



Mammoth Lakes Tourism Monthly Board Meeting

Wednesday, February 7, 2018 - 1:00-3:00pm in Suite Z

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

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Meeting Agenda

1. **Call Meeting to Order** – called to order at 1:05pm by Vice Chair Kirk Schaubmayer
2. **Roll Call – Present:** Brent Truax (1:26 pm), John Morris, Kirk Schaubmayer, Michael Ledesma, Sean Turner, Eric Clark, Paul Rudder, Scott McGuire.
Absent: Colin Fernie
3. **Board Member Comments/Reports/Agenda Additions**
 - a. Sean Turner: If possible I would like to get staff memos and updates prior to going into the meeting. I would like to get some more background before discussion.
 - b. John Morris: Brought to my attention that Mono County has sent out an assessment letter to people who are nightly renting their properties, talking about assessing their interior furnishings in accordance with Proposition 13; came from County Assessor's office and the first we have ever seen. Will be reaching out on behalf of the Lodging Association and coming back to the next meeting with more information.
 - i. Kirk Schaubmayer: We received letter as well.
 - c. Michael Ledesma: Mammoth Film Festival starts tomorrow night with screenings all through the weekend, awards will be done at Canyon Lodge on Sunday night with an after party at Gomez's starting at 10pm.
 - d. John Morris: Last Lodging Association had a great session with Clint Ostler from Embark Aviation on air service marketing and the tool kit that is now available on the Industry site (industry.visitmammoth.com). There is a lot of easy cut and paste things to add to your current newsletters; a lot of stuff already done for the whole community to help market air service. Really nice to see that and to have that available to all of our partners in Town and Region.
4. **Public Comment** – none
5. **Minutes** – Approval of past meeting minutes from January 3rd
 - a. John Morris made a motion to approve; Paul Rudder gave a second. Unanimously approved.
 - b. **Scott McGuire requested that action items be put into bold font so that they are easier to see what the call to action was or what the next steps were.**
6. **Presentation** – Mammoth Track Club – Andrew Kastor
 - a. Thank you to Mammoth Lakes Tourism for support; going to give an overview of where Mammoth Track Club has come from and where we are going, what our goals are. (Brent arrived at 1:26pm) Non-Profit; 501c3 - get status from Roadrunners Club of America, umbrella of running clubs from all over America. Reviewed current Board members, past and present coaching staff and athletes. Annual sources of funding since 2013: MMSA donates 2 condos to athletes valued at \$94,000 a year (seven bedrooms); Mammoth Lakes Tourism donates \$30,000, as well as The Crib which has allowed us to bring in more athletes; Local races produce between \$5-10,000 in fundraising; LeFrak Family out of New York donates \$5,000 annually; Other sponsors and events produce donations of products and funding; Mammoth Hospital donates in kind testing and other medical services; Snowcreek Athletic Club donates 10 memberships to the team.
 - b. In the year, 2000 we sent one man and one woman to the Olympic qualifiers; recruited Bob Larsen who had experience bring athletes to elevation to train. In 2004, we then put one man and one woman on the podium in the Olympics. Big success in a short time. Ten athletes have made an Olympic Team while training with the Mammoth Track Club.
 - c. Vision moving forward is to develop athletes who will be competitive on a National and International level in Cross-Country, Track and Road Races; field a roster of 4-5 men and 4-5 women who have goals of competing at and excelling in U.S., World and Olympic championships; give back to the community of Mammoth Lakes, via public outreach and global promotion. Andrew reviewed how they pick athletes for the team. Andrew then reviewed contributions to the Community: Talks in the Park, running concierge

for elite runners from around the world, two local races – the Freedom mile, Mammoth Lakes Turkey Trot. See a real opportunity for Mammoth Lakes to be a global hub for High Altitude training going into the 2028 Olympics in Los Angeles. Positioned nicely because we also have a low elevation training ground in Bishop. Would like to bring in athletes from around the world and expose them to high and low altitude combined training. Need to develop a low elevation track to really be competitive with other training areas in the U.S.

