact us from a tourism standpoint, or outside of us on a federal level when it comes to support of those things that generate more people coming to the United States, or coming to Nevada, significantly.

All of us worked very diligently on the reauthorization of Brand USA. Many of us were involved with pushing the Commerce Department and the President to finally convince the Chinese to allow the visa program to be -- I mean, to get a visa over there that lasts for ten years instead of one year. All of those things (inaudible) that a role for NCOT. We all assume that everybody who lives in the state knows the value of tourism, and conventions, and so forth. I can tell you

from years of doing this and making speeches that a lot of people, because there's a lot of movement in and out of state, don't have that. We should have, in the curriculum system of the State of Nevada in the educational side, fifth grade or sixth grade textbooks should have some learning for the children about what's the value and importance of tourism to the state.

Those are things that, when you look at the overall role, there's places when we need to have an outreach to the Governor. The Governor was just instrumental in us being able to resign the Shopping Centers Convention for Las Vegas. He was part of that pitch that we did. There's another part of what that is. As well as being on the national organizations representing the state tourism interests, as well as being part of where you need to have a state presence, versus one of the city's presence.

So when you look at, collectively, what this organization should be doing, it's all the way from advocacy, to public relations, to an active website that represents all of the attractions in cities and places to visit in Nevada, to a marketing campaign that's very targeted to drive visitation. And again, I still believe that there's a lot of opportunity to drive those of us who live here in the state, to go to different rural areas. There's more opportunity to increase the market share and the numbers of visitors to the rural area, especially the special events. So I think it's all of the above.

Ultimate goal, again, is always heads in beds, because that's where the revenue comes from. Then when you look at the addition of the cultural arts and all of that, that's part of your tourism inventory, and that's part of what you have to offer, the uniqueness of, whether it's ghost towns, or it's going to see Cowboy Poetry, or a new exhibit someplace in the state in a museum. That's the messaging that NCOT can provide. It's as much of an information source as anything else. Being at some of the industry trade shows where you're reaching out to the tour operators, where you're reaching out to the retail travelers, and where you're reaching out to those people who are totally involved with the Internet marketing of destination.

I just don't want us to just focus on, you know, this marketing thing because it encompasses a lot more than just that. That's a very important part of it. But there's other things that NCOT can do that some of the cities can't do individually, or that the state is better positioned to do that.

Brunings:

So this is Jeff. What I heard is NCOT's role in not only providing strategic items and direction that would influence the execution of marketing campaigns that would drive quantifiable results, defensible results, that help to lobby to build a greater brand that can generate greater funding, but there is a role of advocacy

and public relations in educating, and influencing, and bringing attention to the issues that would either drive tourism or defer tourism to the state.

We've talked about brand. We've talked about funding. We've talked about the role of NCOT in being more than just a marketing agency, but also an educator of any issues that could potentially have any kind of impact on tourism within the state.

What does the future, say, in 2020 look like between, you know, in the relationship between the Commission and the Division? What would that ideal state look like?

Newman: When you say Division, what do you?

Brunings: Claudia's team.

Newman: Okay. The whole umbrella.

Vecchio: You all are the Commission on Tourism. We're the Division of Tourism.

Newman: Right. I mean, all the pieces add up to the whole sum. I mean, whether I'm coming to the state to go to the Mob Museum or the Nevada State Museum, if it's a museum that's driving me here, to rent a hotel room, to eat in a restaurant and fuel my vehicle, or buy a plane ticket, the pieces all add together to create that -- I guess that taxing structure, the visitor, the bed-count. So be it a museum, be it a cultural affair, event, be it Pyramid Lake, Indian Affairs, whatever it may be, that's getting me to travel in to the state, throughout the state. They all add up.

Ralenkotter: I think there's another thing, too, that we all learned through this recession, and this is an industry issue, we need to continue to talk about jobs and job creation. Because when it's all said and done, in addition to the economic impact that we receive from visitation, tourism is always going to be driving job creation. That's also something that we need to address, collectively, as a state.

Vecchio: The importance of talking about good jobs was addressed in the State of the State. We really need to showcase that tourism means good jobs. U.S. Travel Association did a whole campaign last year and the year before about the job that tourism really is, and overcoming the stigma of the type of jobs that are available in the tourism industry. There are tremendous jobs in this industry. We can continue on with that message as well.

Brunings: That message is, tourism drives economic vitality that is fundamentally -- I mean, it is measured by heads in beds, but it also has a dramatic impact on job creation in the state. That is a performance metric that--if you can quantify, would be a strong argument. I want to get back to, Commissioner Wagnon...

Hutchison: Was it a question and/or was it your point? What does the relationship between this Commission look like in terms of its relationship with the Division, right?

Brunings: Yes.

Hutchison: That was your question. I think it's important to understand that, at least for me as a newcomer. You can certainly tell me if I'm wrong here, but the way that I view this is as a business model or business example. Isn't the Commission a Board of Directors and the Division is the officers and the staff that goes out and implements what the Board of Directors gives by way of direction and vision. They are accountable back to the Board of Directors. I think of it as the Commission is the Board of Directors with the long-term vision and direction of an organization. We're not here to implement that. That's the Division's responsibility, just like the officers and employees of the company do. I don't know if that's accurate or not. That's the way I view it. It seems to me that we've have that central relationship if an organization is to function well. You have to have those who play those distinct roles.

Brunings: Well, how does everybody else feel about that? I don't have the answer.

Sheltra: Historically, that has been exactly how the organization has operated, Division and Commission. It feels a little bit disjointed right now with the changes on the last session, with the other organizations that have come underneath our umbrella. It feels a little bit like the Division has said to the Commission, you're up here. You're just this piece. We are all the rest. You all don't really have that oversight. So having seen multiple administrations and how this is run, I don't know if this is what the legislature intended, but I think it's almost like the legislature forgot to address the statutes. They addressed the Division but they forgot to update the Commission part of it. I don't think that was the intent of the legislature. But I wasn't there. I completely agree with you about the Board of the Directors. And that is how this has flowed historically, forever,. But in the last 12 months, there definitely has been a shift there. I don't know if that was the intent.

Brunings: But in 2020, do you envision the organization of Commissioners in tight strategic alignment between the purpose, vision and intent and direction of the Commission and how that influences and sets actions of the Division? I'm just trying to kind of come up with an idea for you guys. Where do you guys see yourselves in 20, 25 years from now? You've got a Commission and a Division. Are you kind of from the bottom like this? Are you sideways? Or are you all on the same page. You have a body that helps provide strategic direction, influences that direction and provides guidance. You have a team that executes, that does the work and reports back to the group. How do you guys see yourself being tapped in to? I mean, you're all respected experts in different fields.

Carano: Ryan? Is it possible that -- they come to our Commission Meetings, but we don't go to theirs. They sit on our Board as non-voting members, correct? But we don't know or sit on their Boards or their Commissions. Maybe that's where the disconnect is?

Sheltra: I don't think it's with the other Commissions at all. I think it's with the Division. I think the Division is not on...

Carano: Which would mean staff?

Sheltra: Correct. Division is no longer on point like they once were. It's not the Division's fault. It's what's happened with the legislature and the statutes. I definitely think there's some disconnect growing between the Division and the Commission. As Claudia said earlier in this meeting, two-thirds of everything else, has nothing to do with tourism. Let's not forget that -- I wish David were in here -- but over 25 percent of our budget now is direct-funded, outsourced outside of tourism. So that 33 to 1 ratio, we've got over \$4 million -- and somebody help me with the exact figure -- that doesn't ever get a chance to hit that multiple, because it's no longer even in our game.

One thing that I would really like to see this Commission do is we've got to stay in front of the legislature, and make sure when the economy fully returns, that that doesn't become like the Sunset taxes are now, a permanent piece. But when the economy fully returns, that 3/8 of 1 percent room tax dollar, which has historically funded us from the creation of this Commission, that that money comes back, that \$4-plus million comes back. I'm not saying that museums and Indian Affairs and all the other pieces that we are now, don't need their money. I'm not saying that at all. When the economy comes back, we need to help them get their money back, but return our 3/8 of 1 percent, so we can spin back to that 33 to 1 ratio. That message can't be lost. That's got to stay a focus for the Division and the Commission, in front of the legislature, would be my humble opinion.

Bradley: I thought it would be helpful for me to tell you what your statutory duties are, because I've got them pulled up. NRS 231.200 says that the Commission on Tourism shall establish the policies and approve the programs and budgets of the Division of Tourism, concerning the promotion of tourism and travel in the state, the publication of Nevada Magazine and other promotional material. Then the Commission also may adopt regulations to administer and carry out the policies and programs of the Division. May, from time to time, create special advisory committees to advise on special problems. The way I read the statute, I think there's supposed to be a close relationship where you're approving the policies and programs and budgets of the Division. What happened...

