

MINUTES of the NEVADA COMMISSION ON TOURISM
December 2, 2021

Call to order

Vice Chair Cynthia Mun called the meeting to order at 1:01 p.m..

Commissioners Present

Vice Chair Cynthia Mun
Bob Stoldal
Brian Wadsworth
Charles Harris
Donald Contursi
Edward Estipona
Jane Moon
Jill Lagan
Jerry Schefcik
Julie Pazina
Kristin Windbigler
Rick Murdock (arrived after roll)

Commissioners Absent/Excused

Steve Hill

Staff and Guests Present

Brenda Scolari
M.E. Kawchack
Harry Ward
Anton Eckert
Mikalee Byerman
Shari Davis
Tracie Barnthouse
Carrie Roussel

Roll Call and Determination of Quorum

MUN: Good morning. Okay. I think we're all here. I'm going to call the meeting to order. I call to order the Nevada Commission on Tourism Quarterly meeting. It is December 2nd, 2021, and the time is 1:01 p.m. Please first confirm that this meeting was properly noticed and posted.

KAWCHACK: M.E. Kawchack for the record. Yes, it was.

MUN: Thank you. And Director Scolari, please call roll.

SCOLARI: Vice Chair Mun.

MUN: Here.

SCOLARI: Commissioner Stoldal.

STOLDAL: Here.

SCOLARI: Commissioner Wadsworth.

WADSWORTH: Here.

SCOLARI: Commissioner Harris.

HARRIS: Here.

SCOLARI: Commissioner Contursi.

CONTURSI: Here.

SCOLARI: Commissioner Estipona.

ESTIPONA: Here.

SCOLARI: Commissioner Moon.

MOON: Present.

SCOLARI: Commissioner Lagan.

LAGAN: Present.

SCOLARI: Commissioner Schefcik.

SCHEFCIK: Here.

SCOLARI: Commissioner Pazina.

PAZINA: Here.

SCOLARI: Commissioner Windbigler.

WINDBIGLER: Present on the phone.

SCOLARI: Commissioner Murdock. We will mark him absent excused. Commissioner Hill. Also absent excused. We do have a quorum.

MUN: Great, thank you. Let's move on to item B, public comment. Is anyone on call for public comment? Okay. Hearing none, we will move to agenda item C for approval of minutes. This is for the September 17th, 2021 meeting. Are there any proposals by way of motion for any matter relating to those minutes?

This is Cynthia Mun for the record. On the first line of those minutes, it says, Cynthia Mun and Kate Marshall. I believe that is a mistake and we need to remove Kate Marshall from that text. All right. Any other comments? If, if none, then could we have a motion to approve the minutes?

PAZINA: This is Commissioner Pazina. I would like to make a motion to approve the September 17th, 2021 Commission on Tourism minutes.

MUN: Do we have a second?

HARRIS: Second.

MUN: Great. All in favor, say aye.

MULTIPLE: Aye. Aye.

MUN The vote is unanimous. Okay. We can move to agenda item D, welcome and opening remarks. Welcome to everyone here. This has been the first in-person meeting since 2020, and I'm so excited to see faces rather than being on a screen and I hope everyone has had a wonderful Thanksgiving and that the holiday is full in its array. I'd also like to say I was happy to read the Review Journal article that said that in November, we had over 4 million visitors in Nevada, which is amazing. I think that's the second time this year since July. I'd like to congratulate Mr. Fletch Brunelle, who's the Vice President of Marketing at the LVCVA for the new moniker for Las Vegas as the Greatest Arena on Earth, for the advertising campaign that rang true with the Raiders, Golden Knights and Aviators playing on the same night in September with an unofficial fan count of over 125,000 people. In addition, Nevada is the sports capital of the world and I'd like to welcome the Wrangler National Finals Rodeo to Las Vegas again, which starts tonight. It's great to have them back, the NFR. Now on the flip side, I read the updated information from the Department of Health and Human Services indicating that there have been over 457,000 cases of COVID and over 8000 deaths in Nevada. I hope for the sake of Nevada's economy that folks will continue to get vaccinated and if we have the chance to get boosters that they do so because our economy is on the right trajectory and let's hope that it continues. So thank you. Next, are there any other comments? Anyone else? Okay. Next on the agenda item E, Director's report and budget update.

SCOLARI: Thank you, Vice Chair Mun. Welcome, commissioners. I do want to say happy holidays to everyone here in the Laxalt Chambers and in our Nevada State Museum, Las Vegas. Hello, everyone on the phone. We have a full agenda today, so I just want to briefly review some of the materials that were in your commission packets.

One of the reports I'll call your attention to is -- we'll bring it on the screen -- the strategic plan chart, which will report on activities related to each of Travel Nevada's strategic plan programs. If you remember, when we approved the plan, the tactics may evolve quarter to quarter. We did include tactics and tasks related to program strategies, so the activities listed may change, but this is a way for you to chart progress at a glance in this format as well as know when tasks are completed. This is the best way for staff to keep you apprised of whether they're fulfilling the mission as expressed in the strategic plan. So you will be seeing this each commission meeting. Please let us know if you'd like to recommend any changes or see some improvements, just please communicate that to me or staff and we'll make that happen. I'd also like to just take a look at some of the activities and highlights in the quarterly report. Again, the full report is in your materials, and staff is present to answer any questions that you may have related to anything at all. Some of the key activity in the last quarter included the onboarding of new executive staff, Chief Officers Mikalee Byerman and Anton Eckert. If

you could each stand and we'll give you another welcome aboard. We're so happy to have them join the team. They both bring considerable experience and vision to their leadership roles at Travel Nevada. The industry team also attended IPW in the last quarter, US travel's largest international trade show. Travel Nevada attended as the host state in Las Vegas, which was very exciting. The show coincided with the opening of international borders, which made the whole event that much more meaningful. We attended with our representation in Mexico and the staff took over 160 appointments with tour operators and media and marketing partners, so was enormously successful and we look forward to another IPW in the spring. We continue to refine our user experience on TravelNevada.com with new content and site optimization, so I always encourage you to take a look at TravelNevada.com if you haven't recently. Lots of great improvements there. We've increased our paid media domestically along with the continued engagement in-state through the Discover Your Nevada campaign. The report in the quarterly report that tracks key performance indicators lets you know whether or not we're meeting benchmarks in regard to the metrics we've attached to marketing and one of my favorite things in the report is always the links to the national media that our PR team has gained for us, so please, if you have a chance, follow those links and take a look at those. It's some remarkable coverage. If there aren't any other questions related to the quarterly report, I'll move on to the budget review. Any questions?

Okay. So let's bring up the budget, the lodging tax account that we always look at the commission meetings. This is our year-to-date spending that tracks spending and transfers related to our legislatively approved budget. Our lodging tax collections thus far are just over \$6.4 million with total expenditures at a little over \$4.2. We'll now take a closer look at Category 31, which to remind you all is the category line item where almost all of Travel Nevada spending occurs except for operational and grant-related activity. We track the year-to-date table to prior fiscal years for a benchmark comparison. I will make note of the fact that the marketing expenses appear low because our biggest paid media invoices is for things like broadcast and digital ads. That expenditure for that kind of advertising lags considerably behind this style of reporting, so that's why it appears low related to where we are in the fiscal year but overall, I am happy to say there's a very positive trend toward normalcy in regard to revenue and I'm going to ask Kyle Shulz, our research manager, to update you on projections.

SHULZ: Thank you, Brenda. Kyle Shulz for the record. Before I get started, I did want to reiterate Commissioner Mun's sentiments of expressing excitement that we're all back in person after two-plus years of being over Zoom and not seeing each other's faces. As Brenda mentioned, we did want to provide brief updates on how we're thinking about room tax projections through the remainder of the fiscal year. And as Brenda mentioned, we are seeing some exciting movements. One thing that we try to do whenever we update our room tax projections is to take a look at how other organizations are projecting various travel sectors to play out over the next year. When we were going through this exercise a few weeks ago, here was some of the typical headlines that we were seeing. So, some of the typical headlines were things like, STR and Tourism Economics boosting their hotel forecast, American Airlines predicting strong travel demand leading into 2022, hotel executives at a recent conference in New York expressed expectations that business travel would roar back in 2022, so the outlook was under a very positive environment for the foreseeable future, at least through the end of the calendar year 2022 as well. We also take other things into

consideration as well. We take into consideration travel activity indicators like TSA checkpoint arrivals. We take into consideration travel sentiment surveys that we get on a monthly or a quarterly basis. Other travel indicators as well, but what we do with the various headlines and all the different travel indicators is use that to base our underlying assumptions for each travel case.

