

Oregon Tourism Commission Meeting

June 16, 2020

Zoom Meeting and YouTube Live

Commissioners present included: Scott Youngblood, Richard Boyles, Don Anway, Mia Sheppard, Kenji Sugahara, Greg Willitts, Nigel Francisco, Maria Ponzi, and Lucinda DiNovo.

Chair Youngblood calls the Commission meeting to order at 9:05am.

Chair Remarks

Chair Youngblood speaks to both the impact of COVID-19 and the murder of George Floyd on Oregon. Offers time for commissioners to share thoughts on these events.

Commissioner Boyles reflects on resilience of communities and deliberate communication that has come out of these events.

Commissioner Francisco reflects on the increase in conversation around the murder of George Floyd, stressing the importance of these difficult conversations to move us all forward.

Commissioner Ponzi echoes thoughts—the resourcefulness, kindness, and thoughtfulness of small businesses during COVID-19 and businesses taking time to reflect on how they present themselves to the community and a time to take action for social justice.

Commissioner Sugahara thanks Todd and all staff at Travel Oregon for providing leadership during COVID-19. Travel will return and Oregon will recover from this time period. Discusses seeing George Floyd's daughter as a defining moment in his journey in understanding the Black Lives Matter Movement and understanding the fear that Black people in the USA face daily. Attended the march in Salem and was thrilled to see the diversity of people in attendance taking a stand against racism. Urges all to do our part.

Commissioner Sheppard reiterates that this is a time to listen, be kind to everyone, and lead with our shared values for justice and equality.

Commissioner DiNovo has a glimmer of hope after the Supreme Court's ruling protecting the rights of the LGBTQ+ community yesterday. Now is the time to be having those conversations in the workplace and we need to continue to do this work so that all are treated equally.

Commissioner Willitts notes that he is lending his ear in this time but not his voice while he learns more. Thankful for the reserve funds for recovery efforts. Concerned about tourists coming into our small towns, like Sisters, but does want to see recovery moving forward.

Chair Youngblood speaks to the values that Travel Oregon strives to uphold every day and how important they are to repeating today

Chair Youngblood congratulates Commissioner Ponzi on the publication of her book "Pinot Girl" and the designation of Laurelwood District viticulture area, not only designated by geographic boundaries but

also on soil type. Laurelwood District contains a very rare soil type not found anywhere else in the country.

Local Welcome

Brad Niva and Bob Hackett from Travel Southern Oregon welcome all virtually to Southern Oregon. The town of Lakeview welcomes all virtually and hopes to welcome the commission physically in the future. Bob Hackett speaks to the engagement of the town of Lakeview within the tourism industry. Discusses the tourism studio that occurred in Lake County and work that resulted from it. Describes the power of the Regional Cooperative Tourism Studio in allowing Travel Southern Oregon to invest in these communities, making us all a stronger and better tourism economy.

Public Comment

Chair Youngblood states that a new online form was established for allowing public comment. No public comments were received in preparation for this meeting.

Commission Business

Chair Youngblood asks if everyone received their Commission packets including the financials. The Commissioners confirm they received the noted materials.

Commissioners Francisco discusses the financial review and thanks staff for their work to ensure Travel Oregon's finances are in order. Notes the financial unknowns due to COVID-19 and Travel Oregon's conservative forecasting.

CEO Remarks

Todd Davidson thanks Commissioner Youngblood and the Commission for their words on racism in America and COVID-19's effect on the industry. Speaks to the email he sent to the industry to address the death of George Floyd and the continued work of diversity, equity, and inclusion at Travel Oregon. Encourages the industry to attend webinar discussing Systemic Racism in Outdoor and Urban Spaces put on by [Oregon Wild](#) in partnership with Chad Brown from Soul River. Travel Oregon is setting aside this Friday, Juneteenth, to clear our calendars and learn, listen, read, and reflect to get better in this space. We will commit to making changes as we move forward and acknowledging where we fell short in the past. We have to be willing to grow and renew our work in equity and inclusion. Todd states that he looks to the commission to advise us and to hold us accountable to make a difference.

State of Tourism Industry- COVID-19

Todd shares a PowerPoint presentation on effects of COVID-19 and anatomy of recovery. Initial recovery to be driven by leisure, particularly in drive-markets. Secondary recovery will include essential business travel, small and medium-sized groups, and regional international travel and he expects Canada to be our first international market to recover. Final stage of recovery will include long-haul international travel and large events. Tourism Economics projects that we may have passed peak unemployment levels. While international travel stalls, the domestic opportunity will rise as domestic travelers are not traveling long-haul/overseas. West Coast economies, which are key source markets for Oregon, will grow slightly faster than the US as a whole. There are indications that the worst impacts of COVID-19 are behind us and room revenue is increasing across the US.

