



## Mammoth Lakes Tourism Monthly Board Meeting

Wednesday, May 4, 2016

Call in # (310) 372-7549 - Participant Code 934985 - Host Code 3838

1:00 – 3:00pm MLT Conference Room

### Meeting Agenda

**1. Call Meeting to Order at 1:09pm** – John Morris, Board Chair

**2. Roll Call** – Present: Erik Forsell, Matthew Lehman, John Morris, Michael Raimondo, Sean Turner, Brent Truax, Kirk Schaubmayer, Michael Ledesma, John Urdi

Absent: Paul Rudder

**3. Board Member Comments/Reports/Agenda Additions**

Matthew Lehman – Was there coverage of the fishing opener in Western Outdoor News?

- John Urdi – MLT spent a lot of time with them
- Whitney Lennon – MLT had a strong presence at Bishop fishing opener media reception to represent the region as a whole

Michael Raimondo – Has progress been made with trolley messaging for Mule Days?

- Mule Days will be using a town trolley for the first time this year, should MLT do event-specific messaging on the side/back of the bus?
- John Urdi will investigate potential for trolley messaging for Mule Days
- Bishop Mule Days has been working with lodging association here to encourage people to stay in Mammoth

Brent Truax – Paved parking lot at The Village is closed

- Michael Raimondo – There are plans to do work on pavement, etc.
- John Urdi – Send MLT updates so we can get a message for the closure; Chamber will convey this to business community in town

John Morris – Snowcreek driving range open now, Snowcreek AND Sierra Star golf courses will be open May 27

**4. Public Comment**

Rich Boccia with MLR – Having discussions about outdoor performing arts center, conducting a wetlands study on Bell Shaped Parcel to determine what can/can't be done with that land, in negotiations with Sam's Wood Site about what the short-term future holds, meeting with USFS to talk about use of Snow Pit, Mammoth Lakes Foundation land, Mammoth Creek Park East and RV Park East and Sam's Wood Site

- Excited about legislation from DC – looking at the amount of GNP that is recreation-based, will have positive implications for gateway communities like Mammoth Lakes

**5. Minutes** – tabled for June board meeting

**6. MLT Team Presentation Schedule – 30 minutes including Q&A time**

Fiscal 2016-17 Draft Budget Review – John Urdi

- MLT is giving 10 minute presentation at Town Council meeting on May 18<sup>th</sup> about the budget