- Hutchison: But then it says, as it related to tourism?
- Bradley: Concerning the promotion of tourism and travel in this state, and the publication of Nevada Magazine.
- Hutchison: So by exclusion in that, that means we don't have anything to do with the other parts, right?
- Bradley: Well, the way I see it, what they kind of did was they changed the structure. It used to be the Nevada Commission of Tourism was its own entity. It was not a Department level, a cabinet level position. What they did was they created a Department, kept the Nevada Commission on Tourism. The Division of Tourism now, basically, is supposed to work with you, but the Department is created and has other responsibilities. In a way, it changes the structure, kind of. Claudia's position used to be just NCOT director. But now she's actually...
- Hutchison: She's cabinet level, reports to the Governor.
- Bradley: She's got more to do. But there's these other groups. I see it like when you've got the Department umbrella, the Division of Tourism, Division of Museums and History, and then they've got their Board. You've got your Board, which is you guys. And then the Nevada Indian Commission, Arts Council and Cultural Affairs. I think it's kind of supposed to be, the Division does the work. You approve the policies and programs to promote the state.
- Hutchison: But getting back to the point, which was that it relates to tourism, right?
- Bradley: Right, relating to tourism, yes.
- Hutchison: Whereas, historically, it was more than that. I got it.
- Bradley: I mean, clearly, I think the intent or the hope was that there would be some synergy between these other agencies that relate to tourism. But still, your primary focus has been, and should still be, travel and tourism in the state. And then, of course, creating the magazine and other promotional materials, you know, as you think is appropriate. I don't even think you have any regulations that I'm aware of. That's not something you've ever pursued. I know it definitely changed things a bit this last, you know, that was in 2011. I think it's taken a while to kind of see those effects. Arguably, maybe, it's a similar outlook before, or should be, where you approve how they're going to do the work.
- Carano: Those transfers aren't new though. Those transfers were there. Have they increased?

Sheltra: Absolutely. The bulk of them are new. All those transfers to museums, that's all since this came under the umbrella.

Bradley: Yeah.

Sheltra: The only transfers we had before, we paid for the Governor's Office in D.C. We had some \$100,000 a year that went to the Nuclear Atomic Museum in Southern Nevada, and a couple other small pieces. But these major transfers, this stuff's brand new.

Bradley: Oh.

Friedman: Can I say something about the transfers in the section? I was surprised that it took Ryan so long to say anything about the Division for 2020. When Sue Wagner was our Lieutenant Governor in the early nineties, it was the one thing that she wanted to champion, was putting an end to the transfers. The transfer issue has existed as long as this Commission has existed. At one point, we did a survey of the 50 United States, to see what the amount of transfers were out of the tourism budgets. We were number two, with the most number of transfers. Number one was Illinois, and that was only because their system at that time was backwards to ours, where our funding we received from the Fair and Rec Boards and CVBs. In Illinois, it went the other way. Their budget, and what they were considering transfers, was their own tax money that they were giving to on the CVBs throughout the state.

Other state agencies and many of the state agency heads, they think that room-tax money is up for grabs. It's not taken seriously. When we talk about credibility, I would say that most people in the state realize the importance of tourism. But the two problems are, one, they take it for granted. They think that the tourism will come no matter what we do or do not do. The other issue is that so many of our legislators come from Clark County. They come to the state with the attitude of, "We have the LVCVA, why do we need anything else," without realizing the big picture.

Sheltra: True.

Friedman: I don't want to tell you about the role that you have...

Hutchison: No, you're accurate.

Friedman: Historically, it is the rural of legislators that have supported us and supported our programs and understood the importance. Going back to what Rossi was saying, because of our involvement with rural Nevada, they know what we (inaudible) do. But going back to what Ryan said, in approximately 2007, our budget was cut. We

have not restored our programs back to the pre-levels. Our grant program used to be \$2 million. Now it's \$1.4 million. And yet we are transferring money out and being asked to transfer money out more and more. The transfers have always been an issue. But the percentage of our room tax that -- or the amount of transfer money, is much higher.

Sheltra: It's at an all-time high.

Friedman: Yes.

Brunings: Okay. I want to stay on the vision statement. I'm hearing that the vision of the Commission -- now this is going to feel like branching off, okay -- it is to set policy, which is going to influence the activities of the Division. Today is an opportunity for the Commission to help provide input that is going to be taken in to account and to help identify the critical few strategic priorities that are going to be tackled in the next year that will help to advance the purpose and intent of the Commission as it relates to their work with the Division. That's like the whole vision where we see that in the spirit of partnership and support, where all of you are experts in respective fields, including every staff member of the Division. Everyone is an expert and does a really good job at what they do, uniquely. How does everyone's unique contributions get across the table so it is a collective advancement of the cause, rather than a fragment?

I'd like to recap a couple things. Is there a glaring gap and something that we missed? As related to funding, we talked about the future state having a stable, protected source of funding. We agree that there is a greater funding supporting the efforts of the Commission. And to get more funding, it's going to require having a killer story on the role of tourism in the state, and the vitality of what it contributes, and it's defensible and it's quantifiable. We can say the actions that we have taken did this. When we're really good at doing that, we're in a really good position to get more money. Those were all of the things I heard were required to get in a position of having more money. When you have more money and you have credibility and a defensible story to prove points, you get recognized as a leading brand for marketing in the state.

We also talked about NCOT's role in not just influencing marketing activities, but education, awareness, advocacy of issues that impact both positive and negative tourism in the state. We talked about the role of NCOT in driving tourism throughout the state, including the rural areas, which is really consistent to what was talked about a year ago. Economic vitality measured not solely by heads and beds, but also in job creation, is a very important measure. We also talked about aligning communication, the meaningful contribution by the Commission and also how the Commission might support staff better. That's where we ultimately

started was on the Division. Actually, I take it back, those are the things we want to get to at the end of the day. More money, oh, yeah, supported by highly influential constituents. By having this really influential broad base of support that tourism is essential, and how it is essential, and why it's essential. That is just kind of a future state of NCOT. Do you guys just continue running the meeting with no breaks?

Hutchison: Are you saying you need a break?

Brunings: No. Does anybody need to take a five-minute break?

Hutchison: Why don't you take a five-minute break.

Brunings: Okay, so we're going to take five. And we're going to come back and we'll synthesize this.

Break

Brunings: All right, we had a lot of great ideas and thoughts of illustrating the picture of what success looks like in 2020. Zach and I took a lot of those ideas and we tried to put them into themes and patterns. We came up with four. Those four we will use to draft and present that vision statement. It was great work in crafting a vision statement. We didn't want to spend the rest of the afternoon wordsmithing.

But was great, I mean what it was also was great ammunition is starting to identify strategic priorities of what needs to be done within the next few years to achieve the vision that we began to articulate of what success looks like in 2020. I wanted to kind of show you what I heard. You tell me if you also heard those things. We'll start there.

So one thing that I heard success looks like in 2020 is a very distinct broad impact on economic vitality throughout the state, as a result of tourism. That economic vitality, the impact on tourism was measured not just in heads and beds, but it was measured in job creation. We looked at all of these impacts that drive people to the state, there are other impacts that could be measured. So I have broadened economic impact and vitality.

Another current theme that's five years from now that NCOT was going to have greater access to funding, greater operational funding than what it has today.

In 2020, we saw ourselves as being recognized as a leading marketing brand, within the state, for driving tourism throughout the state. We talked a lot about what it would take to actually gain that kind of brand recognition. There was trust. There was credibility. It was having a killer story. It was defensible prove

points. We talked about quantifiable results. Being able to be accountable for those things that we truly know we do impact and not just riding on the coattails of things we probably had nothing to do with.

We talked about, in 2020, this tight alignment between the Commission and the Division where the Commission is truly providing strategic and meaningful contribution to the activities of the Division. We talked about that. Those are the four.

But I wanted to start there. Because those are four that we can have a discussion around each of those four, and ask ourselves, what would be the critical success factors for increasing funding by 2020? How would, I mean, what would be the measurements of success? What would be the factors driving that success? We can have a very quick (inaudible) serious roadblocks that may prevent you from doing that. And these are external, environmental roadblocks that are always important to call out and recognize in strategic planning. The more you're aware of them, so if and when they do happen, you have a contingency plan to, kind of, step around and keep them moving forward. Then we can look at just a must-dos. In your opinion, what would be a few must-dos that we can start doing today, to help us get closer to achieving a position of having greater funding in 2020?

I think that would be a good use of our time for the rest of the day. Did you hear anything other than those kind of four core buckets? Broaden economic vitality and contribution to the state, measured beyond just heads and beds. Greater funding. This recognized, leading marketing brand. And meaningful contribution of really tapping in to the expertise of the Commission, in helping to influence the actions of the Division, under a common aligned Commission and Division. Do those four sound good?

