



## Mammoth Lakes Tourism Monthly Board Meeting

**NOTE NEW DATE - Tuesday, September 11, 2018 - 1:00-4:00pm in Suite Z**

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

[https://www.dropbox.com/sh/zxanpoyiv7mwd9t/AAB-aHpEDShkXC2UnH79\\_hRJa?dl=0](https://www.dropbox.com/sh/zxanpoyiv7mwd9t/AAB-aHpEDShkXC2UnH79_hRJa?dl=0)

### Meeting Agenda

1. **Call Meeting to Order – Scott McGuire, Board Chairman**
2. **Roll Call – Present:** Scott McGuire, Brent Truax, John Morris, Sean Turner, Kirk Schaubmayer, Michael Ledesma, Mayor Cleland Hoff, Eric Clark, Paul Rudder.
3. **Thank you to Whitney Lennon for 8 years of service to Mammoth Lakes Tourism**
4. **Welcome Caroline Casey to the MLT Team as Director of Special Events – will start October 15, 2018**
5. **Board Member Comments/Board External Committee Reports/Agenda Additions**
  - a. Michael Ledesma stated that he was surprised by an agenda item; New business number 1. Stated he wished it had been possible to share more information among the rest of the Board, before he was confronted by community questions related to articles in the newspaper. Scott McGuire stated that due to Brown Act requirements, there was no way to share more information to the Board.
6. **Public Comment –**
  - a. Ward Jones, lodging operator. Thanks for your service to the community; wanted to share general commentary on marketing; smaller businesses don't feel like they have a voice; get out of the airplane business; tot customer is gone totally from the airport; look at flights to Las Vegas; does Mammoth Mountain get more than their share.
  - b. Sean Turner made a comment as member of the public. Bluesapalooza has secured a verbal commitment from Dirk Winters to host the 2019 on the Woodsite August 1-4, 2019. Announced he would be recusing himself from all future conversations involving MLT, the Woodsite and Dirk Winters. Reached out to owners of other properties – have not heard back but anticipate being able to use them. Will be providing an update to Town Council on event performance.
  - c. Scott McGuire responded to Ward Jones and stated he would be happy to sit down to go over the numbers and the independent research that has been done with any member of the public who is interested. Scott McGuire also encouraged Mr. Jones to get together with the lodging association representative to discuss his representation.
7. **Minutes – Approve meeting minutes from June 25<sup>th</sup> (executive session), July 11<sup>th</sup> (air service special meeting) and August 1<sup>st</sup> (regular BOD meeting) – **three attachments****

  - a. Sean Turner made a motion to accept the minutes for July 11 and the minutes for August 1. Paul Rudder gave a second to the motion. Unanimously approved
  - b. John Morris made a motion to accept the minutes from the executive session on June 25<sup>th</sup>. Kirk Schaubmayer gave a second to the motion. The Executive Committee of Brent Truax, Kirk Schaubmayer, John Morris and Michael Ledesma voted to accept the minutes from the June 25<sup>th</sup> meeting.

8. **New Business**
  1. Executive Committee Member Evaluation –
    - a. Review of questions and answers regarding communications and conflict of interest - **attached**
    - b. Discussion and **vote** of appointment of vice-chairman position
    - c. The Board began with a discussion about how to best share this kind of information amongst Board without violating Brown Act and notice requirements related to a meeting. It was determined there really isn't a way and it is unfortunate that Board members had to learn about issues in the newspaper and other in the community before the Board meeting could bring them to light. Scott McGuire then asked the Board if they had read and/or had any questions regarding the questions and answers provided. Brent Truax then read a statement to the Board communicating he felt the action is being pursued unfairly, without evidence or cause. Brent