- Budget does not need to be finalized by then, it's just a general direction presentation
- TBID must provide direct benefit to the businesses who buy into it, so salaries, benefits and overhead for MLT are all under Measure A (to accommodate cases like MLT staff taking people outside of ML to Crowley Lake, etc.)
- MLT salary percentage of budget is low – 9% of MLT budget compared to 20-30% industry average
- TBID marketing expense includes \$2 million for summer and winter air subsidies
  - Other large expense under TBID is agency contracts
- Less concerned with budgeting reserve next year than in the past since MLT currently has a reserve and is bringing the budget back up to where it was (last year's budget cut \$400,000 out for reserve)
  - Current reserve in bank is \$300,000
  - Goal for the reserve (set several years ago by the board) is \$1.2 million
  - Erik Forsell – Should the goal be a percentage of the budget rather than a specific number? Should the board review this?
  - John Urdi – It takes about \$400,000 for MLT to operate in a bad year, MLT should look at percentage it can afford to put in the reserve; need to build some reserve in the TBID as well; board welcome to review at any time.
  - John Morris - \$1.2 million goal is 17%
  - Michael Raimondo – The town's reserve is around 15% but trying to increase that.
  - Last year's budget for TBID was \$4 million, this year is \$4.6 million
    - Last two years of TBID haven't budgeted season pass sale in the spring, so this year's increase includes that so it isn't too much of a jump
  - Brent Truax – Is the reserve meant to serve as a true reserve or for future projects?
  - John Urdi – The \$1.2 million goal set years ago was intended to be flexible. Currently budgeted in Measure A is money to renew TBID (potential legal fees, research dollars, collateral about what the TBID has done, etc.). Above the \$400,000-\$500,000 it takes to operate MLT, the rest could be project or special project related.
- Air subsidy for this year was budgeted \$1.5 million, will come in less than \$575,000
  - Discussions happening on what to do with leftover air funds – want to keep toward air marketing (two for one deals, Friends of Flight program, potential new markets, etc.)
- Local marketing meeting on June 13th with four TBID segment groups represented
  - TBID benefit: everyone is up in revenues, but this marketing meeting will focus on what tangible projects MLT can do for local businesses (examples: MLT buying branded key cards and paying half the cost for hotels, MLT creating coloring book for restaurants, MLT working with retail outlets to create branded reusable shopping bags)
  - Friends of Flight program ideas – if lodging partners include note about flying in their confirmation emails, business will receive airline credit; people who fly mid-week could get a branded gift card to use at participating properties
  - Hoping to change branding on in-market MLT materials to carry Chamber logo/brand (for example: events poster should be Chamber-branded rather than MLT-branded)
  - Will discuss how to welcome events/groups to town – find a way to have a welcome-in-a-box with posters welcoming generic groups – cyclists, athletes, etc.
  - Meeting will likely last all day between discussing programs and budget
  - Goal is to bring back plans to board with recommendation for approval
- Flight service for coming winter will be the same as last winter except no Denver flights
  - Goal is to put more money into SF instead of new markets to get the SF load factor up
- Sean Turner – MLT board should have separate meeting for budget strategy discussion
- John Urdi – MLT meeting with MeringCarson (agency) to set strategy for the year on May 19<sup>th</sup>/20<sup>th</sup>
- Erik Forsell – MLT is heavy on digital, lacks finances to be opportunistic/spontaneous, should MLT be more events-based?
- John Urdi – If MLT can double amount that's currently in reserve, the reserve can be more flexible
- Michael Raimondo – How is the agency fee calculated?
- Whitney Lennon – Fixed rate per year then a percentage for commission and design/production projects additionally as they occur. Full service agency, does everything and has benefit of economies of scale.

- John Urdi – MLT will produce a sheet or collection of materials about budget strategy/MLT info for board to reference at meetings
- Michael Raimondo – How does agency cost compare to our peers?
- John Urdi – Talked to Huntington Beach last week, pretty similar across the board
- Whitney Lennon – MeringCarson is beneficial to work with because of synergies – they do marketing for Visit CA and Visit San Diego, more likely to feature Mammoth Lakes in statewide campaigns since we work with them too. MLT has a large budget and small staff, so large amount of money goes to agency.
- Michael Raimondo – Can we capitalize more on the air messaging like Vail does?
- John Urdi – Air marketing is included in the overall marketing, not a separate thing. People get inspired to come here and then decide to fly here – it’s all connected.
- Michael Raimondo – MLT should look to peer resort towns to find a model for improving our air program.
- John Urdi – The goal is to get people to ML so they can spend money. Promoting mid-week skiing in LA gets people here whether they fly or drive.

## 7. Department Updates – A brief recap of past, current and future efforts of each department

### 1. International – Michael Vanderhurst

- First quarter (Jan/Feb/March) VisaVue report: uses ML zip code to track Visa spending from domestic and international cards
  - Up in spending from UK, France and Germany (France and Germany tend to ski their own ski areas, but we’re getting the message out there about summer, which increases winter visitation)
  - Down in spending from Australia
    - Four continuous years of drought messaging in CA, people are booking elsewhere until the message spreads that the drought is gone
    - Vail bought Perisher, the #1 ski resort in Australia and sells an Epic Pass that includes Vail, Heavenly, etc.
    - Change in currency – Australian dollar is now doing better compared to US dollar
    - Good news: Mammoth Mountain is part of the Mountain Collective ski pass that includes Threadbo, the 2<sup>nd</sup> largest ski resort in Australia
  - Down in spending from Brazil
    - Brazilian economy is doing poorly – no discretionary income for international travel
  - Argentina is up slightly – the Nico effect of visiting 3-4 times per year and promoting
  - Top countries in spend amount: Australia, Canada, China, France, Mexico, UK
  - We have the “home court advantage” in Australia with culture similarities with the CA lifestyle (sunshine, outdoor recreation, food/cuisine, variety of experiences)
  - China is eager to experience North American, visitors coming repeatedly, now exploring rural parts of CA (China numbers are typically very strong in summer, but now winter is strong for them as well)
  - Next MLT budget includes larger in-market presence (travel/trade/media) in China
- Michael Ledesma – Noticing same statistics anecdotally. People doing Las Vegas – Yosemite – San Francisco traditional itinerary are now spending two or three days in ML during the trip.
- John Urdi – Messaging has shifted from one night stay here to two night stay
- Michael Vanderhurst – Initial goal was to get Mammoth on the itinerary, now it’s to expand our in-market stay to two or three nights. New vacation planner encourages multi-night stays with suggested itineraries using ML as a base.

