



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
DECEMBER 13, 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)
- III Approval of November 8, 2012 Board Minutes - pages 2-3.....ACTION
- IV Approval of November 30, 2012 Strategic Planning Session Minutes- pages 4-5.....ACTION
- V Approval of November Financial & Variance Reports- L. Gleason – page 6.....ACTION
- VI Old Business.....9:05-9:50
 - a. Billings’ Sports Segment Update- Presentation- Chris Frye, PhD.....9:05-9:30
 - b. Randall Visit/Strategic Planning Session Follow Up.....9:30-9:45
 - Art Project update- A. Tyson
 - Convention Center Next Steps- S. Wahrlich
 - Future Funding- S. Wahrlich
 - Airport Interior Enhancement- A. Tyson
 - c. MetraPark Tournament Funding- S. Wahrlich.....ACTION
- VII New Business.....9:45-9:50
 - a. Air Service Incentive Policy- S. Wahrlich- page 7 (see highlighted text).....ACTION
- VIII Marketing/PACE Update- pages 9-13.....9:50-10:00
 - a. Staff Report- A. Tyson
 - b. Latest Leisure Campaign Update- K. McCandless

Future Meeting Dates:

January 10, 2013 – January TBID Board Meeting

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



**TBID BOARD OF DIRECTORS
MINUTES – NOVEMBER 8, 2012**

Board Members Present: Steve Wahrlich, Ginny Hart, Joyce Bratland, Ron Spence, and Ben Kerns

Board Members Absent: Shelli Mann

Ex-Officio member Present: None

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

Others Present: Matt Schafer

Call to Order

Steve Wahrlich called the meeting to order at 9:00 a.m. in the Billings Chamber of Commerce/CVB Board Room.

Public Comment

None

Approval of Board Minutes

Request for a motion to approve September 13, 2012 Board Minutes.

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

Approval of Financial Report

Linda Gleason presented the September and October financial reports. Linda plans to update tax bill forms.

MOTION: Ron motioned to accept the financial report; Ginny seconded; Motion carried.

Old Business

MetraPark Update- Barry Usher made contact with Wahrlich, Brewer and Tyson. Usher was gracious. The Commissioners invited the TBID to come back and present to them at a future date. The issue will be revisited in January.

TBID board contemplated keeping funding for MetraPark in 2013 and 2014. Although there is no obligation to pay, there is an expectation. If the money is not given to MetraPark, there will be \$15,000-\$20,000 to spend on a different project(s). Commissioners have denied all cost increase for parking, food and other items.

TBID Board Vacancy- The deadline for the City is November 30, 2012. The City Council will make a decision on December 17, 2012.

Montana TBID Meeting- John and Steve provided an update on the issues discussed at the meeting. Kalispell increased their rate to \$2 and Missoula is in discussion about raising their rates to \$2. Steve discussed doing a TBID meeting with MT Downtowns.

Randall Visit- TBID and Chamber/CVB are hosting a Rise and Shine with Judy Randall of Randall Travel Marketing, Inc. After the Rise and Shine, there will be a round table discussion with hotel General Managers and Directors of Sales from 9:30-11 AM. Friday at 8 AM is the board retreat at Best Western Kelly Inn & Suites.

New Business

TBID Financial Review- Matt Schafer went over the Financial Report and 990-tax form. Several changes were discussed, including keeping page 6, section A, question 7B as "no". Matt will disclose that the City Council is the governing body (this includes ten city council members).

MOTION: Ginny motioned to accept the financial review; Joyce seconded; Motion carried.

TBID Incentives/Room Pick-up (AIANTA)- The Billings Hotel and Convention Center held 600 room nights for AIANTA, but they only picked-up 100. The TBID still paid the incentive. There was raised concern over losing money and whether or not we give the conventions money for rooms they didn't pick-up. It was discussed whether or not verbiage should be added to contracts, so that if the convention does not claim a majority of their rooms, that the TBID will not pay them all of the initial incentive money. However, it was determined to stay with the current policy to encourage business. A flight rebate was brought up as another incentive tool that can be used to help defer costs associated with flying into Billings.

