

MINUTES of the NEVADA COMMISSION ON TOURISM  
March 15, 2016

The Nevada Commission on Tourism held a Commission meeting at 9:00 a.m. on March 15, 2016 at 401 N. Carson Street, Carson City, NV 89701 and by video at 555 E. Washington St #5100, Las Vegas, NV 89101.

**Call to Order**

Lt. Governor and Chair Hutchison called the meeting to order at 9:02 a.m.

**Commissioners Present:**

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

**Commissioners who are absent/excused:**

Richard Arnold  
Bob Stoldal

**Staff present:**

Claudia Vecchio, Director  
Larry Friedman, Deputy Director  
Sarah Bradley, DAG

**Roll Call and Determination of Quorum**

HUTCHISON: Good morning everyone and welcome to the Nevada Commission on Tourism. This is the time and place set for the meeting of the Nevada Commission on Tourism. We'd like to invite Claudia Vecchio to call the roll and confirm that we have a quorum present.

VECCHIO: Good morning everyone. I will call the roll. This is Claudia Vecchio. First on the docket, Lieutenant Governor Hutchison?

HUTCHISON: Here.

VECCHIO: Bob Morse, I see down in Las Vegas, welcome.

MORSE: Thank you very much.

VECCHIO: Jennifer Cunningham?

CUNNINGHAM: Here.

VECCHIO: Cindy, I heard you on the phone.

CARANO: Yes, present.

VECCHIO: Thank you. Dallas Haun?

HAUN: Present.

VECCHIO: Oh, excellent. Thank you. Don Newman?

NEWMAN: On the phone.

VECCHIO: Rossi Ralenkotter I believe is not with us today, is there anyone representing him from the LVCVA?

SEGURA: Yes, this is Valarie Segura, LVCVA.

VECCHIO: Perfect, hi Valarie. Herb Santos?

SANTOS: Present.

VECCHIO: Ryan Sheltra?

SHELTRA: Present.

VECCHIO: Mike Vaswani? He's not with us at the moment. John Wagnon?

WAGNON: Here.

VECCHIO: All right. Lieutenant Governor, everyone is accounted for. Julie Arger, sorry, you are here, I see you right in front of me.

ARGER: I'm present.

VECCHIO: Richard Arnold, I don't believe is with us. Bob Stodal, I don't believe he is as well.

VASWANI: Mike Vaswani.

VECCHIO: Oh Mike, excellent, thank you.

HUTCHISON: Great, thank you very much Ms. Vecchio.

VECCHIO: We have a quorum.

### **Public Comment**

HUTCHISON: Great. Then we will proceed to Item No. 2 on our Agenda, Public Comments. Is there anyone here in Carson City who would like to offer public comments before the Commission this morning? I don't see any takers. Anyone Mr. Morse, in Las Vegas?

MORSE: No one here.

### **Approval of Minutes**

HUTCHISON: Okay. We'll go ahead and close out Agenda Item No. 2 then and move on to Agenda Item 3, which is Approval of the Minutes. We have two sets of minutes. The first is the approval of the November 16, 2015 Commission Minutes. Commissioners, have you had an opportunity to review those minutes and are there any corrections or changes?

Let's start with the November 16<sup>th</sup> one, anything on November 16<sup>th</sup>? If not, the Chair will accept a motion to approve the minutes for November 16, 2015 Commission Meeting.

SANTOS: So moved.

HUTCHISON: We have a motion, do we have a second?

VASWANI: Second

HUTCHISON: Whoever is recording this can choose who the second was on that. Is there any discussion on the motion? All those in favor signify by saying aye.

GROUP: Aye

HUTCHISON: Any opposed? No. Motion passes unanimously.

Now, we'll move on to the approval of the minutes, December 9, 2015. Commissioner Santos, please.

SANTOS: Thank you. I just had one correction on Page 16, where I'm talking. It's the fourth line down. It says, for example, there's a St. Mary's and it says, I'm from Virginia City. I'm not from Virginia City, I think I probably said, it's in Virginia City, so if we could change that, that would be great.

HUTCHISON: Okay, great. Have we got that, Claudia, do you see where that's at? Any further changes to the minutes reflected from our December 9, 2015 Commission Meeting, that any of the Commissioners would like to bring to our attention or to clarify? All right, I'm hearing none. The Chair will accept a motion then to accept and to approve the December 9, 2015 Commission Meeting Minutes. [As corrected]

SHELTRA: So moved.

HUTCHISON: We've got a motion from Commissioner Sheltra. Have we got a second?

CUNNINGHAM: Second.

HUTCHISON: Commissioner Cunningham, we've got a second. Any discussion on the motion? Those in favor, please signify by saying aye.

GROUP: Aye

HUTCHISON: Any oppose? No. Motion passes unanimously.

### **DTCA Agency Highlight**

HUTCHISON: Thank you, we will move on to Agenda Item No. 4, DTCA Agency Highlights. Ms. Vecchio.

VECCHIO: Thank you. As you all know, a while ago we included the Chairs of the Boards and Commissions of the other Agencies in the Department of Tourism and Cultural Affairs. The purpose was to give those agencies a voice in what we were doing and the ability to collaborate on ideas and insights on how we, as a tourism industry, can benefit in a great way from the insight and the assets of these different agencies.

In the last year and a half, maybe two years, we haven't really given them the voice I think that they so richly deserve. For the next three commission meetings, we'll hear from them and have a discussion about what we can do to help bring them along with tourism. I know they have some terrific ideas about how they can impact tourism as well.

The first up is the Nevada Arts Council. Commissioner Arger was kind enough to say last time, you know, I'm tired of being at the end and I want to have a voice here. We heard you loud and clear and so we are going to turn it over, to Susan Boskoff, who is the Administrator of Nevada Arts Council. In conjunction with Commission Arger, they will give us an overview of the extraordinary work done by the Nevada Arts Council.

HUTCHISON: Wonderful. Thank you for being here Susan.

BOSKOFF: Good morning Mr. Chair and Members of the Commission. I'm Susan Boskoff. That's spelled BOSKOFF. I'm the Administrator of the Nevada Arts Council. I'm honored to be in this position for 22 ½ years. Prior to moving to Nevada for that job, I was at the Utah Arts Council for 13 years and then for two years, I helped develop a strategy to raise money for a capital campaign for what is now, the Rose Wagner Performance Arts Center in downtown Salt Lake.

I will just say I was really was hoping to be more artistic. I thought I would be making films and television. Before that, I thought I would be dancing. That didn't work out. I went to the dark side and I did work, not in PBS, but in the other side of television in Wisconsin. A station called WKOW, Cow. I found out that I was a better administrator, perhaps, than a working artist, so I've been really honored to be in this position working in this wonderful state with wonderful colleagues. We call them our constituents, our clients, our grantees, our partners around the State.

I thought the best way to introduce the Nevada Arts Council, rather than listening to me talk would be with a video. First of all, I wanted to say, thank you for allowing us to make this presentation. I know Julia does a fantastic job representing us, but I think pictures and words tell the story, certainly a lot better.

This was an adaptation of a video that Claudia asked us to produce to introduce us at the first Governor's Conference on Tourism, years ago down in Las Vegas, to introduce the new divisions to our new department, to other folks in the tourism industry. It's about a 4 1/2 minute video.

[video plays] [applause]

Thank you. Much better than listening to me, I think. I'd like to introduce the voice of our video. Joe Pazlov. He's the voice that answers the phone. You may know his father who passed away about two years ago, he was the Superintendent of Schools and a wonderful man. Joe, just by the way is a stand-up comedian, an actor and you can see him almost weekly at the Nugget. He's pretty funny. So, thanks.

I think that trying to learn about a new division or agency—I remember one of the first times at the Legislature, I think it was during Interim Finance Committee. Our Department was after the Agency, Weights and Measurements. I had not even known there was such a State Agency that ensured that we got a gallon of gasoline when we paid for a gallon of gasoline and we got three-quarters of a pound of pears at Safeway. I was even more impressed about the depth and the breadth of the services that our State provides citizens and realized I thought I knew quite a bit, after working in state government for as long as I did, but I didn't.

I don't want to overwhelm you with facts and figures about the State's Art Council, but know that we're here to help you explore our programs and services at any time.

I wanted to let you know that every state and territory in the United States has a States Arts Agency. The Nevada Arts Council was created in 1967, a few years after the National Endowment for the Arts was founded in Washington DC.

We create an annual report every year. We've been printing in-house. This is not the actual color of this beautiful painting by Ron Artow, which is downtown Eureka, but in here, we try and give a snapshot of the different program areas; we call them portals for the public. If someone hears about the Arts Council and they're an educator, they know we have an art's learning project. If they're an artist, they can call Artist Services; we might direct them someplace else so they get the service they need. We're very high touch, medium tech, I would say. We have staff traveling around the State. They're really invested in the communities and as we said, they're our friends.

We have the Folklife Program, the Grants program and we do special projects. This year in particular, the Legislature was filled with a number of different artist workshops and exhibitions and music.

We also have on Page 9, our statistics that we are required to gather by the National Endowment for the Arts, about who attends our events. Whether we fund them through a grant or we sponsor them through one of the outreach programs that we design. I call them package programs, like our Traveling Exhibition Program or residency programs that we deliver to communities that may not have the cultural resources and assets that others have. Someone might say, well why doesn't so and so get a grant? Well, in Battle Mountain right now, they don't have an Arts Council, so we take out Traveling Exhibitions or we might take out Residencies to serve their students.

Actually what we do, to make it very clear, for those who fund us, we have a set of grants that we post. You can see by City and County and by individual organization, who is receiving what type of grant. We also use this when we work with people around the State to encourage them to see who is receiving funding through our grants process. Perhaps, they might want to apply as well.

Then we do what we call services, which are really all of our outreach activities, workshops, trainings, documentation, site visits, our "Poetry Out Loud" program. State Finals are coming up, Saturday, we're filming in the studios with Channel 5. This is the program for the 10<sup>th</sup> year that we did. We have more than 2,700 students participating this year. The state champion goes to Washington, DC to compete for \$50,000 in scholarships. Similar to spelling bee but it's memorization

and recitation of poetry. Claudia has been part of it as one of our judges for several years.

That's our annual report. If you have any questions about that. I also wanted to include one of our most recent publications. This is our *Artists in Schools and Communities Roster*. These are artists that go through an adjudication process and they're approved to do residencies that could have long-term aspects, workshops, teacher training. They're in a school or in a community for a period of time. It can be 20 hours. It used to be for a month long residency to work in a community. Churchill Arts Council and Churchill School District was very famous for running very intense month long residencies. They are approved to go either into a school or community or both. If they go to a school they have to know the fine arts standards that Nevada School Districts adhere to. We have a number of ways that schools and organizations can access this funding.

That's just really a quick overview of what we do. It's been just an honor to be working here as long as I have and to be with this Department with such amazing colleagues and sister divisions. If you don't have questions, I'd like to turn this over to Julia, because I think she wants to share some information as a board member.

HUTCHISON: Susan, thank you first, for the presentation and for the information and for educating and updating us on what's going on with the Arts Council. Great video. Joe, thank you for being here. Thank you for your support of the Arts Council and for all that you're doing for the State of Nevada. I appreciate you taking the time to be here.

Before we turn it over to Commissioner Arger, do we have any questions first among the members of the Commission and Commissioner Cunningham, why don't you go ahead and start off for us? Commissioner Sheltra, do you have a few questions as well?

SHELTRA: I do.

HUTCHISON: Okay.

CUNNINGHAM: I'm curious what your biggest challenge is these days.

BOSKOFF: That's a good question. I think our biggest challenge right now is responding to a steady increase in requests for not just funding, but for programs, projects, technical assistance and site visits in small communities and neighborhoods around the state. As we're coming out of this recession, it's not that the Arts and Culture weren't visible, weren't present during the last eight years, but I think now our organizations are trying to retool. They find themselves in 2016, looking for help, looking for innovations, looking for new partnerships, looking at ways in which they

can strengthen their communities and their schools and move forward with vigor in providing citizens and tourists alike, very exciting programs.

We are a small agency. We have 11 full time employees. Two are in a Las Vegas office, our Learning Coordinator and our Folk Life Program Associate. Just responding to an increase in requests is something that we're challenged with. This is an agency that does not like to say no. It's very hard for staff to say no we can't help you.

CUNNINGHAM: Would you characterize that then as a financial challenge, a manpower challenge or a combination of the two?

BOSKOFF: I think it's a good question. I think that our staff, our people are our greatest resource. Part of our requirement to receive national endowment funding is to do a strategic plan every three years. The way we do ours is, we travel around the state and hold what we call Arts Town Meetings or Community Conversations. This last year—two years ago almost, we went to 13 communities. Rather than going in and telling people what we are and what we offer, we have hosts around the state and we do talk about our services. We do ask about what we could improve. We turn the conversation back around to that community. What are your dreams? What are your hopes? What would you say would be a vibrant community? What are your assets? Which is a really interesting process.

I don't mean to take a lot of time, but I will say that we had an Arts Town Meeting at the Western Folk Life Center in Elko; it had a large turnout. We had the President of the College there. We had leaders of the community. We had young people. We're asking about assets and the staff would say, is having a college in your town an asset? Yeah, that's really great. Is having an airport in your town an asset? Oh yeah. Is being on a major highway an asset? Oh yeah.

Then, the big question came from one of our staff members, what do you do for your young kids that don't want to play old time fiddle music? What are you doing? Where are your raves? Where are the kids hanging out? What kind of activities do you have to really encourage them to expand their horizons?

I think it's having a number of staff time to research what's going on, what's appropriate for the communities and then to travel around the state. In the strategic planning process, I would say that funding always comes up, from organizations, educators and individuals, but it is not the number one request. It is resources, assistance and then arts learning is very high.

HUTCHISON: Any other Commissioners? Commissioner Santos.



**SANTOS:** Thank you Governor. Herb Santos, for the record. Listening to what you just said, do you have any type of annual meeting with all the different agencies or museums to try to come up with or share best practices of what's working in one community and sharing ideas so things aren't always being reinvented?

**BOSKOFF:** When all the budgets were going down in 2009, the Board and staff made some serious decisions. We kept our core programs but we had suspended our annual conference called Oasis. We have not been able to restart that. However, we do have small convenings and workshops with specific groups.

We have a smaller group called "Arts at the Heart" that brings in teams from communities around the state. Local arts agencies, municipalities, we ask them to bring in another representative that could be from their education field, it could be business, to look at new ways and new best practices. Best practices are always changing, I think. We are having another "Arts at the Heart" in June. Then we bring in speakers.