### 2. Marketing – Whitney Lennon

- No Small Adventure campaign
  - Highly inspirational pieces including Mountain Healing video
  - Checking in with agency every two weeks to see how campaigns are performing/pacing with goals
  - Mountain Healing had over 680,000 views, 11,500 engagements and 2,200,000 impressions
    - High level of positive fan engagement

- Short animated illustrations in campaign were most viewed by younger men, long format was most viewed by middle aged women
- Pre-roll/BrightRoll campaigns
  - Performed better than winter campaigns (first time summer has out-performed winter)
  - 1,400,000 completed views, 92% of those served, 1,600,000 impressions
- Inspiration – rich media units (pieces you can interact with on websites)
  - Goal rate for interaction was 2% but already at 3.16%
  - Optimized rich media units and this is already outpacing winter optimized campaign
- Search – year-round
  - Key performance indicators: number of sessions, cost per click, cost per session
  - Beating goal in first two weeks of the campaign
  - Over 3,000 sessions, \$1.09 cost per click, \$1.06 cost per session (under \$1.90 goal)

3. Communications – Tabled

4. Air Service – Tabled

## 8. **Financial Reports** – An update regarding the financial health of the organization – John Urdi

### 1. TOT & TBID – review previous months results

- TOT is 36% over budget
- March was over previous record again
- Civitas wrote a story about TBID for the state of CA as part of National Travel and Tourism Week – 10 months of exceeding record, averaging 25% ahead over last year
- June was in the \$750,000 range again
- June could be great: pass open, golf courses open, Half Marathon, motocross events, schools out
- Budget for next year is still conservative, last year ML did \$11.3 million in a bad winter
- Current bank account is only insured up to \$250,000, plan is to open a few 6-12 month CDs to have money fully insured (currently \$4 million in account)
- Michael Raimondo – is current budget highest in town history?
- John Urdi - \$11.7 million was the record two years ago, this year's \$15 million annualized goes over

### 2. Cash Flow – discussion of current bank balances

- \$968,000 in Measure A Checking, \$300,000 in Measure A savings
- \$2,361,000 in TBID checking, \$5,000 in TBID savings

3. P&L Reports – Tabled

4. Initial surplus discussion – Tabled

## 9. **MMSA Update** – Erik Forsell

- Sierra Star Golf Course will open May 27
- Over 100,000 new unique skier visits (not season passes) this year (higher than last year but not skiing any more days – people looking for other stuff to do in town while they're here)
- Chloe Kim story – a lot of coverage over father/daughter shoot
- Marketing Mammoth Mountain as best bike park in the US
  - Fixing five new trails, talking about adding another lift for operations this summer
  - Similar to what Whistler has to offer
  - Outside Magazine ranked Mammoth bike park #1 in the USA
- Pass sales were up from last year (over 100% of revenue goal) but down in unit goal
  - People are buying more expensive passes instead of the basic pass
  - Raised price just a bit this year

## **10. New Business**

1. Upcoming June Board Elections – Tabled
2. Adjust MLT Capitalization policy from \$1,000 to \$2,500 per IRS Small Business Guidelines – Tabled

## **11. Key Takeaways**

1. YTD TOT at \$13.2 Million – very good chance TOT will finish the fiscal year at or above \$15 million
2. YTD TOT is over budget by \$3.5 Million which is 35.9%
3. Air Subsidy reduced in LA & San Diego from \$839,000 LY to just \$1,760 this winter (same # passengers)
  - LA and SD didn't cost us a dime this year

## **Future Meeting Dates**

Next scheduled Board of Directors Meeting Wednesday, June 1<sup>st</sup> 1-3pm @ MLT Conference Room