Air Service Incentive Policy- Was not discussed; carried over for the following month's agenda.

PACE/Activity Reporting Policy-Request for a motion to approve the updated PACE/Activity Reporting Policy
MOTION: Ginny motioned to approve the report; Joyce seconded; Motion carried.

CVB Lodging Tax History- Was not discussed; carried over for the following month's agenda.

Hotel Parking Lot Security- Was not discussed; carried over for another month's agenda.

Marketing/PACE Update

Staff showed the final details and formatting of the new written report. Kelly discussed how 'This Week in Billings' can be customizable for each business/hotel. Steve, Ginny and Joyce agreed to testing it for Kelly.

Sports Report- Was not discussed; carried over for the following month's agenda

Meeting adjourned 10:45 a.m.

Submitted by Caitlin Hall

TBID BOARD OF DIRECTORS
STRATEGIC PLANNING SESSION MINUTES – NOVEMBER 30, 2012

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

Board Members Absent: None

Ex-Officio member Present: None

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

Others Present: Judy Randall

Call to Order

Steve Wahrlich called the meeting to order at 8:10 a.m. at the Best Western Kelly Inn & Suites

Judy Randall from Randall Travel Marketing Inc. gave a brief overview of her slideshow she presented at the Rise & Shine. Billings has roughly 4,077 hotel rooms, which translates into approximately 1 million visits annually (avg. of 2 per group). The highway has a daily pass through of 25,000 cars. Billings has the capacity for the energy growth heading our way, but it is imperative that we stay ahead and direct the change we want.

The biggest reasons groups choose another location over Billings is due to dated conference hotels and meeting facilities, as well as the inconvenient geographical location, resulting in higher airfare. In order for Billings to remain top of mind for convention planners, Judy suggests building a new convention center and improving the look and beauty of downtown. Judy divided the most important categories of infrastructure into five areas, beautification of Interstate, downtown convention center, downtown animation, arts and unique events, and distinctions. Billings is not distinct- we are where we are because we are the largest.

In order for Billings to make progressive change, a plan needs to be implemented as follows:

- I. Create a 20 year plan
 - a. Brand Alive- Trails, Rimrocks, Yellowstone
 - b. Arts Project
 - c. Convention Center
 - d. Downtown Trailhead Plaza
 - e. Sports/Event Facilities
 - f. Gateway/1-90 Beautification

TBID needs to look at how to get the rest of the stakeholders on board- a discussion ensued on how to get them to agree. This plan will be for the entire community, not just a section. An idea came up to send TBID members to various locations to see how cities who have implemented similar plans are doing.

ACTION: Action for Tourism Matters- to donate \$1,000 towards funding.

MOTION: Ron motioned to accept; Shelli seconded; Motion carried.

The Board agreed that the next big project is the art paintings for downtown. The steps necessary to achieve this goal include meeting with engineers regarding structural and operational issues.

Judy suggested the board move forward with the art project. Steve agreed, but on the condition that a group of two to three people meet with artist and company and discuss the options available.

MOTION: Ron made a motion to support Steve's idea for the three-person committee that will find out the amount of money we will give, and all the necessary steps; Joyce seconded the motion; Motion carried.

The three-person committee consists of Joyce, Ron, and Steve. It was suggested that Patrice Elliot and Karen Fagg be part of the art committee as well.

The board discussed the idea of creating a \$100 rebate for conference attendees on their airfare. This topic will be discussed at a later meeting in detail. In addition, discussions about creating a co-op will be looked at in more detail as well.

Meeting adjourned at 12:00 PM

Submitted by Caitlin Hall

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.

Air Service Committee Minutes November 20, 2012

Frontier—According to the airline they are trying to separate themselves from the parent holding company who desires that Frontier be sold during 2013. As part of this process Frontier has reduced the size of the Embraer 190 fleet and had to eliminate some markets. In our case it came down to Billings and Bozeman and Bozeman performed better during the winter months due to their larger winter loads (ski traffic). Frontier also stated they could not get the Billings business fare at a level they desired. The average Billings fare is currently \$212. Passenger enplanement levels are currently up 7.5% this year and could set a 2012 record for Billings.