We also present workshops throughout the State. A number occurred down in Las Vegas. That is obviously a very huge metropolitan area to serve. One of their biggest challenges is communication. We're working on establishing a monthly meeting for those people who work in the arts industry to come together.

I will say in Reno, we're very lucky. We've had what's called the "Reno Arts Consortium." Jennifer was there a couple of weeks ago. The meeting, every third Thursday, for 20 years. Anyone can come as part of the arts and culture community to discuss a number of issues. We have a number of speakers. We have candidates running for office. It started with the Truckee Meadows Tomorrow's Quality of Life Indicator Survey and we just decided to continue to that. There's also a group like that in Carson City.

We do share information and that would be—we hope to be able to bring back the statewide conference sooner than later.

**HUTCHISON:** Thank you. Any other questions or comments before I move to Commission Arger, to provide her thoughts and comments about our Arts Council? Any other Commissioners here in Carson City or on the phone? All right. Commissioner Arger, please.

**ARGER:** Thank you Governor. I want to thank all the Commissioners as well for allowing us this golden opportunity to share who the Nevada Arts Council is and what we do.

I'm going to focus more specifically as Chairman of the Board. The Board is made up of nine members. Four from Northern Nevada, four from Southern Nevada and one from the rural areas. Per the agency's Nevada Revised Statutes, we serve as

advocates of the arts, promotion policies and viewpoints to benefit the arts in the State. We work with organizations to develop recommendations for strategic plans, mission and goals and cultural policies and priorities for the State. We approve grant applications and allocations and we serve in an advisory capacity to the Department and to the Division.

Unlike non-profit boards, we are not fundraisers. We do not specifically go out to raise money for the Nevada Arts Council. It's a state agency. One of the major reasons is that we do not want to compete for the same dollars as our constituents are going for. We focus more on the advocacy part of being a Board Member. As Board Members, we learn issues, we stay visible in the community, we promote the Nevada Arts Council services and by the way, I just so admire Susan Boskoff for her leadership and her expertise. Not only in the State of Nevada, but throughout the western states and through the United States. She is very well respected, very, very knowledgeable and so dedicated to the arts. I can't thank you enough Susan.

We work with our grant recipients by congratulating them. We attend their events. We engage local artists and organizations. We build relationships with community leaders and elected officials. We nurture corporate sponsors for the arts. For example, the "Poetry Out Loud" finals, which will be at KNBP on Saturday, we have gotten wonderful corporate support through the past 11<sup>th</sup> years. NV Energy is a good example of how we work with the corporations and collaborate with partnerships there.

The Commission has had some recent discussions regarding advocacy and wondering how the Commissioners can advocate for the arts. I recall there was a question that Sarah was going to investigate. Can the Commission have lobbyists, etc.? I've learned a lot about advocacy since my appointment in 2008. I will say that advocacy really is the number one focus as a Board Member and for our Board Members.

That being said, we don't do it alone. Members of a National State Arts Action Network, work on arts policy initiatives that are tailored to the needs of their state and state arts agencies. As Susan noted, all 50 states have a state arts agency.

We communicate regularly, share best practices and so forth. Not to try and reinvent the wheel, we've tried to see what other states have been doing and adopt what is appropriate for us.

The first week in February this year, I was in Washington DC at an advocacy symposium and benefited from the interaction with other states arts leaders. Particularly, this one was particularly for the western states. Not only did we meet together to share ideas, our advocacy goals, etc., but each delegation from the states had set up meetings ahead of time with our congressional delegation. We

were able to meet in person with Senator Reid, Senator Heller, Representative Amodei and staff people for Congressman Heck and Dina Titus as well. That face-to-face interaction is an important part of our advocacy efforts because as you probably know, we get half of our funding from the National Endowment for the Arts. In fact, 40% of the National Endowment for the Arts' budget goes back to the states. We feel that it is very important to be visible on the national level as well to try to support the dollars that the NEA gets.

In the most recent budget, President Obama has recommended just under \$150M for the National Endowment for the Arts. \$149.8M, something like that. The National Association of State Arts Agencies is advocating an increase to \$155M. That just gives you an idea of what is happening on the national level and brings it back home here.

In our State, the Nevada Arts Council has partnered with the Nevada Alliance for Arts Education, which is now called Cultural Alliance Nevada, or CAN, for almost 20 years. The Nevada Arts Advocates were founded in 1977, just 10 years after the NAC was created and partnered on many projects and initiatives from art education, conferences and the Governor's Arts Awards, to decades of grassroots arts advocacy work. Again, it's not just the Board that focuses on advocacy. We have groups around the state that support the advocacy efforts as well.

We develop an advocacy platform and we work with our advocacy groups, striving for a unified voice with one statewide message. That's part of our efforts for the off year and certainly the on year for communicating with our Legislatures.

We always thank the Governor and Legislature for supporting the Agency and the arts and arts education. We briefly outline our positions and tie them into our requests. Cognoscente of economic realities, we believe it's our role to address the Arts Council's challenges of serving our state and its residents without the necessary resources. We have programs and focus on helping the rural areas and smaller communities. We strive to be a great resource and the staff is phenomenal help not only to local artists that may be working for their city councils, but also individual artists as well who want to learn how to write a grant. We put on grant workshops to give them that background as well.

The Nevada Arts Council and the Board would like to take credit for our arts advocacy efforts. The success comes from staff and volunteer leaders of our arts organizations, artists, parents, educators and patrons. So many people in the state who are right there with us and they're willing to write letters, meet with elected officials, testify at hearings and do it over and over and over again. All of this is done at the local, state and national levels. Our advocacy efforts are constant. It's like breathing in and breathing out.

Again, I really hope this gives you a little idea of who the Nevada Arts Council is. We do have our grantees put our logo on their concert and event programs and their websites, etc. One of our goals is to do exactly what we're doing today and that is teach, learn, expose the Nevada Arts Council to everyone in the state. Thank you.

HUTCHISON: Well, Commissioner Arger, thank you very much for not only the overview and the education. I'm glad we had this on our agenda and we can really understand the Arts Council more than we did before this meeting. Thank you and the Board, for your tireless efforts. Susan, thank you for your efforts. The dancing and performing arts world's loss was Nevada's gain. [laughter] We're glad that you're with us and we're glad that you're advocating and you're promoting arts within Nevada. Let us know how we can help. Tourism ties in very nicely with the Arts Council. That's exactly where it belongs. Thank you again, for the presentation. Thank you for your efforts with the arts in Nevada.

Claudia, let's move now if we can to the Agency updates, thank you very much.

VECCHIO: Yes, I'd just like to add one note on to the Arts Council. When we were talking about Committees, I think it was in our November meeting. Commissioner Stoldal mentioned having a Cultural Tourism, kind of a subgroup. That's something I think makes a lot of sense because even as a staff of 25, with the Division of Tourism, we really don't have the resources to dedicate somebody to cultural tourism. It would be a wonderful asset for us to have people who are passionate about this to help develop cultural tourism. We could use a better, more vibrant component of our website. There are travelers who love to travel by trails. Creating a cultural corridor trail system throughout the State that helps travelers find these cultural gems, I think would be really valuable for us from the tourism standpoint. This is great foundational information for the Arts Council but it's reliant on me and reliant on this group to determine how we make this a greater benefit for the State through a tourism effort. We'll figure that out. If we have a subcommittee or other type of cultural tourism entity that helps guide those efforts, that would be tremendous.

Moving on to the other Agency highlights. We don't have representatives with us today but we do have reports from the Division of Museums and History that will be in your packets. Do they have it? Do you have a copy? I have "The Heritage Lives Here" which is the report from the Division of Museums and History and then the Nevada Indian Commission is not with us today so we will look for a report from them.

Just as we did with the Arts Council today, we'll have a presentation from each of these other agencies in upcoming meetings so we can learn a little bit more about

them and learn how we integrate them in a greater way within the tourism environment.

HUTCHISON: Great, does that conclude Agenda Item 4 then?

VECCHIO: That concludes Agenda Item No. 4.

### **FY 2016 Projects Related to Tourism Grants**

HUTCHISON: Fine, then we will move on to Agenda Item No. 5, Fiscal Year 2016 Projects Related to Tourism Grants. I believe we've all gotten a packet on that. Ms. Vecchio?

VECCHIO: I will turn the time over to our Grants Administrator, Kari Frilot.

HUTCHISON: Kari, go right ahead, please.

FRILOT: Good morning Governor, Commissioners. Kari Frilot, for the record. I come before you this morning to request approval to award funds associated with our Projects Relating to Tourism Grant Program.

This program currently receives \$200,000 every biennium and supports projects that enhance or improve infrastructure associated with a visitor's experience. For example, way finding signage, interpretative signage, gateway signage, etc. In addition to the \$200,000 that we have this biennium, we also have an additional \$38,000 that was collected from our specialized license plate program. Altogether, we have \$238,000 to award this biennium.

In this grant cycle, we received 31 applications from 29 organizations requesting more than \$511,000. The recommendations before you are a result of a review process which involves an initial recommendation and review by staff, then we take that to a committee that is comprised of three rural representatives. In this case we had Commissioner Don Newman from Elko. We had Andy Chapman who is the Executive Director of Lake Tahoe, Incline Village, Crystal Bay Visitor's Center. We had Kim Peterson who is the Executive Director at the Winnemucca Convention and Visitors Authority. And we had Paula Tomera, who is the Executive Director from Lander County Tourism Authority. In addition to that, we had Christian Passink and me on this Committee.

We met in Winnemucca on February 25<sup>th</sup>, reviewed each of these projects in depth and then as a group, unanimously voted to approve these recommendations that I bring before you today. I do want you to know that for those projects that we're recommending less than what they're requesting, I did contact all of them to see if the project could go forward with a portion of it and they could.

With that, I respectfully request your approval to approve the \$238,000 for these projects today.

HUTCHISON: Thank you very much. Ms. Frilot, let me just remind fellow Commissioners here, the purpose of the program is outlined in our Agenda under Item 5. The program is designed to develop publicly owned property, facilities and infrastructure within Nevada to support and attract visitors to the state.

With the process that you've gone through and described for us, Ms. Frilot, my first question, do you believe that all the recommendations here meet the purpose for the grant funding?

FRILOT: Kari Frilot for the record. Yes, I do Governor.

HUTCHISON: Thank you very much. Fellow Commissioners, you've had a chance to take a look now at the comments, take a look at the recommendations and please, any questions for Ms. Frilot before we take up the question of approving this recommended grant distribution?

SHELTRA: Governor.

HUTCHISON: Commissioner Sheltra, please.

SHELTRA: Ryan Sheltra, for the record. Kari, great job. You know, every time you guys go through these, I don't think we've ever, I don't think in all the years I've been on the Commission seen any issues. I think you've really improved, even upon Christian because these were well vetted. Even the ones that were declined, the logic was there and I agree with all those moves.

I saw a lot more infrastructure this year. Some years, looking at these cycles we see a lot of websites and a lot more outbound marketing. This seemed to be a lot of infrastructure. Whether it be gazebos or fixing roofs or courts on sports courts, it seemed to be based a lot on facilities. Which certainly is no issue at all, it's part of tourism.

My question really is for Sarah. I just want to make sure that we're staying legal on one of the items that's recommended for approval here. I'm completely behind it, but on Page 6, there's an entity that we're approving quite a bit of money for, for 1,000 seat bleachers. If I'm reading it correctly, it looks like it is County owned land that is being leased to a for profit operator. Can we award a grant that's going to benefit a for profit entity and Kari, if I misspoke on any of that, please correct me.

BRADLEY: I'm going to have to look at your statutes about the grants. Give me a second.

- SHELTRA: Kari, as I ask that question, I fully support giving them the money if we can, I just want to make sure that we don't cross into an area that we shouldn't.
- HUTCHISON: That's a good point. Why don't we just give some time to Sarah to look at that. We'll just ask, are there any follow-up. Commissioner Santos, please.
- SANTOS: Thank you, Herb Santos, for the record. You answered one of the questions, when I was going through this about whether or not some of these grants, if they don't get all their funding, whether or not they can still go forward with their proposed project. My question is, when an organization would be unable to go forward with their project, does the amount that was going to be awarded go back into the lot and redistributed to other programs, where would that money go and at what part of the process is that determination made?
- FRILOT: Kari Frilot, for the record. Thank you, that's a great question. Actually, rarely do we have that occur, but if it should, we would go back and look at the other projects that did not get fully funded and reallocate the money to one or more of those projects.
- SANTOS: Herb Santos for the record. So, all the money gets used and nothing just sits or goes to some other account or anything like that?
- FRILOT: That is correct.
- SANTOS: All right, thank you very much.
- FRILOT: You're welcome.
- NEWMAN: Commissioner Sheltra, this is Don Newman, regarding your concerns and your questions. During the vetting process, this item was discussed quite a bit in that, was it enough money that we were able to award them based on the fact that the project budget is quite a bit and they were asking for almost double what we're able to award. The fact that it's a public/private partnership, that the fair grounds are owned by Mineral County, we looked at the infrastructure as an upgrade to the County owned facility and the partnership is the tourism aspect. The private partner is bringing races that bring many people to the rural areas. We looked at the public/private aspect of it as a partnership with Mineral County doing the infrastructure upgrades and then utilizing the building, whether it's a concert, whether it's races, whatever it may be and that was something that we discussed.
- SHELTRA: Commissioner Newman, thanks for that explanation. I think it's an awesome project. Just another point of clarification, buying Sarah some time here. Is the facility not wholly operated by Scott Moderson, does he just come in for select events and the County runs it for the rest of the year?

NEWMAN: I would defer to Christian or Kari on that. That is how I believe it to be, correct.

BRADLEY: If you want me to read the statute. NRS 231.360 talks about the grant program and it says the Commission may provide—this is #1, the Commission may provide grants of money to counties, cities and local and regional organizations in this state for the development of projects relating to tourism. I don't see that it's required that it's a non-profit. It's just for counties, cities and local and regional organizations. Then there are some more things in here about the program and it does talk about the fact that the Commission shall establish the criteria for eligibility to receive money from the grant program.

I don't know what your criteria that you've established is. It's not in the statute, that part. Obviously it's something you could, I think, make a rule about, but if you haven't made that rule yet, it would be the criteria you've already established.

HUTCHISON: Thank you for that Sarah. I think the question was, if there's a non-profit that we are directing money to, is that within the statutory framework, but that may now be a moot question given what Commissioner Newman has just said. Commissioner Newman, just so we're clear on this and for the record, can you just recite what your understanding is about the operator who is coming into a county facility and is not actually running the event year round but is just running a particular event for a specified length of time? That it really is then a County facility that would be within the purview of these grants. Why don't you just give us your thoughts about that again please.