Truax also stated that the purpose of MLT's Board alone makes in inherently conflicted, as everyone is interested in seeing the success of the Town. Scott McGuire responded stating that there is no intent to remove Mr. Truax from the Board and the Mammoth Lakes Tourism Board has no right to remove him, as his seat is the Chamber Seat; the Chamber has the right to let whoever they choose fill that seat. Mr. McGuire then asked Michael Ledesma and Kirk Schaubmayer to confirm details and conversations they were privy to during an Executive Session in February. Mr. Ledesma stated that he was present but would have to consult his notes from that meeting to confirm action items. Mr. McGuire then reviewed the questions regarding Mr. Truax's conduct and behavior. Mr. McGuire also clarified his intention is to make This Board as transparent as possible. Cleland Hoff asked a clarifying question regarding the events and communication from Town Council member John Wentworth. Mr. McGuire clarified the facts regarding the Grand Jury had to do with the timing and process on MLT's side, not the Grand Jury content in general. The Board had a back and forth discussion about frustrations with communication and action items not completed or lack of information clarifying what happened. There was back and forth discussion between Mr. McGuire and Mr. Truax about details concerning issues with Mr. Truax's performance on the Board. Scott McGuire moved to have a discussion about removing Brent Truax from the Executive Committee. After further discussion of the Board it was determined that Brent Truax would be given an additional time period to answer questions from the Board – by next Friday, 9/21. **Sean Turner made a motion to table this conversation until responses are received from Brent Truax. Paul Rudder gave a second to the motion. The direction to the Board is that there will be no discussion on the responses until the October Board meeting or until a special meeting can be convened. Cleland Hoff left the meeting at 2:26pm. A vote was taken after Cleland left; vote was otherwise unanimously approved.**

2. 2018 Grand Jury Response –
  - a. MLT Staff drafted a response to the recommendations of the 2018 Grand Jury and has shared that with the town manager to include in the Town's response. – **draft response attached**
  - b. Scott McGuire clarified that it is MLT's policy contracts of \$25,000 or more, will be reviewed by the Board; that was a vote of the Board within the last year. The Grand Jury requested the policy be contracts of \$10,000 or more, be reviewed by the Board; Scott McGuire stated because of other policies in place this was not necessary and previous policy would stand. Mr. McGuire asked if there were any further questions from the Board. There were none.
3. Air Service Update – John Urdi reviewed the following update on air service. United routes have been finalized. Looking to solidify details of JetSuiteX service:
  - a. JetSuiteX - Burbank, CA – **Proposed/Recommended**
    - i. Four-day-per-week service (Thursday, Friday, Sunday and Monday)
  - b. JetSuiteX – Orange County, CA (John Wayne Airport) **Proposed/Recommended**
    - i. Four-day-per-week service (Thursday, Friday, Sunday and Monday)
  - c. JetSuiteX - Carlsbad, CA – **Proposed/ NOT Recommended due to budget constraints**
    - i. Four-day-per-week service (Thursday, Friday, Sunday and Monday)
    - ii. Proposed MMSA cost sharing agreement would put this flight outside of our \$1,510,000 winter cap on air service and is unbudgeted.
    - iii. Projection is that this flight subsidy could cost upwards of \$250,000 in year one; also would require significant dollars for educating that market on the route.
  - d. JetSuiteX – Oakland, CA – **No longer pursuing for winter 2018-19 due to funding constraints**
    - i. In Oakland, we don't have a ton of ground cover on marketing; most marketing done in that region is as it relates to the San Francisco flights. Funding would have to be taken away from the San Francisco campaign to educate people on this route and carrier and the benefit just isn't there.
  - e. Proposed JetSuiteX contracting for 2018-19 service
    - i. MLT and MMSA draft cost sharing agreement in process
    - ii. Propose MLT sign agreement with JetSuiteX – may be option for multi-year deal
    - iii. MLT will be responsible for all air subsidies for JetSuiteX routes (upfront payments); may require going into reserve funds due to cash flow issues.