So currently, we still have best case, worst case, and mid-level scenarios that we're trying to project out for the next fiscal year and the next couple of fiscal years. There's a lot of text on this slide, but essentially to break it down, in a mid-level scenario essentially what we're projecting is travel to gradually improve from current levels to roughly pre-pandemic level sometime in 2023. In the best-case scenario, we have room demand and ADR exceeding pre-pandemic levels relatively quickly. ADR is already at that point and then the worst-case scenario, we're projecting that, or we're assuming rather, that a new variant of covid emerges. This lowers travel demand. This lower travel demand lowers average room rates as well. If you want to go to the next slide, here's what those projections look like graphically. It's a little hard to see the worst-case scenario in this format, but you can see the best-case and the middle-case. I'll have room demand and room tax projections essentially improving from where they're at currently and in a worst-case scenario, we have room demand and room tax projections falling from current levels and stagnating throughout the fiscal year. Here, you can see what the specific breakout is for our mid-level scenario, so what we really wanted to focus in on here was the fiscal year total section and you'll notice that in FY 2022, which is still projected levels for obvious reasons, the room tax projections are \$25.6 million. This is actually higher than what they were pre-pandemic, the last pre-pandemic fiscal year after tax collections of about \$25.1 million, so currently in this current version of the forecast, we're assuming that room tax collections are going to be slightly above where they were pre-pandemic, but if you look at room demand, what we're projecting is a little bit lower than pre-pandemic levels, so room demand, we're projecting about 51.7 million rooms demanded in the state. Fiscal year 19 had 55.8 million, so we're still a little bit below that.

STOLDAL: Quick question. Stoldal for the record. Is this including inflation?

SHULZ: Yes. I'll -- thank you for the comment, Commissioner Stoldal. I'll get to that in the next slide.

STOLDAL: Thank you.

SHULZ: So what's changed from the last forecast to this forecast? The previous version of the forecast, which we produced about three or four months ago, the room demand has essentially stayed pretty stable. We're still projecting around 51, 52 million room nights. What has changed is the average daily rates, so this chart shows average daily rates in Las Vegas compared to the same month in 2019 and you can see that starting in June, the average daily rates eclipsed where it was in 2019 for the first time since the start of the pandemic. Prior to June and all throughout the pandemic, the average daily rate in Las Vegas was lower. This is a trend that's being seen throughout the country. Reno is seeing a similar trend as well, but again, what we wanted to point out here is that not only has room rates increased as compared to what they were in 2019, they've actually increased a lot. It's not just a small amount, so the Las Vegas numbers that were released in October had average daily rates about 28 to 30%, higher than what they

were in 2019. To your comment, Commissioner Stoldal, this is partly due to inflation. It's also partly due to consumers being more willing to spend more money on hotels, but this, again, is the biggest difference from previous forecast to this forecast. The previous forecast –

STOLDAL: Does this include the, the so-called resort fee?

SHULZ: I believe it does. Yes. Going back to the previous forecast though, the projection or the assumption that we were making was that room rates would gradually improve to 2019 levels, whereas now we're assuming that room rates are going to stay above 2019 levels throughout the whole entirety of the fiscal year. Our mid-level assumption does have room rates coming down from their current levels due to, hopefully, inflation coming down a little bit, the possibility that travelers might not be as willing to spend as much money going forward on room rates, but that's by no means a guarantee. We still could be in a situation where we're seeing really high room rates for the foreseeable future.

Go to the next slide. Obviously as you mentioned, Cynthia, there are potential risks in the near-term horizon. As I'm sure everyone in this room is aware, the new variant of the coronavirus has been found within the last week, week and a half. The first case in the US was found in California yesterday, so the new variant of the coronavirus is already in the United States, but what we don't know about this new variant is we don't know how transmissible it is. We don't know if it's more transmissible than previous variants or less transmissible. We don't know if it's more deadly or less deadly. We don't know if it's more resistant to vaccines or less resistant to vaccines. All of this is going to take time to figure out and we'll have a better understanding of how the new variant plays out in terms of health metrics over the next few weeks. The other thing that we don't know is how the new variant, if it does lead to increased cases, how that will affect travel demand. The reason I say this is the case levels for the Delta variant peaked in August in the summer months, but summer was actually a very good time for travel, so there's the possibility that even if the new variant does lead to more case levels, more hospitalizations, it may not necessarily have the same effect that previous spikes in cases led to drops in travel demand like we saw in 2020. With that, I think that's all for the presentation. If there are any questions, I'd be happy to take them.

SCOLARI: No questions? Thank you, Kyle. For the record, Brenda Scolari. I do also want to update you on the federal funding, the federal American Rescue Plan Act funding that the division is pursuing. I've received official notice that the \$13.5 million we were awarded through the EDA is now available. I'll be requesting the subaward funding for the LVCVA, RSCVA, the Division of Outdoor Recreation. I'll be requesting that drawdown in January so we can begin that programmatic spending. In the meantime, I've made a similar request of the ARPA funding for marketing from the Governor's state allocation. The process of assessing those requests statewide is underway in the Governor's office. I don't have any final decisions yet, but I'll make sure to update you once I do. I can say with confidence that between the increase in lodging tax that Kyle just described and the windfall of federal funding, we should see our revenue be restored to 2019 levels by summer, which is wonderful news. I will have to bring these additional revenues to the Interim Finance Committee to have our approved budget officially adjusted, but I'll make sure to update the commission prior to that happening. Are there any questions related to the Director's report?

MUN: Hi, Cynthia Mun for the record. I do have a question. Regarding the funds requested from the Governor's office, is that also limited to specific regions or is that, for example, for the one from the federal, it's Las Vegas region, Reno, and the rest. Is that also the case for the Governor's fund as well?

SCOLARI: It is. It's a similar apportionment, to cover the Metro areas, LVCVA, RSCVA with populations of that size and then, of course, Travel Nevada through our grant programs and marketing cover other communities. So I thought it was a fair apportionment and I'm just going after a similar one through that funding bucket as well.

MUN: Thank you.

PAZINA: Julie Pazina, for the record. My question would be for Kyle and I'd also like to say that was an amazing report and thank you so much. I always enjoy these and look forward to them. When looking at the report in regards to projected room tax collections and room demand, was the Omicron variant, which again, it's just been in the past couple of weeks, but did you have a chance to really look at that when you were providing the updated numbers?

SHULZ: Kyle Shulz for the record. These projections were produced about a month ago, so we weren't anticipating the Omicron variants to be a part of the conversation. In the worst-case scenario, we did assume that there would be some new variants that would come to pass at some point and the assumption that was made in that scenario is, the new variant would have to be very transmissible. It would have to really dampen travel sentiments and travel demand, which would dampen average daily rates, so I do think that is a worst-case scenario for sure and again, like I said before, in the summer months of this year is when the Delta variant peaked. That didn't necessarily lead to a huge drop in travel demand. It might've led to some people canceling trips and it might've led to some, maybe not as high of a ceiling as we could have seen in the summer months, but it didn't seem to be as big of a concern to travelers as was seen in 2020. In 2020 when we had huge spikes in cases, we did have huge drops in travel demand. Yes, to answer your question, the Omicron variant specifically was not part of the projections or the worst-case but we did assume something like that in a worst-case scenario, but the worst-case scenario really would have to be a worst-case, so the Omicron variant would have to be highly, highly transmissible, maybe more deadly more resistant to vaccines, that sort of thing.

PAZINA: Thank you so much.

SHULZ: Thank you.

SCOLARI: If there aren't any further questions, I'll move on to item F, upcoming RFPs and process. Travel Nevada has three RFP approval requests for the commission today. Before we look at them individually, I thought it would be a good idea to review the state process, especially since we have some new commissioners, so if you take a look at the graphic in front of you, as you can see, it's a lengthy process. The agency will ask the commission to be involved in the steps represented by the blue boxes. We'll ask the commission always when we present you with an RFP to approve the contract intent and scope and the outside limits of the contract amount in step 1. From that point forward, the process is taken over by the state purchasing department who posts the proposal,

communicates to the registered vendors on their list, reviews the proposals along with an evaluation committee and it's at that point that we welcome the contribution of commissioners. Anytime we have an RFP, if you feel that the subject matter is something you're interested in and you could contribute to that committee, please let us know and then that's absolutely welcome. It is a commitment of time and there are a lot of materials to read in the process, but it's a really valuable contribution to the agency and well worth doing, so please always keep that in mind. Once a scored vendor selection is made by that evaluation committee, then the contract is prepared by purchasing. Any contract over a \$100,000 is reviewed and approved by the Board of Examiners, which is chaired by the Governor. Contracts under that amount are approved by the Governor's finance office.

