



Visit Bend Board of Directors Meeting Minutes April 19, 2016

Location: Meeting Room at The Oxford Hotel

Present: Doug La Placa, Valerie Warren, Hank Therien, Nate Wyeth, Tawna Fenske, Ben Perle, Brent McLean, Dave Nissen, Jodie Barram, Erick Trachsel, Ben Perle, Lisa Sidor, Linda Orcelletto.

Guests: Stephen Hamway, Wendy Kelley, Wendy Puller, Noelle Fredland, Annie Goldner, Ashley Mitchell, Rod Porsche, Dennis Oliphant, Bill Bernardy, Samuel Johnson, John Flannery, David Kingston, Wendy Kelley, Gretchen Palmer, Raul Ainaridi, Belinda Liskh, Carolyn Eagan, Tom Rowley, Joey Hamilton.

Call to Order

Doug La Placa called the meeting to order at 8:04am. Introduction of guests followed.

Meeting Minutes

Jodie Barram moved to approve the minutes from the February Board Meeting. Dave Nissen seconded. The minutes were unanimously approved with no changes.

Financial Review

Doug La Placa discussed the recently completed financial review by Price, Fronk & Co. They have issued a clean review. Wes Price will be present for comments at the next meeting.

Financial Report

Doug stated that the City of Bend is currently holding back approximately \$300,000 to \$500,000 in funds accordance with the City's contract with Visit Bend. Because of this, some of the incremental marketing programs have been decreased for the remaining portion of the fiscal year.

Visit Bend is expecting to end the year with a zero net income. There are no additional variances of significance.

Tourism Industry Briefing

Room tax collections continue to show a strong upwards trend. The room tax collections report is included in the Board Packet. There may also be lagging collections not yet reflected in the report.

The Business Plan and Budget have been submitted to the Board and to BEDAB. BEDAB is currently reviewing the plan.

The Visitor Guide will be send to print by the middle of May.

The next edition Bend Ale Trail Atlas is currently in production.

Porter Co. will be in Bend next week to discuss fall media planning.

Marketing Update

Nate Wyeth stated that the spring marketing campaign has started. The Bend Ale Trail will be marketed on Pandora. TV commercials will run in the I-5 corridor.

Traffic to Visit Bend is up over 20% year-over-year. The 1.5 million visit mark has been reached. Additional metrics are listed in the Board Packet.

Visit Bend has close to 175,000 followers on Facebook. Instagram continues to grow and is being used as a vacation planning tool. Visit Bend was one of the first DMOs to start advertising on Instagram earlier this year.

The summer campaign will be restricted to Oregon.

A new destination video should be completed by June.

Public Relations and Social Media Update

Tawna Fenske discussed recent PR highlights including pieces in *Range*, *USA Today*, *Where to Retire*, *Men's Health*, *The Health Medicine Network*, and *VacationIdeas.com*.

Shares on Facebook are on the rise.

There are several writers scheduled during the new few months.

United in-flight magazine has an upcoming feature on Oregon and Bend.

There are very slightly fewer inquiries about beer, but culinary interest remains strong. Family travel is a trend.

Group Sales Updates

Hank Therien pointed out some of the key group sales updates. There are several upcoming groups listed in the Group Sales Updates included in the Board Packet.

Kevney Dugan and Hank have just returned from NASC in Michigan and had some good discussion with potential sporting event groups.

Oregon Senior Games is coming up in June. Currently there are over 450 registrants.

The Regional Sports Complex planning continues to progress.

Board Roundtable

The City of Bend has proposed to change the funding to Visit Bend. The City hosted a public meeting to discuss how to fund the estimated \$1.3 million needed for road repair during the next fiscal year.

The City is looking into the legality of reducing the 30% of the first 9% of the transient room tax to 25.2%, as was in place in 2003.

In 2003, the City of Bend adopted a code to increase the percentage allocated to tourism from 25.2% to 30% in 2009, a situation which is covered by Oregon tourism law.

