



MISSION – *To generate room nights for lodging facilities in the city of Billings by effectively marketing our region as a preferred travel destination.*

**BOARD OF DIRECTORS MEETING
NOVEMBER 8, 2012
CHAMBER/CVB BOARD ROOM – 9:00 AM**

- I Call to Order – Steve Wahrlich.....9:00
- II Public Comment on Items Not on the Agenda
(Comments limited to 3 minutes per speaker)
- IV Approval of September 13, 2012 Board Minutes - pages 2-3..... ACTION
- V Approval of Sept. & Oct. Financial & Variance Reports- L. Gleason - pages 4-5....ACTION
- VI Old Business..... 9:10-9:30
 - a. MetraPark Update- S. Wahrlich
 - b. TBID Board Vacancy- J. Brewer
 - c. Montana TBID Meeting- S. Wahrlich - pages 6-7
 - d. Randall Visit- A. Tyson
- VII New Business.....9:30-9:50
 - a. TBID Financial Review – Matt Schafer.....ACTION
 - b. TBID Incentives/Room Pick-up (AIANTA)- R. Spence
 - c. Air Service Incentive Policy- J. Brewer - page 8.....ACTION
 - d. PACE/Activity Reporting Policy- A. Tyson.....ACTION
 - e. CVB Lodging Tax History- J. Brewer - page 9
 - f. Hotel Parking Lot Security- R. Spence
- VIII Marketing/PACE Update.....9:50-10:00
 - a. Sports Report – A. Tyson - page 10
 - b. Staff Report- A. Tyson

Future Meeting Dates:

November 29-30, 2012 – Rise & Shine Breakfast & Strategic Planning Session w/Judy Randall
December 13, 2012 – December TBID Board Meeting
January 10, 2013 – January TBID Board Meeting

Managed by the Billings Chamber of Commerce/Convention & Visitors Bureau

**TBID BOARD OF DIRECTORS
MINUTES – SEPTEMBER 13, 2012**

Board Members Present: Steve Wahrlich (phone), Shelli Mann, Ginny Hart, Joyce Bratland, Ron Spence, and Ben Kerns

Board Members Absent: None

Ex-Officio member Present: None

Staff Present: John Brewer, Jennifer Reiser, Alex Tyson, Tom Krause, Kelly McCandless, Caitlin Hall

Others Present: Cheri Milne, Erin Kennedy, Chris Frye

Call to Order

Shelli Mann, Vice Chair of the Board, called the meeting to order at 9:00 a.m. in the Billings Chamber of Commerce/CVB Board Room.

Public Comment

None

Presentation

Steve Zeier, City of Billings Tax Increment Finance District Coordinator, presented information on the hospitality corridor planning study. Two planning studies are currently being conducted. One is the exposition gateway planning study, which is the entryway to Billings from Lockwood/METRA and includes county "islands." The other is the hospitality corridor. Draft plans should be available in 9-12 months followed by long-term implementation.

Approval of Board Minutes

Request for a motion to approve August 9, 2012 Board Minutes.

MOTION: Joyce motioned to approve the minutes; Ginny seconded; Motion carried.

Approval of Financial Report

John presented the August financial report. Variations in timing due to the insurance premium being paid early and DMAI professional expenses have affected finances. Opportunity includes Energy Day at MontanaFair, and Judy Randall's visit. Tom has been invited to attend an invitation only trade show with Big Sky.

MOTION: Ron motioned to accept the report as presented; Ben seconded; Motion carried.

Old Business

Randall Update

Alex has suggested several dates for Judy's next visit. She is waiting for Judy to confirm so that we can schedule the TBID Board strategic planning session along with a tourism Rise and Shine.

Airport Meeting

Staff continues to work with Tom Binford. Items of discussion include international signage, 2013 runway closures, welcome messaging, upstairs display, and potentially dedicating space to Bruce Putnam. IT was suggested that a future TBID Board meeting be held at the airport. John will explore this possibility.