Hutchison:

I think that captures it. You know, we talked about a real good education, but I think that's probably a process. How do we get credibility? How do we get more resources? It's going to be through that education component that a lot of us talked about. People don't know about that 1 to 33 ratio. We haven't told the story maybe as compelling as we can to important, influential policymakers. The way you get funding most readily is somebody changes the funding allocation formula for room taxes, or you get it from the general fund, Right? Or, heads in beds go up and naturally the tax share is going to go up, right? A direct way to do it is, other than relying on just the natural rising tide, you've got to go convince a policymaker to give you more money, either from the general fund or if you're saying, we'll give you more money, or allocating more money from the room tax than we currently are. So that's not playing defense, that's playing offense, right? We're just not saying, we're just going to tread water here. Please, please, please

don't take our money from us. You know, it's like, no, no, no. We want more, right? Because we're so good.

Brunings: So Lieutenant Governor, would you see that as an activity as must-do, that could be done to support number two? Because...

Hutchison: Two and a three, right?

Brunings: Two and a three, yeah.

Hutchison: Two and a three, right? We've got to tell our struggle to influential people who ultimately decide whether we get more money or not.

Brunings: Let's pull that, because I think we already pre-populated a must-do.

Hutchison: Okay.

Brunings: We can start to achieve some of these things. Exactly what was called for -- what were some of the strategic targets in 2014? Let's just see if there is anything we want to pull over. Do you want to tell us a little bit about how you got to these?

Yeager: These were the 2013-2014 strategic comparatives for the Commission. This is the same idea of what we're trying to go for. We're trying to go for this big buckets of focus areas that, as a Commission, we want to set policy around for the Division to implement. You'll notice some similarities to what we just talked about, which I think is good. It leads to the fact that things were properly done, and we're still thinking of the same priorities as a mission. So, one, generate revenue for public- and private-industry partners and tax revenue for state, local municipalities, help a lot by what we're speaking about when we talk about economic vitality. Educate. That is where, as an industry, to help bolster all sales and marketing efforts in statewide industry partners. Three, awareness of the Nevada brand is identified. Increase visitation to Nevada's rural and historic areas. And increase consumer spending per trip and increase the length of stay at Nevada lodging properties. So those were the focus areas in 2013-2014. Some of them we'll probably want to make sure we capture and bring over in to the next planning period. But it's that same level of direction that was set in 2013 that we're trying to set today through these focus areas, these strategic objectives.

Ralengkotter: This is Rossi. Just a comment and somewhat of a caution. To put in a vision statement that you want to increase funding, or increase the total revenue, knowing that the revenue sources primarily for NCOT are generated by a room tax statewide, which as we attract more visitors, those budgets will increase. So I think for what reason? For what? There has to be a strategy behind that. I think

it'd be more impactful to say something relative to the fact of efficiently utilizing the revenue sources that are available to the Nevada Commission on Tourism to accomplish its mission, vision and strategies, versus just saying we're going to ask for more money because. If you prove that you've got programs that are effective and work and build on those and you have a very strong mission statement and a very strong strategy, those are the things that may come at another time. I'm just a little concerned about putting that just strictly out there as a vision strategy, so to speak.

Stoldal: I'd like to echo that. Stoldal in Vegas.

Hutchison: Maybe I misunderstood. Are we defining our vision statement?

Brunings: No. What I was taking was, we're -- the discussion we had around vision, where we saw ourselves five years from now. I was stepping away from defining the vision statement in to what can we use out of that discussion around the vision to help identify what would be a handful of priorities today that we could start to look at that need to be done?

Hutchison: Yes.

Brunings: I mean, ideally, we envision a state five years from now where there is greater funding and, the point was made, highly efficient use of that funding in the future. That was the discussion part I was taking. I agree. I don't think it belongs in the vision statement that you have more funding in 2020, than you did in 2015.

Carano: I envisioned it.

Brunings: Yes, but I mean it's an efficient use of funding. To achieve that vision, to achieve some of the strategic objectives, there probably will likely be a supporting ask requirement to achieve these things. Additional funding would be great. Or do a great job of communicating the impact you have and the funding will follow. I mean, there's different ways to approach it. So, and there is consistency in the strategic imperatives that were identified a year ago. There is some consistency. If no one disagrees with me, I would suggest we could have a conversation of, great, what can we do today to begin to advance and get closer to achieving some of these things across the next five years? What would be the vertical success factors? Is there a roadblock that we need to be aware of, just so we can anticipate and proactively prepare in the event that it happens? And then, probably one of those practical things that can be taken into consideration, are the must-dos. Must-dos every day that take place.

Zach, do you have anything you want to add to that?

Yeager: Just one thing you're seeing here on this board. I know the writing is not legible. But you can all see the colors, hopefully, is that by coloring what we've actually put some thought as to why those colors are what? So we have blue things that count vitality, increased resources. Those are financial things. Those are things we're trying to have an impact on from a financial perspective. The orange things, those are what we're trying to do for our stakeholders, for what we're calling customers. But it's really broader than customers, it's more all-in-all stakeholders. The green things are what we need to do from an internal process, operational perspective. Then there's even a category that we haven't really got to yet. It's what people, what human resources do we need in order to be able to execute against these strategic priorities. I just wanted to make everyone aware that there's a methodology there to those colors. There's a relationship between those four perspectives: people support the processes, processes deliver value to our stakeholders, and by delivering value to our stakeholders, that's how we increase our financial impact, as well as ideally our funding resources that are available to us. And so in order to develop a really holistic plan, we need to make sure we're addressing all along those things, those four categories.

What we haven't really talked about was the people piece, partly I think because a lot of that falls under Claudia's purview in order to make sure that she has the resources she needs in order for the whole Division to be successful. I did just throw up another one there based on the comment on the phone, I thought it was a great one, regardless of how many financial resources we have, we know that we will be using those efficiently and effectively. That's why we have that great piece to include in the strategic plan, one that we can dig in to a little bit today in terms of setting policy around that. Really, it will be up to Claudia to execute how we make sure we're efficiently allocating the resources and having the greatest impact on the state. Jeff?

Brunings: Well, let's start with this one actually, because we had a lot of discussion already. This is like around the brand, being the recognized marketing-branded leader within the state. We had talked about some measurements of success. How would that be measured? If you were the go-to marketing resource recognized as driving tourism throughout the state, it would be measured how? What's going to prevent you from getting there?

Yeager: Just to recap, Zach, for the record. One thing we did talk about earlier was a potential benchmarking in terms of credibility of the Commission or the awareness in general, of the Commission.

Brunings: Do we still feel like, potentially, that could be a must-do? To improve the credibility awareness gap?

Carano: Absolutely. I mean our vice president of marketing thought that all the monies went to Las Vegas. We're, "No." I remember I asked for some stats. Most of the money comes from Las Vegas. So we settled that. He's in marketing, and you all know him. So I think we do need --

Baum: Once in that Pure Michigan campaign that we talked about so much over the last ten years, one of the things they've really done a good job on is promoting internally in the state to the public, and talking about it. Frankly, if you are closely involved with it, you know that some of the things they've talked about have been repeated so often that now they're considered factual. And if you go back to the beginning, you'll find out some of those things are based on assumptions, not even factual information, that if repeated so effectively, so often, that the public loves the campaign, they know the campaign. The common perception is, that state campaign is the most successful in history. Even if it's not true, that's the widest perception. So they've done a really good job with their internal constituency and everybody's (inaudible) campaign, and they've gotten more money from the legislature for their budget. Sometimes, when you're dealing with people who aren't experts in an area, the most important thing to get across is certain key, positive points, and repeat them endlessly so that there's a broader positive feeling, even if they don't understand the exact metrics and numbers involved. It's not being dishonest if you don't take it too far. But it is realizing that it's not just people outside of the state you need to influence positively, it's also people who are inside that need to support you or say yes and (inaudible) to vote.

Wagnon: I agree with that. I would say that that's particularly true of Nevada, you know, in that you have to create a sense of pride among people who live in this state, throughout the state, to want to invite people to come and visit the state. You know, in other words, if you, like I do, you live in Lake Tahoe, again, yeah, I love Nevada, et cetera. But my level of awareness of what's going on outside of this zone right around here, is pretty low. I kind of take it on faith that there's a lot going on in this state that is very neat, very different, very attractive to people who would visit the state. Even somebody who's pretty heavily involved in driving tourism in the state, is not aware of exactly this state means. I think there's a lot of work to be done to create that sense of pride and internal, you know, get that internal communication going that this is a desirable place to visit. There's a lot going on here and identifying some of those key talking points that we keep repeating and everybody starts going, yeah.

Baum: It helps to be very creative. Because if it's very creative then the people, once again, who aren't necessarily marketing experts can look at it and say, "Wow, super." That really speaks to me. That makes it easier for them to be supportive and enthusiastic about it.

Wagnon: Yeah.

Carano: Well, it's also creating the stories in the press. I think internally, within the state, the press releases about what NCOT's doing and blow your own horn a little bit.

Wagnon: Exactly.

Carano: The 33 to 1 would be a good press release right around February 2.