So if there are no questions about that, we'll move on to the RFPs themselves. The first is for a destination development facilitator. We need an experienced facilitator to run communities, stakeholder workshops, for our destination development program. As you know, that's new within our strategic plan and we really don't have anyone on staff with that specific skillset, and it really is a skill to solicit public input within that context. We've been awarded \$1.6 million by the EDA to augment that program funding and we'd like to subaward for tourism projects in the next two years. We're planning to hire a destination development position, a Travel Nevada staffer, but a statewide assessment of projects is a big undertaking and we really feel like a facilitator would enhance the overall program and expedite it. So what we have here is the development form, which kind of launches the RFP process itself. The contract limits will be \$250,000 for the contract term. Our typical contract term is two years and then we have an option to re-up the contract for another two based on evaluation and meeting all of the established benchmarks that are established within the original evaluation, and the project overview is detailed here. I think what I'll do is I'll go through all three of the RFPs and then take any questions at the end, so let's move on now to our economic impact study RFP.

Travel Nevada reports on tourism economic impacts in every county statewide, so we really feel like this data, the work provided by this consultant, is something that each of our tourism partners benefits from, lends information and insights into economic decision-making and of local agencies and businesses and really, this arms us with all the information we need to let everyone know that tourism in every community is important, so the contract amount for this RFP is \$350,000, again, a two-year term, and the project overview is detailed. Kyle Shulz is the manager of this contract. He's available for any questions related to this one.

We'll move on to our integrated marketing agency of record. This is the largest contract we issue by far, contract or set of contracts. We solicit for agencies of record in the areas of brand and creative development, media buying, and PR/communications. Historically, we, Travel Nevada, has contracted with one agency of record for marketing services. In recent years, we've separated that into multiple contracts in different service categories and this one is structured to allow the evaluation committee to award a single vendor in more than one service category if they outscore competitors in those areas, so the entire contract amount for two years is \$25 million, which is a large sum, but when you consider that in a normal funding year, our entire department budget is \$26 million, Travel Nevada's expenditures through these contract would normally be between \$12 and \$15 million, so that's how we arrive at these figures and that would

encompass all three contracts. So again, the details of the scope of the contract are in this RFP development form. Our chief marketing officer will supervise this contract, Mikalee Byerman, who is here today. Are there any questions related to any of these? Commissioner Pazina.

PAZINA: Thank you so much. I imagine a lot of work went into getting these ready. My question was in regards to the economic development one. You had mentioned two years, but it looks like that's from July 1, 2 -- 2023 through June 30th, 2027. So would that \$350,000 then be split over two or four years?

SCOLARI: Commissioner Pazina, I think that's an error.

PAZINA: Okay.

SCOLARI: Oh, okay. I think for consistency sake, we need it to be two on each, so --

PAZINA: Okay.

SCOLARI: -- it is an error. We'll change that to just be a two-year limit on the contract.

PAZINA: Thank you.

STOLDAL: Brenda?

SCOLARI: Commissioner Stoldal.

STOLDAL: Just along the same lines, do I understand correctly that to go to the BOE, it needs to be above a \$100,000? Is that annual or is it just for the, for a particular contract? In other words, if you've got \$75 one year and \$75 and it was a two-year deal, does that put it above or is -- help me understand that.

SCOLARI: I believe it's for the two-year limit. Yeah, the entire contract.

STOLDAL: So if it was a three-year period at \$50,000 a year, it would still go to the bureau of examiners.

SCOLARI: That's correct.

STOLDAL: Great. Thank you.

SCOLARI: Commissioner Harris.

HARRIS: Thank you. Quick question regarding the process of this. I've seen a lot of states that go through an economic development and other RFPs when they go to report out on the results of these, they don't often match with the destinations that they're doing. How is that integrated in the approach of these RFPs so that the state and the actual destination speak off the same page?

SCOLARI: I'll let our research manager, Kyle, speak to that.

SHULZ: Yeah, thanks for the question, Commissioner Harris. Typically, how we handle the economic impact analysis, whatever vendor we work with, they use the data that we have available to us. So, for fiscal data, they use room tax collections, which we get from the state. For visitor volume estimates, we use the visitor volume estimates from the LVCVA and the RSCVA, so those are already integrated into the study and similarly, other metrics from the LVCVA and RSCVA are incorporated into that too, so we are all speaking roughly the same language.

SCOLARI: Commissioner Wadsworth.

WADSWORTH: I just have a question on the economic development one. Within this RFP, I see this where it talks about different figures where there'll be reported from, so you have the five predefined regions and the 17 counties. Where would the tribal nations within the State of Nevada be included within these defined parameters of this study? So, I think it would be impactful if the tribes could be included somewhere within the study or myself as the Nevada Indian Commission -- any way to facilitate that or even with Stacey Montooth, our executive director, as well.

SCOLARI: All 27 tribes are accounted for within the Indian territory, which is one of the six territories listed. I don't believe there is any individual tribal economic data, but I think statewide, there is. Kyle, is there anything additional you'd like to add to that?

SHULZ: Kyle Shulz for the record. It's a good question, Commissioner Wadsworth. Historically speaking, we haven't produced any profiles or any sort of specific economic impacts related to the tribal territories but that's certainly something we can include in this RFP going forward. Whatever data we can get our hands on, we can work with you on that as well. That can be incorporated into the scope.

SCOLARI: Thank you, commissioner. Any other questions?

MUN: Okay. If we don't have any more questions, I believe we need a motion to move to approve proceeding with the destination development facilitation, integrated agencies of record and economic impact RFPs. Is there a motion?

CONTURSI: Donald Contursi for the record. I second the motion.

MUN: Do we have a second?

HARRIS: Second.

MUN: Okay. All of those in favor, please say, aye.

WARD: For the record, Harry Ward --

MUN: Oh.

WARD: -- Deputy Attorney General. Just so the record's clear, we had a motion and a second, correct?

MUN: Yes.

WARD: Thank you.

MUN: Okay. All those in favor, please indicate by saying aye.

MULTIPLE: Aye.

MUN: Any opposed? The motion carries unanimously. Okay. Now we can move on to agenda item G –

WARD: For the record, Harry Ward, Deputy Attorney General. Excuse me. I'm sorry, Vice Chair, but just for the record, it was not unanimous. I know Commissioner Murdock is here, but we do have one missing, so we did not have a unanimous vote.

MUN: I'm sorry.

WARD: But are we missing Commissioner Hill? I apologize if we do have a --

SCOLARI: We are.

WARD: -- full commission. So we don't have

SCOLARI: We are missing Commissioner Hill. That's correct.

WARD: And if he was a voting member --

SCOLARI: Commissioner Murdock is present.

WARD: I know and for the record, we want to let the record know that he is present.

MUN: Thank you. Okay. So, I'm sorry. I misunderstood. Since Commissioner Hill was not here, I didn't think that I had to indicate that it was unanimous without him, but now I know. Thank you. Okay. Now we can move on to agenda item G. This is the review of the Travel Nevada marketing grants. Hello, Ms. Bombard. Nice to see you.

DAVIS: Nice to see you too. Good afternoon, Madam Vice-Chair and members of the commission. It is so nice to see you in person. For the record, my name is Shari Davis and I'm the Rural Programs Manager for Travel Nevada. It is my pleasure to present to you the fiscal year 2022 second cycle rural marketing grant recommendations approved by the Territory Advisory Committee consisting of our territory chairs with Rural Commissioner Jane Moon, Chief Industry Development Officer Anton Eckert and Industry Programs Manager, Christian Passink as advisory members. In this cycle, we received 102 grant applications requesting \$983,000,748.25 in funding. We only had \$760,000 to distribute, so \$223,748.25 had to be cut or denied. Ninety-one grants are recommended for funding. I began, as I typically do, by sorting the grants into categories so they can be compared side-by-side and then I reviewed all the backup documentation. If anything was missing, applicants were contacted and given the opportunity to submit additional backup quotes or information. Each grant was read completely, and ineligible projects or portions of the budget were cut out immediately. Quotes were reviewed to see where cuts could be made that would still allow the projects or portions of the projects to be completed and when the return on investment

seemed similar for applicants with multiple projects, those applicants were contacted so their priorities could be taken into consideration when determining which projects should be cut or denied. Once that was completed, the amount left to cut was determined and then the projects with the lowest ROI were cut or denied until the correct total was reached. If there are no questions, I'm assuming there probably are though, I respectfully request approval of the fiscal year 2022 second cycle rural marketing grant recommendations.

MUN: Do we have any questions?

PAZINA: This is Julie Pazina for the record. Just to comment, Shari, you and the Travel Nevada team, the entire committee that works on this do such an exceptional job every single time. I read through every one of those that comes in on our packet and looking at all those projects and having to make those decisions is so challenging and as I shared with you earlier, I'd also like to say for the record that I am so happy that trade shows are back in the budget, so thank you so much for all of your hard work.

DAVIS: Thank you so much.

MUN: Cynthia Mun for the record. I agree with Commissioner Pazina that this is a lot of work and you do an amazing job every time we meet in the commission, so thank you so much for all that hard work. I do have, on the other hand, a request that it would be helpful for, for me to understand where the money's being allocated in terms of categories. Is there –

DAVIS: There is. I actually do have that information. Let me pull out of my giant binder.