NEWMAN: Just as you spoke, Governor. It's, again, the Mineral County Economic Development Authority is asking, they have submitted the request for the grant. The race track is owned by the County. This is infrastructure upgrades to a County facility that has partnered with an operator who has a program which is stock car racing, to come in. Whether it be camel races or concerts—you know, in Elko, the Elko County Fairgrounds, everybody needs additional seating, more bleachers and again, this is the County looking to do the infrastructure upgrade who has a partner who is willing to promote racing in the area. Again, my view is that this is a County facility that has a private partner willing to do events in that area.

HUTCHISON: Thank you Commissioner Newman. Commissioner Sheltra, any kind of follow-up on that?

SHELTRA: Not at all. Thank you Commissioner Newman for the explanation. All good and if there's no more—sorry, I didn't mean to say that.

HUTCHISON: No, go ahead.



- SHELTRA: If there are no more questions, I would love to make a motion to approve the rural grants for this cycle.
- HUTCHISON: Great, let's see if there's any other questions among Commissioners here in Carson City. Any questions among Commissioners on the telephone? Or, in Las Vegas? I'm seeing none, so we have a motion by Commissioner Sheltra. Actually, did you make your motion or you said you want to make your motion?
- SHELTRA: I move to make a motion to approve the FY 2016 Projects Related to Tourism Grant Program for this cycle.
- HUTCHISON: Thank you very much, Commissioner Sheltra for your motion. Is there a second?
- SANTOS: Second.
- HUTCHISON: Commissioner Santos, I'll give you that second. A little quicker on the draw there, Commissioner Wagnon. Any discussion on the motion? All those in favor signify by saying aye.
- GROUP: Aye
- HUTCHISON: Any oppose, no? The motion passes unanimously. Congratulations. Thank you very much. The full recommendation contained within the Committee's recommendation to the Commission has been approved.

## Reports and Discussion

- HUTCHISON: All right, let's now move from Agenda Item 5 to Agenda Item 6 which is our longest agenda item with numerous reports and updates. Just keeping in mind that brevity is usually the best policy.
- We'll start with Item No. 6, with Chair's Report and I'll probably breach that admonition to begin with. Let me just give you a couple of updates here and things that I want to talk about.
- First, I had a great opportunity to travel to India and to be in New Delhi with my friend Larry Freidman. I now know what it's like to travel internationally with Michael Jackson. I will tell you that he is an international travel and tourism rock star. People fainting and swooning and gaga-ing everywhere we went. Truly, Larry it was my honor to be there with you. We had a lot of fun and highly, highly effective trip and opportunities for us. I told Claudia, you know, that Larry is a state treasure for us. I mean that. He's a fine man and he is an asset that we simply could not accomplish what we accomplish internationally and domestically without his efforts. I wanted to publicly thank you, Larry, it's my first time of really being exposed to an international travel and tourism rock star and it was a lot of fun.

We set up our offices there, through an agency that was a fantastic agency. Well vetted. Well connected. We had numerous media events. We met with probably 12 or 15 media outlets, Larry?

FREIDMAN: 28.

HUTCHISON: 28 media outlets. I wasn't exposed to all them. Larry was consumed with all of them. He really facilitated those efforts. We had television there, we had print media there. We had all kinds of coverage there. We met with the Ambassador to India. We went to a travel and tourism conference there, SATTE in New Delhi and had a lot of exposure. India really is the next frontier for us. I know that members of this Commission have been on long enough to know that we've done a lot of outreach to different parts of the world. Of course, the trend setting, new frontier and the pioneering efforts of our prior Commission members and certainly Lieutenant Governor, Lorraine Hunt-Bono, who was just fantastic in opening China. Ever since then, we've had beach heads across the world. We're in Europe, we're in North America and now we're in India. 1.3 billion people. 450 million people in the middle class. That is more than the population of the United States of America. 50 million of them hold passports and their number one place they want to come is the United States of America. When they think about entertainment and they think about enjoying the fruits of the United States of America's entertainment and hospitality world, they think of Las Vegas and Reno and Sparks and Nevada.

Our job was then to say, yeah come in, because Las Vegas and Reno are the international brand. Come in to those gateways and then spend two or three or four days or another week in Nevada, traveling throughout rural Nevada. Experiencing all that we have to offer in cowboy country and wine country and poetry country and Lake Tahoe and all of the things that we have to offer. There was a lot of receptive people there and it was just a great experience. Time and energy well spent.

I will tell you this though. I did not realize how tough it is and what a sacrifice it is to travel internationally. I mean, I tell people, I went to Israel a couple of years ago but before that, the extent of my international tourism experience was, when I was a Boy Scout, I went down to San Diego, we crossed the border and went into Tijuana. Tijuana was the extent of my international travel.

I want you to know that we make sure that the state funds are carefully spent. I'm sure that the route that was chosen for me was the cheapest route possible to get from India to Las Vegas, Nevada. I left for a flight at 3:00 AM. I'm not sure who books the flights for the state, but my flight was at 3:00 AM. I left my hotel at midnight and landed in Las Vegas 30 hours later. My point in saying that isn't to complain, it's to say, that Claudia and Larry and others within the Commission do

that all the time. They just came back from China. I just say, kudos to both of you and to our entire staff that does that over and over. It's exhausting work and it sounds glamorous. It is when you're there, a lot of times, it's fun. The travel is very difficult and Larry, you do that over and over again. Claudia, you do that over and over again. I say God bless you for all that you're doing and appreciate it.

Larry, I'm going to give you a chance to respond to the rock star comments.

FREIDMAN:

Well, I would only say the feeling is mutual. It was excellent having you there. You were a huge asset. We did a press conference that was attended by the 28 and in addition to Lieutenant Governor doing a formal presentation, there were a lot of questions and then all of them wanted either one-on-one, two-on-one or three-on-one interviews following. The response from them, before we even left the country, all the daily's had already done articles about the comments and our entering the market and what the market means to Nevada and what Nevada has.

Then, we had an exceptional meeting with the Embassy and with US Commercial Services. We have an event with Brand USA that every destination and every state should be jealous of. It was just Nevada and Brand USA with our logos next to each other, plastered everywhere. Our sales video being shown on an outdoor screen with the colors more vibrant that I have ever seen. It was outdoors at the Imperial on the lawn. We had over 100 people in attendance. All the top tour operators in the country and more of the top media members of the MICE, part of the industry as well. The networking and the conversation that went on that evening, it was incredible.

In partnering with Brand USA, our costs, in terms of, you mentioned using the money effectively to entertain and meet with over 100 key decision makers was only \$6,000. It was a great partnership with Brand USA. Visit USA was there as well. I mention Visit USA because the Chair is Commissioner Vaswani's cousin. It actually is a small world and a small connection between Nevada and India.

The other thing that we were able to do with the Lieutenant Governor there, when SATTE opened and the Ambassador of the United States came to do the ribbon cutting and meet the US delegation, he asked the Lieutenant Governor to accompany him and meet all the delegation. By the time they were done, the Ambassador had offered to the Lieutenant Governor to come on a future trip when he's back in the United States and speak about India and being India ready to our constituents, which we have given his people the date of the Global Tourism Summit. It is a country where having the Lieutenant Governor was impressive to show our commitment to the market. I think the Lieutenant Governor learned more about tourism than he ever thought he would.

I realized when I was talking about MICE and GOA that I probably needed to explain that I was talking about Meetings, Incentives, Conventions and Exhibitions and not little rodents, which he picked up on very quickly. It was an exceptional opportunity. I was beyond proud to be traveling with you, so thank you.

HUTCHISON:

Larry, thank you very much again. I know our marketing people are here. Our great marketing team. We showed those marketing materials and the videos. They were well received. They loved it. The "Don't Fence Me In" marketing campaign and the videos and the presentations. It was just fantastic. Great experience for us, halfway around the world, presenting what we've been working on here as a Commission very, very effectively. I say thanks again to everybody who made that trip possible and to all those who participated.

Let me just move on then. I just wanted to talk about this a little bit with the Air Services Task Force that we want to develop and will talk more about at a later Commission Meeting. As we all know, tourism is dependent so much on airlift and who comes into various parts of our state that we are forming a Task Force and we are going to be announcing meetings for that and working on the very subject that will, I think be essential to increasing our tourism. Particularly I think in Northern Nevada, the rural areas, that's our airlift in here, the airlines that are coming here and bringing folks here. That's just by way of information.

Finally, just wanted to give a shout out to both Senator Dean Heller and the Representative Dina Titus, who both were recognized by the US Travel Association as Distinguished Travel Champions in their annual award. They go beyond what they're expected and they were recognized recently as champions and we wrote them a little letter to thank them for all their doing for what is in Nevada, the number one industry. Sometimes we forget about the importance of tourism. 58 million tourists in Nevada last year. 42 million people alone in Las Vegas. Down in Vegas, 1 in 3 jobs is dependent upon somebody making a decision to travel to that part of the state. Probably 1 in 5 jobs, 1 in 4 or 5 jobs, Claudia, you can probably correct me, is dependent upon somebody making a decision to come to tour Nevada and to be a part of the hospitality and entertainment that's here.

As long as I've lived in Nevada, my entire life and probably for the rest of my life, maybe my children's life, tourism, hospitality and entertainment will continue to drive this economy. We spend a lot of time trying to diversify and rightfully so. I'm on the Board of Economic Development. [Unintelligible] that we would, as a state, diversify and those are important things that we do. We're doing a great job in that regard, but our bread and butter, our backbone is tourism and the hospitality, entertainment. I'm proud of the team that we have the folks that we have and the resources and the members of this Commission who are devoted to that very purpose.

That is my report. As I said, I kept it very brief and to the point. Now we'll move on to Item B, Strategic Plan Update and Quarterly Report. Ms. Vecchio.

VECCHIO: Thank you for the endorsement of this extraordinary industry, we couldn't agree with you more.

I'm not going to go through this because you have a fairly lengthy update regarding the strategic plan. I always think we can't be successful without a plan to accomplish what we need to accomplish and a pretty good roadmap for this team to follow.

I'm so thankful that we now have Key Performance Indicators (KPIs) and strategy to ladder back to. You have where we are for the quarter against each of these KPIs for the entire group. I know this is a lengthy report but I hope that it gives you the insight you need to know that we are on track and places where we still need additional work. That's the report and of course, we'll entertain any questions you have about that. If there are other ways you want to see this reported, I'm happy to do that as well.

HUTCHISON: Commissioners, any questions or comments about the Strategic Plan update? We're going to get a marketing update. That's a big part of what we're going to be doing. That's not really what we're dealing with right now.

VECCHIO: No, this strategic plan is the overarching plan that details the different key initiatives that we are doing as an Agency. The technical components such as the marketing updates, the PR updates, those all live under those overarching KPIs. You'll get those updates here in just a second.

The next item there is the Governor's Global Tourism Summit. Larry mentioned this briefly. We have planned now to have this October 11<sup>th</sup> and 12<sup>th</sup>. Pending some contract negotiations and approval, we've selected to have that at the Grand Sierra Resort here in Reno. They put in a tremendous bid for this program. I've provided you with a preliminary draft of the program which looks very much like it did last year with the buyers and the media coming in pre-conference to do a fam and a press trip around the Northern Nevada area. Then we launch into our program with the general and breakout sessions.

The one thing you'll see that we've added is an international Media Marketplace that will live in conjunction, at the same time as the Sales Marketplace. This really is a chance for us to bring in the critical media from around the world and offer our partners a chance to meet one-on-one with them.

This continues to be a business building opportunity beyond an educational piece. I think the partners love this component of it, so we will continue to grow that part

of our Global Tourism Summit. Hopefully we'll have some extraordinary general session speakers as well as some tremendous breakout sessions and others to complement those different business development pieces.

HUTCHISON: Ms. Vecchio, let me just ask Commissioners, if you have any questions, as Ms. Vecchio is running through the agenda, under Agenda Item No. 6, just go ahead and chime in to ask a question. Otherwise we'll just have Ms. Vecchio roll through the items.

VECCHIO: Item D is Research. We participate in and buy this Overview of American Travelers. It's an interesting insight into how travelers are traveling from the national perspective. Jennifer Griswold who is our Marketing Research Manager is going to provide an overview of what that means to Nevada. We can see these big studies and not really bring them home. She's going to provide a way for us to bring that back to Nevada.

HUTCHISON: Great, welcome. Just identify, again, your name for the record so we all have it clearly and then please proceed.

GRISWOLD: For the record, I'm Jennifer Griswold, Research Manager for Travel Nevada. In your Commissioner packets, you got a report called the State of the American Traveler and I just wanted to hit some highlights from that.

This report comes from our research partner, Destination Analysts. They have worked with us on several different things, the most recent being the ad copy study that we've done and we'll be able to present the results for that in the next Commission Meeting. They're also going to work on the web usability study for us, so they're really good partners of ours. They do this report annually for as long as I can remember.

The sample size for this particular report is nationwide and they do a sample size of about 2,000 different Americans. This is important to us because it tells us more about the travel trends that we should expect for 2016 to come.

34% of people plan to increase their spending on leisure travel in 2016. I thought that was really interesting and I wanted to share that with you. One other thing, in this particular report that I wanted to share, on the fourth page, there is this pie chart called the Destination Excitement Index. This one is really interesting because the blue pieces of the pie show us the excitement levels, things that people get really excited about when they travel. Beaches are one of those, cities and metros and towns/villages/rural areas are all in the top three of the most exciting places to travel. The yellow pieces of the pie, those are how often people go to those places, on average. For beaches especially, it's less than 25%. People

get really excited about going to the beach, but how often are they actually going. That's really interesting to look at.

Destination Analysts sent me some stats, which I will read. There are some interesting stats based on how appealing a place is, a specific metro or location here in Nevada, versus how likely they are to visit.

Las Vegas was actually #5 on the list, which is great in my personal opinion. For appealing or extremely appealing, they scored 50.7%. That was one of the top ones. Likelihood to visit was 35.7%. About one-third of the participants plan to come to Las Vegas in the next three years.

Lake Tahoe area includes California and Nevada, from the study, is looking at 39.8% is appealing or extremely appealing to visit. 15% plan to visit in the next three years. That's really interesting. I have details also for Reno. It's 31.8% is appealing or extremely appealing and 11.7% plan to visit in the next three years.

If anyone has any questions, please feel free to stop me.

They also asked a couple of different open-ended questions in the study and they passed this information on to me. The number one place where you feel the most excited and you feel alive was Las Vegas. The number one most popular place with travelers who are like-minded to you, was New York City with millennials and Las Vegas for boomers.