Wagnon: Make sure your math is good.

Vecchio: Yes.

Hutchison: Jeff, we're talking about a major education initiative, right? Then we can talk about who are targets are. Because they're different targets. They're people within the tourism industry, if we're going to be the go-to source, the people that have credibility with the NCOT tourism professions have got to see us that way. But so do decision makers like we talked about, all of them.

Brunings: So I'm going to show you how to capture those audiences.

Hutchison: People with within marketing departments of hotels and casinos. I mean, right? We have this message and a story to tell. We need to define that and create that and make that as persuasive as we can. We need to identify who our important target audience is. Then we say, who's going to deliver that. Who's most persuasive to deliver that message? That's where you tap into the resources of the entire Commission and the staff. Because I'm going to be more persuasive with Michael Roberson, who I served with in the Senate, than somebody that doesn't know him. But somebody else is going to be far more persuasive with their marketing professionals, who don't know what we do, than I would be. It gives us meaningful things to do on the Commission at more of a high communication level, the Board of Directors is going to be pretty effective.

Baum: Well, it's important to know, too, we can't put the cart before the horse. That old saying, "It's not bragging if it's true." We better make sure we don't go out and brag...

Hutchison: Right.

Baum: before our house is in order. And you know, our website has to be better. Because in the 21st century, the website is the face of the organization. If you're a marketing person and you hear some good stuff out on NCOT...

Hutchison: Go to the website.

- Baum: ...you've got to go to the website. And you're sitting in your office. What else do you have access to? If that doesn't impress you and it doesn't do a good job for your casino resort or your destination or your attraction, you're going to say, "Well, you know, they talk a good game, but when it comes right down to it, they don't have the basics." It's really important we don't start running before that (inaudible) exciting new marketing agency coming in. We've got new things to figure out. So let's get those all to the point where we're proud of them, and then we promote the hell out of it.
- Brunings: When that story comes together, that killer story that's defensible, prove points quantified. What are the unique audiences?
- Hutchison: Well, you know, we talked about one big policy, right? People who are going to make decisions about our Commission and about the Division. Those would be probably, more state leader types, county leader types. And then you've got, I would assume, the tourism industry itself and people who make decisions about tourism and are in charge of and in organizations about tourism.
- Unidentified Female: NRA.
- Hutchison: Yeah, right. Organizations like NRA.
- Brunings: I've got policymakers and the tourism industry. That's two unique audiences that that story would be packaged and delivered uniquely to those, fitted to the audience.
- Hutchison: There may be other audiences. That's just...
- Brunings: And that's just a start.
- Hutchison: That's right.
- Brunings: And then, the who that delivers the story, depending on, one, the audience and who has the expertise and lot of ways most influential at delivering that message within the Commission.
- Hutchison: Right. Because Claudia may be the best messenger for some audiences, right? Far more than...
- Brunings: Yeah.
- Hutchison: ...far, far more than the Commissioners. But I would say we need to share the load with probably the message that Claudia's been delivering largely alone, you know?

- Brunings: What would be a roadblock from preventing you from doing this? We talked about, if there's a potential roadblock is lack of awareness and a perception that they're not a credibility source for even delivering the story.
- Hutchison: Well, Chris has already said one. A bad plot, right? If we put the cart before the horse. We've got to promote ourselves and actually go look at our materials. I have to believe that we've got great materials and we're dialed in and everything, which is, like Chris said, make sure we know where we are. Just make sure that everything that they look at or they see is first class.
- Brunings: Are there other threats? I mean, is there going to be somebody else, another vehicle applying for exactly getting to that same brand?
- Wagon: Not likely. You mean within the state?
- Brunings: Yes.
- Hutchison: We're talking about in the State of Nevada.
- Brunings: Yeah, okay. So you've got -- no, they're like internal competition.
- Wagon: Well, I mean, Las Vegas is already in this game. I mean they're not a competitor, you know? They're part of what we do. That's the only other major tourism-driving entity other than RSCVA. So you've got Vegas and (inaudible), and NCOT, but there isn't a lot else. Nothing else is going to come up to start carrying that message.
- Sheltra: Don, are you going to take that? I'm just saying.
- Newman: I did hear it and I chose not to address it. I was going to add before we jumped there, we create a brand, we create a product. As we've selected marketing companies, it was a question that we've thrown out there, suppose we create a winter campaign and we don't have winter? So we have to have...
- Hutchison: That's a roadblock.
- Newman: Yes, that's a roadblock. So the Lake, in and of itself, has to be a destination. Snow or no snow, you want to come see the Lake. You want to experience Tahoe. You want to enjoy the view. You want to enjoy the restaurants. If there's snow and we have great skiing, that's a plus. But the adventure lies within that destination. Those can be big roadblocks if that just doesn't quite cooperate. I mean, we've canceled events -- snowmobile races that we had no snow until after we canceled the event and it snowed the day of what was going to be the event, so.
- Santos: You just gave the tagline. Snow or no snow, you can see the Lake.

Unidentified Male: What do you mean, snow?

Unidentified Male: Who need snow?

Baum: There's another roadblock that's a very real one, and that is the fact that we have a campaign that's all about, "*Don't Fence Me In*". Some of us believe that really is the positioning or the slogan for the state. For political reasons, we've got another statement that is across the whole different divisions that is not as powerful nor is -- I don't think would speak to a consumer as well. So politics can get in the way, too. If you're doing really pure tourism marketing, you promote specifically to that market. You don't worry about Indian Affairs and Human Resources and other parts of the state. With the LVCVA, can you imagine what would have happened if a lot of other voices were heard and, "*What Happens Here Stays Here*" got shot down because somebody wanted to make sure that it was a broader appeal that could also include other elements? I just think we need to allow marketing experts to do marketing. That's what's going to benefit the state most.

Brunings: When NCOT is running a lot of ads, a premier marketing brand within the state, how do you measure the success of that? Increased funding? That could be it. I'm trying -- I was wondering...

Baum: Increased visitation.

Brunings: Increased visitation, okay.

Baum: But there's no purity in knowing exactly what percentage of that you influence as opposed to other factors.

Carano: But you do have that -- that company, TSN.

Vecchio: TNS.

Carano: TNS.

Vecchio: Ad effectiveness studies.

Carano: Could we make sure that that is backed up with the 33 to 1 or 60 to 1?

Wagnon: That's a historical problem that's existed in tourism from day one. I mean, how do you claim victory with a certain metric if the economy is doing this, that or whatever. I think you just have to measure what we do and have solid metrics on the -- on our actions. We put an ad campaign out there and the response to the ad campaign is "x" and we drove this much visitation to the website. And that ultimately translated to more people coming. And up it goes. If the economy is adding support for that, great. But at least what we're doing is successful. We

have to find some way to own a piece of that success. Because certainly, when the economy goes the other way, marketing certainly takes the hit for people not showing up.

Ayala: Do we have a historical measurement of that same metric before?

Vecchio: Oh, absolutely.

Ayala: What was it before the economy and during the downturn and then now?

Vecchio: I think at the highest point, it was, in terms of the ROI it was 34 to 1. But that was back with the much higher budget, much greater budget before 2006...

Friedman: In 2006.

Vecchio: ...2006 and 2007.

Ayala: Mm-hmm.

Vecchio: And then it went down as low as 14 or 15 to 1 during -- it was lower than 19 to 1. But David has tracked it for at least the past ten years.

Ayala: Okay.

Vecchio: We keep track of that.

Brunings: To recap what we talked about, a potential success (inaudible) roadblocks and must-dos to support the vision of NCOT being this recognized, go-to brand leader for marketing in the state. We talked about numerous successes that are very creative and measured by increased visitation and could be measured by the impact that it has on driving additional funding. Potential roadblocks is, there's just a lack of awareness and credibility out there that NCOT could ever become that. One of the environmental factors that could impact Nevada is you're dealing with a lot of variabilities when it comes to marketing based on seasonality of what the state has to offer.

Must-dos: potentially, we're looking at, if we feel that the central roadblock is lack of awareness, go on and take it on and survey it and find out. See if there is a gap. How big is that gap? Does the gap exist at all? Between how these influencers and stakeholders, policymakers in tourism industry view NCOT today and what ground would need to be made up to achieve being that kind of dominant premier brand?

Some of the must-dos also were educating and inspiring. We talked about segmenting, obviously there's different audiences. The story needs to be tailored to each of the different audiences. Audiences are policymakers and stakeholders

within the tourism industry. We talked about who delivers that message? It could be any and all of you. Find the right fit for the right message to the right person.

Does that sound like a good summary? Did I miss anything?