MUN: Ah, thank you.

DAVIS: Just so you know, this is how many pages I read, so it is time-consuming for sure, but I do have it divided into categories loosely based on the budgets themselves. As the applicants complete the applications, they put data or numbers into the budget and so that's what these are kind of based on, so by far the highest expenditure is actually print, which was surprising but I also would like to point out that 95% of these print projects also include a digital component, so when they are advertising in these various magazines that seems to be the norm, the standard now that there is a digital component to that and print also includes brochures as well as distribution and that distribution, like going through Certified Folder and all of that, also includes a digital component, so it says print, but I believe that's also a bit of a misnomer because it does include a digital component as well, so I did want to point that out. There's also \$118,300, so that equals 22.69% goes to print. There's also 15% approximately for digital in general, so that includes SEO and all of those sorts of things, TripAdvisor things, all sorts of geo-fencing, well, all of the digital things. \$61,000 went to events, which is really exciting, so that's 6 or 8% of the budget. Yeah, it's really interesting to see where it all goes and I can actually send this out as well so that you can see this and it is something that Anton is working on, to go back historically too so that we compare what happened in 2019-20 and go moving forward as well so we can see how those things are changing and then see if there's areas that we need to maybe encourage them to -- our applicants -- to look at different things, which we did do in the past through the budget. We actually changed the application itself to reflect more

categories so that they could use it almost for inspiration instead of just putting in their numbers so that they could begin to think of other ways that they could apply for things and market their destinations. So, I'm trying to think what else. Oh, shows and missions, 10% is going to shows and missions, so \$78,148 and that includes some people who are doing things on their own, such as Las Vegas Territory, and then also several who will be partnering with Travel Nevada so that they can attend things that they do with us. So television, it really is just video, \$71,000 was video and then, of course, website too. I'm sure you noticed on there, there were several website redevelopments and those sorts of things as well, so quite a bit, but I can say –

MUN: That's great information. I really appreciate that. I think it helps us kind of gain a bigger picture of how the money's being spent in terms of, is it marketing? Is it operations? You know, in terms of, just like you said, a huge portion is going to print in terms of marketing, so as we look at how they're developing over time, it's a good marker to have. I mean, I know this that you do here takes an enormous amount of time and I feel guilty asking you for a little bit more but I think for the bigger picture of how we want to look at, historically any of that information, it's easier if you had some categories of whatever things these things are, so thank you so much.

DAVIS: Absolutely, and what I would like to request is when we go through, I can pull data from our system and I'm optimistic that we will be able to pull that out based on what they have put into their budget and then it will be just a report that I pull and really doesn't even include any more work on my part. But I can include this from now on. If that's something that you'd like, I can just attach it to the recommendations at the end through categories and I think that would be helpful.

MUN: That would be great because if we had some standardized categories of what those are, then we could at least go back in time or go forward and see how those things change, because then at least we can advise strategically in terms of how things could change or if there's something that we could help with.

DAVIS: Absolutely. Thank you so much.

MUN: Thanks.

DAVIS: Are there any other questions?

LAGAN: Vice-Chair, this is Jill Lagan for the record. I just wanted to ask if we will be doing this vote individually by each territory so that those of us that have a grant project might be able to abstain from that particular section?

MUN: Yes. I'm getting the thumbs up from Mr. Ward.

LAGAN: Thank you.

MUN: All right. Do we have any other questions? All right. So, a motion is required and I believe, do we have a motion?

PAZINA: This is Julie Pazina for the record. I would like to make a motion to approve the fiscal year 2022 Second Cycle Rural Marketing Grant Recommendations as presented December 2nd, 2021, for the Cowboy Country Territory.

MUN: Do we have a motion to second?

ESTIPONA: This is Edward Estipona for the record. I second.

MUN: Okay. And so let me get this straight, Mr. Ward. I have a question. So we are going to take the vote by territory? Is that correct?

WARD: For the record, Harry Ward, Deputy Attorney General. Yes, Madam Vice-Chair, that's what we're going to do and that would be acceptable and any of those that would like to recuse themselves, they would state on the record why they're not voting.

MUN: Okay. So then I will need a list of the territories so I don't forget. Yes. Okay. So, all of those in favor, please say aye.

MULTIPLE: Aye.

PAZINA: This is Julie Pazina for the record and I would like to make a motion for fiscal year 2022 Second Cycle Rural Marketing Grant Recommendations as presented December 2nd, 2021, to be approved for the Indian territory.

LAGAN: Jill Lagan for the record. I second.

MUN: And all those in favor, please say aye.

MULTIPLE: Aye.

PAZINA: And once again, this is Julie Pazina for the record to approve the fiscal year 2022 Second Cycle Rural Marketing Grant Recommendations as presented December 2nd, 2021, for the Las Vegas Territory.

ESTIPONA: This is Edward Estipona. I second.

MUN: We have a motion and we have a second. All those in favor, please say aye.

LAGAN: This is Jill Lagan. Please, I'd like to recuse myself for the record.

MUN: Okay. Excuse --

LAGAN: Would you like me to state why?

WARD: For, for the record, Harry Ward, Deputy Attorney General. That would be correct and I know on our previous votes, we had a vote in favor. I did not hear any oppositions on that, so the record would reflect there were no oppositions and up until this vote, we've only had one recusal. That's for the record.

MUN: Okay.

WINDBIGLER: Kristen Windbigler for the record. Sorry, I was waiting for an opportunity during Cowboy Country, but I would also like to recuse myself. My organization, the Western Folklife Center, has a proposal for consideration.

MUN: All right. Cynthia Mun the record. The recusal is accepted and then all those in favor, please indicate with an aye.

MULTIPLE: Aye.

MUN: Any opposed? None? Okay.

PAZINA: This is Julia Pazina for the record. I'd like to make a motion to approve the fiscal year 2022 Second Cycle Rural Marketing Grant Recommendations presented to us on December 2nd, 2021, in regards to the Nevada Silver Trails.

ESTIPONA: This is Edward Estipona. I second.

MUN: We have a motion and a second. All those in favor, please indicate with an aye.

MULTIPLE: Aye.

MUN: Any opposed? None? Okay.

PAZINA: Hello again. This is Julie Pazina making a motion to approve the fiscal year 2022 Second Cycle Rural Marketing Grant Recommendations as presented December 2nd, 2021, for the Pony Express Territory.

MOON: Madam Vice-Chair, this is Jane Moon for the record. I need to be recused.

MUN: Accepted. So we --

ESTIPONA: This is Edward Estipona. I second.

MUN: Okay. We have a motion and a second. For all those who approve, please say aye.

MULTIPLE: Aye.

MUN: Any opposed? None?

PAZINA: Hello again, Julia Pazina, and I'm making a motion to approve the fiscal year 2022 Second Cycle Rural Marketing Grant Recommendations in regards to Reno-Tahoe Territory.

HARRIS: Madam Vice-Chair, I'll need to recuse myself.

MUN: Okay. Accepted.

ESTIPONA: This is Edward Estipona. I second.

MUN: We have a motion and a second. For all those --

WARD: For the record -- excuse me. Just so he's identified, it's Commissioner Harris, correct?

HARRIS: Oh, just --

WARD: I didn't hear anyone on the record but thank you.

MURDOCK: Commissioner Murdock recuses.

MUN: Accepted. Okay. All those in favor, please say aye.

MULTIPLE: Aye.

MUN: Any opposed? There are none.

PAZINA: One more. All right. For our final motion to approve fiscal year 2022, Second Cycle Rural Marketing Grant Recommendations as presented on December 2nd, 2021, I would like to make a motion to approve the statewide recommendations.

ESTIPONA: This is Edward Estipona. I second.

MUN: We have a motion and a second. All those in favor, please say aye.

MULTIPLE: Aye.

MUN: Any opposed? None. So the motion is approved. Okay. All right. Next on the agenda is item H, Marketing Committee Report.

WADSWORTH: Hi, there. Commissioner Wadsworth. I had a question. Did that last motion include the Nevada Indian territory? I didn't hear that approved in the motions.

MUN: No, it did not. That one was, I believe, the very second one we approved was for the Indian territory.

WADSWORTH: Okay. Sorry.

KAWCHACK: Thank you, everybody. M.E. Kawchack for the record. Good afternoon, Madam Chair and members of the commission. I would like to give you a quick update of our last marketing committee meeting, which was held on November 18th. Chair Mun was part of that meeting, so she knows we covered a lot in the two hours, and today I will just cover items that directly pertain to our next action with the marketing committee. At that meeting, the committee agreed to explore some opportunities we have identified in new and emerging markets. So today we're going to start with the FY21 Integrated Marketing Effectiveness Study, which is conducted quarterly with Omnitrack. We took a look at awareness within our target audience and as a reminder, those are adults 21 plus who took an overnight trip in the last two years and located in the markets identified here. At the time of the study, we were considering the addition of new markets, so those were included in this study. Not surprisingly, our overall awareness was down. This is expected with a significantly reduced spend, such as we experienced last year. Notice that our owned awareness is up. This was also anticipated due to the efforts being focused in places with low or at no cost but it's still very good to see.