METRA Funding

Steve sent a written request to present to the METRA Advisory Board. John Brewer, Greg Kohn, and Commissioner Ostlund met to discuss. Commissioner Ostlund requested John Brewer resign his position on the board and recommended a new Chamber representative be appointed. Steve reviewed the details. Chamber Board of Directors agreed to have John resign, however no one will be appointed from the

Chamber/CVB or TBID to serve at this time. Barry Usher will no longer be president after January 2013 and TBID Board will revisit TBID ex-officio representation at that time. TBID is obligated for 2013 & 2014 subsidy of MHSA events. Steve read the letter he sent to the Commissioners. The difference between ticket sales and turnstiles still needs to be clarified. The Board agreed that this is an ongoing challenge and the issue will be tabled at this time.

New Business

State TBID Meeting Agenda Items

State TBID meeting will be held October 22, 2012 from 12:30-2pm in Missoula. The agenda is currently being drafted and will include a discussion of statute interpretations and Chamber/CVB/TBID relationships.

Marketing/PACE Update

Activities are on track. Three recent bookings and three additional RFP's are out at this time. Paramount Pictures will be in Billings October/November/December. Staff is finalizing details for formatting of the new written report.

Sports Report

Chris Frye provided a written sports report update. Future reports will include number of room nights for events already secured.

Meeting adjourned 10:20 a.m.

Submitted by Jennifer Reiser

TOURISM BUSINESS IMPROVEMENT DISTRICT

Profit & Loss Budget vs. Actual

October 2012

	CURRENT MONTH		YEAR TO DATE		2012-13 Annual Budget	July 11-Oct 11 Actual
	October 12	Budget	July 12- Oct 12 Actual	July 12- Oct 12 Budget		
Income						
4001100 · TBID Assessments	2,229.53		447,379.53	445,000.00	840,000.00	398,371.11
4001500 · Miscellaneous Income	157.90		686.06			741.64
Carryover from 2011-2012					33,000.00	
Total Income	2,387.43	0.00	448,065.59	445,000.00	873,000.00	399,112.75
Expense						
5001000 · Staff Expenses						
5007000 · Wages	13,621.58	13,575.50	57,753.65	57,550.00	169,445.00	40,813.62
5007100 · FICA Expense	2,413.83	996.45	5,555.42	4,233.47	12,456.82	2,797.52
5007200 · Unemployment Expense	64.68	150.00	632.15	733.00	2,414.00	619.11
5007400 · Health & Accident Expense	1,548.91	2,480.00	6,195.64	9,802.00	29,642.00	9,638.87
5007500 · Retirement Expense	749.47	920.81	3,121.55	3,431.18	10,360.18	2,166.66
5007700 · Workers Compensation Expense	123.00	94.00	492.00	374.00	1,132.00	320.00
Total 5001000 · Staff Expenses	18,521.47	18,216.76	73,750.41	76,123.65	225,450.00	56,355.78
5009000 · Administrative Expenses						
5009200 · Computers		1,000.00	322.50	1,000.00	3,000.00	3,562.15
5009300 · Equipment & Repair Expense		250.00	525.79	1,000.00	2,500.00	453.85
5009500 · Liability Insurance	500.00	500.00	2,062.00	2,100.00	2,100.00	2,062.00
5009600 · Meeting Expenses	1,109.84	426.00	2,051.33	2,075.00	7,275.00	1,438.49
5009650 · Newsletter Expenses						350.00
5009700 · Office Supplies		200.00	1,058.09	825.00	2,225.00	432.32
5009750 · Postage	134.79	200.00	352.59	825.00	2,500.00	790.06
5009800 · Professional Training	1,045.00		4,716.59	2,000.00	10,000.00	6.02
5009850 · Legal and Accounting			470.00	500.00	7,000.00	475.00
5009900 · Telephone/Wireless Equipment	152.48	250.00	460.45	1,000.00	3,000.00	773.17
Total 5009000 · Administrative Expenses	2,942.11	2,826.00	12,019.34	11,325.00	39,600.00	10,343.06
5150000 · Marketing Expenses						
5151000 · Advertising	14,552.13	22,070.00	53,766.14	62,280.00	229,840.00	77,732.83
5152000 · Opportunity	1,899.50	10,000.00	24,444.28	26,000.00	75,000.00	1,189.98
5152500 · Printed Materials	1,465.61	5,300.00	27,124.78	38,300.00	77,115.00	9,070.47
5153000 · Publicity	1,763.48	500.00	15,035.91	11,750.00	23,500.00	450.85
5154000 · Sales Expenses	2,080.62	5,735.00	27,653.26	26,540.00	111,600.00	12,964.90
5155000 · Tradeshows/Conventions	3,159.88	6,700.00	14,330.84	15,400.00	41,895.00	13,160.52
5156000 · Visitor Information Center	-250.00		-250.00	1,000.00	2,000.00	141.21
5156500 · Web Site	2,151.05	5,000.00	6,758.70	19,650.00	47,000.00	14,245.20
Total 5150000 · Marketing Expenses	26,822.27	55,305.00	168,863.91	200,920.00	607,950.00	128,955.96
Total Expense	48,285.85	76,347.76	254,633.66	288,368.65	873,000.00	195,654.80
	-45,898.42	-76,347.76	193,431.93	156,631.35	0.00	203,457.95
		Cash	Current Month	Last Month	Last Year	
		Unrestricted	338,536	384,435	225,754	
		Restricted	75,000	75,000	50,000	
		Total Cash	413,536	459,435	275,754	

