

VISIT BIG SKY

May 7, 2020 Visit Big Sky Board of Directors Meeting Minutes

VIRTUAL MEETING Due to COVID-19 via GoToMeeting

Call-In: Tim Drain, Justin Bain, Dan Martin, Krista Traxler, Kirsten King, Ryan Kunz, Josh Treasure, Ryan Hamilton

Absent: Julie Grimm-Lisk

Staff Present: Candace Carr Strauss, Emily Lessard, and Paige Desatoff

Public: Chris Torsleff – Stay Montana, Denise Wade & Andrea Saari – Big Sky Adventure & Tours, Stacie Mesuda – Big Sky Resort, Matt Kidd – CrossHarbor Capital Partners, Erik Morrison – Love Street Media, Tracy Pabst – Big Sky Shuttle

Call to Order: 8:35 am

PUBLIC COMMENT

All public attendees introduced themselves to the VBS Board. The following Public Comment was then made:

- Andrea Saari spoke to the Coalition of Big Sky-based Yellowstone Tour Operators seeking support from Visit Big Sky with messaging to promote the new normal for Big Sky and Yellowstone travelers. Saari also asked that VBS promote the destination as the Northwest Gateway to Yellowstone with the support of this Coalition. A letter to the Board was provided on the evening of May 6 after board materials had been distributed so it will be shared with the Board following the meeting.
- Tracy Pabst introduced herself and shared her company's involvement with the Coalition. She echoed support for aligning the destination as the Northwest Gateway to Yellowstone. Pabst also stated her approval of how VBS has been messaging on social about welcoming tourists back when safe to do so.
- Erik Morrison who has been working closely with VBS as marketing arm of Town Center Owners Association expressed his interest in seeking a VBS Board seat.
- Chris Torsleff stated his gratitude for the high-level of communication that has been pushed out by VBS during this pandemic and how helpful it has been, and expressed his interest in seeking a VBS Board seat.
- Stacie Mesuda expressed her interest in seeking a VBS Board seat. She then provided an update on BSR's limited re-opening for summer 2020 in line with the Governor's phased reopening. It will include golf and the Whitewater Inn beginning May 22, with the Bunker Bar & Grill on May 26 leading into Memorial Day weekend. Mountain biking and scenic lifts are scheduled to open June 26 along with some food operations at The Exchange.
- Matt Kidd agreed with public comments related to VBS being positioned as a Gateway Community to Yellowstone. He was on the Board meeting call to share his thoughts on the VBS Board composition discussion related to looking at limiting specific industry and company representation on the board in an effort to be more inclusive of the full tourism stakeholder spectrum represented by VBS as the official destination marketing organization for Big Sky. Kidd encouraged the Board to fill the available board seats for the upcoming 2020/21 fiscal year with directors who are interested in serving and who can provide value instead of limiting representation on the board by a particular company/industry. Kidd disagreed with the characterization that the Yellowstone Club, Lone Mountain Land Company which also encompasses Moonlight Basin, Spanish Peaks and the Big Sky Real Estate Co, Town Center projects including The Wilson Hotel, and various retail and restaurant establishments, all fall under the CrossHarbor Capital Partners umbrella. He also stated that CrossHarbor rarely participates on boards in Big Sky. His last comment was that LMLCo being grouped in the development/construction/private clubs category misses its true purpose of being community builders, and that it strives to be much more. The VBS Board for the FY21 Elections is considering

VISIT BIG SKY

limited % of board seats held by lodging entities, as well as by one company. The conclusion reached was that the VBS Board for the June 18 meeting bring forth industry categories for consideration and adoption and come to conclusion on % representation by those industries for board composition and service.

ACTION ITEMS

Approval of Minutes

- The approval of the March and April minutes was tabled until the June board meeting.

Approval of Financials

- A motion to approve the April financials was made by Ryan Kunz, with a second by Dan Martin. Discussion included the acknowledgement that VBS staff have done an excellent job in managing expenses during this time. With no further discussion, the motion passed unanimously.