Air service risk assessment study—Tom indicated that we need to update our passenger and airline information before we attempt to seek additional airline service or ask one of the existing airlines to add additional seats. The City conducted this analysis in 2008 and feels it is time to update this information. Additionally during this analysis he will ask the consultant to provide information on airline incentive packages as many communities are using incentives to secure new service. This committee has a policy that has been adopted by the chamber to not offer incentives other than marketing. Tom stated that he will also ask the consultant to provide options for marketing incentives as the community may want to consider marketing the airport and the airlines that serve Billings within the airport's catchment area. This type of incentive would benefit all airlines serving Billings and may help to attract new and maintain existing service levels. Typically communities offer cash incentives when there is currently not good service. Billings is well covered thanks to Delta, United, Alaska, Allegiant and Silver. The ultimate goal will be to determine how effective a campaign such as this would be. Tom will work with City to move on this. We will offer our assistance where needed.

Canadian Travel Study--West Jet is looking to add US locations and Billings may want to consider looking at the potential of direct service to the Calgary area. However, to approach them we would need to have statistics in hand regarding travelers and a plan regarding customs. There are only about 6 passengers per day to Canada from Billings with most going to Toronto, Vancouver and Montreal. After further discussion, it was decided to not pursue. We need to continue to monitor Canadian traffic for future opportunities.

No update on **Williston** and other regional service.

MARKETING & SALES PACE REPORT

GROUP BOOKINGS

Bookings	Q1	Q2	Q3	Q4	TYTD	FY Goal	% To Goal
Groups	8	8	0	0	16	27	59%
Room Nights	2,860	3,610	0	0	6,470	21,000	31%

VISITS FOR: visitbillings.com

	J	A	S	O	N	D	J	F	M	A	M	J	Annual
Goal	10k	10k	9k	8k	7k	6k	6k	6k	6k	7k	7k	8k	90,000
Actual	12,067	10,860	10,649	9,941	9,346								52,863

STAKEHOLDER SURVEY

2008-2009	2009-2010	2010-2011	2011-2012	2012-2013*
79%	66%	N/A	83%	85%

*Goal-actual number unknown

ROOM DEMAND- REPORTED ON CALENDAR YEAR 2012

	J	F	M	A	M	J	J	A	S	O	N	D	Annual
Goal	0	0	0	0	0	0	0	0	0	0	0	0	3%
Actual	7.9	11.7	17.7	26.3	7.0	-0.5	-7.1	-7.8	-9.1	12.4			3.7

YTD OCCUPANCY

PAST 12 MONTHS		
LOCATION	2012	2011
Billings, MT	71.5%	68.9%
Montana	62.8%	61.5%
United States	63.2%	61.6%
Bozeman, MT	66.5%	63.5%
Missoula, MT	59.1%	60.8%
Rapid City, SD	62.5%	58.4%
Sioux Falls, SD	65.1%	63.0%
Bismarck, ND	78.8%	79.6%
Boise, ID	65.7%	60.2%
Madison, WI	65.8%	64.1%
Helena, MT	59.8%	63.3%
Great Falls, MT	64.1%	62.7%

CURRENT MONTH OCCUPANCY

OCTOBER		
LOCATION	2012	2011
Billings, MT	71.7%	63.7%
Montana	58.4%	56.1%
United States	64.4%	62.9%
Bozeman, MT	61.4%	56.4%
Missoula, MT	56.7%	59.8%
Rapid City, SD	55.3%	53.1%
Sioux Falls, SD	65.0%	64.2%
Bismarck, ND	77.6%	87.2%
Boise, ID	66.2%	57.6%
Madison, WI	77.8%	74.0%
Helena, MT	58.6%	55.5%
Great Falls, MT	65.1%	59.6%