MT TBID OCTOBER 22, 2012, MISSOULA

There are 15 communities with established TBIDs; Lewistown is close and Sidney is considering. There were 42 attendees at this meeting.

Items discussed (details below): not opening the TBID legislation this session; Chamber/CVB/TBID organizational relationships; communicating with our stakeholders; marketing; fee increases; a proposed \$5 surcharge on hotels for community infrastructure.

2012-13 State Legislatures

Racene (Glacier Country) presented on Tourism Matters—a cooperative effort between tourism regions, CVBs and TBIDs to have a coordinated voice through lobbying efforts on the state level.

Mary presented on Voices of Montana—a tourism partner cooperative (regions, CVBs, TBIDs, and business) to grow awareness and educate throughout the state of the importance of tourism. Funding sunsets this May. The group felt it was important to continue the effort but was hopeful that costs would be less than the start-up investment of around \$160,000.

Although the legislation to allow for TBIDs is not perfect, all agreed we should not seek changes due to too many risks. Legislators could see it as an opportunity to funnel funds away from tourism. In addition, TBID law was built on existing law from downtown associations and we need to look at BIDs as partners if there were ever to be changes made to TBID law. It was stressed that any changes made effects all TBIDs and BIDs and since the law is bigger than any one organization, consideration and support must be obtained from all before we were to approach our elected officials.

TBID Organizational Structure and Management

Each community and TBID has their unique needs and structure and we should not assume that what works in one area will work in another. There is great value in a coordinated community effort to work as one in the promotion of tourism rather than creating additional overhead and admin layers. TBIDs are set up as part of their local chambers; as part of their local CVBs; as part of their combined Chamber/CVB; and independent of other organizations. Suggestions were offered to as to why some TBIDs have chosen to move away from other parent-organizations:

1. TBID staff get pulled away into too many Chamber functions;
2. TBID staff should be selling tourism 100% of the time;
3. It is helpful for there to be board cross-over between TBID/Chambers and CVBs to leverage resources and be communicative;
4. TBID staff should integrate into their parent-organization staff to be completely part of the team—preferably part of the management team—so there is no “us vs. them” mentality;
5. The parent-organization CEO needs to “Get It!” by supporting tourism and fully understanding the mission and distinct functions of tourism sales and promotion;
6. Typically, the missions of a chamber and tourism organization are similar: to support economic opportunities in our communities—however, the mission of the TBID is very specific (as described in state law) to fill hotel rooms;

Communications

It was asked how each TBID is communicating with their stakeholders (hotels) as we approach the period when our TBIDs sunset (10 years max after initiation per the law) and must seek re-authorization through the petition process locally.

1. Visit with each hotel annually one-on-one to share successes and answer questions;
2. Keep your hotel-motel association in the loop by reporting to them monthly;
3. Hotel-motel association chair of the board has an ex-officio seat on TBID board;
4. Send regular e-blasts;
5. Have info easily accessible on your website that includes board agendas, etc.

Marketing Group

At our last meeting it was proposed that we explore revitalizing a campaign to promote Montana as a meeting and convention destination. This would need to be funded on the local level. There is interest in the concept, however, no one at this time is able to pick up this initiative and coordinate all of the interested communities, the branding, messaging, etc.