- iv. No additional insurance requirements for MLT (insurance in contract was for transit)
  - v. MMSA to continue to facilitate transportation from BIH with diverted flights – (this should be a separate contract with JetSuiteX)
  - vi. Discussion and **vote** on policy and direction to MLT staff to contract and pay for JetSuiteX service within our existing budgeted subsidy amounts – chairman to co-sign agreements. Scott McGuire asked if any of the Board members had questions about the recommendation presented. The Board had a discussion about not pursuing options in the San Diego region, over flight out of Orange County. Evaluation was based on season pass holders and second homeowners occupying the two regions. **John Morris made a motion to accept recommendations for JetSuiteX air service and contracting as presented by staff. Michael Ledesma gave a second to the motion. Eric Clark recused himself. Vote was otherwise unanimous.**
4. Contracts – John Urdi gave updates to the Board on a number of contracts.
- a. **LA Kings ongoing marketing partnership** - two year agreement with a third year option to sponsor the last 14 home hockey games at the Staples Center in Los Angeles to promote year round activities in Mammoth Lakes with a focus on Spring, Summer and Fall. \$100,000 to be used from the committed “joint fund” account as agreed to in the Letter Agreement between MLT and TOML dated April 19, 2018.
    - i. **Brent Truax requested a follow up from MeringCarson regarding the return on investment related to LA Kings marketing program.** John Urdi stated those number will be presented back to the Board.
  - b. **Mammoth Half Marathon** – request to extend a partnership to the Mammoth Half Marathon to cover up to \$15,000 in shortfall from their event. The event is not-for-profit and donates all proceeds from the event to local non-profits in Mammoth Lakes. The event occurs in an identified “need” time (June) and draws roughly 1250 runners and their families to the area. Ultimately this will fall to our new Director of Special Events.
    - i. Brent Truax left the room to avoid conflict associated with a specific contract between Sierra Nevada Resort and Mammoth Half Marathon. The Board then had a discussion about other possible conflicts with other Board members around this particular event.
    - ii. The Board then had a discussion about Mammoth Half Marathon and the assistance given to this event and others, including future policies as well as new opportunities related to the creation of a Special Events Director. **John Morris made a motion to move forward with funding request from Mammoth Half Marathon. Kirk Schaubmayer gave a second to the motion. Eric Clark recused himself after further review of contract language. Unanimous approval from Scott McGuire, Kirk Schaubmayer, Michael Ledesma, Sean Turner, John Morris and Paul Rudder.**
    - iii. Brent Truax returned to the room.
  - c. **Air Planners Contract** – this is our contract with Kent Myers to assist us in coordinating and negotiating air routes and contracts with current and future carriers. This contract is budgeted and consistent with past contracts we have held with Air Planners since 2012.
    - i. Scott McGuire stated that Kent’s support was instrumental in securing United air service into Mammoth This year. Eric Clark stated that MMSA has a contract with Kent Meyers as well – identical to the one here; has been signed and executed by MMSA. Paul Rudder made a motion to approve the contract pending legal review. **John Morris gave a second to the motion. Eric Clark recused himself; unanimously approved.**
  - d. Addendum to the ongoing contract outlining marketing spending for the 2018-19 fiscal year from Mering Carson being reviewed by Chairman McGuire with MLT staff.
    - i. John Urdi gave one correction: instead of MeringCarson completing an addendum to the contract, they went ahead and redid the full contract. It is within the budget for marketing, staff recommends it be signed. Scott McGuire clarified the change had to do with who owns the assets and in regards to content should we separate with MeringCarson. The request before the Board is to allow the Chair to approve and sign the contract on behalf of the Board. Brent Truax stated his opinion is the full Board review the contract before voting on it. Scott McGuire stated that in order to execute a

number on contracts in a timely manner and review with the Board in full, it is necessary to have a special meeting and asked if there were any issues in regards to an additional session. Mr. McGuire affirmed that John Urdi and him would work on scheduling a meeting to review contracts.

5. Closed Session –

- a. Discussion of matter involving MLT, Dirk Winter and the Wood Site, including potential or threatened litigation. Mr. McGuire stated the anticipated closed session would not take place until it is determined if litigation will move forward or not; awaiting some word back from the town attorney. John Morris left at 3:10 pm. Paul Rudder stated that if we are going to have a special session, he would request that this item be re-noticed for a closed session at that time.

6. Chairman to report out on closed session – no closed session, therefore no report.

9. **MLT Team Presentation** – Paul Rudder left the meeting just as the presentation started. Amanda from MeringCarson reviewed presentation.