The number three place most "brag worthy" for millennials, in other words, the place where you will do a lot of social media and you'll take selfies to show, "I'm here everybody!" was Las Vegas.

HUTCHISON: Well then that just underscores the importance of the strategy, which is Las Vegas is the gateway, Reno/Sparks is the gateway. We've got great Convention and Visitor Authorities that spend a lot of time and money getting people here and having that perception. Our job is not only to get them to Vegas and Reno but then get them out into other areas of the state. That's clearly the strategy that we've got to continue to pursue. Everybody knows it but this just validates it.

GRISWOLD: In the Destination Excitement Index, some of the top scores were metro areas with the least amount of gapping. In other words, how often people get excited about going to those places and how many trips are actually taken. Metros and large cities were pretty popular. They had the least amount of gap. Closely followed by small cities/rural areas. Does anybody have any questions?

HUTCHISON: Commissioner Cunningham.

CUNNINGHAM: For the record, Jennifer Cunningham. What is the annual research budget at Travel Nevada? I'm just curious. Round figures.

GRISWOLD: 450, estimated.

CUNNINGHAM: Thank you. We're hoping to bump ours up significantly so I was just curious, thank you.

GRISWOLD: I strongly recommend that.

HUTCHISON: I thought you were just going to say, when she asked, not enough, right.

CUNNINGHAM: Never enough.

GRISWOLD: If there's no further questions, I would be available for anyone who had additional questions on this report.

HUTCHISON: Thank you. Hold on one second. Let's see if there are any other questions from the Commissioners. From the Research Division, this is all very interesting and I think very helpful here in Carson City, any questions? Any questions by any Commissioner on the phone or in Las Vegas? I'm not seeing any here.

Here's something to put on a future survey or a future question. Nevada will soon be the first state that will be connected with electric charging stations. We'll be the first electrically charged state, so to speak. We've completed or just near completed that between Las Vegas and Reno. It will soon be between Reno and Elko and then Elko to Ely back to Las Vegas. Then Highway 50. That is, believe it or not, a tourism attracting feature because people who drive electric cars have what they call "charging anxiety"; they don't know where their next charge is going to be from. If people knew they could bring their electric cars to Nevada to tour throughout Nevada, I'd be interested to know if that is a driver of tourism.

That is one of the goals of the state and that is one of the things that the Governor says we are going to accomplish. We're going to be the first state completely connected with electric charging stations. Maybe look at that.

GRISWOLD: That's a really great question Governor. When I received this document, the *Destination Likelihood Versus Appeal*, it had all of the Nevada locations from Destination Analyst. They actually asked me if I had any questions that I could provide for their next survey. We should look at including that one.

HUTCHISON: Well, I think it just goes with the millennials and others who from an environmental standpoint, from a green standpoint, want to support industries, states and locations that promote green energy. It would be good to know if that's something they'd consider in selecting their next travel destination. Thank you.



GRISWOLD: Thank you.

HUTCHISON: All right. Ms. Vecchio.

VECCHIO: Just as a follow-up to that. I'm sure you do know that our research program is not only the \$450,000 for our proprietary research that we commission but we do take into account these other surveys that go out on a national level through our partnerships, with US Travel Association. We're taking a broader look at research as a whole, as we are a research based marketing organization. We appreciate the insights we can get from a variety of sources.

The Marketing Committee met last month and had some conversations regarding a few topics. They wanted to bring them to you as a full group for further discussion. This first topic we were talking to the Marketing Committee about was putting together an application process for Urban Sponsorships, similar to the way that our regular grants are awarded through an application process. If you recall, we have \$100,000 currently allocated for Urban Sponsorships. They primarily go to special events and they primarily go to Reno Special Events, although they are open to statewide events. The allocation of funds has been loosely determined through the years so we thought we might want a more structured application process.

As we were talking through that issue, a bigger, broader, philosophical question came up about whether or not that is the best use of \$100,000. Commissioner Wagnon had some thoughts about that and I wanted him to share that with the Commission and have the Commission discuss if those dollars may be better spent somewhere else. I wanted to give the floor to Commissioner Wagnon for a moment to talk about his concerns.

WAGNON: The concern that I had was mainly around the fact that we're dealing with a very limited budget to begin with. I feel we need to concentrate the funds that we have around the state campaign to the largest extent. I think the more we peel funds away from the brand campaign for the State of Nevada and driving people to the State of Nevada website, to promote one off events whether they're urban or rural, anything that isn't really specifically driving the brand campaign or the messing of the State of Nevada campaign, dilutes the effectiveness of that campaign.

Now, I don't have a lot of specific insight into exactly how those funds have been used, which events they've gone to, the effectiveness of those events. In past tourism experience, in our neighboring state to the west there, that use of the state funds doesn't exist. That organization didn't actually fund individual events like that. There was definitely a funding mechanism for industries and the ski industry was certainly one of those that benefited from that along with the golf industry, wine industry, things of that nature. Those campaigns were actually created under the exact same campaign guidelines as the state brand campaign.

Creatively, everything else, you thought you were looking at a state campaign, it was just about snow sports instead of beach resorts or whatever. Those funds still supported the overall brand.

I'm sure the events are great. I don't know what they specifically are, but I'm sure they're great and they're effective, otherwise they wouldn't exist, right. I'm just concerned that we're taking \$100,000 of power and impact away from the state marketing campaign and putting it into individual events that don't necessarily support the Nevada brand. That's the concern.

HUTCHISON:

When this came up during the marketing meeting, I felt it was a very valid observation and concern by Commissioner Wagnon. We wanted to bring it back to the Commission and particularly those of you who have been here for a while, and get your thoughts about this. In terms of what these urban grants have been used for, give us maybe your perspective in terms of why this exists and does it make sense to have it continue to exist or do we put it back into our marketing and campaign efforts for the statewide campaign?

Commissioner Sheltra, I know you've been here for—probably since the 70s, maybe you can give us some insight here.

SHELTRA:

You know, when Ferenc [Szony] stepped off, somebody had to step in to his shoes. They're very valid comments and concerns. Every dollar that we spend absolutely has to be justified. So, how did we get here? How did we get to the \$100,000? I'll tell you how we got here.

The Rural Grant Program only takes care of 15 of our 17 counties. We have two counties that are left high and dry, that if you are a special event trying to drive tourism in the State of Nevada, if you are in Washoe or Clark County, you have nowhere to go when it comes to NCOT. At least, until we put this token \$100,000 out there. \$100,000 is miniscule. I would lobby the other direction. It needs to be much, much greater, because we are ignoring Washoe and Clark special events, with the exception of this token \$100,000.

If we could change the Nevada Revised Statute, to the Rural Grant Program and make it available to all 17 counties, we could, in effect, wipe the \$100,000 out. But, until we can do that, we have to have a place where special events can go to where if you're happening to try to do something where, oh by the way, the State's major markets of hotel rooms are and where the State can actually move room tax revenue the best, which closing the circle, that 3/8ths of 1% actually drives our budget. In my humble opinion, it doesn't make any sense at all to ignore those areas that we can actually move the needle and drive revenue.

I get it that the \$100,000 feels disjointed. It is absolutely a Band-Aid that we've used for the last—Larry, help me, four years, five years? You know, to close this gap. I don't want to say it was ignored.

You know, the Rural Grant Program goes back decades now? Decades. It's just something that has never been updated. The \$100,000, you know, it probably should be \$500,000 or more. How much do we give rural grants now on an annual basis? \$1.6M, \$1.7M?

FREIDMAN: The most the grant program has ever received was \$2M. I do want to clarify something. When the grant program first started, it excluded Washoe and Clark Counties. That was changed by statute and it is now by population. There are five cities that are not qualified for the Rural Grant Program, but towns within Washoe and Clark, such as Incline Valley, Moapa Valley, Overton, etc., are grant eligible.

SHELTRA: Could you clarify the five cities?

FREIDMAN: Reno, Sparks, North Las Vegas, Henderson, Las Vegas.

SHELTRA: Just curious, percentage of hotel rooms of the state that reside in those five cities?

FREIDMAN: I would suggest 92%, but that off the top of my head.

SHELTRA: That would be my counter to why we need that. If we're looking for streamlining our dollars, I think there's other areas of leakage that we should maybe go after to pull back versus closing the loop on those five metropolitan areas that want to do special events.

HUTCHISON: Just to follow-up on that Commissioner Sheltra, do you think the events that have been sponsored through this Urban Grant Program have been the type that do drive tourism? Can you think of any that you think were particularly effective in driving tourism? Just give some of us who haven't been familiar as you with this program, the kind of events we're talking about.

SHELTRA: That's a great question. I'd love to defer that to Larry because I think he could speak better to that than I could.

FREIDMAN: Well, some of them that come immediately to mind over the years have been the Celebrity Golf Classic, up at Lake Tahoe. Hot August Nights. The Air Races. The Balloon Races. One of the things I would say about the Balloon Races is that is something that visually we use internationally and the photography from the event.

In the south, the Red Rock Rendezvous is one that comes to mind. I don't know that we want to take a Rural Grant Program and have the rural events competing

against the urban events. I don't know that's the direction, Ryan, that you want to go. I understand exactly what you're saying as far as \$100,000, whether it's enough to cover the urban needs.

WAGNON: Larry, Celebrity Golf, how did that fall into an urban grant?

FREIDMAN: What has happened historically is requests were made to our Executive Director. That goes back to when Tom Tate was our Executive Director and a request was made directly from the LTVA to the Nevada Commission on Tourism. With the urban grants, as Claudia said, there hasn't been a formalized procedure. It has been requests from the organizations to our Executive Director, for funding. If I recall correctly, the amount for Celebrity Golf was for many years, \$10,000.

SHELTRA: We also did the golf event at Montreaux, the PGA event, was also part of this urban grant program.

VECCHIO: Yes. We did the Reno/Tahoe Open, which is now the Barracuda Open, the Celebrity Golf being up in the Lake Tahoe area would not qualify for this under the separation there. Then, funding for the Air Races, the major funding for the Air Races, sort of came out of this line item. Dollars were moved into that. It's a line item that gets used for a number of different urban kinds of programs. It also is the line that the Seven Magic Mountains funding came from, for the Nevada Museum of Art.

It's used both in an organic way for these events as well as being a spot for us to take some funds.

HUTCHISON: Well, thank you. Are there other Commissioners who would like to chime in on this subject? What to do with the \$100,000 Urban Grant Program, is there any appetite to talk about changing that? Yes, who is commenting on the phone?

CARANO: This is Cindy Carano. How are you? I obviously am with Commissioner Sheltra on this because Washoe County basically started getting treated like a rural during the recession. The Air Races had the accident and I know that NCOT bailed out the Air Races for that first year, which ended up being a three-year commitment and sponsorship.

I think one of the major proponents of this program is that it gives the TV and marketing coverage, so I do think it goes along with the TravelNevada key proponents as to what the marketing mission is. I would say, if we were to give money to these urban programs that they would have to follow the marketing mission. I think that they do. The Balloon Races, the Barracuda, the Air Races, I know that it's been mainly Northern Nevada has taken advantage, although the Red Rock does come to mind as well.

I would suggest that we expand it as well, not deplete it. Thank you.

HUTCHISON: Thank you Commissioner Carano. Commissioner Cunningham, please.

CUNNINGHAM: For the record, Jennifer Cunningham. I really agree with Commissioner Sheltra on this one. The NCOT funding for our Washoe County events significantly impacts their attendance and their ability to market, to get increased visitation for the events. The special events for our destination are such a big component of what we do.

One thing that we do at the Reno Convention and Visitor's Authority for special event funding, we throw all of the money into one pot and we separate the events in terms of legacy events and emerging events. Prior to funding, say we have \$300,000 we're going to fund, we will establish a pot of money for each. We'll say emerging events get \$200,000, legacy events get \$100,000. Then we look at all the applications and allocate.

Maybe a consideration in the future would be rural grants, they get 80% of the pot and then urban grants get 20%. Something like that, for future consideration, but it's something that our destination really appreciates and benefits from. So, thank you.

HUTCHISON: Thank you Commissioner Cunningham. Other comments by other Commissioners? Commissioner Santos?

SANTOS: Thank you Governor. Herb Santos for the record. Looking at the money, I'd hate to take away money from rural grants. Are we in a position to where we can increase the urban grants over \$100,000 to numbers consistent with Commissioner Sheltra, this stated \$500,000 plus?

VECCHIO: Based on the FY '16-'17 budget, we can reallocate dollars, as the Commission sees, within our Category 31 Budget from which this would come. We would be likely be taking dollars out of the media buy, or if there are other areas you see aren't as effective, we could take dollars from there. We have started budgeting for next fiscal year, which David will talk about here shortly, and can look at the total allocation of dollars in there as well.

There are also additional dollars in reserve that we're looking at reallocating, so there's a potential for funding from there. We're going to have a discussion at the very end of the meeting about looking at the whole grants program. I think it's high time to look at the whole program and determine how we're allocating those dollars, both from a process standpoint and the amount that we're allocating.

The answer is yes, we would have to look at where it's going to come from and if we believe the ROI on those event sponsorships gives us a better ROI than the place we're taking the dollars, then that would make sense.

HUTCHISON: Thank you Claudia. Commissioner Sheltra, please.

SHELTRA: Just a follow-up to that. I wouldn't advocate from taking from anybody, hurting anybody, we saw it this last fiscal period when we put the budget together. Room Tax collections are growing. The pot is getting bigger. It would be an excellent time to be able to look at this and be able to allocate more money this direction, again, without hurting anybody.

One more point of reference for the newer members of this body. Larry would speak better than I to this, but the reason the 15 counties versus two and now 17 counties versus the five metropolitan areas that you've pointed out, the reason for that separation, there was this belief that the LVCVA and the RSCVA would carry their two counties entirely. Right? That's why we had the Rural Grant Program. Because these two entities could carry the weight, for those two full counties and now these five towns.

I can't speak to Vegas. I don't know Vegas. I certainly understand that their budget at the LVCVA is a lot greater than that in Reno. I would be willing to bet that Commissioner Cunningham would say, hey I don't have the money for that. I need help supporting all the events and special events in my area.

The thinking going all the back, I believe to 1981, why we created the separation, it just doesn't carry weight anymore. It is a very, very valid point, of why we need to not abandon the Urban Grant Program.