Looking at travel intent, we can see that those aware of Travel Nevada have a higher interest in visiting the state. That lift is also apparent in those planning though it is a bit lower, particularly in those longer-haul markets. However, this is a potential opportunity for us as we plan our future marketing efforts. So we're going to drill down across the board and there are certain markets that have a significant lift in interest among those aware versus those who are unaware of our efforts. Also worth mentioning is that these markets that are further away can be more heavily impacted by exposure to our brand campaign because it affects their perception positively by showing them things that they might not already know about Nevada or not what they expect. Again, this is an opportunity we'll want to explore in the coming months. Within our competitive set, we're also very encouraged. Though our spend was much less than many of our competitors, our recall was at least nine points higher than most of other Western states other than California, which has the highest recall, but in terms of interest, we're actually even competitive with California and again, ahead of those Western states. As we look at the next slides that will reflect our current campaign update, please keep in mind these takeaways. We're identifying markets where awareness has the greatest impact. We want to look at opportunities in new and emerging markets to move that needle from consideration to plan, and we want to capitalize on gaps within the competitive set. Overall, we want to focus on new and emerging markets with the highest propensity to travel to Nevada.

So in the spring, our creative agency, BVK, took a look at the competitive set to identify gaps in the market as we developed our FY22 plan. As part of that exercise, we really wanted to explore the landscape of freedom. We've talked about what this means, how it can mean rebellion. It can mean open space, and we really wanted to look at how it was relevant and how we could best differentiate ourselves coming out of the pandemic era. We see adventure and outdoors across the board, but we do see a strong focus on family and connecting, it has been a trend over the last 12 to 18 months as travel came back. We also reviewed where we could stand out. We don't see those competitors using that transformative mindset and it's something that we can really leverage in Nevada. Nevada's unique and quirky experiences continue to be a place where we can really stand out among our competitors. A deeper dive into the research behind this can be found in the larger marketing report available to you but this exploration exercise has a number of takeaways for us to consider. Consumers continue to seek connection while traveling, not only with their families but also by meeting locals, making friends, and even pursuing romances. The idea of spontaneity or openness is a big part of the freedom of discovery that is so much a part of Nevada, and it continues to be an important part of those traveling and making those travel decisions. Simplicity is also key here. We've gone through an era of restrictions and protocols and the stress that that brings. Travelers are really looking to relax and rejuvenate at this point and consumers also want to increasingly be seen as a traveler versus a tourist, so they're seeking to have this authentic local experience where they go. They want to stay in unique accommodations and have immersive experiences. We're also seeing what's been being called the Great Reset where after being confronted with the realities of pandemic and uncertainty in life, consumers are looking to reset their goals and redefine their life. They're seeking a fresh start and the ability to rediscover what they value and who they are and what's really important to them.

So I think the best way to sum it up is with this quote, "Travel has always been an excellent way to tap into people's sense of purpose and adventure and as the softer

characteristics supersede traditional aspirations like wealth, travel will need to evolve in order to emphasize not just its escape from traditional life, but its role in defining a new one.” We've refined our freedom value by leaning into the freedom of self-discovery. The pandemic has really caused people to seek new experiences, reset their priorities, and rediscover who they are and the freedom of self-discovery is more important to our travelers than ever before. As you remember, we reviewed our content framework and have further refined this as we launched an updated campaign this fall. These recommendations are top of mind as we move into the second part of the fiscal year. So at the start of this year's campaign, we wanted to capitalize on the disruption we saw in the marketplace over the last year.

We just walked through the messaging approach and now we'll recap how we applied changes with the markets and our mindset approach. Just a reminder, we began to redefine our markets and how we approach them from a budgeting mix and a tactical mix and this is how we broke our markets into established, emerging, and new buckets. The main differentiation for this fiscal year was to take our emerging and our new markets and really emphasize those on the upper funnel placements and then we shifted our core and established markets down further into the funnel towards what we call planner and adventurer to make sure if someone was booking, we would be in front of those people. The goal was to capitalize on disruptions in the marketplace and make sure we were spending our smaller budget more effectively. You may also remember that we ran an extension campaign that featured the existing assets from April to June as well as essential performers in those lower funnel planner to adventure phases. The short placement was to bridge the gap as we reset creative and still kept us in the market during months where the audiences were looking to book quickly and then our major flight kicked off in September. These are the places we're currently running -- from the more inspirational content in the dreamer phase, which is targeted to those new and emerging markets, and all the way over to the OTAs on the adventurers on the lower end of the funnel, which are essential to drive results. With the BVK team, we introduced refreshed creative leaning into that transformative mindset. We're already seeing an immediate uptick and click-through rate to the immersive landing pages hosted on our OTAs, as you can see here. Another update was we introduced campaign landing pages that were built with the marketing team in partnership with Noble Studios. The more seamless customer journey has so far resulted in a 137% increase in conversion rate and paid traffic over the last quarter of FY21.

So just to add onto the takeaways that we showed earlier, our next steps are to review the FY22 Q1 IME results, which were just received this week so we can compare that to what we saw overall the last year. Then we want to identify the market priorities and primary object -- objective for the additional Tier 2 spending that we've been approved to move to. We also plan to work with our integrated agencies to further iterate on creative and paid media opportunities. We're considering refreshed and enhanced landing page experiences to build on that success that we have seen so far and we're also looking to present that new direction in the spring to capitalize on opportunities in the new and emerging markets. The marketing committee has agreed to this plan and I look forward to exploring these new opportunities. I'm happy to take any questions. Our agencies are also on the phone if you have any questions for them and we can take a motion to proceed. It's not necessary because we will be coming back to you in March with a complete plan. Thank you.

MUN: Cynthia Mun for the record. Thank you so much, Ms. Kawchack. I was on that committee reviewing over, I believe, 230-something slides and presentations. It was incredibly thorough and impressive. In the past two years, we've gone through such a trial and it's been really heartfelt to watch the marketing team go through with the personnel changes and everything that's been going on and to still see how well we've done in the US as a whole for Nevada is just, in my mind, just amazing, but I guess you and your team have been that throughout this whole time, so thank you so much –

KAWCHACK: Thank you.

MUN: -- for all that you guys have been doing.

KAWCHACK: M.E. Kawchack for the record. Thank you so much.

ESTIPONA: Edward Estipona for the record. M.E., thank you and your marketing team for all your great work. Always great to see what you guys are doing. I have a question and this was an interesting thing that popped up, and I don't know if this is part of the emerging market that you guys are looking at, but people are starting to talk about van life. There's a lot of van conversions going on and, oddly enough, I was at a party yesterday and one of the things that was talked about is this colleague of mine got their van converted and actually went to Travel Nevada site and said it was awesome. I got an itinerary. I got to be able to figure out everywhere I wanted to go. I mean, we already have the assets built in, so I'm just wondering if that's been factored into figure out how to find those van people.

KAWCHACK: M.E. Kawchack for the record. Thank you, Commissioner Estipona. That is something that we explored originally with our campaign. That's a lot of our creative. We have explored that but that is something that we can look at as we move into the spring. I think that that's happening a lot. I know that we worked on that for some of our Earned. We were discussing that. It's really hard to find Wi-Fi in Nevada, which is one of the things -- right now, there is a trend that people can work anywhere. Some of the more remote places, it's a little bit difficult but hopefully all the broadband changes that are happening will help with that. So, thank you.

ESTIPONA: Thank you.

MUN: Any other questions? Comments? All right. Since a motion is not required, we will move on to item I, which is the Industry Development Report and it's for discussion only.