7. New Business

3. TBID renewal update (includes LA Kings and Special Events Update) – John Urdi reviewed status of TBID and the next steps to the renewal process; still waiting on one rather large petition to get signed; once all petitions are signed they are brought to the town for review and acceptance, then we go before Town Council for the Resolution of Intent. Starts a 60 day public hearing and public meeting process. At the end of those 60 days, the Town Council would hear and pass a Resolution of Formation. The hope is for all of that to happen before the new Town Council and prior to expiration of current TBID, August 31. If is not renewed by August 31, there will be a lag time in collections for businesses and that may be very difficult to communicate and deal with. Reviewed updates from the LA Kings deal - Kings need to make a decision by the end of next month. At this time, we may not be far enough along with the TBID to make a financial commitment; I would recommend that we table the Kings decision on our end – still going to meet with the Mountain to discuss assets to see what we can do there in case a deal still goes forward on their end. Similarly, would like to table special events position until we know where the funding is coming from and the TBID is in place. Don't want to commit dollars past what we have coming in. Goal is to get the TBID renewal done and then revisit these commitments.
 - a. Sean Turner: Special events are rightly on hold; would love to see the Kings deal happen; my understanding is that the hold up is with the TBID is the Mammoth Resorts petition. What is going to take to get it signed?
 - b. John Urdi: Conversation still revolves around airports. Been some suggestions to the Town to using some of the TBID funding towards airports, which may or may not be in our best legal interest.
 - c. Sean Turner: Is it legal to use funds from TBID on the Bishop airport?
 - d. John Urdi explained possible legal issues with using TBID dollars towards air service in Bishop; not illegal but there is risk regarding proposition 26 which states that TBID funds need to “provide specific benefit to those who pay into the fund”; had conversation with John Lambeth at Civitas about other district challenges associated with special benefit. Pretty sizable risk to spend dollars outside of the district, in other words at an airport in Bishop. Possible to use dollars to subsidize portions of flights were we know people are coming to Mammoth Lakes, and possible to subsidize the transportation to get people from Bishop to Mammoth Lakes. Other uses at the airport in Bishop aren't as clear what the benefit to Mammoth Lakes may be. A lot of moving parts and opens us up to risk.
 - e. Eric Clark: From the Mountain's perspective, looking at dollars we contribute to the TBID we really want that to go towards developing air service and feel there is a huge potential to develop our air service to destination air service, with long haul flights. With new company affiliation we know we have a lot of pass holders in these long range destinations, and we want to look at how we can bring more people to Mammoth Lakes, and air service is a way to do that. The reason the TBID is being held up is because Mammoth Mountain would really like to understand what the strategy with air service is. The FAA visit was very informative; very supportive of both airports. Our perspective is how do we develop the commercial air service at Bishop airport, and a funding mechanism to help in those efforts. Mountain thinks it will be very hard to further develop air service in Mammoth Lakes.
 - f. Scott McGuire: We have a TBID that is up for renewal now, and say the county is able to raise funds and FAA make the airport compliant in three years; we aren't going to have a strategy that is in place in the next six months, is the Mountain comfortable with holding up TBID and potentially bankrupting the TBID market for the Town of Mammoth Lakes in absences of that strategy?
 - g. Eric Clark: We would like to see us work towards that strategy and get something in place; can we re-write the TBID to working towards that two/three-year plan for Bishop?

