

**Minutes of the Board of Directors of the Humboldt Lodging Alliance, meeting Tuesday, October 25, 2016 at the Holiday Inn Express, Eureka, California**

Present: Kelly Martin, Lowell Daniels, Cari Shafer, Chris Ambrosini, Gary Stone, Shailesh Patel, Donna Hufford, Lisa Cosoletto, Diane Cutshall, Tony Smithers

The meeting was called to order at 12:05 by Board Chair Chris Ambrosini, and began with each attendee introducing themselves.

The agenda for the October 2016 meeting was examined and approved as presented (Shafer/Cosoletto/unanimous).

The board minutes for the July, 2016 meeting were examined and approved (Cutshall/Patel/unanimous).

The next order of business was discussion of the 2017 marketing campaign. The board packet included two documents prepared by the Misfit Agency: *the HLA 2017 Plan Recommendations* (a slide show with a graphic presentation of campaign budgets and strategies), and *The HLA 2017 Marketing Recommendations—Written Plan Summary*, an in-depth analysis of marketing audience, creative, channels, budget and schedule. Chris Ambrosini began by reporting to the board the campaign presentation that Misfit had made to the Executive Committee. In the wide-ranging discussion that ensued, the following points were made:

Cari Shafer: The HLA is paying too much for too little. The agency has already done the legwork and doesn't need to produce all-new creative. The agency should throw in management of an Instagram channel as part of their monthly service charge.

Gary Stone: We started as a branding campaign (that we are a "magical escape") and have been doing that for two years. Is two years enough for branding? When is the campaign going to include offers and calls to action?

Cari Shafer: We need to continue branding with whatever advertising we do, to protect and build on our investment.

Shailesh Patel: We need to see the metrics from our competitors. Did our destination get a boost beyond what the whole region experienced, because of our investment?

Gary Stone: We should consider decreasing our agency spend and put the money into a more direct marketing activity.

Lowell Daniels: Don't decrease the spend just for the sake of decreasing it—make the agency show the results.

Cari Shafer: All positive advertisements out there do us good even if they are just branding.

Chris Ambrosini: The Cable TV advertising has produced some of the best responses.

Gary Stone: Agreed—our ads didn't look "local" or amateurish.

Chris Ambrosini: The consensus is that the cable TV ads are working, but we should seek to recycle our ads and save money on production.

Kelly Martin: Expressed real concerns over the marketing campaign. Not at all sold on the branding—has spoken to many who don't like the Wonderland theme. We are going on \$3 million in expenditures and we don't see the results or return on investment. Many of the things the agency has done didn't make the mark as marketing professionals.

Chris Ambrosini: All of California has seen double digit increases in the last three years (referencing the STR Report). Would we be doing as well if we hadn't made this expenditure? I venture to guess "yes."

Shailesh Patel: We don't seem to be considering a change—we should rein the agency in. Once we have developed a marquee attraction, people will come and we won't need the agency. Meanwhile, we should direct them to use more of the content we have already paid for.

Diane Cutshall: We won't get and keep our visitors until we clean up our streets. We could spend millions on ads, but once they see what is here they will not come back.

Cari Shafer: I attend many Eureka City Council meetings. For everyone like me, there are 20 homeless advocates. It's crazy.

Shailesh Patel: We have not been forceful as the Humboldt lodging association. We have to say "We are the guys paying the tax—you are ruining our business." We could even consider using an attorney.

Chris Ambrosini: That's exactly what the homeless advocates have done.

Kelly Martin: How about commissioning drone photography showing aerial views all over Humboldt County? We need to be more creative ourselves, not leave everything to the agency.

Chris Ambrosini: The lodging industry is forecasting a downturn in a few years—should we save money for when the economy takes a downturn?

Lowell Daniels: Misfit should propose ideas to us in outline before they appear on the campaign proposal.

Lisa Cosoletto: Put Misfit on life support until we fix our front yard and curb appeal.

Gary Stone: The issue of homelessness is not an issue for the HLA board—its for the community committees. We are tasked with marketing the county.

Chris Ambrosini: Agreed—this is an Eureka issue and we will discuss it at our Eureka meeting.

Diane Cutshall: Not necessarily a problem for each city—could be a group endeavor because if displaced the homeless will just move to the next town.

Lowell Daniels: Not sure about banner advertising. Most of our clients are on mobile devices where banner ads are not effective.

Donna Hufford: Disagrees—there is a lot of business coming from desktops.

**After this discussion, the board agreed on providing this overall direction to the Misfit Agency for development of the 2017 Campaign Proposal:**

1. Misfit should take care of the Instagram channel for no more than \$1,000 a month.
2. We need to recycle some of the previous advertising content for the 2017 campaign.
3. Why is there a \$10,000 increase in the account management fee?
4. Can we get a report on our neighboring counties and their increases in TOT over the past few years?
5. Gary Stone suggested a cap of \$700,000 on the campaign budget.
6. Can we increase our advertising on Comcast?
7. We need to see a more detailed plan of how the campaign funds will be spent—detail of each advertising expense.
8. We need to have campaign metrics beyond simple advertising impressions.

The board next addressed the renewal of the Humboldt County Tourism Business Improvement District. Tony Smithers gave a report on the schedule and steps taken in working with Civitas Advisors on district renewal—including producing the revised Management District Plan reflecting the board’s decisions on district term and allocation of funds. Smithers also suggested creating a report on the Humboldt Lodging Alliance which would be distributed to the assessed businesses in the renewal mailing. Chris Ambrosini asked if there had been any feedback from the cities about renewal—but nothing yet.

The board then reviewed and discussed the Misfit Campaign Report for October, which included the add on marketing activities approved by the Executive Committee—an additional run of cable TV advertising on Comcast Sports, and a special advertising run and promotion on Bay Area Rapid Transit.

During the report to the board of Executive Committee actions, Shailesh Patel suggested that for Humboldt Steelhead Days (which received a large HLA grant), the event’s cash prizes should be limited to participants who are staying overnight in a Humboldt County lodging.

Next, the financial statement for September, 2016 was presented, reviewed and approved (Shafer/Patel/unanimous).

Under Director Reports, Cari Shafer spoke about planned developments at Sequoia Park and Zoo such as the Zoo Skywalk through the redwoods. Kelly Martin spoke about the City of Eureka’s plans for alley development in Old Town. He also said that the feedback on the city’s “Parklet” program has been very positive.

With no further business, the meeting adjourned at 2:00 pm.

Respectfully submitted by Tony Smithers