Wagnon: We talked earlier about the possibility that this structural issue is a roadblock to develop or gain that credibility as a tourism and as a strong tourism marketing entity, where now it's not just solely focused on tourism. We've got all these other entities that we're required, you know, bleeding money off to -- and not just money, but attention and resources and time focus. Whereas, you know, at least my experience has been, when you're dealing with state tourism, it's just state tourism and there's not a lot of other -- you know, I'm not going to call them distractions because they're not distractions, they're important -- elements. They're important pieces of the puzzle. But when you're trying to drive tourism and trying to drive the tourism message, you need to be kind of singularly focused on tourism. It sounded to me like people felt that that was a potential roadblock to achieving success here.

Brunings: How do I phrase that?

Wagnon: Carefully.

Hutchison: Transfers, right? Transfers -- resources, energy, time away from tourism. Isn't that what we talked about a little, right?

Brunings: Transfers of resources, people, time, energy, effort...

Hutchison: Away from tourism.

Brunings: ...away from tourism. Also, is that competing priorities?

Hutchison: Sure. If that's what you (inaudible). Jeff, the way you described it, I know this could be wrong but, I just don't agree that the measure of success is great creative, right. The fact we had a great creative, that doesn't make us the primary voice of tourism in the state.

Brunings: I agree.

Hutchison: We probably already have great creative, right? Increased visitation, that doesn't mean we're the voice of tourism in the state, right? The increase in money, I can see that relationship. It seems that people who don't see us as a primary source of tourism, see us as a primary source of tourism. That's how we'll know. I mean, whether that's in the tourism industry, whether that's policymakers or whatever, we change the perception about NCOT, that NCOT is the primary voice. People who don't see us that way, now see us that way. People who aren't funding us

before, are funding us now. I mean you can have great ads, you can have great visitation, like I said before, that's just too nebulous in terms of how you measure a success.

Brunings: And if you measure the success of your brand, it would be brand loyalty. It could be brand association, brand recall. It's those things.

Hutchison: But that's not what we're talking. We've been talking about NCOT being the primary voice of tourism and the state. Right? We're not talking about the success of tourism, the success of NCOT. We don't see ourselves as the primary voice now. How do we know when we are? What's that measure? Well, it's when people who don't see us now as the primary voice, as the primary voice. There's a whole bunch of people don't see us now.

Carano: So we move the needle.

Hutchison: You convince nonbelievers. Whatever. I don't know how you write it, but something like that.

Yeager: Something like awareness metrics.

Hutchison: You know, or those who don't use that would use that in the future.

Baum: It helps when the facts support it though.

Hutchison: Sure does. Oh, yeah.

Baum: Right. To say that increased visitation is not a relevant metric, it's only important that people think we're doing better job.

Hutchison: Oh, I'll say, I think they're a success. But I can't measure success with increased tourism because that's...

Baum: But everyone who thinks that NCOT is terrific and the visitation in the state doesn't increase, is that success?

Hutchison: No. I don't think it is. But it doesn't mean we're the voice of tourism in the state just because tourism increases. Maybe now the Las Vegas Convention and Visitors Authority and Reno/Sparks is doing a great job and it's all attributable to them.

Baum: Well, that's always the case. It's always intermingled.

Hutchison: That's my point.

Baum: (Inaudible) buy Corn Flakes instead of another brand.

- Hutchison: That's my point.
- Baum: It's not just one thing.
- Hutchison: Right. That's my point. That's why you can't use that as a measure of success. Because, that was my comment at the beginning.
- Wagnon: I think there are a lot of different measures of success and no one measure is going to stand alone. In other words, we can see tourism visitation increase and our credibility is still not there. It's like, well, they didn't have anything to do with it. You know, that happened because Las Vegas or RSVCVA or what, you know? They have nothing to do with NCOT. Or if everybody's going NCOT is -- they are awesome. They're doing a great job. The ads are awesome and all that and room nights are down. We're kind of going, well, that's great that you like us, but, you know, we're not exactly -- so I think you have to see real true metrics results, we're actually driving increased tourism, increased tourism revenue, et cetera. But you also have to see our relationship to that increase is established, so people are kind of going, yeah, room nights are up. NCOT had a lot to do with that.
- Hutchison: Right.
- Wagnon: The two have to go hand in hand. We have to take some ownership to the success. That's where our credibility's going to come from.
- Hutchison: Right.
- Brunings: Measure of success, actually, we'll wrap that as it relates to the brand, was kind of like connecting the actions with results -- to quantifiable results.
- Wagnon: I think we have to continually communicate with the people that we represent and ask them, "Are we doing a good job? Do you like what we're doing? Do you not like what we're doing? Do you like the website? You don't like the website?"
- Vecchio: "Do you know what we're doing?"
- Wagnon: I would like to know whether people really know what we're doing. We think people know what we're doing. But I don't know. When you have a real powerhouse like Las Vegas driving massive amounts of tourism, what's their feeling about the Nevada Commission on Tourism and its influence on their success?
- Hutchison: Right.
- Wagnon: I was just thinking about that earlier when we were talking about this funding situation. In order to increase funding, you're either going to do it as an industry self-funded situation, like the State of California, or you're going to go after their

increased TOT tax, or TOT tax increase, or a portion of that tax being allocated to NCOT or a general fund. If you're in Las Vegas and you say, "Well, why would we take some of this additional TOT and move it into the NCOT versus moving it into Vegas for our own VCB project?" At that point, NCOT has to have quite a bit of credibility that our actions are going to move the needle on behalf of a powerhouse like Las Vegas or you're not going to get the support for that type of funding increase out of that community. I'm not speaking on behalf of Vegas, but looking at it structurally and saying, "Where is the impetus for those guys -- for people in Vegas to increase funding to NCOT?" Well, we need to earn that. As we've envisioned, we need to earn that respect and see that happen. As it has with the San Diego, or L.A. Inc, or San Francisco CVB, and all those organizations saying, "Yeah, we want to get more money to visit California because they're driving for us on our behalf." There's probably a little bit of a gap there in terms of, kind of, we're viewed and our ability to actually support their efforts and grow their business.

Brunings: So let's talk about the next potential strategic priority. I think it speaks to, Commissioner Wagnon, what you had referred to, is measuring the success of NCOT in broader economic impact than just beds and heads.

Vecchio: Heads in beds.

Brunings: (Inaudible) do that at some point today. So we talked about economic vitality of tourism's ability to drive economic vitality measured in revenue, in job creation. Zach, what else did you capture on this particular idea, just for context.

Yeager: There were definitely some discussions, and I think it speaks back to what the original strategic objective was last year this is, essentially, the heart of our --of the mission statement that we discussed last time. This is a primary purpose, essentially, is to enhance economic development, the vitality of the State of Nevada. We talked, as you mentioned, around, this is not just tourism, but recognizing the impact that the tourism industry as a whole, has on the state through things like job creation, and hopefully some other things that we'll discuss now as to how are we enhancing that kind of vitality of the state? What are the must-dos? What are the roadblocks? And how can we measure that, as part of our strategic plan?

Brunings: Why is it important to broaden the economic impact and how it's measured and shared, beyond just heads in beds. Why is it important?

Wagnon: ...right back to what we were just talking about, establishes credibility and establishes NCOT as, you know, categorical authority in the space of tourism in

the State of Nevada. When did we do that. It was, what? Two years ago, when we did that economic impact analysis for the State of Nevada.

Vecchio: We do it every two years.

Wagnon: Oh, every two years. So when you read through that, it's an impressive piece of work. You need to actually sit through it and kind of pull out the things that are more impactful and more easily understood. But, you know, if you were to do a state, you know, like a Nevada State of Tourism release or announcement at the same time every year, where we sit and say, okay, tourism increased, created "x" number of jobs in the past 12 months. Tourism increased tax revenues by "x" in the last 12 months. Tourism did this, tourism did that, you know? Actually, in a way, you're kind of taking ownership as the NCOT of all the efforts by all entities in the tourism industry, by standing up and making that statement. But it gets out on the news that Nevada Commission on Tourism is standing up and saying, "This is what happened in tourism this year." That establishes us a bit as a categorical authority on tourism. You know, you actually, it's kind of a tool we use in trying to boost organic search results, is actually trying to establish yourself as a categorical expert, and you actually can boost your organic searching because people start going, "Oh, they know what they're talking about." So that way, NCOT establishes itself. People go, well go to NCOT. They know. They're like the bible of tourism.

Newman: We need to get a paragraph to start. We need just one paragraph in the Governor's State of the State that comes from us that gives...

Hutchison: I would love to see that. And I don't...

Newman: It could go two paragraphs. That, you know...

Hutchison: I guess, too, you know, that process is big. There's so much that goes into that process and a lot of the things have got to get cut out and that sort of thing. We could on the alternative, or if we did do that, we could present our own, State of State, State of Tourism. Maybe we just, every year, a week after the State of the State, a day after the State of the State, you know, don't steal the thunder from the Governor, but we can come out and say, "Here's the State of Tourism," We can give our own.

Wagnon: (Inaudible) market, Claudia, give it, you know, on TV. Here are the stats. Here's what we did. Here's what...

Hutchison: Hold a press conference.