ECKERT: Good afternoon, Madam Chair and commissioners. It's great to see you in 3D because I've only seen you before on a screen, so I'm happy to be here. Antonette Eckert for the record and I wanted to give you a quick update on the travel trade efforts and industry development progress that we've had so far. Domestically, because obviously international has been impacted, our strategy -- next slide, please. Our strategy has been to layer, audit, and partner, really looking to extend the marketing efforts, as you heard M.E. present, focusing on target markets that's been identified in the marketing effectiveness study, looking at trade shows and co-ops, and trainings with our operators that we work with. Another big project we're working on is a product audit and looking at developing those products for people who are doing van life, but also just to get a

better understanding of what products is actually bookable on distribution channels that are out there, so on the GDS platforms, Bed Banks, and OTAs that are out there. The other part of this strategy is looking at partnering with Western states. We're already working with Arizona, for example, looking at some of the state parks that people may visit in two states as part of that program. Next slide, please, and the next one. So, in part of looking at what we were going to do internationally from that perspective, working with Kyle, we looked at visits and spend, and when you compare 2019 to 2020, when things started to go south, the positions between the markets changed a little bit. They remained -- the top five or six remain fairly the same and so that was kind of how we looked at it in terms of how we were going to reapproach international marketing. Next slide. So 2019 was relatively a good year with pre-COVID, 10% of the total visitation was international and 16% of the spend was international. We saw, however, that drop to 80 and 81% respectively and so we looked at it in terms of how can we extend length of stay and go beyond Las Vegas when travel returns. So another -- next slide -- the other numbers we looked at is knowing that Las Vegas is the gateway to the rest of rural Nevada, as well as Reno, the data we had was on Las Vegas, so just taking a look at that, and here you see Mexico, for example, is one of the markets who actually get out into rural Nevada. The percentages are quite small, so our goal is really to grow these percentages by these markets we have here that are our top markets. When we looked at recovery for -- and this is all of Nevada -- in terms of visits compared to 2019, and 2024 is really what is projected for the global recovery and here you see in 2023, Canada, Mexico, the 2019 numbers will be met in -- with Canada and Mexico by 2023 and when we look at spend, the number, it shifts a little bit different. Mexico coming back a lot sooner in 2022, which is great, with Canada, so those are our top two markets, and you see Brazil and Japan by 2030, which actually Japan never really recovers to the 2019 numbers but it is further down the line, so our goal for international, our reboot, is really a phased approach. As we're building back our budgets and the border is reopening, of course, with Omicron now, this is still a state of flux as it relates to recovery, so we just keep an eye on that. We also need to look at the markets and the changes in travel, travel attitudes, and booking preferences. Booking windows are getting shorter. Time away from home is getting longer and so in the van life again, but that is an opportunity for us to look at long and short-term strategies and also seek out new target audiences and, I always also believe in using other people's money and so we'll look to partner with other states as well as it relates to reaching out internationally because it is going to be a very, very competitive marketplace.

So in our tiers, this is how we broke out the tiers, Tier 1 being that early projected recovery. There is convenient and direct airlift from Reno and Las Vegas. Familiarity with Nevada is high as well as the propensity to do repeat travel and the desire to visit rural destinations and with that, we look at Mexico and Canada, which we have restarted those contracts. In Tier 2, really Europe and Australia. Las Vegas just launched -- British Airways just restarted their flight into Las Vegas, so that's a great opportunity for us there and to London, but for now, it's really Mexico and Canada as well as that travel direct into those destinations. They are familiar with Nevada. They do have a high spend and there is that propensity to extend beyond Las Vegas because people in those countries also have a longer vacation time. In Tier 3, this is our most risk-averse travelers, usually in Asia. Their numbers are low but their spend can be high. They're not as familiar with the state and I believe there is a huge opportunity to work with receptive operators in those markets who can help potentially position Nevada for those specific cultural differences that they may have. And next slide. So this is our

phased approach. As I mentioned, we're back on with Canada and Mexico, restarted in October and November, Phase 2, and these dates can be fluid. As I said, we still need to watch this. If there is an opportunity, we'd love to start the UK, Germany, and Australia a little bit earlier before the end of the fiscal year, but again, we'll have to see how that looks and then Phase 3 further out potentially, France and Canada (*sic*: China) still big question marks. As I mentioned, there is a lot of opportunity to reach the other markets, the other international offices we used to have, however, I believe that, for example, in Korea, Japan, Brazil, and India, the numbers are low to devote to an in-market office and I feel that we can re-spend that money in other ways. For example, we can, with Brand USA, we have a LOA with them and we can use that to drive that inspirational message to those markets. We can work heavily with the US-based receptive operators that serve these countries. I did a lot of work in Asia; the Japanese worked with Japanese operators. The Koreans work with Korean operators. They don't intermix and a lot of them are based in LA. So there's a lot of opportunity, I think, there to focus on the product development first, and then in the future, if there is a lot of product out there in those markets, then we can go back into those offices. Other cost-effective ways could be, for example, social media. India is a very fragmented travel trade market and they are very young and used to social media, so there could be a social media campaign, again, an easier way to reach that target without having to have an office and pay for administrative work from a company out there and we, as I mentioned, we're really working with receptives, so our receptive strategy is really to re-establish our relationships with all of our partners. We are not yet sure what the impact has been to a lot of those staff that we to work with. We definitely want to help reeducate them what's available and also want to increase all the Nevada products that we can that they have and help them using the road trips to kind of connect the dots in terms of those itineraries.

So this audit that we're doing is a big piece of the solution to that, and the next slide, this is a list of the programs that we put out there, so we created a two-year calendar. I think it's important for our people to have an understanding of what we're doing for the next two years, so as they look at grants to apply, they can plan ahead as well. The ones in green are the ones that we have open for co-ops and we did get a couple of grants, as you saw, applications around that. We will look at doing a Canada and Mexico mission in the spring. Canada will be limited to five because of their COVID rules on that end. and that really focuses on the receptives again, just really making sure they're educated on Nevada product.

From the industry development side, we are looking at developing an online training platform for the travel trade. Many other destinations have this, and it is quite competitive again for people to have to go and take another training program, but our goal really is to have an online one-stop digital resource that the trade can actually go to find the latest information about Nevada and all of our products, and so really looking at engaging with them and having a strong relationship with them for quality over quantity on that one. So the expectation is not to get thousands of agents on there. We really want to get the ones that are working with us and the second part of this, using a similar platform or the same, creating an ambassador program and this is really for our industry and making sure that we help educate our partners with updates, focus on how to be more welcoming, really have this knowledge-based resource for them to also go and get the information. I've sat in a lot of territory meetings and director's calls where everyone's giving their updates and it'd be great to just have all that information in one

place where someone can then go search for it. And here, really again, looking to engage those with frontline staff and volunteers, DMOs, chambers, anyone who wants to learn more and we even thought our vendors should also be taking it, but that's my opinion and the goal here is to kind of launch this in this early next year and by the next commission meeting, I'll have a report on how that's going. And there's a lot of other information in the appendix if you need.

MUN: Thank you so much. I do have a question though. Can you tell me, is a receptive an organization that has tourists come to them and then tour operators work with them?

ECKERT: So it's -- yes, we're actually -- we're going to have a panel on this also at Rural Roundup. (Short commercial there.) So receptives, basically, when you think about it, they receive visitors. Sometimes the wholesalers in other markets have created packages and they are sending them to the receptive who then has all the contacts and knows that they have contacts at the hotels and the attractions, and they can help put those programs together or set them up. Receptives also act as wholesalers, so they can be creating the package, sending it back to the other country, and telling them to sell it, and then serving that when they come, when they land.

MUN: But they're never in contact with the actual tourists.

ECKERT: No. Only when they -- the people we work with, maybe not, but the bus drivers obviously, if they've chartered buses, would be.

MUN: Got it. Okay, great. Thank you for the clarification. That's very informative. Do we have any other comments?

CONTURSI: Donald Contursi for the record. The online training platforms, have you fleshed out or thought about how that would stay up-to-date as things change and to keep everything, you know, up-to-date?

ECKERT: Yes. For the travel trade training -- Anton Eckert for the record -- most of that will be evergreen. We do want to have a section that's going to be what's new and, and probably have either, might be, every other month or quarterly update on what's happening, so the lead time that we're going to -- this is important for us when we get information from everyone, making sure they have enough time. From the ambassador side, it will be a lot more engaging. We'd probably do it every month for sure in terms of updating.

CONTURSI: Thank you.

MUN: Do we have any other comments or questions? Well, welcome. It's great to see you in person.

ECKERT: Thank you.

MUN: All right. I think then we can move on to item J, which is the Nevada Magazine.

SCOLARI: Commissioner Mun, and I just want to quickly preface Carrie's presentation with a little history. For the record, Brenda Scolari. As many of you know, Nevada Magazine by law

and Nevada statute is an enterprise fund, which means it's meant to be self-sustaining as a business and like so many publications over the last decade, it's been struggling in regard to readership and ad revenue, struggling to meet its operational goals in regard to that and there's been a great effort for it to move its content and advertising base to a digital platform but still struggling. It's been an ongoing concern for Travel Nevada, for the department, for the fiscal committees in the legislature and meanwhile, Travel Nevada had a contract with an outside consultant lapse in regard to a production of a visitor's guide, so we have come to a mutual solution that we think is a win-win, which is to have Travel Nevada budget up to \$300K annually to ask Nevada Magazine to produce four seasonal visitors and magazine products. So it will be kind of a new product, a mashup of both forms. It will have some long-form content that will be more of a traditional magazine read when that's appropriate, but will also have the kind of trip-planning resources that a visitor looks for in a guide, so this is Carrie Roussel from the magazine to tell you more. Thank you.

MUN:

Great. Welcome, Carrie.