a. Air Service - Incremental Marketing Budget Request

1. Mering Carson, Clint Ostler & Whitney Lennon – via phone
2. Air service support continues to grow in priority for Mammoth Lakes.
3. MLT supports air service awareness and consideration within its seasonal paid media budgets; the percentage of the budget used to support Air Service is determined by seasonal campaign budget and media placement rotation availability.
4. FY18/19 utilized this standard allocation process, however, post-board budget approval, additional winter service was secured to Denver and Orange County, and a new air carrier will serve Los Angeles.
5. In order to implement this new and optimized Air Service program, incremental funds are required to ensure proper support for FY18/19.
6. Discussion and **vote** on any additional funding request for 2018-19 air service marketing. Recommendation from MeringCarson is to re-evaluate marketing dollars for air service. Specifically, to look at air service holistically as a year round paid media program. Focus flight messaging programs on designated marketing areas, where we know we can convert to flights and convert as many as possible. Expand ability to work with partners, like air service providers and in-destination stakeholders. Brent Truax asked what is different from our current plan? Amanda stated that this is different because we have the opportunity to co-op with air service partners. Amanda stated that up until now the program has really been educational marketing that these flights exist; with a bigger air service partner we can co-op that and reach more people, and actually convert to booking flights. Amanda then reviewed how core marketing pieces for air service like social media, native displays and video content will continue to support the air service message. Amanda then talked about some new options for placements and search engine marketing to further encourage air travel. Amanda then reviewed new core opportunities across all marketing platforms for co-op messaging with air partners; then reviewed specific recommendations for budget. Total additional incremental request is for \$400,000 - \$337,500 dedicated to winter; remaining dedicated to summer/fall. The Board then began a discussion on the budget recommendations. Scott McGuire stated it was his opinion, due in part to negotiations over the TBID, that MMSA should carry the budget for the Denver flights since it means so much to them as well; supports the increases for Summer and fall but questions winter and specifically the increase for Denver. There was a discussion about the Mountain's commitment to air service and subsidy budget. Eric Clark then reviewed the Mountain's commitment to support the air service messaging via their marketing efforts. Sean Turner asked a clarifying question about the budget but it was clarified this budget request is only for this winter and not a year-over-year request. **After further discussion from the Board, Scott McGuire made a motion to approve the \$400,000 requested additional budget amount, with \$31,250 approved to spend and the \$337,500 tentatively approved pending the Board approving a media plan for the winter spend. Michael Ledesma gave a second to the motion. Brent Truax voted against because of the caveat in regards to winter; it was his feeling we should move forward now to not miss out on marketing opportunities. The motion passes 5-1.**

10. **Department Updates** – tabled until the next meeting.

- 11. Financial Reports** – John Urdi gave an update regarding the financial health of the organization.
1. TOT & TBID – review previous months results – **TOT & TBID info attached**
    - a. TOT for July \$1,743,493 which is +\$568,493 and +48% to budget. -\$10,243 and -.58% to LY
    - b. TBID for July \$348,859 which is +\$68,709 and +25% to LY and +\$63,859 and +22% to plan
  2. Cash Flow and CDARS info – discussion of current bank balances and reserve account activity
    - a. CDARS Balances Measure A \$1.15m & TBID \$2.0m - took \$500,000 7-31-18 still waiting for final Alaska Airlines invoicing to pay winter air subsidy – took \$350,000 from Measure A CDARS to assist TOML with Wayfinding Signage program pending MOU with TOML
    - b. Measure A Checking = \$1,348,079.29
    - c. Measure A Savings = \$5,011.46
    - d. TBID Checking = \$ 1,324,709.09
    - e. TBID Savings = \$5,006.90
  3. Joint Bucket Funds – estimated balance in the MLT/ Town Council Joint Reserve Bucket
    - a. \$102,766 (total available in this account is roughly \$473,027 including rollover of uncommitted 2017-18 funds. To date MLT/TOML have earmarked and committed \$600,000 to the ongoing LA Kings Marketing Partnership)
  4. P&L Reports – Questions from the board regarding MLT financials; thank you we have made note and corrections.
    - a. Scott McGuire asked what we are looking like at in terms of revenue year over year. John Urdi explained that we may still be behind in August putting us behind last year, due to smoke; still a very strong year and we won't miss last year by as much as we thought we might.

**12. Mammoth Resorts Update – Eric Clark –**

- a. Zip Line: Looks like it will have an inspection on October 8<sup>th</sup>; expecting an opening of October 13<sup>th</sup>. Looking at the possibility of operating the lower section into winter, at least maybe opening day.
- b. Canyon Lodge Improvements will finish on December 13<sup>th</sup> just before Night of Lights on December 15<sup>th</sup>

**13. Key Takeaways**

1. **July came in at \$1,743,493 which is less than 1% behind last year's record of \$1,753,735 (-\$10,243)**
2. Scott McGuire confirmed that the Board would look to hold a special session later this month. Date TBD.

**Future Meeting Dates:** Next scheduled Board Meeting for **Wednesday October 3, 2018** from 1-3:00pm Suite Z  
Meeting adjourned at 4:19 pm