- h. John Urdi reminded the Board that any changes to the management district plan, it has to go out to petition again.
 - i. Paul Rudder: Seems like there is an undercurrent that the Mountain understands what can be accomplished in the time period of the TBID now but is looking at this organization to give some sort of commitment that we are willing to move forward with incorporating Bishop into our transportation scheme. I think I understand where the Mountain is coming from in regards to make air service consistent. This organization needs to decide where it is going with air service and in my opinion that means taking a position on airports, because we are spending a whole lot of money subsidizing air service and if the plane has nowhere to land, then it's a waste. And that's the position we are in now. Bishop is a potential solution and I think if we gave the Mountain the impression that we would do everything we can through this organization to develop Bishop in concert with Mammoth, the mountain would take that.
 - j. Eric Clark: Mountain is saying that we believe FAA controlled, commercial air service is better served in Bishop. We aren't looking to gut Mammoth, just to transfer it, and start putting our resources to that.
 - k. Brent Truax: I took away a little different opinion from the FAA visit – I took it that we might have the best of both worlds with both airports. But what are the true costs of developing the airport in Bishop. We are being asked to make a financial commitment without all the facts and recommendations in place. The Mountain is looking to get a financial commitment from us at the end of the day, even if we don't know what that amount is.
 - l. Eric Clark: We aren't asking specifically for a check, but we are looking to see how we could develop a funding mechanism to help transfer that airport into a working commercial airport. It is an intent, without knowing how much it will cost. We go back to the original amount dedicated to the TBID through pass sales, 2% of season pass sales was originally dedicating to go to air service - so when we look at the renewal, what bucket of money could we create from our contributions and others that would go towards air infrastructure or air service.
 - m. Brent Truax: We are having a conversation based on hypothetical; basically we need regional air service. What does that look like? There is dialog that needs to continue to figure that out. I think lapsing the TBID would be very bad for our area; there is a direct tie between how we are doing with little snow and our marketing dollars spend. To me it's more about do we support air service or not, what does that look like, and what are going to be the increased costs to support it. Until that conversation is complete, there is nothing to bring to the Board as an answer, all we are doing is speculating.
 - n. John Morris: I would like to bring this back to the original conversation; I agree with John that because the LA Kings partnership and the special events position are future funded, and because we dont have the TBID inked at this point, those two things should be put on hold until that is solved.
 - o. Brent Truax: I would like to move to number 3 because that is a part of this but bringing this back to Special events and the LA Kings agreement, I'm not looking for a vote but we need at least consensus and staff direction as to how to move forward here.
 - p. Sean Turner: What is going to be the process for making the decision if we are able to do a deal with the Kings? John Urdi restated that without the TBID signed, he would not be recommending signing off on that deal based on funding alone. It is ultimately the Board's decision but he would not recommend it.
 - q. **Brent Truax asked for consensus on putting the LA Kings deal and special events on hold until the TBID issues are resolved. All agreed** and then he moved the conversation to New business item number 3.
3. Air representation regarding MMH and BIH discussion & appoint two board members –
- a. Brent Truax asked the Board for 2 people to represent the Board at these meetings and bring us more information; Eric Clark provided information to the Board on conversations between Inyo County and the FAA so far. John Urdi clarified that the Board is not being asked to join MIWAG but to have representatives with John Urdi when he meets with the Town or the Mountain on this topic. **Brent Truax and Michael Ledesma volunteered.** Eric Clark recused himself and Colin Fernie was recused due his inclusion on Town Council. **Paul Rudder also volunteered. Board**

agreed three people to represent Mammoth Lakes Tourism, with John Urdi, in meetings with the Town and Mammoth Mountain on air service.

- b. **Sean Turner reiterated that he would like to see memos from Staff with informational updates prior to Board meetings requiring discussion and/or a vote.**
2. Chamber of Commerce funding increase discussion and vote – (taken after #3) reviewed information provided at last meeting in regards to what the increase in funding will be used towards. **Paul Rudder motioned to approve the Chamber’s request for increased funding. John Morris gave a second - unanimous approval**
4. Vehicle partnership and purchase/lease discussion give staff direction (Board update only) – John Urdi reviewed issues with current vehicles and possible partnership with a southern California dealer. Brent Truax asked if there would be any option to open up this partnership to other business in town. John Urdi has begun to look into the fleet pricing options for Town, as well as possible other business. Unsure what the dealership would be able to do that; proposals almost done would include deliverables that we would give back. Hoping to sign someone on for a \$50-\$100,000 partnership.