Around the Table

Issues discussed:

1. Jan will send another invitation to this group to participate in our tourism marketing Linked In group;
2. Kalispell has increased its fee per occupied room to \$2 (July, 2013) and Missoula is discussing a \$2 fee. All others are at \$1.
3. There is an initiative that originated in Sidney and is being discussed by the League of Cities and Towns to add up to \$5 per room for city infrastructure needs. There is a HUGE need for infrastructure funds in eastern Montana due to impacts from oil exploration. However, the hotel industry should not be the revenue source of these problems. A comprehensive approach such as a local sales tax or expansion of the resort tax should be considered to allow for taxes to be collected by not just hotels, but through beer and wine sales, restaurants, and other means.

AIR SERVICE COMMITTEE MINUTES- JULY 12, 2012

Customs—Due to costs involved and potential return, the committee is recommending that we do not pursue international designation but be aware of potential needs that may arise and opportunities for funding. With increased oil activity, there may be a need for direct service from Canada in the future that will further position Billings as an energy hub. Cost to build a customs facility is about \$300,000 with annual operational costs about \$200,000. This would only service private planes, not commercial. From a tourism perspective, there isn't a need to clear customs in Billings. Vacationers arrive from overseas in Seattle, LA, etc.

Incentives—Securing new airline service would cost a minimum of \$300,000. Bozeman secured American Airlines with just under a \$2 million incentive (federal and local business match). One significant downside is that new service typically displaces existing service and the market corrects itself (reduction in seats and service from other carriers), making it a zero net gain. Often times the subsidized airline will last only until the subsidy runs out. The anomaly to this is destination service that creates new passengers such as Allegiant's direct to Vegas, etc. The committee may research funding mechanisms that could provide a head start in the event of a quick turnaround opportunity. However, the recommendation is to continue with our current position:

PROPOSED POSITION (will need to be endorsed by the TBID as well): Quality air service that connects Billings to national and regional destinations is a significant driver of our economy and quality of life. Business and tourism is reliant upon complete, affordable, and direct service to connect Billings. The Chamber in partnership with the Billings Tourism Business Improvement District supports assisting airlines that provide service to new destinations with marketing and promoting the new service. This will better position the service for success. The Chamber and TBID do not currently support monetary incentives to be used to promote potential new airline services to existing markets.

Silver Air—Traffic to Helena not strong. The committee again expressed their disappointment with Silver for not initiating this service during the legislative session. Missoula/Billings is still under consideration due to the distance, corporations doing business in those locations, and the university connection. Tom will talk to Missoula and get an update on the status.