- Wagnon: Yes. Press conference, get on TV stations there, get some articles out and just boost awareness of tourism as an industry in the state and how important it is to the state.
- Vecchio: Yes, and that's what we do at the Governor's Conference on Tourism. That is what that platform should be used for. That's what Rossi was saying, we could do a State of the State if we moved that into the Global Tourism Summit, just still have a State of the State. So if we have that news...
- Hutchison: Great.
- Vecchio: ...we have that announcement, every year, fall. It's not exactly when our economic impact story comes out, but there's a time every year when we have that State of the State.
- Hutchison: Yeah. That's great.
- Brunings: What would be some of the roadblocks preventing the Commission from broadening how the impact of tourism is measured. We talked about increase in tax and increase in job creation, things like that. Are there any roadblocks that would prevent us from doing that?
- Wagnon: You just need to do it. I mean every state tourism organization is kind of doing that to some degree.
- Carano: I see an inconsistency of how the jobs are measured, of the income, the average income. Because some of our employees make minimum wage, but they're actually the highest paid employees in the building. And ...well, they're dealers and they may get \$200,000 a year. But Obamacare doesn't recognize that second level. So as far as Obamacare is concerned or as government's concerned, they're still minimum wage. If we add what their actual income is, we know because we're 100 percent compliant with the IRS. Somebody knows how much they're making. Anyway, I would think that we'd have to educate as to what the actual economic impact of a tourism job it is.
- Hutchison: Average, which will affect the average wage.
- Newman: Well, and that goes back to what Rossi was talking about as far as education in the schools, you know, start in middle school and go into high school with.
- Wagnon: It's the beauty of the sound bite, too. We'll all be hearing about middle-class economics for a while now because of its great sound bite. I think we need to create our own versions of those sound bites that people kind of grab on to and say, yeah, hey, you know? This concept of tourism creates quality jobs is, you know, that's a key point. That's something that probably is worth getting out

there and having a conversation with the public about, what that means. It's not like NCOT is driving every piece of that. We are the categorical expert in the state on tourism, and we're out there delivering this message. I'm sure this happens in Las Vegas, where the VCB down there is getting out in front of their group and saying, "Here's what we've done this year.". So everybody's in the process of doing this. But we need to be doing it on behalf of the state just to kind of establish our knowledge base, credibility and awareness.

Brunings: So there's no roadblocks preventing us from doing it today, per se? And the must-dos, we're really consistent with what we had talked about creating that killer brand with the story of the right message, supported by the right facts. This becomes part of that story to create a great brand, you know, you need to broaden the definition of tourism and impact within the state. We have an opportunity to do that. How we tie those together could be a challenge. How do you quantify and say, we actually impacted that. But there's probably somewhat that could be done there. Ultimately, what it does, it allows all of us to share a much more clearer, compelling story of the impact that tourism has. So it just lifts the appreciation of, got it. There's a sense of urgency and immediacy to why tourism is just so important in the state.

Ralenkotter: This is Rossi. Just for a minute. I think we also need to remember that most of what we do -- not most, a lot of the things that we do, it's a team effort. It doesn't happen just by one organization or one hotel. It's us working with the resort industry, all of us working together to generate more tourism for our destinations and more tourism for the state. Then the one sound bite that could be used right now on the advocacy side is that, we used this when we had to go to D.C. and talk about the importance of meetings and the importance of tourism, that tourism creates American jobs because you can't outsource them. Just take that one step further and say, tourism creates jobs for Nevada. Those are the kind of things that, that it's not just one organization taking ownership. It's us in the industry taking ownership. This is a team deal.

Hutchison: Yes.

Ralenkotter: As long as we make sure that we work with the private sector in the messaging, and we work to do the job that we have to do from the brand side and deliver on our brand promise, that's part of the success of this. Just like the educational issue, you know, we talk about educating our children for the jobs that will be coming in to Nevada over the next years. We also need to create children who want to go into our industry because they are good paying jobs, and they are in the state. They aren't there working in one of our hotels because it's in another state, they're going to work at that hotel because they're here. There's a lot of things that can be done almost immediately, that you can message out.

Brunings: We roughly about a half hour left. Can we go to 4:30? Is that okay?

Vecchio: It's fine with us if it's okay with you all. Because we still need another topic as soon as we get back to it.

Hutchison: Yes, that's right. Is everybody okay with continuing? Does anybody need to go back on flights or anything? Or are you okay to stick around for a little while?

Brunings: Because in the remaining 30 minutes, I want to get through a few more discussions. We did the financial one on broadening the economic impact and it actually pointed back to this one, being that recognized branded leader who is seen much greater than probably what you're seen as today. And also, the opportunity for increased funding, it's going to start from there as well.

Hutchison: Telling the story...

Brunings: You've got to tell the story.

Hutchison: ... see the results, build the credibility and then you say, you see what our results are and now we're coming in for additional funding.

Newman: Well, to Rossi's point, tourism equals jobs.

Hutchison: Yeah. It's part of our story, right? Yeah.

Brunings: Nevada jobs.

Hutchison: Nevada jobs. You can't outsource them.

Brunings: Are there any other activities outside of having -- I can simplify by, telling a killer story to the right people, to influence for the right reasons. Is there any activity other than that that would actually influence greater funding?

Hutchison: A good economy, right?

Brunings: Can't control it.

Hutchison: And that's one of the roadblocks.

Brunings: Yeah.

Hutchison: Sometimes the economy tanks.

Wagon: Maybe we can get back to Chris' comment earlier. You know, the product is at the very root of that whole thing. I mean, we've got to be really damn good at what we do, if we're going to go out there and try to establish that. So, yeah, we have to be best-in-class.

Brunings: Don't go out premature. Don't go out until you're ready.

Wagnon: We have to be best-in-class.

Ayala: And one thing , what have we done extraordinarily different than increasing that 19 to 33 -- what did we have, 33?

Hutchison: Yes.

Ayala: What have we done this time that's different than what it was in 34? What have we done there. And will it stay like that? Because that alone will help us drive more.

Vecchio: There are a number of different phases that you all are talking about, that when we have this communication plan, that you will put together. But there are messages we can go out with now, whether we have a great product or not. There are messages we go out with once we have an absolutely killer product. It's taking a look at all of the audiences, the way we communicate the messages, based on the fact that we're going in to a session, what opportunities do we have now? We'll look at all of this from a tactical approach, now that we know your marching orders to us. We'll identify timing of everything, the channels we use to get all of that out there. We have some opportunities that we haven't been taking advantage of at all from an internal communications standpoint, that we now will ramp up to make sure that all of that happens. That's how we'll approach it. But there are messages we can talk about now. And there are messages we can talk about a little bit later.

Ayala: I also think we've a great opportunity in the integrated marketing campaign now and we tell...

Vecchio: But we don't have a good website.

Ayala: Well, you know, that's the best...

Vecchio: We were talking about the overall integration of it. We've got to have every piece in place.

Ayala: I agree with you 100 percent.

Vecchio: But we could talk about some other things before we talk about that, that continue to ramp up our credibility.

Ayala: Yeah.

Newman: So how do you explain, in the grand scheme of marketing, and all of this logistics we've thrown out, and strategy -- how do you explain people traveling to Las

Vegas to stand in line with a piece of whatever it is, to get on TV, to be on the Pawn Stars TV show? Because I've driven down 4th Street and seen this line of people and thought, "What the hell is that?" And then realized, Oh, my god, they're standing in line to get on television. They've come from who knows where, with something they want to hock, to get on television. Yeah.

Carano: To get on television.

Newman: I mean, how do you explain it? The same thing happens with the Duck Dynasty. West Monroe, Louisiana has seen an increase in travelers as a result of this TV show. What the hell is there to do in West Monroe, Louisiana? Unless you're going to gig a frog, or catch a fish, or go see where they make duck calls. Explain that. It's the stories.

Santos: It's something different. It's completely different than the ordinary and that's why those things just sort of hit on...

Newman: So with that said, how do we get people to go to Tonopah, Nevada, to see something you can't see. There's an apparition. I heard a noise.

Hutchison: Have a really cool pawn shop there.

Newman: Well, yeah. There's, you know, there's ghosts. There's adventure travelers. Who goes to the Ruby Mountains to see a white billy goat? There are people that do that. There's more than the Bellagio. There's more than skiing at the lake. 20 people in Alamo, is a huge increase in business in Alamo, and not even a blip in Las Vegas. There's a whole big scheme of things here. But I can't, you know, "Hey, I was on Pawn Stars." I don't...

Brunings: The opportunity to have access to greater funding comes back to having that story to tell, to become the brand and have the credibility to go ask and receive greater funding. Claudia said there is some good messaging available for everything that's been done to date. As the work changes and evolves, that messaging gets identified. Maybe it's good times, like, is there an opportunity to -- how does that messaging get back? If all of these are spokespeople for telling stories and building the brand and creating awareness, what's the current vehicle or mechanism in place now to get what's being done by the Division, internalized and socialized with the Commission, so it actually changes what you're saying on there? Could we spend a few minutes on what that structure looks like?