NEW BUSINESS

VBS Board Operations & Administration

1. Nominating Committee Recommendations

a. Nominating Committee Policy Update

- Tim Drain, VBS Board Chair and Executive/Nominating Committee members stated that there are two Nominating Committee policy updates related to VBS Board composition that are being put forth for the full board's consideration. The first is related to the number of representatives from lodging properties that can populate the board. Due to the bylaw change last year wherein DestiMetrics lodging partners became voting members in addition to the board of directors, there is a need to ensure all tourism stakeholder voices have representation. Any Destimetrics Lodging Partner on the VBS Board is only eligible to voice one vote. The recommendation is to allow for up to 33% of the board to represent lodging. A Big Sky Resort representative would be excluded from the lodging classification because it is first and foremost a destination ski resort.
- The second recommendation is that there be a 25% ceiling on the number of board seats held by any individual business entity which with up to 11 directors equates to 2 board seats.
- Drain made a motion to approve the two recommendations with a second by Josh Treasure. Discussion was then had. Ryan Hamilton stated that business entities need to be defined. Justin Bain stated that industries and sectors also need to be defined. Bain reiterated Matt Kidd's public comment that CrossHarbor Capital Partners and all of the companies it owns (Yellowstone Club, LMLCo, etc) cannot be looked at as one entity. Krista Traxler stated that the ultimate goal of the Board has been to help support and promote Big Sky and the community in the best way possible which should be considered when looking at candidates.
- Bain indicated that this conversation was very forward thinking, however Strauss shared that these governance policies related to board composition and further annual board self-evaluation, should have been put into place in 2013 when VBS filed for and received its 501(c)(6) status, and that these governance policies and procedures are fundamental best practices for nonprofit management. They will provide guidance, transparency and accountability to decision-making to the full spectrum of tourism stakeholders that VBS represents.
- Dan Martin asked Traxler and Bain if there was a specific percentage for one entity to have on the Board that they found acceptable. Both replied that 25% is a good number, but it comes down to how an entity is defined.

VISIT BIG SKY

- Ryan Kunz stated that the issue is about how businesses are defined and suggested that the policy decisions be tabled until the next meeting. Kirstin King and Bain agreed with this. Ryan Hamilton stated that beyond VBS Board service, there are also 5 VBS Board-designated subcommittees that provide for engagement with the organization by anyone who wants to be involved.
- Strauss made the suggestion to delay FY21 VBS Board Elections to provide for time to put definitions together to better inform the vote. In addition, she proposed a VBS Board meeting for June 18 to finish the discussions, adopt new policies and hold elections.
- With no further discussion, no Board members were in favor of the motion, all opposed, so the motion died. A new motion was made by Tim Drain to suspend Nominating Committee policy updates and FY21 Elections until the June 18, 2020 VBS Board meeting. Ryan Kunz seconded and with no further discussion, the motion passed unanimously.

b. FY21 Board Elections of Officers/Directors

- For the upcoming FY21 Board Elections, the following candidates had submitted materials to the VBS Nominating Committee for consideration for the 3 available seats which include 1) that available due to the conclusion of a 3-year term of the seat previously held by Annie Pinkert, BSR, 2) that available by the conclusion of a 3-year term of the seat previously held by Andy Wirth, LMLCo which was then filled by appointment by Krista Traxler with her change of employer from Yellowstone Club to include LMLCo, although she is still doing work for Yellowstone Club and 3) that available by the conclusion of the 3-year term of Ryan Hamilton who has chosen not to seek reelection.
 - Stacie Mesuda, Big Sky Resort
 - Erik Morrison, Love Street Media
 - Chris Torsleff, StayMontana
 - Krista Traxler, LMLCo
- The seat previously held by Krista Traxler, as a representative of the Yellowstone Club has 1 ½ years remaining on its term and the Board can either appoint someone or it may choose not to fill the seat.
- FY21 Board Elections were tabled until a VBS Board meeting called for Thursday, June 18, 2020.

2. New Offices Project Report

- The VBS and Big Sky Chamber Boards both voted unanimously to the motion to move their shared offices to Big Sky Town Center, specifically the Creighton Block Gallery location in the Clock Tower building. The 5-year lease has been signed requiring a \$15,000 security deposit and \$20,000 allotment for leasehold improvements. The target move-in date is June 15, 2020. Future board meetings will need to be held elsewhere due to the lack of a board room. Rent will remain \$4,500/month for 3 years, with an increase in years 4-5 tied to cost of living increases.
- Strauss informed the Board that staff is back in the office working, but the VIC remains closed to the public and has no set date for reopening at this time.

3. FY21 Board Meetings – Day, Time, Location

- A doodle poll will be sent out after FY21 Board Elections in June to determine if the current monthly 3rd Thursday at 8:30 am is the best day and time of the week for the VBS Board to meet.

PROMOTE the Destination

Big Sky Save Small Business Relief Fund w/Big Sky Chamber & BSRAD

- Friday, May 1, 2020, VBS and the Big Sky Chamber launched the Save Small Business Relief Fund with the Big Sky Resort Area District with \$210,000 - \$110,000 from VBS and \$90,000 from the Big Sky

VISIT BIG SKY

Chamber repurposed from FY20 Allocations. Qualifying businesses with 1-5 employees will receive \$2,500 and those with 6-20 employees will receive \$5,000. If asks are greater than the total amount allotted, the awards will move to a lottery system. There were approximately 65 applications.

- Eligibility requirements included that the business be physically located in the BSRAD boundary or if located outside, be a tax-collecting business operating within the BSRAD. The businesses need to be registered with the BSRAD per the Ordinance revision which required it by December 31, 2019, and if tax-collecting, current with tax payments through month-end February 2020.

