



**VISIT
NEWPORT
BEACH
CALIFORNIA**

TBID Board of Directors

Visit Newport Beach Conference Room
Friday, June 24, 2022
10:00 a.m.

X – In Attendance A – Absent E – Excused

TBID Board of Directors

X	Debbie Snavelly, Newport Beach Marriott Hotel & Spa	X	Charles Cho, Newport Beach Marriott Bayview
X	Marina Dutton, Balboa Bay Resort	X	Wasim Kazi, Hyatt Regency John Wayne Airport Newport Beach
E	Natalie Trujillo, Renaissance Hotel Newport Beach	E	Michael Gelfand, Newport Dunes Resort & Marina
X	Erin Henry, Hyatt Regency Newport Beach	E	Andres Brose, Lido House Hotel

Visit Newport Beach Staff Represented

X	Gary Sherwin, President & CEO
X	Michelle Donahue, Senior Vice President of Sales
X	Doug McClain, Senior Vice President & Chief Marketing Officer
X	Lily Pearson, Vice President of Finance
X	Jennifer Brannon, Recording Secretary

Call Meeting to Order

Debbie Snavelly called the meeting to order at 10:04 a.m.

Roll Call

Debbie Snavelly accounted for TBID BOD and Visit Newport Beach (VNB) Staff present for the meeting.

Approval of Minutes

Debbie Snavelly requested a motion in regards to the minutes from the February 2, 2021, meeting. Wasim Kazim moved to approve the minutes. Charles Cho seconded the motion. The minutes were unanimously approved. Michael Gelfand and Gregg Hering were absent from the vote.

FY21 May 2021 Financial Reports

Ms. Pearson presented the May 2021 Financial report.

Everything right on target, however, Ms. Pearson highlighted 5 of the larger variances. Total Revenue was \$912,000 over budget. The TBID was \$995,000 over budget for the year. Out of that excess, \$718,000 has been encumbered for the FY23 fiscal budget. Total salary & wages are under budget by \$117,000 due to employee retention credits. Next, total direct sales initiatives were under budget by \$215,000 because of reduced expenses due to COVID-19 and the inability to really use those funds in an impactful way. Customized destination support was under budget by \$174,000, however, expect a majority of those funds to come in during the last month of fiscal year. Lastly, regarding the net income variance, it was difficult to forecast for this past year. Staff budgeted for a loss, but instead had significant revenue. Looking at numbers closer, the TBID is really only in excess of about \$995,000 and again, majority is encumbered for next fiscal year.

Ms. Snavelly requested a motion regarding the May 2021 financials. Erin Henry moved to receive and file and Wasim Kazim seconded. The financials were unanimously received and file. Michael Gelfand and Gregg Herning were absent from the vote.

Current Business Situation

Ms. Donahue recapped the state of the current sales team. Of the three furloughed team members, all have recently returned. Overall, the team is smaller by one-third, but staff is a committed and enthusiastic team. Things are much busier and staff would like to bring back a sales coordinator in FY23, and hopefully in second half, another full-time sales person.

FY21 Sales Direction and Strategies

Ms. Donahue reviewed current state of industry referencing Cvent dashboard analytics regarding the destination and competitors.

In the last normal year before COVID-19, FY19, the TBID received 1,906 RFP's through Cvent and were awarded 281. In FY21, the TBID received 1,790 RFP's and awarded 198. In comparison to FY19, approximately 93% of the RFP's were received, and 70% were awarded. Even though these are close, the RFPs are not necessarily meeting the customer profile. Next, Ms. Donahue compared RFP's received and awarded of the local comp set destinations, and discussed some data regarding incentive market and the continued closure of Fashion Island Hotel and renovations at Marriott Hotel & Spa. Ms. Snavelly inquired about FY19 awarded rates vs. quoted rates for Newport Beach. Lastly, Ms. Donahue discussed the overlap of received leads for the top 10 competitive cities. This is one of the reasons staff have invested heavily in the next tier level with Cvent. TBID members will appear at the top of competitors Cvent pages.

Group marketing initiatives that staff are continuing this year are 1.) Grow confirmed luxury meeting bookings. 2.) Establish & reinforce Newport Beach as an essential business partner. Selling the destination, but also selling the organization and why its important to work with in collaboration. 3.) Understand & elevate planners through data intelligence.

Regarding first objective of luxury bookings, the VTIB is in great position with the reimagination of two of our larger hotels as well as our other TBID hotels investing in product enhancements, etc. so there is a lot to share. This has position NB in an attractive position for high end meetings in all of Southern California. The TBID can position itself in a fully inclusive solution for incentive & luxury meetings. Luxury initiative really helps the entire destination and will be reflected in the video content, microsite on the website, FAM experiences, social media, advertising, tradeshow booths and the different things being done. Staff is working on two luxury videos to appeal to this market and will show a brief clip of destination activity.