Vecchio: Sure. Because I don't think that exists.

Brunings: What's that?

Vecchio: That does not exist, I don't believe. I mean we provide talking points and that sort of thing, but in terms of creating opportunities for you all to tell the story or address issues that you have so that you feel confident in telling the story, you know, that's all something that we need to do a much better job on. We can certainly put together a plan of attack for all of that. We can talk to each of you and ask whether you want to be part of this or not.

Hutchison: I thought we talked about that a little bit before where we said, Who is our target audience? We identified two major players in that arena for policymakers and the tourist industry. You all know the tourist industry better than I do. I probably know some of the policymakers better than you do, unless you do know the policymakers in your area, and your world. But we've still got to go, who are those folks? That's our target audience, then who's the best ones to go see it and we make assignments. Then we come back and hold ourselves accountable in meetings, right? I'm going to go see Michael Roberson. He's a good friend of mine, I served with him in the Senate. He's a policymaker, right? It's an example. Cindy's going to go talk to her PR department and let them know, or other hotels up in Reno. We just divide our assignments and we work, we're accountable to ourselves and come back. The Commission that wants to be relevant becomes very relevant. We're the messengers. We're the ones who are selling.

Vecchio: Right. That's all internal communication/reputation management plan, which we can put together. As I've said, it's not something we have done a good job of, but we can put that plan together and enact that.

Hutchison: Yeah.

Brunings: But more, I think, what my point was is how do you create consistency across the message of being told, so it has the highest value, it's most compelling? And it's back to, it has to come from some existing proof points. Which is going to come from Claudia. Now, it's like a mechanism, I wasn't clear on, how do we get just some of the key messages that you can communicate. Here's the impact of what we did. Here's how it was influenced. Here's what we learned. Here's the results. And just sharing that and say, great. When you're out talking to whoever it is you're talking to, I just fed you some ammunition. Actually, everybody is on the same page with the same ammunition.

Bradley: Just from like a general government perspective, it needs to be consistent and the same. Because really, when you're out there in the community, you're just individual members, it's hard to give the Commission perspective on something unless you're authorized to do so. So in other words, unless it's something that everybody has approved and said, "This is our message. This is how we're going to speak." Because you don't want to get into the position where people are

saying, you know, so-and-so, as Commissioner on the NCOT, says, blah, blah, blah. You really are just your own self, unless the Commission has authorized you to take a position on the whole thing. So I'm not saying you shouldn't or can't. But I just know, when they talk about ethics in government, you want to be careful about using your position and being misconstrued in any way.

Hutchison: Well, it's not as simple as saying, here's the power point, right? We all agree what the power point is and we presented it at the meeting. And we all say, that's the power point, or change this, or whatever. Well, you do this all day long, right, Claudia?

Vecchio: Yes.

Hutchison: That's your world.

Vecchio: Yes.

Hutchison: So here's what I do. Here's all the messaging, and we manipulate that however we want to manipulate it. This is the thing. Go out and go tell your assigned people. I don't think we say, just go out and tell your friends when you go to a cocktail party. I think the old adage is true: When you deal with generality, you seldom succeed. When you deal with specifics, you seldom fail, right? Specifically, who am I going to see before the next meeting. I've got three people to see. And Hutchison, this is going to be on the Agenda. We're going to hold you accountable. Did you see them? And if you did see those three people, everybody in this room is going to know it. Right?

Vecchio: Right. We have a set of global talking points and we have a set of various salient talking points for each of those groups. You have to make sure that you are talking to Roberson in a way that's going to be impactful to him.

Hutchison: Yeah.

Vecchio: But there are global talking points that we all need to be on the same page and included in everything that everyone discusses. And then you branch down to (inaudible).

Bradley: Because it can get very important, for example if they have STAR bonds issue or something that's controversial, there could be a time where five of you vote against something and, you know, the rest of you vote for it. It would happen, but then you have this whole situation. So that's the other thing, is we want to be consistent, that whatever decision the Commission makes, everybody backs and supports in the public, and you're consistent on what you speak about, and you're authorized to speak about what you're speaking about. Because we've had

situations in the past where issues were on the front page and suddenly we had commissioners on -- not here, but other agencies -- where commissioners are suddenly on TV giving opinions about things. Under their name, it says, you know, Commissioner blah, blah, blah. And it's like, wait a minute, you know. They're just a private citizen unless they've been authorized to do that.

Hutchison: Yes.

Bradley: Unless, I imagine the Lieutenant Governor might be separate, I think, from the rest of us.

Hutchison: But the something that came up at the last session was, we wanted a more robust subcommittee world, right? Why don't we create a subcommittee on developing the power point, right? That subcommittee works with Claudia and we can put it together. Then you come present it. And we say, yeah, that's great or we've got to change it, or whatever. Then we have another subcommittee on educating certain target groups. We become much more involved in what we said that we all want to be involved in, which is moving this Commission forward in a very meaningful way, where we're actually doing something very active in our positions.

Santos: Now, really, at this legislative session or the next one? I think we're talking about this one. That would be something that we'd have to do right away, you know, next week.

Hutchison: But you don't have to communicate necessarily, you know, when they're in session, right? We could -- it may be better off-session. Maybe, you know, start hitting them in June or maybe, whenever we're ready to go. I mean let's not roll them out there. We could have a -- I mean, we're having our Legislative Day in April, right? That's probably a good target to do something for that day. But I would think...

Santos: I'm saying we should have a meeting before so we can approve whatever points we want to have.

Hutchison: That's right.

Sheltra: Well, I have to give Claudia credit. She's created those talking points for at least (inaudible) in the past and keeping us all on point. I'm not saying that's the end-all. What we're talking about is more than that. I found that to be very effective and very helpful.

- Santos: Is it possible just to get that right now? We may have consensus that, yeah, this will meet our needs for right now, (inaudible) and have a meeting where we approve that?
- Vecchio: What I'd like to do is create this plan so that we're doing it in a very strategic, thoughtful way. We're approaching each of these audiences in a very strategic, thoughtful way, with all these messages. Believe me, once we get this plan, we'll want an internal communications group to look at this or a stakeholder communications group. Once we get this new agency onboard, there is a person in that agency that will be helping with this as well. We don't have the human resources to do a full, internal communications outreach program. We tried to get an additional staff person in this session to do that. We did not. If we want to get a group together, who wants to be part of developing this plan, let's do that. That will give us a really good roadmap for making sure this is done correctly. There are messages we can give in this legislative session, that will set the foundation for specific messages that are yet to come.
- Brunings: Do we want to make a decision on that now? Do we want Commission involvement in developing that plan? Yes or no?
- Vecchio: That would be absolutely welcome.
- Brunings: So, (inaudible)...
- Hutchison: But not here, I'm saying. I mean, we're 15 minutes away from shutting this down.
- Vecchio: Whenever we want to do it. If you determine right now, yes, we want to move forward with a stakeholder outreach, whatever we want to call it, planning process, yes, we can do that. I don't see why not.
- Wagon: I think we have an idea of what we want to end up happening here over the next three years, in terms of building up to when we might go in front of the legislature and ask for additional funding...
- Sheltra: Just restored funding, I'd be thrilled.
- Wagon: Right. Even if it's just that.
- Sheltra: I just want one bullet point. I don't have to go to the meeting.
- Vecchio: There are lots of internal, internal-internal conversations you have to have before you really get to stakeholder conversations.
- Wagon: Yeah, we need to be ready to go in 2017 with our credibility intact, and our story well told, and a bunch of people behind the vision, and where we're headed with this. What we can actually do to move the needle, and how we can move the

needle and what we can do in the next five years, going forward beyond 2017, you know, what does that roadmap look like? What do we have to do between now and then? What kind of materials do we need? What kind of talking points? You know...

Sheltra: Yeah, but I want to go back to that last comment real quick. Because you mentioned all the internal conversations and that's where we are lost right now. We have lost direction. There is no political issues. This is tourism. This is the Tourism Commission. Because the Division is branched in all these different efforts, your focus is off point. This is tourism. So a simple bullet point could restore our tourism funding, is clean and simple. There should be no debate whatsoever on that. That should be the easiest principle we should all be able to agree on. This Commission is tourism and I don't know how AB could turn in to a Z or F or Q. I mean that is so simple to me. I think that's part of our problem. We've lost focus a little bit, between the Commission and vision on where we -- my humble opinion. Sorry, John, I didn't mean to -- your philosophy.

Brunings: I think we agreed that there will be Commissioner participation and involvement in the development of this communication plan. Then at what point in the future do those designations occur? If not today, when would that happen? Next time you guys get together?

Vecchio: Well, if it's anything that's going to start impacting this session, it has to happen immediately.

Unidentified Male: Next week.