ROUSSEL:

For the record, Carrie Roussel, Customer Relations Manager for Nevada Magazine and Visitor Guide. There are six of us on our team and I handle advertising subscriptions, newsstand circulation, rack distribution, sales, shipping, customer service, and the calendar project every year. I'm standing in today for Executive Editor Megg Mueller, who is traveling in Southern Nevada with our associate editor this week, gathering content for eight or nine stories that we plan to run in the remaining three issues throughout 2022. I'm here to update you on the format and business model change. In 2022, we will merge Nevada Magazine and Travel Nevada's visitor guide to become Nevada Magazine and Visitor Guide, a new combined publication that will be printed quarterly and distributed free of charge. Page count will increase to 128 from 96 with a total print run and distribution of 40,000 copies per quarter. The new publication is created and produced by Nevada Magazine staff and we are paid for the production and the editorial by Travel Nevada. Along with that new revenue source, we plan for the 350 to 400% increase in distribution to help us open our advertising revenue to significant new opportunities. The new product is an exciting mix of essential Travel Nevada brand pillars, such as Road Trips, Sagebrush Saloons, and Weird Nevada, along with deeper dives into history and adventure that Nevada Magazine is known for. Going quarterly allows the new product to give readers more information on topics they care about most, which are outdoor recreation, arts and culture, dining, and family-friendly activities. The guides will have a seasonal tone, but we'll hint at the wealth of opportunities that exist when visiting Nevada all year long. Las Vegas and Reno will be included in each guide via multiple channels and now we have the space to speak about rural communities in greater depth. Throughout each issue, we let readers know that there are now four issues each year and how easy it is to sign up for them and receive them for free.

We have some images, so if I can direct you to the screen. We have some comparison images to show the difference between the layout of Nevada Magazine and what this new piece has turned into. The first screen shows the difference between the table of contents. You see the magazine had just one page with larger feature stories while the Nevada Magazine and Visitor Guide has many more items without as many long-form content pieces. The second slide shows how we have expanded our upfront section into what is now a multiple spread section called Nowhere But Nevada, which provides for a

bit more elaboration on things specific to the Silver State. The third slide shows a comparison between a previous feature story and an upcoming article on the Earp brothers. As you can see, we went for a cleaner and more approachable design with more calls to action. In this case, the reader is provided tips on becoming immersed in Goldfield with a QR code to access the walking booklet map, along with the suggestion to sign up to become a member of the Goldfield Historical Society. As Brenda mentioned, we do have digital subscriptions available for sale and those are on the rise. A digital sub includes access to everything on our website, including web-only content and an archive of every single issue of Nevada Magazine ever printed available in a PDF format where you can actually turn the pages and download it to your device. So we really like to highlight that as such a great archive of information. As you can see, we were able to fit so many great ideas into these new extra pages, and we have many more things planned. Joining forces with the Travel Nevada content and marketing team has been a great move and I think everyone on both sides agrees. The first issue is essentially ready with final proofing and edits as well as ad placement happening right now and as I mentioned, content is already in the works for the remaining issues and I think everybody's having fun and we're making huge strides forward with this. So we look forward to sharing the first issue, which will be February- March-April '22 issue, and that issue of Nevada Magazine and Visitor Guide releases February 1st, and if you have any questions, I'm available to answer them.

MUN: Thank you so much for that information. It's very exciting. I do have a couple of questions. If you're online, how much is the subscription?

ROUSSEL: You mean the digital subscription?

MUN: Yes.

ROUSSEL: It's \$9.95 a year.

MUN: \$9.95 a year. Oh, that's great. And then if someone were to try to advertise, what would the lead time be since it's a quarterly?

ROUSSEL: Uh --

MUN: For, like, events since, it's -- how long in advance?

ROUSSEL: Yes. So I have that right here. So for the, for the upcoming issue, the deadline for the February-March-April issue was yesterday, December 1st. So the deadline is December 1st. We send files to press the first week of January, and then it releases in February, so about two months out, although I start working on things about four months out because I need to connect with people and provide people information and email them and re-email them and make sure that they have time to plan it into their budget. A lot of the -- also Carrie Roussel for the record -- a lot of the rural industries, plan on being in, so I just continually work with them and then as soon as their contract is about to expire, we, we work on that in advance, but for a brand-new advertiser, I would say three months in advance.

MUN: Thank you. I love the QR codes. Do we have any other questions or comments?

MOON: I do have a comment, Madam Chair, if I may. Carrie's very accessible. I can attest to the fact that she calls and she helps plan and she makes sure that the advertisers remember, and she works with us as best as she can, so I do appreciate that and I am looking forward to the new format of having almost a visitor guide every two -- three months rather than just once a year, so I think in terms of at least the rural communities being more visible in those additions in those three times, four times a year, I think that will be a lot more productive for us, so thank you.

ROUSSEL: Carrie Roussel for the record. You're welcome, Jane. Thanks for saying that. I do really love it and I love to also place the ads in appropriate locations. We have all this great content, so to place the ads near that or reiterate something that we said in an earlier part of the magazine is super fun, so that's, that's fun for me also.

ESTIPONA: Edward Estipona for the record. Just to clarify, you may have said it but I didn't hear it. So are the existing subscribers to Nevada Magazine, are they still going to get the printed four times issue or is that just going to go into hotel rooms and those people will be moved to digital?

ROUSSEL: Carrie Roussel for the record. Anyone that was an active subscriber for the fall '21 issue will automatically receive each of the four issues that we produce in 2022. Anyone that was expired prior to that issue, which I have a lot of -- because we stopped sending out renewals because we didn't want to receive money for something we were giving out for free -- anyone that was, was expired during that time has the opportunity to go on to TravelNevada.com/guides and request that those issues get shipped to them. Many of my subscribers don't have access to a machine, as they call it, or online presence, so they'll call me and then at that point, I'll open up that webpage and enter the information and have those issues sent directly to them for no charge.

ESTIPONA: Thank you.

MUN: I've got -- Cynthia Mun for the record. Just to clarify, so if I don't have a machine, I still want the magazine, I can subscribe even though -- and pay for shipping? Is that what you're saying?

ROUSSEL: Carrie Roussel for the record. No, it won't be a subscription so to speak. It will be a request to receive the guide as if you were a consumer calling the Travel Nevada phone center and asking that the guide be sent to you but there will be the option to call and request one guide be sent to you or all four guides be sent to you, so it won't be a subscription. You'll just be entering your information to receive the product.

MUN: Got it. And that's just open to anyone who wants it.

ROUSSEL: Carrie Roussel for the record. That's correct. Any previous subscribers, anyone interested, anyone who also wants to meet their brother in Las Vegas or Elko, you can go onto the website or call the number, which is my number, and enter your own information and request whatever guide or guides you want, also, any other person that you want to receive the guide or guides.

MUN: Right. Thank you.

ESTIPONA: Edward Estipona for the record. So on the digital version, is it an interactive digital version or is it just a PDF? What type of format is that coming in?

ROUSSEL: Carrie Roussel for the record. With your digital subscription, you get access to everything on our website. So the website, if you are not a digital subscriber, you can go and you can visit one or two or three screens, three or four screens before a pop-up window shows up and says that you need to subscribe and so when you are a subscriber, you enter your information and you can go and you can view any story or any page on our website, and one of those pages is called Issues along the top and that takes you to a very comprehensive list of every single cover of every single magazine that we've ever produced and you can either -- for, for the current ones, you can click on 'read online' and that will give you the web version of the story. For the ones that we aren't as up-to-date with -- we didn't have on the web, the 1965 issue, for example, your option is to view as a PDF and then that pulls up a PDF of the entire guide that you can actually flip through the pages. So the PDFs are available for all issues. The web stories are available for the stories that we had on the web as a part of web presence.

ESTIPONA: So -- Edward Estipona for the record -- so to be clear, one of the coolest features that you get with the subscription is you have an archive to every Nevada Magazine issue since the beginning of time, which is pretty awesome.

ROUSSEL: Carrie Roussel for the record. Yeah, I think, I think so. I would say that that's one of the coolest things. I have had people look up their birth month or the very first one in 1936. I don't know if you know, but Nevada Magazine started out as Nevada Highways and Parks and it was a brochure that the Department of Transportation printed and passed out to tell people what new roads were available to travel and then, along the timeline, it eventually went to economic development and then tourism as a part of that educational component, but yeah, 1936, the very first issue, which we don't have a complete copy of. Ours is a photocopy, and so we're looking for that issue. If you saw in the magazine, there's an ad requesting that issue, that very first issue, but that one is available as a turning book, and you can see exactly where Nevada Magazine in its very original form started.

ESTIPONA: Edward Estipona for the record. Thank you. Also you just gave me a great idea. So M.E., think about this. Anybody who subscribes or has signed on to our site that they, under birthday, would get some awesome story about Nevada.

ROUSSEL: Carrie Rousell for the record. I did just want to mention one more thing as a part of the website. We do have a shop page, so if anybody's looking for Christmas gifts, that's available. We have the calendar and the book and t-shirts and so we have all of that available online as well and I ship them next day.