**CVB ACTIVITY REPORT
FY JULY 1, 2012- JUNE 30, 2013**

BOOKED EVENTS

NAME	ORIGIN	SOURCE	ROOM NIGHTS	MONTH/ YEAR	TYPE	LOCATION	ECONOMIC IMPACT	QTR. BOOKED
Ringling Brothers Barnum & Bailey	NR	CVB	200	Sep-12	O	CP,BWCT	\$ 45,000	Q1
State Mega FAM	SR	CVB-P	50	Sep-12	O	BHR	\$ 11,250	Q1
Namibia Tour	LR	CVB	10	Sep-12	O	CP	\$ 2,250	Q1
ASTSWMO	TS	CVB	600	Jul-13	O	CP	\$ 135,000	Q1
NOWCAP- Black Lung & Resp. Disease	TS	CVB	1000	Sep-13	CW	HGI,HIGM, BHCC,KELLY	\$ 225,000	Q1
Avitus Group	LR	CVB	100	Oct-12	O	CP	\$ 22,500	Q1
Girl Scouts of MT & WY	LR	CVB	150	Apr-13	O	HIGM	\$ 33,750	Q1
Paramount Pictures Crew	SR	CVB-P	750	11/12 & 12/12	O	CP	\$ 168,750	Q1
S. Classic B-ball Trnamnt	LR	CVB-P	900	Dec-13	CWSP	TBD	\$ 202,500	Q2
Cadillac Touring Group	LR	CVB	20	Jun-13	O	BHR	\$ 4,500	Q2
Women of Faith (Staff Rm)	P	CVB	50	Apr-13	O	TBD	\$ 11,250	Q2
Zonta	LR	CVB	40	Apr-13	O	TBD	\$ 9,000	Q2
Native American Headstart	NR	CVB	1000	Aug-14	CW	TBD	\$ 225,000	Q2
AAU Wrestling 2014	LR	CVB	1500	Jun-14	CWSP	TBD	\$ 337,500	Q2
Elks Tennis Tournament	LR	CVB	50	Apr-13	SP	TBD	\$ 11,250	Q2
MSUB Spring Tennis Tourn.	LR	CVB-P	50	Apr-13	SP	TBD	\$ 11,250	Q2
Total Impact			6470				\$1,455,750	

PENDING BIDS/RFP'S

NAME	ORIGIN	SOURCE	ROOM NIGHTS	DATE	TYPE	LOCATION	ECONOMIC IMPACT	QTR.
BMW Motorcycle Owners of America	P	CVB	6000	2015 (2012)	CW	CW	\$1,350,000	2011
Vermeer Sol.Mtg. (Helms Briscoe)	TS	CVB-P	50	Mar-13 (Nov-12)	O	TBD	\$ 11,250	Q1
Ken Chertow Wrestling Camp	TS	CVB	100	Jun-13 (Nov-12)	O	BHCC	\$ 22,500	Q1
Int'l Assoc. of Work Force Professionals	TS	CVB	950	2016 (Dec-12)	CWSP	HIGM, TBD	\$ 213,750	Q1

SITE TOURS					
NAME	ROOM NIGHTS	YEAR	ACTION	QTR. TOURED	ECONOMIC IMPACT
Chuck Manley- BMW MOA	6000	2013	Pending	1 FY 2011	\$ 1,350,000
Jane Kurlyuck- CMCA	800	14-Apr	Pending	1 FY 2011	\$ 180,000
ASTSWMO	400	Jun-13	Pending	1 FY 2012	\$ 90,000