Phased Re-Opening of Montana...Big Sky

- The Governor's Stay-at-Home Directive was lifted on Sunday, April 26, so Montanans can move about the state however, the mandated 14-day self-quarantine for out of state travelers is still in effect. Restaurants and bars can reopen as of Monday, April 27, but with restrictions like limited capacity of 50% and strict social distancing guidelines including no bar service. There is no timeline for moving through the phases per the Governor. VBS promises to keep the Board and the Big Sky community updated as information becomes available.
- Erik Morrison stated that a major concern for Town Center businesses is that travelers are not going to adhere to CDC recommendations and the Governor's mandated self-quarantine.
- Strauss mentioned the tasks that the VBS staff has taken to ensure the community is being heard and ensuring that the community and visitors know which businesses are open and what for.
- Justin Bain mentioned the idea that VBS and the community should push messaging targeted to in-state travelers. Strauss stated that at the beginning of May, VBS added the state of Montana to the ongoing Metric PPC campaign. It will target Montana residents searching for lodging in and around Yellowstone, Bozeman, etc. and retargeting people who have visited visitbigsky.com. The budget for the Metric campaign has been doubled to \$10,000 due to meet demand. Currently ads served up only met 30-40% of the demand out there. In addition, the Orange-142 campaign retargeting Winter 2019/20 visitors to Big Sky was originally scheduled to begin May 1, but has been pushed back until the 14-day self quarantine is lifted. Assets will be ready to flip the switch once that happens.

NTTW20 – Tues, May 5 Held State-wide Tourism Industry Rally in Helena

- Strauss attended a NTTW20 "Tourism Rally" in Helena on May 5, 2020 along with 10 other tourism leaders from around the state to shine a spotlight on the Power of Travel as an economic driver for communities big and small throughout Montana and the nation.

Metric PPC Campaign – Spring '20 | Mar-Apr results; May-June remain

- The Metric PPC Campaign update was already given during the Phased Re-Opening of Big Sky discussion.

OLD BUSINESS

VBS Board Operations & Administration

LEAD the Destination

Regional Tourism Recovery Sub-committee – Weekly meetings Wednesdays @ 11am

VISIT BIG SKY

- Spun off from the weekly Regional Economic Recovery and Resiliency call on Wednesdays at 10am that was initiated under the Emergency Operations Center formed to address the impacts of COVID-19. Approximately 25-30 individuals participate in this weekly call run by Candace Strauss including BZN, YNP concessionaires, OTAs, lodging partners, attractions, tourism Regions/CVBs and municipal representatives. Strauss mentioned that this sub-committee has been extremely productive, providing for information sharing, cascading of best practices and policy initiatives from all represented on the call. Updates from the City of Bozeman and the Gallatin County-City Public Health Department are also provided.

VBS Marketing Outlook Virtual Meeting – TODAY | Thurs, May 7th

- Tim Drain stated that this meeting is happening today, May 7, at 11:30 am with Featured Guests Taylor Middleton, President & COO – Big Sky Resort, and Cam Sholly, Superintendent of Yellowstone. The VBS Summer Marketing Plan will also be shared. This meeting is free and open to the public. The presentation and webinar recording will be available afterwards.

PROMOTE the Destination

COVID-19 Impacts: VBS Spring/Summer '20 Marketing Plans | Summer '19 HY Report

- This year due to COVID-19, there will now be a bi-annual Resort Tax Allocation process for FY21 funding, with applications due in April and again in September. Collections are projected at around \$6 million. Big Sky was the 2nd highest bed tax collector in MT behind Billings for calendar year 2019.
- The June VBS Board meeting will include a discussion on the FY21 Budget as funding by Resort Tax will be completed on the evening of Wednesday, June 17.
- Tim Drain asked if the Board would like to move back to monthly Board meetings during this time to ensure timely and adequate attention to the ever-evolving COVID-19 situation and its impact on tourism. The rest of the Board agreed with meeting monthly.

OVG Revision – DRAFT Sent Out on Mon, Apr 27 | COMPLETE

- The 2020 OVG has been updated, but again will not be printed and distributed at this time the COVID-19 situation. VBS continues to get OVG requests and is mailing them out weekly. If anyone has any final edits, please email them to Emily or Candace ASAP.
- Classic Ink owns the OVG files so VBS pays annually for revisions to the guide.

STAFF REPORTS

CEO/Staff Report

- All topics had been discussed during the meeting, and no CEO or staff reports were necessary.

OTHER NON-AGENDA ITEMS

- A new billboard is in the process of going up in Gallatin Gateway on the East side of US 191. Previously it contained the Warren Miller image. We are sharing the billboard with them. The original billboard on the West side of US 191 a few miles South of the new billboard will be replaced shortly.
- The MT Hwy 64 banners have been switched from Winter to Summer.

ADJORN

- Tim Drain made a motion to adjourn, with a second by Krista Traxler. The motion was unanimous and the meeting adjourned at 10:32 am.