The other piece that I would advocate fully, it's a business. We've got to think like a business. At the end of the day, it comes down to literally one item. How do we move the needle on the 3/8<sup>th</sup> of 1% on the Room Tax collection to generate revenue? All that we're doing should center around, how do we increase hotel revenue tax generation. Everything else will fall behind that. Whatever we call it, whatever bucket we're putting money into, whatever grant that we are awarding, are we driving visitation? If putting up vinyl fencing in the middle of Nevada is not as good of a use as creating the Red Rock Rendezvous in Vegas, we need to think about it as a business. How are we moving that needle? If we're not doing that, we're acting as a governmental agency versus a business. This Commission has always been a hybrid. I would advocate to everything that I have and I think that I do, that we treat it as a business. Thank you.

HUTCHISON: Thank you Commissioner Sheltra. Any other comments or follow-up by anybody? This is here for discussion, for possible action. We're not going to have any action

on this today. I think it's been very healthy to have a discussion and want to continue this discussion if there's other comments. Yes, Commissioner Wagon, please.

WAGNON:

I can see that, you know, there's a lot of passion around this with the Commissioners. I think we have to be concerned about the effectiveness or how much money we have to compete on the global stage as a tourist destination. There are many destinations out there that have significantly larger budgets and more aggressive ad campaigns and are winning hearts and minds of visitors and travelers, globally. We have to compete in that space.

For sure, events are a critical, critical part of any tourist campaign strategy. I'm not advocating that we do anything that would eliminate the ability for metropolitan markets to do large scale events. To some degree, you know, this organization needs to kind of focus on doing for the tourism industry, what they can't do for themselves. There are an awful lot of communities—and I agree, there are some communities where they need the support in order to make these events happen.

At the same time, if we take money away from our ability to create a brand in the global marketplace, or domestic marketplace that is attractive to people and positions Nevada as a competitive destination, if we diminish our ability to do that, I think we're actually going in the wrong direction in terms of creating that demand.

At minimum, if we move forward, I wouldn't support taking dollars away from a media campaign to support individual events in any way shape or form. I would also support taking any additional dollars that we can generate through Room Tax revenues and putting those dollars to back a media campaign to give us more horse power out in the marketplace, so we can compete more effectively. But, at minimum, if we continue down the road of providing grants, whether they're rural or urban grants for events or any other tourist driving functions or entities, I think we have to have very specific criteria and a very specific process to vet these ideas and get them approved. We can ask is this truly driving tourism. Is it supporting the Nevada brand? Is it supporting the brand pillars for our campaign?

Even going through the rural grant process, looking at the rural grants and as we had discussed earlier, some of them have less guest facing or less tourist driving impact than others. I think the possibility exists to tighten up that criteria to make sure that the funds that are being used are specifically being used for tourist impact, not to enhance other aspects of a destination or a community that may have almost no impact on tourism.

If we move forward in this direction, I think we should at least establish criteria and as Claudia was saying earlier, take a look the Rural Grant Program and the Urban

Grant Program and make sure that we have the right criteria and the right process in place to assure that those funds are being used to effectively to drive tourism to the State of Nevada and to also support or enhance the brand that we're trying to create through our Travel Nevada campaign.

HUTCHISON: Thank you Commissioner Wagon. Well said and I think what we take out of this Ms. Vecchio is a robust discussion about the grant programs. We probably ought to agendize this and spend some time on it and really go through it and have everybody chime in and really be able to talk about return on investment and is this event or is this budget achieving our mission.

I'm a big marketing fan and I wouldn't be supporting anything that is going to be taking away from our media efforts and campaign efforts, in fact, I'd love to augment that. Events are important as well. We've been doing that and that's part of our mission as well.

Let's have a robust discussion about that and then we can really decide whether we need to sort of revise some of these criteria that we've been using.

VECCHIO: Yes, Governor, if you'll notice, Item L is a review of the grant process, because I do believe it is a good time for us to take a look at how we are allocating dollars out throughout the grant process. We need to look at the NRS code, look at the language is, look at best practices of other states, other non-profit entities and really have a better understanding of and ensuring that we're doing things in the correct way.

I wanted us to, at this meeting, get the process started, not really have a philosophical discussion about grants, but talk about how we're going to look at the grants and determine how we involve you all and how we as a staff need to do that. It's on the agenda for us to start that discussion. We can certainly move that up if you want to have that discussed at this moment.

HUTCHISON: Well, let's just close that out because I think that we have started the process on Agenda Item L. If there's further comment, let's discuss this. If you have further comment or observations, let's discuss this, but I think this discussion that we've had today just underscores the point, we probably need to take an hour or two on this in a future meeting to discuss, what are the grants; what are the current criteria; what's our mission, is this driving tourism? Is it more driving an event that makes certain members of the community feel good and we'd love to do everything, but we can't. Then where does our media fit into all this? What are our tradeoffs? It's not a question of whether or not these are good programs or good events. The question is, whether or not we've got enough money to support everything. Where is our best return on investment when we're trying to drive tourism both in urban and in rural Nevada.



VECCHIO: Yes, I couldn't agree more. I think for you all to make a good informed decision, at least in my mind, it would be advantageous to provide you with some information about how these grants are done in other states. Maybe some insights from the current grantees; any input that they have which would be tremendous support for that. I outlined three process potentials. One that we do nothing, which obviously isn't going to work. Second, the staff does the research and provides that foundation for the Commission to have that discussion. The third would be that it would be Commission led, which would be having this discussion and having maybe a Commission Task Force help with the research and the foundation. There are certainly other scenarios, I just brought those up as potential talking points.

I think if you would want us to do that research and get some foundational information for you to better understand the process, we can do that.

HUTCHISON: Let's have some discussion in terms of what the next step is here and what we want to see. Commissioners, I know we spent a little bit of time on this, but just give us your thoughts about and your views about what should be the next step here? Do we want staff to go out now and compile this information and present it to us and have us evaluate this? Does it make sense to put together a little subcommittee or a task force that we can assign some Commissioners to work with staff for that purpose? Does it make sense just do nothing? I don't think that makes sense and that's not the sense that I'm getting from the Commission.

Comments in terms of just what the next steps should be at this point? I'll start with Commissioner Sheltra. I'd like to hear from Commissioner Wagnon as well, given your thoughts about all this and other commissioners as well.

SHELTRA: Yes, I'm not opposed at all to reviewing it and doing a thorough top down. I think Commissioner Wagnon brings up some very good points, that the Urban Grant [sponsorship] Program is run loose and it does need to be tightened down. I would recommend that perhaps there's a process that we rope the urban and rurals together, even if they're two funds. Whatever that structure of review that we do twice a year, that it's done the same.

I don't disagree at all with Commissioner Wagnon, as I read some of his rural grants and Larry, you've heard me say this for years—you and I have had off discussions and meetings, do they—are they all valid? You know, should we be spending money there? Did we get the return? Sometimes it's hard to pinpoint, as you've properly told me on some of these towns. I will be an advocate for the rurals until the day that I'm probably buried in a rural. I would never try to hurt the rurals. I do everything I can to support these Nevada towns.

Formalizing that process and tightening up, it is time to look at it. I would look at putting those two together. I don't know that looking at other states for guidance

is necessarily the way. I think we should look at them to see if there's some better ideas. I look at Nevada as a leader. Quite honestly, what Montana and Idaho and Arizona are doing, I don't know that I care. They're probably looking at what we're doing. But, to look at them and see if there's better ideas, absolutely. Will that drive me as a Commissioner? Maybe, maybe not.

I do think there needs to be more money. Spending money on an international basis is incredibly important. When you go back to the base mission of why NCOT was formed, it was formed to support the 15 rural counties, through a recession time. I'm not knocking our international efforts, that's not why we were put here. Things evolve. Now would not be the time to turn our back on this important area.

If a hybrid committee is put together, I'd love to throw my name in the hat to be a part of that.

HUTCHISON: Okay. Thank you very much. Commissioner Wagnon.

WAGNON: Yes, I agree. I think we as a Commission have a responsibility to continually review and evolve programs and processes. Things change, when we need to continually look at how we're doing business and whether it makes sense to evolve.

I agree with Commissioner Sheltra about the rurals. There's no question about it. Rural tourism drives people into tourist destinations. Rural markets don't have the kind of financial support or funding that can actually drive major campaigns. It is our responsibility to help support those organizations that can't do that for themselves.

The process, criteria and aligning the urban and the rural program and making sure that we have the appropriate balance between a statewide media campaign that's driving a brand awareness and desire to travel here and more event based or project based programs that are a little bit more tactical and drive very specific tourism or visitation to a region. I think we need to make sure we've got the right balance there. I'd like to see that we're not pulling funds away and rendering our statewide campaign less effective in an effort to support these other programs.

I think it's our responsibility to take the time to go through that process, to whatever degree, whatever amount of research needs to go into it or where we gather that information and then have the discussion. So that at least this Commission comes away from it and says, we feel good about the balance between the amount of money we are spending supporting these events and the process by which that money is being allocated.

Right now, as a Commissioner, I have a lot of questions. I don't necessarily know whether it's right, wrong or not, I just have questions on whether we've really done

our homework on that and have the right program in place. Whatever we can do in that regard is a smart move.

HUTCHISON: Thank you very much. Other comments from fellow Commissioners.

NEWMAN: Yes, this is Commissioner Newman, if I may. All of these are valid points and return on investment certainly is key. I like Commissioner Sheltra's comparison to running our operation as a business. Certainly as the rural commissioner and involved in the Rural Grant Program as much as I am, these events are critical to the success of small communities throughout rural Nevada. I think we do need to take a look at the method and the process that we go through in awarding \$1.2M, \$1.3M, \$1.5M, whatever that number is.

To John's point, you know, the state brand is key and instrumental in what we're doing overall. I think we've, in the past, have talked about making a pitch to the Legislative Session or during the Legislative Session and realigning our numbers.

Four years ago we had a pretty big pare back of our funding. We lost a lot of money and then we also absorbed other agencies under our wing. I think we need to have a very strong presence at the Legislative Session. Tell our story, talk about the successes of our international programs, the support that we provide to the rurals. And, also realign some of these events.

My only concern is that when we do go into the urban areas, the scope of these events can gobble up a lot of money fast. That's why things like Las Vegas Events exist down in Southern Nevada. In Northern Nevada, maybe we need to look at ways to find money to help support these events. They do bring a lot of visitors to our communities. It's all about room tax. We call it here in Elko, the "circle of love." The more people we bring in, the more money we generate, the farther out we can go with our advertising. We need to be aggressive in that.

As the Marketing Committee, we knew that this was something that needed to go to the whole Commission. I think our conversations show that we really need to take a hard look at this and readjust maybe our percentages or ways we do business. By all means, all of us need to take a look and come up with some creative ways to stretch our dollars and grow room tax revenues.

HUTCHISON: Thank you Commissioner Newman. Other comments by Commissioners on the phone or in Las Vegas?

HAUN: Yes, Chairman Hutchison, Commissioner Haun. This is only my second meeting, so forgive my naiveté and my ignorance. I think Mr. Sheltra sort of hit it, you know, how are we driving revenue, what is the ROI? Again, only my second meeting. I've been on the phone for an hour and a half, I've not heard a clear definite definition

how we're measuring what we're spending. To me, as a newcomer, that appears to be sort of the obvious first step.

As Commissioner Sheltra said, not really interested in what they're doing in Montana, but as he said, best practices. I guess, I would be interested then in what our ROI versus feel good versus legacy calculus is and how that compares to some of the best practices around us.

HUTCHISON: Good observation. Thank you very much Commissioner Haun. Other comments by Commissioners on the phone or in Las Vegas? Any here, further comments in Carson City?

Here's what I'd like to do and Sarah, I just need to know if I need to take a motion on this or if I can just do this. I'd like to create a task force to work with staff and fellow Commissioners to be able to evaluate these issues and then to bring to the Board, well it doesn't have to be the next Commission Meeting, but a future Commission Meeting. The points the Commissioners have raised and then recommendations for these grant programs that we can all listen to and understand. Then we can vote and make a decision about how we're moving forward. Do I need to take a motion on that, or can I just appoint a task force?

BRADLEY: Well, it should be agendized that you're going to create a committee to work on that. It's not really been agendized that way. The agenda says, Process for Reviewing the Policies and Procedures Surrounding the Rural Marketing Projects. Then I know you were on Item 6E where you were talking about the Sponsorship Program. But, I think it should be agendized that you're going to actually be creating a Committee.

VECCHIO: [inaudible, off mic]

BRADLEY: It is not.

VECCHIO: It's under L. [inaudible, off mic]

BRADLEY: Okay. Well, I mean, that's not on the agenda that I'm looking at. It says, Process for Reviewing the Policies and Procedures Surrounding the Rural Marketing and Projects Related to Tourism Grants. What I would prefer is that if you're going to create a committee, that that's included on the Agenda. That's my preference. That's what I think would be the safest under the Open Meeting Law.

HUTCHISON: Ms. Vecchio, do you have a thought about that?

VECCHIO: Just as a scope of work is included in a contract, although it's not noted in the contract necessarily, this is part of the packet that they were given. So, is that not part of that item?

- BRADLEY: The agenda itself should be clear and complete so that the public knows what may be done. So, I'm looking at the agenda item. Like I said, my preference would be that it says, you know, possibly create a Committee. Now, I do see that this was maybe including in the supporting materials, that the public could ask for but I mean, my preference is that it's included in the agenda.
- HUTCHISON: How about we just do it this way, Commissioner Sheltra has got a good point, if you look at Agenda Item E, No. 2, Appointment of Additional Marketing Committee Members, why don't we just do this through the Marketing Committee, and by the appointment of additional members, if need be to be able to take a look at this through the Marketing Committee. Do you see where it says, appointment?
- BRADLEY: Sure. So, you're going to give this as a task to the Marketing Committee?
- HUTCHISON: Yes.
- BRADLEY: Okay.
- HUTCHISON: We'll just give this as a task to the Marketing Committee, and Ms. Vecchio, maybe you can remind me, who are all the members of the Marketing Committee?
- VECCHIO: At present, the Marketing Committee includes yourself. It includes Commissioner Wagnon. It includes Commissioner Newman and Cathy Tull serves on behalf of the Las Vegas Convention and Visitors Authority.
- HUTCHISON: All right. Here's what I'd like to do. I'd like to suggest then, what we have just discussed about the marketing grant, including all of the matters that we just discussed and what Commissioners have brought up and I hope, Ms. Vecchio, maybe we can get together afterwards or we can make sure that we've written down what the Commissioners have discussed. What I've written down is, basically, what's the history and the purpose of these grant programs. How do they relate to the actual mission of NCOT. Commissioner Haun's points and Commissioner Sheltra's points about best practices that other states have, that we may be able to take a look at and adopt. What's our return on investment with these and with the calculus as Commissioner Haun said, in terms of how we measure success and what the return on investment is with these grant programs. How we measure what we're spending. Those kinds of topics and related subjects, I would suggest that we move them to the Marketing Committee, with the members that have been currently named and I'd be open then to suggestions and desires of Members of this Commission to be included as additional members as we've agendized to the Marketing Committee, for purposes of discussing these items.