8. MLT Team Presentation Schedule – International Update

- a. Michael Vanderhurst provided an update to the Board on where we are in International markets and with international agencies. Reviewed previous 2016 growth in spending by international guests. Data compiled based on Visa purchases. 2017 spending for international guests in Mammoth was up 10.6% over 2016, great year over year growth, when considering that in general for the US visitation from international guests is down about 4%. Michael then provided individual analysis of each international market, spend comparison, marketing/PR value. Nice bump in the french market: spend is up by almost 15%; Italian spend is up almost 13% - contract is only for \$15,000 and we get almost \$325,000 in ad placement value; German markets have declined due to current political situation in the US; Trump Slump; Australian/New Zealand has phenomenal growth – 72%, able to uniquely position visiting Mammoth along with other hot spots in California – other resorts can’t do that except Japan; China hard to track due to they don’t often use Visa, use UnionPay/Discover or Cash. Great lift in all other markets.
- b. Potential Future Markets: Mexico, Canada, Brazil, Spain, India. For this past year we saw 40% growth in spend from Mexico and Canada visitors. Visit California is going to go all in on India and so we are looking at what the traffic could be here.
- c. Michael Vanderhurst reviewed international messaging based on seasons, overview of the strategies for International sales, future opportunities and threats.

9. Department Updates –

1. Marketing Update – No marketing update as Whitney is out with a family emergency; Virtual Reality is debuting at Trade Shows; Looking at Strategy and Budget meeting in April; Summer marketing kicks off next week; website usability study ongoing.
 - a. Scott McGuire: **request for the strategy budget meeting, can you provide us with strategy and budget in advance so we can review and then use that session to ask questions.**
2. Communications/PR –Lara Kaylor: we are official in escrow for a new crib, have athletes lined up starting at the beginning of March; Will have a get together once Escrow closes; Also working with the Mountain on banners for Olympic athletes.
3. Chamber update – skipped, they will give a full presentation at next month’s meeting.
4. Air Service Update – John Urdi reported on air service; Blended cancellation rate for the year is 6.23%; SFO and San Diego are at 4.3%; LAX is at 6.7% and JetSuiteX has not cancelled and only had to divert to Bishop once so far. Through February 6th for the year, LAX is up 2,945 passengers; San Diego is up 1071 and SFO is up 188 and JetSuiteX is up 147; Up 4,351 total round-trip compared to last year. Subsidy for December came in a little higher due to cost structure and effective rate.

10. Financial Reports – An update regarding the financial health of the organization

1. TOT & TBID – review previous months results
 1. Year over Year for December TOT is down by only 1.1%; second best December ever. TBID was down 1.3% to budget for December; Year to date the TBID is down .14%
2. Cash Flow and CDARS info – discussion of current bank balances and reserve account activity

1. CDARS - For Measure A: \$1.25 million, \$500,000 will be cashed out tomorrow for The Crib; TBID has \$2.5 million, \$1 million will be taken out to support increases to budget for this next year; \$500,000 was savings from air service, the other \$500,000 was committed to budget this year above and beyond.
 2. Measure A checking balance = \$1.982 million; savings = \$5,010; may seem inflated but we are getting paid quarterly by the town now, where previously we were being paid monthly.
 3. TBID checking balance = \$411,000; savings \$5,000; Quarterly payment from the town was \$1.227 million.
3. P&L Reports: sent out yesterday; few things are timing but everything else is right on track.

11. MMSA Update – Eric Clark – Alterra Mountain Company is the new name, also new Pass: Ikon Pass. The whole concept about coming together was about being inclusive and coming out with this pass product; exciting and great to see come to fruition. Rusty Gregory is the new CEO of Alterra Mountain Company. Skier visits: even with less snow than we would like, through January we were only down 0.5% of skier visits compared to last year. Bear and Snow Summit do not have the same results.

12. Key Takeaways

1. December came in at \$2,339,993 down from the previous record (2016) by -\$30,985 which is 1.1%
2. YTD TOT is +\$197,929 to the previous record (2016) and +\$2,507,080 to 2017-18 TOT budget YTD

Future Meeting Dates: Next scheduled Board Meeting for **Wednesday March 7, 2018** from 1-3:00pm Suite Z

Brent Truax adjourned the meeting at 3:10pm