Vecchio: And anything that we're going to -- certainly anything that we do leading up to April 21. Again, I think that it's a good time to start putting this whole vibrant plan together now.

Hutchison: We are not prepared to go and ask for more funding in this session, right?

Vecchio: No, we are not.

Hutchison: So, let's set it, to 2017, right, to John's plan. You know, we've got this April date coming up. If we could have the Powerpoint ready for the April date (inaudible)...

(Audio gap)

Vecchio: ...session that's not in the best interest of this industry. There will be a lot of messages that come up in this session that are not going to be in the best interest of this industry. They've already started. I think, from our standpoint, in tackling those now, and as a statewide industry, it will be critically important to retain the relevance of tourism. They're out there.

- Ayala: What are the messages?
- Vecchio: The message is generally that the state needs to diversify the economy, and move forward in a way that is different from the way it has operated in the past. Whether or not it's saying that we're going in a better, more vibrant way than we have in the past, it's that people in this industry have been at meetings, where people who have a long history in this industry have said, "Thank goodness we now have something else to move forward to because this industry is languishing."
- Hutchison: Mm-hmm.
- Vecchio: And my jaw just drops because that is a leader in this industry saying, this industry is on the wrong divide in the road.
- Hutchison: Right.
- Carano: What we need to do right now, is come up with a line to counterbalance that. Because I agree we have to diversify our economy, but in effect grow the economy and so that the tourism grows as well. We need a comeback on that.
- Vecchio: We do. There are messages that have to -- we just need to...
- Hutchison: We're at 4:20. Where are we in this whole process? Because we've got to...
- Brunings: What I heard is, a lot of the strategic priorities that we had identified to help us achieve the vision, came down to the ability of the Commission to influence stakeholders, to tell a great story that was compelling, defensible, with proof points. We talked about broadening the proof points. Claudia is working on a communication plan which would look at, how could that story get out and be disseminated and distributed with who needs to talk to whom? We agreed that there should be Commissioner involvement either in the design of it, or at least in the approval or last stages of it. That's kind of where we took it. I think probably one of the most important things I heard about, all of these pointed back to the ability for this Commission to use your relationships to influence the influencers, to get a broader level of support and have a great story.
- Hutchison: Yes.
- Brunings: That great story is going to start with Claudia. And there's already pieces in place. So that's where we came to.
- Newman: This calendar of information is a great start for our tourism day.
- Vecchio: We are what we do.

Brunings: So next steps is how I'm going to wrap up. We're going to actually do work on the vision statement. I didn't want to do it today, but we're going to work on a vision statement. I think we have the right ammunition to do it. We'll bring it back to the Commission for -- yep, that was right. We were part of that exercise to sign up on a vision statement. We're going to continue to work with Claudia on the development of strategic plans for 2015, which is going to look at what we talked about today and actually putting that into how that translates in to objectives and goals and actions, measures and targets.

Hutchison: Great.

Brunings: Okay, Claudia, am I missing anything for next steps?

Hutchison: All right. Any questions or any comments before we conclude this strategic planning? Jeff or Zach, anything final? Anything else we've missed or we...

Brunings: Do you have final comments?

Yeager: There is one thing I would like to mention also in terms of next steps that there will just be a plan in place, but that the plan will be used to guide the decisions of the Division and will be reported back in terms of those key measures of success. There will be a two-way flow to the Commission on how, not just that we created a plan but how we're going to work on that plan?

Hutchison: Great. Okay. Jeff and Zach, thank you.

Brunings: Thank you.

Vecchio: I should say my goal with that, would be once we have developed that strategic plan is reporting back against the objectives. The folks at OnStrategy have said that they will help us develop something. Again, the way you guys want to see this, in a way that the quarterly reports or the monthly reports are back to you against the strategy and not just activities. That's part of what we're going plan as well.

Hutchison: Wonderful. Zach and Jeff, thank you again. Appreciate all your great work.

Yeager: Thank you.

Brunings: Thank you.

Reports – Air Service Committee

Hutchison: Okay, we need to go back to Agenda Item 4, Statewide Air Service Committee. Claudia, you want to start us off? We wanted to make sure that Chris was here before we proceeded on that item.

Vecchio: We've talked about the development of a Air Service group of some sort that will help drive Air Service statewide. Of course, what we do, needs to be a statewide effort. There is a group down in Las Vegas that has concentrated on this, certainly with the group up in Reno as well. But if we want to have something that more collectively, from a state standpoint, focuses on air service, above and beyond infrastructure, which we talked about earlier, then we need to get this moving. We've talked about it for a long time. We talked about it at the Governor's Conference. So we will need to identify the goals and objectives of this group. This is a larger conversation than we can have in 10 minutes as we're wrapping this up, on the industry sectors that are represented, and moving forward with this.

I guess the action, if there is one today, would just be that we get a group of you all who are interested in spearheading this, to meet. Larry is going to be the contact from our group because this is definitely in his wheelhouse. The group will come up with the goals and objectives and the other ways that this committee is going to operate. That's really it for today, I think if we can...

Hutchison: Well, I think it's a great committee for us to form and be heavily involved in. I know during the course of the campaign, I heard a lot about that up in Northern Nevada, in particular, in the rurals about the need to have a focused statewide effort. It makes sense to do it here. Chris, did you want to chime in here on this at all?

Baum: Well, just an update since the JetBlue announcement, things have changed back in Northern Nevada. I chair the Regional Air Service Committee Board because of the dollars involved with risk mitigation of marketing funds for JetBlue, we are in the process of incorporating that organization. It's becoming the Regional Air Service Corporation. I will sign the paperwork on that before the end of this week. I've hired the Abbi Agency to run RASC for us going forward. I will also be signing the documentation with JetBlue. This is really a model for Northern Nevada that has never existed before, where through a long, negotiation and relationship with a major air carrier, we're successful in adding a prized new route (inaudible) (audio gap) don't have to go to say, I'm sorry, we'd love to have you hear but we have no funds available. There are a number of sources for those funds. I think that this group will help turn those and take that conversation forward. But the good news is, for Northern Nevada, the structure is now -- it'll be in place as of this week. I believe the same structure exists already in Southern Nevada Really, it comes down to dollars, as so much does, going forward.

We know how to do it. We are legally protected. But we have to fund it. And that's the challenge.

Hutchison: Thank you, Chris. Anything else we need to talk about on this Item? Or should we roll this over for more discussion, right?

Vecchio: We can certainly roll it over for discussion.

Ralenkotter: Lieutenant Governor, this is Rossi. I missed part of that just because we were losing connection. I just called back in. But I just caught maybe the last, maybe two sentences that Chris said. Could you just kind of summarize. Are we going to trail this or are we going to...

Hutchison: Yeah, we're going to trail this over and roll it over to another Agenda. Chris was giving us an update on the committee that he heads, the Air Service Committee up here and how that now is structurally in place for the northern part of the state. He mentioned that that entity has been incorporated and they're moving forward. It seems like we can all work together. We know that you've got a similar structure down there in the south, Rossi. And now we're talking about a statewide approach from this Committee, for the same type of services. But we are going to roll this over.

Ralenkotter: Okay.

Hutchison: We just don't have the time to talk about it right now. Is that you dropping off again? Okay. He heard what he needed to hear. He's done. Okay, so we can close out 4. We're done with 5.

Next Meeting

Hutchison: Our next meeting is going to be on April 15, 2015, right?

Unidentified Male: Tax day.

Hutchison: In conjunction with -- yeah, tax day. We'll all have something to celebrate with the Roundup.

Vecchio: Yes, but except we'll have that one yet to be scheduled meeting in March.

Hutchison: Yeah, so we'll have to notice that, right, and everything? You can at least see here where the April meeting is at and calendar that. Okay.

Commissioner Comments

Hutchison: Item 7, Commissioners' Comments. Any comments from the Commissioners?

Ayala: Welcome to the Lt. Governor.

Carano: Yeah, that's what I was going to say as well. You're doing a great job.

Stoldal: Stoldal in Vegas. We do need to figure out a better way to do this telephone. I'll work with Claudia and see if there's some technology that we can improve. We always keep losing Rossi and the rest of us that can't attend in person.

Sheltra: I fly SWA.

Hutchison: Yes I agree. I don't know what we can do. Let's see if we can address that. Cindy, thank you very much. It's been great. Other comments? Other thoughts?

Santos: Ditto.

Hutchison: Thank you. Great. Okay.

Public Comment

Hutchison: Item No. 8, Public Comment. Is there anyone here in Carson City who would like to make any public comments? Is there anyone in Las Vegas who would like to make any public comments? Hearing none.

Adjournment

Hutchison: Let's go ahead and take a motion for adjournment.

Wagnon: Motion to adjourn.

Hutchison: Motion second?

Santos: Second.

Hutchison: Got a second. All those in favor, say Aye.

Group: Aye.

Hutchison: Any opposed, say no. Motion carries unanimously. Thank you very much.

The meeting adjourned at 4:29 p.m.

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