Commissioner Wagnon is already a member there. Commissioner Sheltra, you certainly have some views, if you'd like to be part of that process, I'd like to suggest that you be appointed to that Committee as well. I'm open to other suggestions. Any other Commissioners who would like to be part of that process. Again, we're not going to be making any decisions in that Committee. We're going to address all these issues and we're going to come back and educate all of us on the subjects that have been discussed and then make recommendations concerning these grants to the entire body.

BRADLEY: Lieutenant Governor and I apologize, it's agendized though on E2 that it's an additional member and I believe the reason for that was, is you had an even number, so the intention was to appoint one. So, are you now saying you'd like to appoint more than one?

HUTCHISON: I'm just recommended that we consider Commissioner Sheltra. I did open it up for additional folks and I suppose if there are additional folks who want to serve, they would make sure that it's an odd number.

BRADLEY: Well, I mean, the way it's agendized is that you're going to add one member. I'm not trying to be difficult, but that's what it says.

HUTCHISON: Because it says, member, not members?

BRADLEY: Because of the history here that we were going to make it be an odd number. I would prefer that it be one person and then if we want to add more people, we can do that at a future meeting.

HUTCHISON: All right. Then, I'll make this very easy. The Chair will accept a motion to appoint Commissioner Sheltra as a Member of the Marketing Committee. Is there a motion on that?

HAUN: So moved, Commissioner Haun.

HUTCHISON: Commissioner Haun has moved for that. Commissioner Santos has seconded that motion. Is there any discussion on the motion? All those in favor signify by saying aye.

GROUP: Aye.

HUTCHISON: Any opposed? No. Motion passes unanimously and we will then meet as a Marketing Committee with those members and I think Claudia, you have a list of what we are going to talk about at that next marketing meeting. It will be properly noticed and we'll take care of all that, right? Sarah, are we happy with that?

BRADLEY: No, that sounds great, thank you.

HUTCHISON: Thank you very much for your insight. We appreciate your legal counsel on this.

All right, let's move on then to Agenda Item No. E, Urban Sponsorship Program, Appointment of Additional Member. We're going to move off of Agenda Item E, we finished that. We're going on to F, the Fall/Winter Campaign, Ms. Vecchio.

VECCHIO: Thank you. We are going to talk very briefly through the Fall/Winter Campaign. The results overview. As you know, we do an advertising effectiveness study after each campaign. That has historically been because we've done two major campaigns, that's changing a little bit you'll see with our new way that we're doing the "always on" component of it. We're going to talk very briefly through that and some insights of what was learned. Greg Fine, our Marketing Director will take us through that Agenda Item.

FINE: Greg Fine, Director of Marketing for Travel Nevada and Nevada Division of Tourism. Thank you Commissioners, Lieutenant Governor. I will go with the operative word being briefly.

As you know, we are a research drive organization and we invest a considerable amount of time and money and effort in intellect and resources and tracking, monitoring and analyzing what we do during our campaigns. This information then feeds back to us and helps guide our decisions for future campaigns and future marketing initiatives, PR messaging, how we conduct our social campaigns et cetera and so forth.

In just a couple of moments, I'm going to turn the mic and the podium over to Jennifer Grisword and Marty McDonald and Chris Richardson from Fahlgren Mortine. They will talk about the results from the Fall/Winter Campaign and about what was learned from the Integrated Effectiveness Study, which we do at the close of each seasonal campaign to determine how our paid, owned and earned are acting individually and how they're working in concert.

The Winter Campaign, the Fall/Winter Campaign was Fahlgren Mortine's first creative effort. That is where the introduction of the More Stories and Souvenirs Campaign Idea came from. They'll be able to talk through how that resonated and what type of results we saw from that.

I wanted to just briefly add, we won three Addie Awards for that, for our TravelNevada.com, the redesigned website, our videos and our "Don't Fence Me In" logo. That was pretty cool. That was a nice little shot in the arm.

Just before I go, I want to briefly show you a story from one of our "always on" paid partners, Matador Network. They recently ran a story about how Nevada might be the most underrated winter destination in America and here's why. We talked

about ice skating on the strip. We talked about skiing at Mount Charleston. We talked about Cowboy Poetry. They discussed, of course, Lake Tahoe skiing. Then I went and found a remark that this person posted when this story hit *Facebook*.

Paul Frolov said, Wow! Totally new perspective on Nevada, Las Vegas. Now it sounds like a family/adventurous destination. Now, we did not pay Mr. Frolov for this comment. In fact, I went and trolled his *Facebook* personality and he is from Seattle, Washington. He is directly one of our key adventure minded, target audiences and I think this just goes to underscore that what we're doing is introducing Nevada to a group of people that have previous preconceptions about the state but that we're showing them a different side and a different way they can enjoy it.

With that said, I would like to turn this over to Jennifer, Marty and Chris. They're going to tag team on the remaining two items on the Agenda and get you up to speed on where we've been, what we're doing and where we're going.

HUTCHISON: Mr. Fine, so the two items are the Spring/Summer Campaign and then the budget preview?

FINE: Fall/Winter Campaign review and then the Spring/Summer Campaign.

HUTCHISON: Okay, thank you.

FINE: Correct.

HUTCHISON: Well, come on up here ladies, welcome.

GRISWOLD: For the record, Jennifer Griswold, Travel Nevada, Research Manager. In your packets, you have received a document that was the Integrated Marketing Effectiveness Study for Spring/Summer 2015. I wanted to go over some highlights with that. I promise I will not sit up here and quote stats again. They're available for you in your booklets.

This is a condensed version of the report. It starts looking something like this on the second page or so. With three big blocks in different colors. This is an abbreviated report for your viewing pleasure. If you would like to see the entire report, it's 150 pages and I would be happy to send that to you.

I wanted to start off by telling you guys that we looked to the past, so this is last Spring/Summer Campaign to look towards the future and how we're going to—how I worked with Fahlgren to shape our upcoming Spring/Summer Campaign.

One of the things that we looked at is we saw there was a continued growth in paid media, so that has continued to grow and inspire people and be recognized by



people in our target markets. Major growths were in TV and video. We started last year, so for this report, looking at video in a different way. Previously we only included TV and then we also had mobile and different elements; online and tagging. We moved more towards a video based marketing campaign and a lot of our online media had video in it. We decided to put that in the video category as opposed to online or mobile. I think that's why those two numbers had decreased and I wanted to let you know that.

One thing that I think was important is, in San Diego, Las Vegas, Phoenix, Salt Lake City and Boise, online video did better than TV buys. In Los Angeles, San Francisco and Reno, TV did better than video buys. I thought that was interesting to know.

HUTCHISON: What's better? What's the measure for whether it's better on video versus TV?

GRISWOLD: Recognition. I apologize. It was more recognized. They had seen it more and said, yes I saw that, whether it was on TV or video.

I wanted to point out that people usually saw our advertisements in our markets seven times, on average; they saw different advertising from us about seven times.

SANTOS: Can I ask a quick question? Herb Santos for the record. When we say, online, is that *YouTube*? Is that *Facebook*? Is that going to the website? Or, is that altogether?

GRISWOLD: Altogether.

SANTOS: Do you have it broken down between those different types of media? I recall this recently, seeing a thing on *Facebook* saying that the majority of people, that's where they're getting their advertisement is on *Facebook* now.

GRISWOLD: If you give me just a second, I believe I may have something in this report. [pause]

HUTCHISON: Page 149?

GRISWOLD: In the abbreviated one. [pause] On Page 10, I do have the Division of Tourism owned awareness, which shows 13% came from our YouTube Channel and 20% came from website. That is owned media and it's not specific to video, but that is an indicator. On the right hand side of that, we also have the Division of Tourism owned and earned accounts and the awareness. We are putting video on *Facebook* and *Twitter* and imagery on *Pinterest* and *Instagram*. I do not have it broken out, I don't think in this document, but I could probably find that in the larger document for you, Commissioner, would that be okay?

SANTOS: Yes.

GRISWOLD: Since we touched on *Facebook* just now, I wanted to point out that we had a continuous focus on *Facebook* and it's slowly creeping forward and we're seeing a big lift in the interactions with video, as Commissioner Santos pointed out. We're hoping to move more video on to *Facebook*. We did a little and Fahlgren Mortine is going to present how that performed in Fall/Winter. That is one of my recommendations, to put more video on *Facebook*.

Another thing in your report is this chart with a red line and an orange line on it. That chart shows us how people in our target markets are rating Nevada on things.

HUTCHISON: Can you show us what you're looking at?

GRISWOLD: Yes sir.

[crosstalk]

HUTCHISON: Got it, okay.

GRISWOLD: [off mic] I apologize. It's not numbered on that page. The red line shows how Nevada is rated in our target markets and those cities and metros that we have specified and targeted. Then the orange line shows us people who have visited Nevada in prior times.

They're consistently rating us higher on every aspect and I think that's an amazing thing that we need to pay attention to and we need to start paying attention to ways to better focus our word of mouth advertising. We can use social media to incorporate in that. That was one thing that I wanted to point out to you all.

To close, and if you have any questions after this, I would be happy to answer any questions about the report. I wanted to say that, overall this research, this huge project that we do at the end of every campaign, it indicates that we should focus on the online marketing and using videos and continuing to expand on our social media platforms. That we should also continue with the DFMI or "Don't Fence Me In" mentality because that tests incredibly well and it has been continuously increasing.

TV and video were the large sources of ad recall and they build positive synergies with all of the other media types. Any questions?

HUTCHISON: Thank you, Ms. Griswold. Any questions among the Members of the Commission here in Carson City? Any questions among any Commissioners in Las Vegas or on the phone? Great. Ms. Griswold, thank you very much.

MCDONALD: Good morning, Marty McDonald for the record. Thanks again, it's great to be back with you. I know the burning question is, I've heard from several of you today and

you're all dying to know is, is the campaign working? We talked a lot about the science and the media approach and the buying and the mix and the channels, we look at our philosophy. That was reflected in the IME Study from Spring/Summer 2015.

Then comes the art. You know, we changed the creative. We have a new campaign, "Don't Fence Me In" 2.0. We won't have results from the IME Study officially on that campaign for some time, but we do have data. We have analytics and we have all of those things. Our learnings are both drawn from the Spring/Summer IME Study, also the data and analytics and testing that we've done with consumers to serve the new campaign. Do you like this? Does it resonate? All those things, I'm going to hit at a really top line, very briefly.

We are going to talk Cliff Notes version, way up here. If there's any more detail, please just stop me and I'll be sure to pull out my slides, just as Jennifer did.

As we go into reflecting the key learnings from the Fall/Winter Campaign and as we go forward into Spring/Summer, there's not a big difference in the learnings we have and the approach we'll use. I'm going to hit just the high points.

The Fall/Winter Campaign was the first time we introduced this new campaign. It was also, we should mention, the first time that we turned on the new website. That has a lot to do with the effectiveness of what we do. If we have a better front door in the campaign, we have a better receiving line, if you will, when the consumer gets to our site. We have more for them to do, richer content. That was a big focus of what we did in Fall/Winter is generating some new content. That's all going to play a factor into what we're extending into Spring/Summer.

The core conversions are way up, that we saw in Fall/Winter. When we use words like conversion in marketing, they mean different things. What we mean really is the conversions of the activities that express intent to travel. In the absence of having the IME Study that tells us whether or not people did in fact ring a cash register and book a room, what we do is measure, intent to travel. So, if they come to this site, if we've got them there, if they've downloaded a guide, if they built an itinerary. Those are all things that express an intent to travel. Those are great things for us to measure in our campaigns, so our campaign is largely built on that.

Other things that we did, the learnings for Fall/Winter. We were able to add Boise back to the market in Fall/Winter and that was a great thing for us. We believe we took a smarter approach to buying television, more targeted, using zip codes, so that allowed us to add that market back. What we saw as the performance in Boise was strong and overall, our effectiveness was still increasing. We're going to continue to buy Boise. That's good news for us.

We also have some new partners. We introduced some new types of partners. You know we can buy ad units, banners, things like that but we like the partners in the new world that generate new content, articles. As a consumer, I know you've probably all seen this when you're browsing, it's hard to tell now what's an article that was paid for and something that was earned and written by a magazine, that's all getting very fuzzy. What that Integrated Marketing Effectiveness Study tells us is when we have synergy, when consumers are seeing us on multiple channels and the content is mixed and diverse, our effectiveness goes up. We're looking for paid partners that do original content generation, they're writing articles. We're going to do more of that in Spring/Summer.

We've extended our on time. We always say, you know, yes you can have your heavy ups. You should have your heavy up periods in the Spring/Summer and your Fall/Winter and do your big push, but the best time to make any sale is when someone is shopping. We've got to be there all the time. When people are searching key phrases, we've got to be there showing up. This always on approach for some of our media, it's something that's proving successful and it will continue to do.

As we shift into the Spring/Summer, a lot of the things I talked about will continue to work for us. We're going to continue to do what's working. You'll see the same partners, and when we talk about partners, we'll go through what those look like quickly, but we're going to keep using those same partners because they're all performing well above benchmark for us. We've made optimizations to each but they're performing very well.

Also, we're having a shift. We like to at least make everyone comfortable and being totally transparent, we like to admit the things that we would've like to have done differently.

Something that we think, with a new campaign, you go heavy dreamer. There's different stages of the journey. A consumer begins as a dreamer. They don't know where their next trip will be. Then they move into the planner stage. They book their sale, they come in market and then they become an ambassador on our behalf.

In the new campaign, we went heavy dreamer, as in heavy awareness. We think maybe just a tad too heavy. We saw a little bit of saturation or plateau. In the Spring/Summer, part of that is natural, but I think we could've done just a little less on the dreamer, a little more planner. That's the extension that you see as we move into the next campaign. A little more focus. Then we get into i-Charts and things, we'll show you what that means without getting into too much detail, but

we will see a little more focus on that planner to continue to draw them through to sale.

I think those are the high points. I'm going to have Chris Richardson come up and show you about 10-12 slides that give you a quick look at the Spring/Summer approach.

HUTCHISON: Wonderful, thank you Ms. McDonald.

RICHARDSON: Hello, my name for the record is Chris Richardson and I'm the Media Connections Planning Director at Fahlgren Mortine.