Staff continually works on the second objective and invests in industry relationships. VNB is well known amongst industry customer groups and they appreciate the support given to them. Staff has a wide range of sales & marketing opportunities that also extends to the hotels' sales teams. One such opportunity is the evergreen RFP promotion that has

existed for 10 years. Staff has also added our Level Up promotion this year and extended it through December. This helped with the pandemic slump as well as the previous decrease in commission from many hotels from 10% to 7%.

Jane, our Group Communications Director, has continued client engagement through targeted emails all throughout the pandemic and currently. She also handles all of the social media, extending the messaging and branding. Staff has been on the road non-stop everywhere meeting clients with hotel partners when possible. Staff has elevated the FICP membership, which is a highly sought-after show, that now includes 4 registrations to the annual meeting. Staff has also pursued and won 5 hosted in-market industry events including CalSAE, Northstar Leadership Conference dinner, and MME Experience. VNB co-sponsors and underwrites these events with TBID funds to ensure member hotel's success in delivering A+ events.

The third initiative is about making informed decisions. The pandemic provided some great data and relevant research that staff can use moving forward. Staff has specifically invested in four that will help us in the most relevant research & data mining that can be used: SimpleView, Cvent, ActOn, and Knowland. ActOn, is a powerful marketing automation tool that allows staff to address planners at every stage of the funnel, in addition to messaging features based on planner descriptors. VNB invested in Knowland as well, and hired a part-time staffer to help manage and mine that program. She is producing 2-3 leads per week and can pull data and market reports that are relevant to staff.

FY23 Proposed Budget Review

Ms. Pearson presented the FY23 budget and explained that a detailed budget is available but her presentation would recap the overarching areas of the budget. She reviewed the actual and forecasted revenue, based on FY19 actual revenue and budget revenue of current year, and the budgeted revenue for FY23. Variance is based on comparison of FY23 to FY19. Ms. Pearson showed numbers on dip during the recovery period and how the market is coming back, while taking a conservative stance and projecting about \$697,000 variance from FY19. Operating expenses is forecasted to about \$215,000 over FY19 due to increased costs due higher travel costs, increased costs in memberships, seminars, etc. but using encumbered funds from FY22. It is also 3 years later so costs are higher. Advertising is under by \$120,000 due to decrease in creative designs. Several designs were created and funded in FY22 so no funding was needed for FY23. Marketing increased by \$230,000 due to condensed sponsorships, planned modernization of website, and new marketing search engine and DMI software in order to increase what TBID can provide to partners.

Ms. Snavelly requested a motion regarding the budget. Wasim Kazi motioned for approval and Charles Cho seconded. The budget was unanimously approved. Michael Gelfand and Gregg Herning were absent from the vote.

Proposed Room Night Goal

Ms. Donahue presented the proposed room night goal for FY23 and providing context of the goal and actuals for the last five years. It is a bit unpredictable now as compared to how it was calculated pre-COVID-19. This fiscal year the TBID is almost at \$50,000 with a budget of \$38,000 despite a few COVID variants. A few variables to take into consideration for goal setting in FY 23 revolve around portfolio changes. Not only the physical portfolio products, but also the expectations: looking for higher rates, better patterns, less displacement of leisure, more F&B, less concessions, etc. Due to this, some groups will no longer fit so staff needs to find groups that will better meet these objectives. The goal for the upcoming year was calculated with a sense of reality and predictions of economic recovery.

Ms. Donahue proposed a goal of 75K room nights. This splits the difference between the pre-COVID goal (100K) and actuals from this year (50K), with a desire to get back to a goal of exceeding 100K in FY 24.

Ms. Snavelly requested a motion regarding Room Night Goal. Erin Henry motioned for approval and Wasim Kazi seconded. The goal was unanimously approved. Michael Gelfand and Gregg Herning were absent from the vote.

Annual Report

Ms. Donahue noted everyone was sent the annual report to review and approve. This document is a summary of what is happening with the TBID, some was discussed today. This report goes to the City for approval after TBID board approves.

Ms. Snavelly request a motion regarding the Annual Report. Wasim Kazi motioned for approval and Charles Cho seconded. The annual report was unanimously approved. Michael Gelfand and Gregg Herning were absent from the vote.

Next Meeting

To Be Announced

Adjournment

No public comments or questions. Ms. Snavelly adjourned the meeting at 11:07 a.m.

Submitted by:

Jennifer Brannon, Recording Secretary

Approved by:

Debbie Snavelly, Chairperson

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