LAGAN: Carrie, Jill Lagan for the record. Can you elaborate on why we actually ask them to be a subscriber? Is that so that we can garner their email addresses, information, data, statistics, and if, if that is available for the different partners around the state, that information for us to potentially send our own individual information to as like a lead sheet?

ROUSSEL: Carrie Roussel for the record. Are you asking why we want people to become digital subscribers, Jill?

LAGAN: Yes, exactly. I mean obviously you're trying to collect their information. Is that for future purposes or is it just so that you have an idea of how many people are interested?

ROUSSEL: Carrie Roussel for the record. Honestly, we want them to become digital subscribers so that they can benefit from the wealth of information and the amazing collection of Nevada Magazines that we have available. We do capture information and use that as a part of our e-newsletters that we send out every year. I sell advertising in the e-newsletters and on the website and so every bit of information that we have increases our reach and increases the benefit to our advertisers, so I think that it's really comprehensive. We want to share what we have. We want people to know what there is to do. We want them to know the history. We want to collect their information so that we can collect their money and that we can collect money from advertisers and grow all of it.

LAGAN: Excellent. Thank you.

MUN: Any other questions?

CONTURSI: Donald Contursi for the record. The print format, will that remain the same size, 8-1/2 by 11, as previous years?

ROUSSEL: Carrie Roussel for the record. We adopted the size of the visitor's guide so that we can maintain ability to place in racks through Certified Folder display. They have a certain size, and we wanted to make sure that we could still fit into that. We, Nevada Magazine was just slightly larger, so our ad sizes have changed a little bit. The final piece has changed a little bit. As I mentioned, we went up 32 pages, so the magazine grows and I do believe that the previous version of the visitor's guide might have been four pages smaller, so the 2021 Annual Visitors Guide was 124 and we're now 128 pages, so slight different changes. People won't notice. Most people won't notice, although my subscribers will notice because they keep every issue on a rack so that they can go back and use them and see them, so they'll, they'll see this slight change in size, but most people won't.

CONTURSI: Donald Contursi for the record. So this will get distributed through Certified Folder and get into more hands?

ROUSSEL: Carrie Roussel for the record. Yeah, the increase in distribution for Nevada Magazine is 358% all the way up to 380% for magazine views and I'm working with Certified Folder to get it placed throughout the Western states and slightly beyond. We already have those in place and we've got the contracts in place and we're continuing to move forward with that distribution through Certified and one thing that's great about the quarterly publication is that we can adjust as necessary with our printer. We use Hudson Reprint in Utah and we have the ability to fluctuate numbers if we need to. They know that this is new for us and that if we need more, we can print more and so, yes, Certified Folder is our rack distributor.

CONTURSI: Fantastic. Thank you.

MUN: Any other comments? All right. Well, thank you, Carrie and thank you, Director Scolari for coming up with this unique idea strategy and I look forward to hearing more about its success, so, thank you. We are going to move on to the next item, which is K, which is to appoint an interim Vice-Chair. I'm currently the Vice-Chair and as you know, we currently do not have a Lieutenant Governor in Nevada and Kate Marshall was the Chair and to make it so, in the event that I am not able to attend meetings or for any event, I thought it would be best for the Commission to have an interim Vice-Chair, so I would like to, if there aren't any questions, I would like to appoint Commissioner Julie Pazina as the interim Vice-Chair and if there are no questions or comments, I would like to have a motion for this appointment.

ESTIPONA: Edward Estipona for the record. I would like to make a motion to appoint Commissioner Pazina as interim Vice-Chair.

MUN: Do we have a second?

HARRIS: Second.

MUN: Who was that?

HARRIS: For the record, Charles Harris.

MUN: Oh, thank you. So we have a motion and a second and for all those in favor of appointing Commissioner Julie Pazina as the interim Vice-Chair, please say aye.

MULTIPLE: Aye.

MUN: Any opposed? Okay. We have a new interim Vice-chair. Congratulations.

PAZINA: All right. Thank you so much.

MUN: Okay.

PAZINA: This is Julie Pazina for the record and I would like to point out that I recused myself from that vote and to thank very much Vice-Chair Mun and the entire commission because this has really been, in Travel Nevada, this has been one of my great joys and passions serving on this commission and thank you so much to all of you who worked so hard to make these meetings happen, so thank you.

MUN: Thank you so much. Our last item for action today is regarding upcoming meetings for 2022. Director Scolari has some suggested dates, I believe.

SCOLARI: I think we are going to survey for dates. I, of course, want to get the meetings on your calendar as soon as possible, but COVID circumstances notwithstanding, I also want to survey for our interest in holding commission meetings here in the chambers live or if you'd like to do some of them via Zoom, if that's more convenient. I also want to incorporate at least two commission workshops a year and I would love for those to be in-person and informal, so I believe what we'll do is survey for dates and then one of us will give you a call and we'll just talk to you about the other matters and get it all resolved as quickly as possible so it's calendared. How does that sound?

MUN: I think that's a yes from everybody here.

SCOLARI: All right. Very good.

MUN: All right.

SCOLARI: Thank you.

MUN: So, I guess we still need a motion, is that correct? No. Okay. All right. All right. So then I think those are all the items on the agenda, so before we wrap up today's meeting, do we have any other comments from the commissioners?

MOON: Madam Chair, if I may? Jane Moon for the record. I was trying to be very careful about the vote for the marketing grant, so I neglected to thank Shari Davis again. She works very hard for these grants and for our rural communities and all communities and everyone who is applying for a grant. She calls each and every one of the grantees, gets clarifications and knows basically the grants inside and out, so I really, truly appreciate you, Shari, for all that you do and all Travel Nevada making accessible the grant funding for this last cycle. A lot of us in the rural communities are not able to do what the larger communities can do, so we depend on these grants to be able to invite the rest of the world, and I'm going big, yes, the world, to our communities and to Nevada. So thank you very much, Travel Nevada, for all that you do and thank you, Shari, for always taking care of us, holding our hands and the rules. And I also want to say that in the time that we've been in this pandemic and still not having had in-person kind of meetings and such, I've talked to someone from Travel Nevada at least, if not every day, every other day, so you are there and I appreciate that in that you keep us together in our communities. Angie is probably someone I don't talk to directly, but secondarily through Shari and probably through M.E. and I have not yet met Mikalee. I think I've said that correctly. Yes. But every one of you sitting out there in Travel Nevada I speak to on a normal basis, so I thank you and I thank you for getting us through this pandemic, and I look forward to being with you and working with you as we open up to the world.

MUN: Thank you, Commissioner Moon. Yes.

PAZINA: Juliana Pazina for the record. I also wanted to second what Commissioner Moon said and really just thank Travel Nevada so much for all the hard work that goes behind these meetings, for all of the work you've done in the midst of a pandemic when there weren't as many team members to split up that work, so thank you so much to all of you and, Shari, just to, again, second what Commissioner Moon shared. I mean, it is just so much work that goes into the rural grants and it's one of the highlights I have, at least reading through all of the amazing projects that are happening around the state, so thank you so much everyone for your hard work, and it's amazing to be back in-person and see all of everyone's face, so thank you.

MUN: Thank you. Yes, it's been two years and thank you to all the commissioners who showed up in person and to the commissioners down in Las Vegas. Thank you for joining us and I think we are now ready for -- if there aren't any more commissioner comments? Nope. Okay.

WADSWORTH: Commission Wadsworth for the record. I have a comment. I would like to express the same sentiments as everyone else, you know, it's good to be here in person. I just wanted to express the same sentiments as my fellow commissioners on how it's great to be here in-person. I joined here during the pandemic, so it's great to finally see everyone in-person instead of being over Zoom and just to thank all the Nevada Commission staff on everything. But I wanted to make an announcement. I've been appointed to serve on the American Indian-Alaska Native Tourism Association Board of Directors for the Great Basin Region, so I'll be representing all of the 27 sovereign nations here in Nevada, as well as part of Eastern California, so I'm excited to begin my work there as well as being able to kind of be a liaison with the Nevada Indian Territory and the AIANTA Board of Directors as well as with, the State of Nevada and with AIANTA. I'm excited to begin working a lot closer with you guys as well, so thank you.

MUN: Thank you very much. Do we have any more comments from the commissioners? Okay. We can now move to any public comments if anyone is in attendance on the phone. Nope, we don't -- I guess we do not. Okay with that, I would like to ask for a motion to adjourn today's quarterly meeting of the Nevada Commission on Tourism at 2:46 p.m.

MOON: So, moved. Commissioner Moon.

MUN: Can I get a second?

PAZINA: Second. Julia Pazina.

MUN: All those in favor say aye.

MULTIPLE: Aye.

MUN: Anyone opposed? Great. We are adjourned. Thank you so much.

Meeting adjourned at 2:46pm