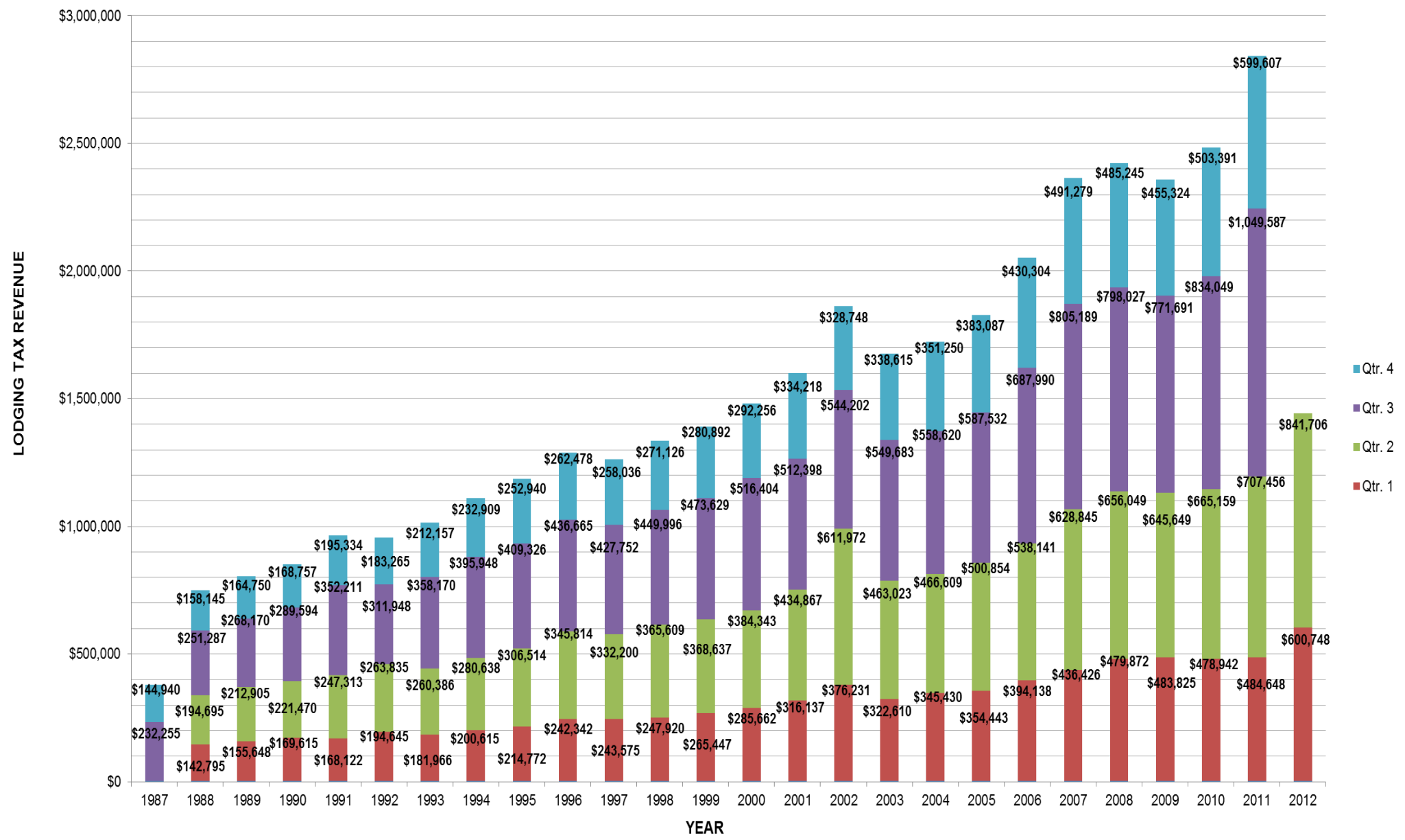
New Service—Dallas is an American Airlines hub and would be a feasible destination (according to past studies) for direct service to Billings allowing passengers' access to the Southeast United States. However, American is grounding more flights due to bankruptcy. Portland may be moving to daily service. We will keep these opportunities at the forefront.

Regional Service—Worland, Cody, Sheridan, and other smaller regional airports will potentially be reducing service. There may be an opportunity to originate these passengers through Billings. As more passengers travel out of Billings and capacity increases, airlines may look at increased service.

At Risk—The committee asked, "what current airlines are at risk in Billings?" We are a rate competitive airport in Billings. Fares a little high but reasonable. Load factors are strong. The competitive mix is good. Tom believes we are in a positive position at this point.

Allegiant Air—Following the regular meeting, Tom received a request for assistance from Allegiant to promote their "Vote For Vacation" bus tour. We welcomed over 200 people (thanks to the CVB and Ag Committee) to our parking lot for a live radio remote, ticket giveaway, etc.

YELLOWSTONE COUNTY GROSS LODGING TAX REVENUE





October Notes

October 12, 2012

Top 3

1) AAU Grand Nationals (2014 & 2015)

I. 2014 and 2015 Grand Nationals

- a. Grand Nationals bid was submitted on time.
- b. Presentation for the event is on Wednesday, October 31, 2012.
- c. Greensboro, NC is the competing bid.

2) Roller Derby

- ✓ Business model has been approved by Derby Dames (in principle)
- ✓ Reserving dates and venue.
- ✓ Working with WFTDA (in progress).
- ✓ Building budget and marketing plan.

3) UM/MSU Basketball projects

- ✓ Working with coaches and athletic directors.
- ✓ Attempting to secure UM/Wyoming and MSU/Boise State games.
- ✓ Securing dates with Metra

On Deck

- ✓ NAIA Women's Basketball National Championships
- ✓ NCAA DII & MT State tennis competitions
- ✓ NCAA DII Volleyball National Championships
- ✓ NHSR National Junior High Rodeo

Miscellaneous

- ✓ Still inquiring about October Montana State USA Tennis meetings in Missoula.
- ✓ Please budget to attend NAIA Basketball in March of 2013.