LOST BUSINESS			
NAME	REASON	YEAR	LOST TO
Nat'l Assoc. of Extradition Officials	Cheaper flights	Sep-12	Seattle, WA
ACCED Annual Conf. (W)- Assoc. of Collegiate Conf. & Events Dir. Int'l	Needs one venue	2016	N/A
ALKOTA Cleaning Systems	Not enough family activity options	2012	Dells, WI
National Volk Sport Assoc.	Won't return calls	2015	N/A
Livestock BIO Tech Summit	Chose larger city	2012	N/A
Mary Kay Cosmetics	Needs one venue	2013	N/A
Mary Kay Cosmetics	Needs one venue	2014	N/A
EPA Board Meeting	Chose larger city	2012	Spokane, WA
National Wrestling Coaches Assoc.	Cheaper flights	2012	Florida
NAFSA- Assoc. of Int'l Educators	Cheaper hotel rates	2013	Bozeman, MT
Teva Animal Health	Didn't give specifics	2012	Missoula, MT
Assoc. of Public Treasurers	Cheaper flights	2013/2015	Boise, ID
U.S. Dept. of Pers. Mgmt.	Cheaper flights	2012	Springfield, MO
Non-Profit Users Group	Cheaper flights	2012	Boise, ID
TAP Meetings	SEMT Mtg.. TAP	2012	N/A
Assoc. of Partners for Public Lands	Awaiting explanation	2014	N/A
Assoc. of ST & Terr. Solid Waste Mtg.	Missoula is prettier	2013	Missoula, MT

CANCELLED BUSINESS						
NAME	SOURCE	ROOM NIGHTS	MONTH/ YEAR	TYPE	REASON	ECONOMIC IMPACT
CALCASA	CVB	-1,000	2012	CW	Funding CXLd	(225,000)
24th An.Tanks Conf. & Expo	CVB	-800	Sep-13	O	Funding CXLd	(180,000)

MARKETING INITIATIVES/EXPOSURE/PUBLICITY	
NAME	REASON/RESULTS
Journalist Tour	Chicago Sun & Indep. writers for RV Public.- 3 guests
Mega FAM & NAMFAM Tours	Promote Billings as a tourist destination
July/August Advertising Campaign	Concert Craze Regional Leisure Promotion
Fall Family Fun & Couples Getaway	Leisure Promotion fir Mid-September to Mid-November
Holiday Shopping "Mingle Bells"	Leisure Promotion for Mid-October to December

EVENTS ATTENDED			
NAME	LOCATION	STAFF	REASON
DMAI CONFERENCE	Seattle, WA	JB,AT,TK,KM	Training
Catholic Daughters Conv.	Omaha, NB	TK	Attendance Building
Montana Office of Tourism	Helena, MT	AT	Strategic Plan
Connect Marketplace	New Orleans, LA	AT, TK	Tradeshow
Energy Days	MontanaFair	AT, KM, CH	Tradeshow
MT Petroleum Association Annual Meeting	Billings, MT	AT	Tradeshow
Collinson Tech Summit	West Palm Beach, FL	TK	Tradeshow- Invitation only
SportsLink- U.S. Olympic Committee	CO Springs, CO	AT	Relationship Building
IMEX	Las Vegas, NV	TK	Tradeshow
Rejuvenate	Columbus, OH	TK	Tradeshow
AAU Annual Convention	Hawaii	CF	Relationship Building
Tourism Advisory Council Meeting	Hamilton, MT	AT	Quarterly MTOT Mtg.
Regions/CVB's Meeting	Helena, MT	AT	Meeting

KEY

ORIGIN CATEGORIES: **TS-** Tradeshow; **LR-** Local Referral; **SR-** State Referral; **NR-** National Referral; **P-** Prospecting

SOURCE CATEGORIES: **CVB-** Originated from CVB; **CVB-P-** Partnered with other entity; **S-** Serviced by the CVB- room nights will be shown in parenthesis

TYPE CATEGORIES: **CW-** Citywide Booking; **SP -** Sports Booking; **CWSP-** Citywide Sport Booking; **O-** Other Booking

PENDING RFPs/Bids: Date in parenthesis denotes the expected decision date.

ECONOMIC IMPACT FORMULA: \$225/Room Night

PROPERTY KEY: **CP-** Crowne Plaza; **BHCC-** Billings Hotel & Convention Center; **HIG-** Hilton Garden Inn; **HIGM-** Holiday Inn Grand Montana; **BWCT-** Best Western Clock Tower Inn; **BHR-** Bighorn Resort; **KELLY-** Kelly Inn & Suites

BILLINGS ROOM OCCUPANCY COMPARISON OF VALUE VS. HIGH SEASONS 2005-PRESENT