This is a visual of what Marty just went over, the dreamer/planner stage. Like we said, we wanted to get that awareness with the new campaign, but we also now realize that we need to start getting people in market and focus on that even more, now that people are aware of the campaign. That is definitely what is informing our strategy, moving forward and has been in the past as well.

So the slide titled connection strategy; we're data-centric. We're constantly using data we have to make strategic decisions, make sure we're in the right places at the right time when the audience is going to be ready for that message. We obviously want to create that synergy with paid, earned, owned and shared and bringing that Nevada experience to the audience. They may not necessarily be on *Orbitz*, they may be on *USA Today*. We want to make sure that even if they're not coming to *TravelNevada.com*, we want to make sure that we're bringing that experience to them in a place where they're ready to engage and interact with the brand.

Then, building on the successes, learning from what we've done, optimizing and bringing in new partnerships, just to make sure that we're staying fresh and everybody knows that the online space is completely transforming every day. We want to make sure that we're staying ahead of the curve on that.

Again, no real change in our audience. We're really looking at that psychographic audience adventure mindset. We really take kind of an agnostic approach to the physical demographics of the person. It's more the psychographic mindset that we're looking at.

Just to touch on creative. We did have some really good customized messaging. We had our core creative, which is what you're seeing kind of down in the bottom right corner of the characters. We also had adventure focused creative that ran on partners like *Outside*. We saw tremendous success with that, as we knew we would, but it's great to have the data to back that up where you match the content of the ad to the content of the partner and engagement rates just go through the roof. Obviously take that learning and continue that learning into the future.

Like we said, while we're looking at partners that shift into the planning stage, we also want to make sure we're looking at calls to action on the physical creative that are driving into that planning stage as well. Things that we consider core conversions on the website, like Travel Guide downloads, building an itinerary, reading adventures; we want to make sure those are more prominent in our call to action to make sure we're really driving people to the site to experience those intents to travel on the site.

Our approach is to remain audience centric. That's always our number one priority. There's no need to change something if we know that it's working. Then really increase the emphasis on the planning stage. As Marty said, our core markets are going to remain the same. We've seen tremendous success there so we want to continue to build on that.

"Always on" elements, just as a reminder, these started running in November and will continue running through August. Partners like *Outside*, *GAC—Great American Country*. We've had print and online as well as television sponsorships and sweepstakes with them that have had tremendous success for us. We also produced original content, with *Matador* and *Orbitz*. *Orbitz* is doing a video series for us. *Spotify* has a really engaging quiz that we've been doing with them that has been really successful, driving a lot of social activity as well. The OTAs are extremely important, so *Orbitz*, *TripAdvisor*, we want to always be there because anybody who is on that site is obviously interested in taking a trip.

Then, *Google* and *Bing* are essential. You want to be somewhere when somebody is expressing that intent to travel. Search is the number one place that people are going for anything these days. Being there is something you've got to do. That's really important.

Then just to look at some Fall/Winter highlights in the IME Study and how that really informed our Spring/Summer media recommendation decision. Some of the big things that we noticed is on *Nativo*, it a native content partner. They have driven an extremely engaged audience. They're nearly at 1,000 goal conversions on the site, which is a tremendous amount. That's about the same as we had during our Spring/Summer Campaign total. Just to give you an idea.

A lot of social shares, which is extremely important, 275 shares. The authenticity of somebody sharing our content, a third-party is 1,000 better than us doing it ourselves. Those shares are really valuable.

Also, according to the IME Study, *Nativo* has also been showing the greatest impact on the audience to consider traveling here. We know that they are a really good partner to keep working with.

*Facebook*, we've been doing paid photo and video ads with them. They're driving really strong site traffic and engagement and a good number of conversions.

*Four Square* is really interesting. They're able to target based on location data, but as a result, at the end of the campaign, they can look at out of state people who have actually checked in here that had seen our ads. Really interesting fact, 185,000 Nevada check-ins were made by out of state users between the months of November and February from people who had actually seen our ads. I thought that was a very interesting statistic and I wanted to share with you because it's proprietary data they have that's really encouraging to see that they are in fact really driving visitation. This is actually our second campaign with them. We did use them during Spring/Summer and Spring/Summer it was around 40,000. It's really showing that our campaign with *Four Square* is building some momentum as well. We went from 40,000 in Spring/Summer to 185,000 in Fall/Winter.

Then video, again, we know from the IME Study that it's providing tremendous lift by combining the cinema, TV and digital video. It is really increasing that lift tremendously from past campaigns.

Looking forward to the upcoming Spring/Summer campaign that will run May through August. We're looking at continuing the same partnership while trying to shift placements and partnerships a little bit more into the planning stage.

Some examples of that, we're always looking to implement, especially with digital, it's the most important, the most up to date targeting technology. Even though we might be using similar partnerships, we want to make sure that we're targeting the best that we can. With digital, you're really able to do that.

We utilize things like the TNS DST models, so mimicking our audiences off of people that have actually come to Nevada and looked like those travelers and then reaching them. *TubeMogul* is the partner that we do that with. They are—in the past, we've primarily used them for video, going forward, we're actually going to work in display ads as well. We'll be reaching lookalikes to that Nevada Traveler through video and display ads through *TubeMogul*.

Like I said, *Four Square* is a tremendous partner because of their ability to have this first party location data that they collect through people checking in on apps like Swarm, but also any time somebody tags a photo with a location on *Facebook* or *Instagram*, that's *Four Square* as well. They have all that proprietary data that we can target people checking into hiking trails and things like that. It's really useful. As you've seen, it's been really effective.

A new partner, *Adara*, they're really interesting. They're actually able to target people based on search intent. If somebody goes to AmericanAirlines.com and

searches for Reno but they don't book, they can then go and target them around the web and make sure we're getting our ad in front of them to make sure that they go back and convert. We can also target competitive destinations as well. People searching for a competitor market. They're a new partner that we haven't used before. We've used them for other clients with a lot of success, but we think they're really going to help us drive into that planning stage a lot more because we're going to get in-market travelers, hitting them with an ad up to a couple of hours after they've searched on some of these partner websites.

Then again, cinema. There's movies like the *Ghostbusters* movie coming out, *Tarzan* is really good, *The Secret Life of Pets* that we think will bring some good audiences out to the theaters.

This is a chart I tried to blow it up as big as I could for you, to try to show you where everybody lands in each of those travel stages. You'll see this is the "always on" partners. Mostly dreaming and planning. Then, with the Spring/Summer, we've also added some partners, more into the planning stage. Another exciting thing you'll see on there is *Instagram*. Along with our *Facebook* photo and video ads, we're going to be adding in *Instagram* photo and video ads. *Instagram* is an extremely good platform especially for Nevada, with the beauty here. I think it's going to do really, really well.

This is another chart—basically the takeaway from this is, we've been "always on" the whole entire year, but we definitely heaved up during campaign periods. That's the takeaway from this that you can't read.

As Jennifer eluded to, we recognize that what's driving awareness, recall and intent to visit is really TV, video and digital. Obviously, that's where we're putting the bulk of the budget. This is the entire breakdown for the entire fiscal year.

This is just another eye chart for you, I'm really working on your eyes today, just of how the budget breaks down for the entire fiscal year, for the paid media budget. We can provide you this in another format, if you'd like to look at it a little bit closer. That's it for me.

HUTCHISON: Ms. Richardson, thank you very much for your presentation. Commissioners, in Carson City, questions for Ms. Richardson, or Ms. McDonald on their presentation? Any questions? Commissioner Wagnon, I know you've got to leave. Thank you very much for your time and effort here today. We're not far from concluding ourselves.

HAUN: Chairman Hutchison?

HUTCHISON: Yes.



HAUN: Commissioner Haun, just a quick question on the cinema video streaming.

HUTCHISON: Yes.

HAUN: What is the rationale for doing it when people are already in Las Vegas and in Reno, if I'm reading this chart right? Page 44. It says, we're going to spend \$100,000 to stream in cinemas in Las Vegas and Reno.

HUTCHISON: Give us one second, we're going to get to that point.

HAUN: Yes, you show you're spending \$80,000 in Vegas and \$20,000 in Reno for \$100,000 and I guess once we already have them in town, I guess I—again, educate me what the thinking is with that. If I'm reading the thing right, maybe I don't understand what I'm looking at.

RICHARDSON: No, sorry, I'm looking right now, one second. [pause] Oh, got it. We have kind of different strategies for each market. If we're looking at out of state markets, that's really driving the visitor. When we're looking at in-state markets, first of all, you want to get to people in those markets to try to drive them outside of their market but it's also just to have some visibility in-state. We're definitely not spending as much as we are in other markets. I don't have the exact breakdown how much we're spending in cinema.

HAUN: This report says \$80,000 in Las Vegas and \$20,000 in Reno. I guess, once we already have them in town, what do we need to spend—we've got them already. Again, you're the expert not me.

RICHARDSON: I don't see the breakdown—oh that's for TV, I'm sorry. So, are you looking for TV Las Vegas and TV Reno? The \$80,000 and \$20,000.

HAUN: No, I'm looking at the cinemas. It says, cinema—anyway, we can take this offline, if Chairman Hutchison wants to move on.

RICHARDSON: That's fine. I'm just seeing the cinema all on one line, so I don't see it broken out by market.

HUTCHISON: I think, Commissioner Haun, I think you're referring to a slide that says Spring/Summer video summary, is that what you're looking at?

HAUN: Yes.

HUTCHISON: They got the break down. I think what Ms. Richardson is saying, I think this breakdown is for television, it's not for cinema. You only have one line for cinema. Is that correct, but go ahead and follow-up.

- RICHARDSON: Yes. The \$161,000 is for total cinema. That would include all of those markets together.
- HAUN: Okay.
- RICHARDSON: Does that make sense?
- HAUN: Yes, I was misreading the information. My mistake. I apologize.
- RICHARDSON: No problem. Sorry I had trouble catching up there with you.
- SHELTRA: I think Commissioner Haun's question is still valid, even for TV, it's a good education for us. Why would we spend the money in TV when we already have them—not cinema, TV, they're here. Educate us.
- RICHARDSON: Yes, definitely. We want to make sure we're reaching key decision makers. People are seeing our campaign in market. We also run different day parts. We focus on more news day parts in Reno and Las Vegas where key business, like the business people, legislators, we want to make sure that they're seeing our work. We want to make sure that the local audience is seeing it as well so that they're thinking, there's more to do outside of the city in the rurals. That also plays a part of it as well, making sure that the campaign is visible to the people that are making decisions and we can make sure they're seeing it.
- It's definitely, I would say a very small fraction of the budget, compared to, as you can see from the breakout. The markets are a little more expensive, especially Vegas.
- HUTCHISON: Commissioner Cunningham.
- HAUN: I don't know, we spent a long time talking about \$100,000 grants, so I guess to us it's a lot of money.
- HUTCHISON: Well said, Commissioner. Commissioner Cunningham.
- CUNNINGHAM: I was just going to say, I actually had that question last year when it ran and I think it's a very valid program to have in our Vegas and Reno markets. It is getting the citizens and residents out into the rural areas and also exposing your advertisement to the decision makers. I fully support it; I think it's a good plan.
- HUTCHISON: Thank you very much. Other questions among Members of the Commission here in Carson City? How about in Las Vegas or on the phone?
- NEWMAN: Yes, this is Commissioner Newman. I would just remind everybody that it falls hand in hand with the "Discover Your Nevada Campaign" with all the new residents that are residing in Southern Nevada, who don't understand Northern Nevada and

those in Northern Nevada that don't fully get Southern Nevada. It's just an opportunity to mark intrastate and show our residents in the State of Nevada what the rest of the State is all about. It is a small amount of money in relation to the campaign. It all adds up and that's why it's important when we look at the whole picture, that we're spending our money wisely. To advertise in Las Vegas for Northern and Rural Nevada makes good sense to me.

HUTCHISON: Thank you Commissioner Newman. Other comments of other Commissioners?

SHELTRA: I'm sorry Governor, not to make this meeting any longer than it is, just quick question. "Don't Fence Me In", have we protected that intellectually?

FINE: We are—

HUTCHISON: Why don't you come on up and identify yourself Mr. Fine and let us know.

FINE: Greg Fine for the record. We are on the verge of having a federal trademark for "Don't Fence Me In". As well as we're pursuing the state mark for "Don't Fence Me In", as well as TravelNevada and "World Within State Apart" in the Nevada logo.

SHELTRA: Where I was going with that and obviously I know where you're reading my mind but if any Commissioner hasn't seen it, we've been ripped off by a credit card company, correct? Jumping on our "Don't Fence Me In," on a national basis?

HUTCHISON: Well, maybe we can put it in different terms. They're using the same logo and the same slogan that we are.

FINE: I would say that Discover saw our ads and thought they would draft off of us. They're using a similar touch and they're also incorporating Lake Tahoe into that. Per Claudia's direction, we're looking at talking to Discover and seeing if there might be some opportunity to partner together.

SHELTRA: That might be a better way of attacking.

HUTCHISON: They may have a little larger budget than we do to do some things. But, thank you Commissioner Sheltra. Any other questions on our Fall/Winter, Spring/Summer Campaigns? Discussion of any Commissioners? All right. Very well done. Appreciate very much the update and the information. Now, we have a possible action item on this Ms. Vecchio. What are you looking for? Are you looking for a motion to approve the Spring/Summer Campaign plan?

VECCHIO: Yes, that would be appreciated.

HUTCHISON: Chair would accept a motion to approve the Spring/Summer Campaign plan as it has been presented to us today. Commissioner Cunningham has moved for approval of the Spring/Summer campaign, do I have a second?

HAUN: Second.

HUTCHISON: Second by Commissioner Haun. Is there any discussion on the motion? Thank you. All those in favor signify by saying aye.

GROUP: Aye.

HUTCHISON: Any opposed? No. Motion carries unanimously. Thank you very much and congratulations on the continuation of a wonderful marketing campaign and the efforts that you provided so far. They've been very helpful and I think very effective.

Ms. Vecchio, we are now moving on to H, I, J and K and I will tell you we have about 10 minutes. No, I'm going to say 20 minutes to get that done. How do you want to allocate that time?

VECCHIO: Thank you. I just want Bethany to do a 30 second overview of "Discover Your Nevada" because it's such a cool idea that I want her to convey it to people because it has a component that I think needs to be included in many of our upcoming campaigns.

We're going to then skip the budget overview, because we'll have a very long discussion about that in our June meeting when we know better the budget process.

HUTCHISON: We'll move that Agenda Item H to our next meeting agenda.

VECCHIO: To the next meeting in June. Then we'll zip through the updates.

HUTCHISON: Great.