Carolyn Eagan from the City of Bend discussed that street funding in Bend relies on state fuel tax, grants, and system development charges (which are restricted as far as use). There is no other local funding for streets. The funds from the state fuel tax continue to decline.

The City is reviewing all potential funding sources including transient room tax collections. Carolyn discussed the mechanics of the TRT. Approximately \$.65 of every tourism tax dollar goes to the City's general fund.

The City Council has received feedback from ORLA and Bill Smith.

Carolyn asked for feedback on how to proceed from the Board.

Ben Perle asked, with the large amount of growth of TRT, a large portion of which does go into the general fund, where the surplus has gone. Carolyn stated that this surplus has gone largely into police and fire services. Potentially in the future, more of these funds may be able to be allocated to streets, but the City does not want to lower current police funding and a rural fire funding contract is in place.

Carolyn said that surplus money from TRT funds that is coming into the general fund is being put toward roads.

Doug stated that the reduction from 30% to 25.2% would not cause a decrease in current marketing. The Visit Bend Board discussed that they were in favor of the reduced funding, as long as it was in line with state tourism law.

Jodie Barram asked if the Board would commit to continuing to fund the Bend Cultural Tourism Fund at the \$150,000 level.

Doug stated that the BCTF is funded by 7% of total City funding to Visit Bend, so a decrease in funding from the City would also lead to a decrease in the funds available to the BCTF.

Doug stated that Visit Bend would not oppose the City of Bend. Other industry stakeholders, such as ORLA, are closely monitoring the situation, and potential legal action may come from them as a separate organization.

Carolyn stated that the state law allows for use of tourism funds for tourism promotion and facilities. Current Bend City law only allows tourism funds to be used specifically tourism promotion.

Doug stated that in other areas of the state, street funding with tourism money has not been allowed. Doug also stated that funding of facilities has generally be allowed as long as it can be demonstrated that over 50% of the use is by tourists.

Ben Perle asked about Bend Parks and Recreation as a potential source of funding. Carolyn said that this has not been discussed and Bend Parks and Recreation has not been contacted.

Jodie Barram stated that street maintenance funding has been a City issue since she started on the City Council in 2008.

Dave Nissen said the fuel tax proposal seemed rushed in the recent election. He still believes that this is a good long-term solution and should be revisited.

Dave also stated that he believes the additional surplus tourism funds being withheld by the City should be given to Visit Bend, and not potentially used for other tourism groups.

Doug stated that according to Visit Bend's current contract with the City, the surplus funding would not be given to other groups, but that Visit Bend would have to present a revised budget to BEDAB to receive the funds.

Brent McLean said that discussing reducing the percentage allocated to tourism to provide a short-term solution is a dangerous position.

Carolyn stated that a first step would be for the City of Bend to change its local ordinance first, to allow use of tourism funds for facilities.

Brent McLean stated that the City of Bend should contact ORLA directly.

Carolyn said the forecasted funds for next fiscal year are higher than Visit Bend has requested in the Business Plan. She asked if Visit Bend is planning to come to BEDAB with a revised budget.

Doug said that Visit Bend submitted a plan forecasting 11% growth in TRT funds. For any increase of up and including 21%, Visit Bend would have not to request these additional funds, per the contract with the City. For increases over that, Visit Bend would have to request the funds with a revised budget.

Carolyn committed to contacting ORLA. City Council will also work on a specific proposal for funding changes which will be presented to the Visit Bend Board.

Public Comment

David Kingston asked about the rainy day fund.

Doug stated that a few months ago the Board discussed potentially creating a rainy day fund and proposal was put together and presented to the Board. Currently a rainy day fund has not been created and that the current business model is to deploy all the funds that come in. The proposal has not been presented in a formal way to the City Council. It is also not determined if the money would be held by the City or by Visit Bend.

The meeting was adjourned at 9:57 a.m.

Notes by: Valerie Warren
April 19, 2016