DRYSDALE: For the record, Bethany Drysdale, Director of Public Relations. For those of you that are on the Marketing Committee we went over the road trip idea for the Spring/Summer Campaign. I won't fill everybody in on that, but as we were thinking about "Discover Your Nevada," we were asking ourselves, how do we come up with something new? Road trips really pertain to Nevada. That's how you explore the state. We're going to localize the Spring/Summer Campaign for Nevadans. We're going to use the same road trips, take that whole campaign and localize it for Nevadans.

The key part of "Discover Your Nevada" is to incentivize travel in the state by getting Nevadans to give back to their state through their travel. Our idea is to develop a way, it may be as simple as a *Four Square* check-in, but a way for travelers to check-in on the road trips. For every check-in at each check-in spot on each route, we'll donate \$1.00 to a field trip fund to help schools fund field trips.

Field trips are so expensive. A lot of schools can't do them. A lot of parents pay for them so their kids can go explore the state and learn, hands on about their state.

That is our plan for this. We hope that it will take off. We would love to see local communities along one of those routes jump on board to donate a \$1.00 for every check-in as well. That's the idea. There's no action needed on this, I don't believe, but we just wanted to let you know where we're headed with that.

HUTCHISON: Thank you very much. The overview on that is, we're just targeting Nevadans to get out and travel on Highway 50, or Highway 93, or I-80 to Elko, and Ely to get them out traveling throughout the State. That's where this campaign is directed.

Ms. Drysdale, thank you very much. Great work and it was a great presentation to the Marketing Committee and we fully embraced that. All right, Ms. Vecchio.

VECCHIO: Obviously, the element there is the giving back element. We know that this is incredibly important to millennials and we can benefit greatly by including this at greater extent in our upcoming campaigns and you'll see that recommendation come forward.

We'll move on to Larry with Sales and Industry Partners for a quick update on some extraordinary international efforts.

FREIDMAN: The only thing I would add to the previous India discussion is that we have had several key tour operators develop new product to the State of Nevada, in response to Commissioner Sheltra's comment about the international earlier, which is crucial to rural Nevada.

One of the new packages being offered by Thomas Cooke is a "Nevada Road Trip" that starts in the Reno/Tahoe area and goes across Highway 50. A case of "Highway 50 Survival Kits" is on its way to Delhi as we speak. After going across Highway 50, it goes up to Elko, over to Wendover, across the Salt Flats and ends in Salt Lake City.

The next thing on the agenda is the Visit USA Mission to Australia, which was attended by David Lusvardi in our Las Vegas Office. He had contact with approximately 1,200 travel agents in Melbourne, Brisbane and Sydney, in addition to participating in a B2B, Business to Business Trade Day that Brand USA produced.

Claudia and I went over for the Brand USA event in China. It started with participation. We had a booth in the Guangzhou International Travel Fair. Then, Brand USA again produced one-on-one meetings with businesses in Beijing and Shanghai. Claudia and I then interviewed five candidates for our representation in China following that.

We also did participate in the launch of the US/China Year of Tourism which is an agreement between the giant Chinese National government and the United States to promote tourism between the two countries.

Christian Passink attended ITB and Visit USA Denmark. At Visit USA Denmark, he met with 184 trade and 58 media. ITB had 40 appointments, 23 were as Nevada and then the others were in conjunction with the LVCVA.

Next on the agenda are the upcoming missions. We will be going to Europe in May and have statewide participation in the sales mission. We are going to Paris, Stockholm, Amsterdam and Cologne. The motivations for this sales mission are new flights with Norwegian Air, direct flights into Vegas, from Stockholm and Copenhagen and Euro-Wings flying into Las Vegas from Cologne. The northern European does have a reputation and interest in traveling, not just in the iconic destination of Las Vegas, but in discovering rural and urban America.

The Governor's Trade Mission to Australia. The Governor will be going to Australia. At this point, Claudia will be joining the trade mission and is working with the Governor's Office to establish what their expectations from us may be, whether it's just to sponsor an event or whether they want another full blown trade mission as we did last year to Europe with the Governor.

China, we're looking at two possibilities for reentry into their market and announcement of our new rep firm. One is in conjunction with CITM which would be in November. The other is possibly, with Claudia going, in conjunction with a new direct flight between China and Las Vegas.

The China Office update. We and the committee, as I mentioned, did interview five final firms. A firm has been selected and contacted and negotiations are now taking place to hire them. Once those negotiations are complete, we can make the announcement as to who they may be.

In the sake of time, the trade shows and consumer shows that we've attended are in the booklet. They include things like ABA and NTA. The Domestic International Advertising Program is something new that Claudia and Greg are looking at. That is to market to the Chinese American, the Indian American who may be residing in California, Oregon, etc. and how to reach them. That's it.

HUTCHISON: Thank you Mr. Freidman. Any questions of Mr. Freidman concerning his update on the Sales and Industry partnerships that we have? Not seeing any in Carson City. Any in Las Vegas or on the telephone?

VASWANI: None.

HUTCHISON: All right. Thank you very much Mr. Freidman. Appreciate your update on that. Ms. Vecchio.

VECCHIO: I just wanted to add one thing regarding the China Office update. We have three phase restructuring process. We are now through the second phase. We have our tax de-registration completed and notarized by those who needed to do that in China. We are on to the closing of the bank account and then we will be completely concluded with the original office structure and on to this new sales and marketing environment. Things are moving along at a good clip there.

Bethany, please give us a brief PR update.

HUTCHISON: Ms. Drysdale, please.

DRYSDALE: For the record, Bethany Drysdale. Just a couple of key points that I want to make to you. Next week, we are having a press conference in Reno to unveil the Google Trekker Program that we concluded last year. This is 22 sites around Nevada that will be on Google Maps, thanks to Google Trekker. It's like the Google Maps car, but where the car can't go. We're really excited to unveil this. It will be next Tuesday at 10:00 AM, at the University of Nevada Reno Knowledge Center, in the Rotunda Room. I can send out directions to that. We'll have Google there. We'll have lots of our partners around the state who participated, so it will be a fun press conference.

Internationally, I just came back with the sales team from ITB in Berlin where we had three days of meetings with media. A great show, always for us. Before that was Visit USA in Australia and had meetings there as well as a full day marketplace with the media there. It's been a busy couple of weeks.

HUTCHISON: Ms. Drysdale, let me just ask you something. How do your efforts differ from the travel and tourism side with what Claudia or Larry may be doing, others may be doing? What do you do that's different? I'm familiar with what they do, maybe you can just give us an update on what your view is?

DRYSDALE: I talk one on one to the journalists. I know in India, you guys do that as well and that's what I do in other markets. Really, I'm talking about the same things that the sales team is talking about. It's so great traveling with them because then I know what they're saying to tour operators. Especially internationally, we need those tour operators on board. We need the flights and I need to know what those tour operators are selling to their markets. Then I can pitch those stories to the media.

My structure is very much the same. It's 15 minute appointments at these marketplaces and pitching stories to the media. Inviting them to come out and see for themselves as well.

HUTCHISON: Wonderful, thank you.

DRYSDALE: Sure. We have a whole slew of domestic coverage that's included in the back of your booklets. Some upcoming coverage that I'm real excited and I hope I get to share at our next meeting, *National Geographic* has a whole social program that they've run with us, so we should be able to share that in the coming months.

*Outside Magazine, Better Homes and Gardens, Canoe and Kayak* and *USA Today* are all pending stories that I just can't wait to see and share with everybody.

With the Public Affairs Program, that was a plan approved several months ago. The first, onslaught of activity on that is a series of town halls that we're holding throughout the State. The first one will be March 28<sup>th</sup> in Pahrump. Of course, anybody is welcome to come to that as well. March 28<sup>th</sup> at noon and I'll give the location and send that out to everybody.

This differs from some of our activities where we're speaking to the tourism industry. This is not the tourism industry. We're speaking to residents to decision makers in those towns; telling them what we do and how tourism impacts them and how they can use us as a resource when we go into the legislative session. We can keep them apprised of issues that might affect their communities. Just letting them know that we are here as a resource and letting them know what we do and how we impact their communities.

HUTCHISON: What's been the response when you've been going into, particularly these rural communities and offering it up as a resource?

DRYSDALE: This will be the first one. I'll let you know at Rural Round-up, actually. After that, we'll have four more throughout the course of this calendar year and then we'll plan more around the state after that.

Those are really the highlights. Going back to the Trekker press conference, I did want to point out for those on the phone or in Southern Nevada, we'll stream it on *Periscope* as well. Our account is NVTourism. If you can't be there in person but want to see what's happening it will be on *Periscope*.

HUTCHISON: All right, Ms. Drysdale, thank you very much. Let me ask if there's any questions among the Members of the Commission for Ms. Drysdale on her PR update here in Carson City? Any questions of Ms. Drysdale in Las Vegas or on the phone?

VASWANI: None sir.

HUTCHISON: All right. Ms. Drysdale, made a compelling case. Thank you very much. Ms. Vecchio.



VECCHIO: We will conclude our updates with Janet Geary, the Publisher of *Nevada Magazine*.

HUTCHISON: Welcome, Janet go right ahead.

GEARY: Thank you Governor. Well, this is *Nevada Magazine's* 80<sup>th</sup> anniversary. We have been publishing since 1936. To celebrate our anniversary this year, we are doing a ghost town adventures series. Our editors are writing about all the different ghost towns in the State of Nevada. We just completed our second series and starting on our third. We're also going to do an exhibit of *Nevada Magazine* covers at the Nevada Historical Society which will start in June and go through September.

We're currently working on a Ghost Town Map. We had a ghost town map, it printed in 1997 and we found a box of them in the basement. We sold them all out in about three days. Obviously we feel people are very interested. We are currently producing this Ghost Town Map. It will be printed and available around the first of May and we've already had a lot of people that are interested in picking it up. That will be available then.

We did a readership study, a survey on our readers recently—actually Jennifer did it for us. Two points I wanted to make. 80% of our readers have been readers of the magazine for at least six years plus. We have a very dedicated readership. Our readers travel to Nevada an average of 3.2 times per year. Obviously we have people that are interested in the state and that's why they read *Nevada Magazine*. About 40% of our readers are inside the State of Nevada and 60% are outside. That's just a little bit of information from our readership study.

Our social media campaign; we've actually purchased some ads on *Facebook* and that's really picked up our social media presence on *Facebook*. Obviously we're on Twitter, etc. Our website, if you get a chance to look at it, please do. We have a really nice visual on murals around the State of Nevada. We started with the Midtown Murals in Reno. Now we've picked up murals from all over the state. It's a great pictures of murals, if you get a chance to look at *NevadaMagazine.com*.

Then we do, of course, a radio show, as I've told you before. It is on Friday mornings. Commissioner Santos was good enough to be a guest on the show a couple of weeks ago. I just wanted to list a few people that have been on the show recently. In the two months, we've had Piper's Opera House, City of Las Vegas Cultural Arts Program, a Virginia City Tourism Manager, Authors Jackie Moore and Michael Green, Arts Town Public Relations Manager, Whitney Peak Hotel Public Relations, Las Vegas Natural History Museum, Capital City Arts Initiative, Bruka Theater, Discovery Museum Communications Director out of Las Vegas, Animal Arc Owner, Nevada Historical Society Director and of course, we had the O'Shea's Block Party Leprechaun.

Anyway, that's it for me, obviously I'll be happy to answer any questions.

HUTCHISON: Thank you very much. Any questions now from any of the Commissioners on the *Nevada Magazine* update? Here in Carson City? Any in Las Vegas or on the phone?

VASWANI: None.

HUTCHISON: Thank you Janet. All right, that will conclude then, Agenda Item, what K? What are we on here? We're on 6K. We talked about 6L already. We accelerated that Agenda Item, so that will, Ms. Vecchio, close out Agenda Item No. 6, is that correct?

VECCHIO: That is correct.

HUTCHISON: Then let's move to Agenda Item No. 7, this is an Agenda Item regarding upcoming meetings. Anything other than just looking at this agenda item, Ms. Vecchio?

VECCHIO: It's just on there for information.

HUTCHISON: All right. That's for all our information. Make note of that on your calendars. Commissioners, move on to Agenda Item No. 8 which is comments from my fellow Commissioners. Any comments about any matter regarding any subject, open to discussion, Commissioner Santos.

SANTOS: Thank you Governor, Herb Santos for the record. When we talked about India, I just had some news that I wanted to present to everyone. The Sacramento Kings, as you know, the owner is from India and is a big advocate, along with the NBA and they're taking some of the Sacramento Kings dancers to do a complete tour of India and two of our Lady Reno Bighorns Dancers, Sarah Ainsworth and Alec Bolden will be accompanying them. I will be ensure that they will be wearing Reno Bighorn shirts at everything they can. I just wanted to congratulate them and thank the Sacramento Kings for including the Reno Bighorns on what will be a very great trip. We'll promote Reno in India very nicely. I just wanted to add that.

HUTCHISON: Commissioner Santos, thank you very much. I'm sure, Larry, you can fold in some Reno Bighorn games into the India audience, right? Thank you Commissioner. Other comments from other Commissioners?

NEWMAN: This is Commissioner Newman. I would just like to thank the staff and my fellow Commissioners. We do a tremendous amount of work. We go far reaching, worldwide in our efforts and we do this all on a very limited amount of money. I think that, to use corporate speak, in raising the bar, we certainly do that time and time again. I just want to applaud everybody for their efforts because what we're doing is just incredible and far reaching. Good job to everybody and continue your efforts.

HUTCHISON: Well said, Commissioner Newman. We all echo those comments. We've got outstanding staff, outstanding professionals who love Nevada and do an awful lot to promote Nevada in our number one industry.

Other comments from other Commissioners? All right. I'm hearing none.

**Public Comment**

HUTCHISON: We'll move on to Agenda Item No. 9 which is Public Comment. Any public comment in Carson City for Members of the Commission? Any public comment in Las Vegas?

VASWANI: None.

HUTCHISON: Mr. Morse, nobody up there?

MORSE: No Governor.

**Adjournment**

HUTCHISON: Okay, great. Thank you very much. All right. We will close out Agenda Item 9, move on to Agenda Item No. 10, our favorite part of the Agenda. Chair will accept a motion for adjournment, is there a motion?

VASWANI: Aye.

SANTOS: Second

HUTCHISON: Got a motion from, Commissioner Vaswani and a second from Commissioner Santos. Is there any discussion on this motion? All those signify by saying aye.

GROUP: Aye.

HUTCHISON: Any opposed? No. Thank you very much my fellow Commissioners. Thank you everyone for being at this meeting. We are in adjournment.

The meeting adjourned at 12:02 p.m.

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