2019-21 Budget Update

Jeff Hampton, VP of Operations, presents on budget modifications through a PowerPoint presentation. Travel Oregon has already realized reduction in revenue and anticipating further reductions into the coming fiscal year. Transient Lodging Tax (TLT) revenue has increased sharply over the past decade. We were anticipating a recession prior to COVID-19 and this helped develop Travel Oregon's budget models. In June 2019, the commission adopted the 2019-21 budget of \$78,540,000. Tourism Economics provided three scenarios for 2021 budget. Proposed budget for 2019-21 totals \$55,500,000. Recommending a budget modification reducing the biennial budget by \$22,130,000 and transferring \$910,000 from the Operating Reserve. Also proposing a reduction to the CEO's salary of 25%, a further 5% decrease of what has already been adopted.

Chair Youngblood opens the floor for public testimony on the proposed budget modifications. No public testimonies were received.

Commissioner Francisco asks to better understand what the full balance of the Operating Reserve is and if the \$910,000 amount to transfer will use the full reserve?

Jeff answers that transferring that amount would leave a balance of \$2.2 million in the Operating Reserve. Chair Youngblood and Jeff Hampton further clarified that the Operating Reserve is distinct from the Immediate Opportunity Fund.

Commissioner Ponzi asks when the budget modification would end.

Jeff clarifies that this budget modification would end June 30, 2021, the end of Travel Oregon's biennium.

Commissioner DiNovo asks how this budget will affect Oregon21 funding.

Todd Davidson clarifies that Oregon21 is now Oregon22 due to COVID-19 postponing the Olympics and causing further rescheduling of global sporting events. Travel Oregon still has the resources and is committed to hosting Oregon22, which is a \$20 million obligation. The proposed budget honors that commitment.

Chair Youngblood closes the public hearing. Chair Youngblood acknowledges the action that Travel Oregon has already taken to reduce budget, including staff layoffs. Chair Youngblood asks for a motion to adopt proposed budget modification. Commissioner Sugahara moves to adopt the budget modification as outlined and Commissioner Francisco seconds the motion.

The motion to adopt the proposed budget modifications to the 2019-2021 budget reducing the amount of: \$22,130,000 for a new total biennial budget of \$56,410,000 with authorization for departmental allocations of the revenue as included in budget materials presented and authorizing use of Operating Reserve in an amount not to exceed \$910,000 as needed to retain essential programs and staff.

I would like to note for the record that any prior period money that was previously approved for use may also be used in the FY21 period as a beginning balance. I also acknowledge that this budget reduction includes a further 5% decrease to the CEO's salary, a total of 25% reduction, of what has already been adopted.

Chair Youngblood asks commissioners for comments on CEO evaluation process.

Commissioner Sugahara asks if the further reduction of the CEO salary was at Todd's requests.

Todd confirms it was at his own request that his salary be reduced by an additional 5%.

Commissioner DiNovo asks for a copy of the CEO evaluation.

Chair Youngblood confirms that the CEO evaluation will be made available to her.

Commissioner Sugahara discusses that Commissioner Francisco self-nominated for Vice-Chair and Commissioner Youngblood for Chair. Presents that Commissioner Willitts nominated another commissioner for Chair who declined, resulting in Commissioner Youngblood and Commissioner Francisco extending their tenures as Chair and Vice-Chair.

Commissioner Boyles asks if this needs to be voted on by the commission.

Todd states that the nominations for Chair and Vice-Chair can be voted on for the record but as the only nominations, they will be adopted.

Commissioner Boyles moves to adopt the slate as proposed and Commissioner DiNovo seconds the motion. The motion to give the seat of Chair and Vice-Chair to Commissioners Youngblood and Francisco respectively is approved. Chair Youngblood abstains from voting due to the conflict of interest.

Eastern Oregon RFP for Regional Destination Management Organization designation

Harry Dalgaard, Director of Regional Cooperative Tourism Program, shares a June 2020 RCTP Update via a PowerPoint presentation. Eastern Oregon Regional Destination Marketing Organization (RDMO) designation is up for approval after only being approved for a 1-year period. Harry Dalgaard reported that the Eastern Oregon Visitors Association (EOVA) has gone through extensive organizational changes that are more representative of the region as a whole, increasing stakeholder engagements, re-developed board structure and by-laws, and created a more geographically diverse board and holding more board meetings. EOVA has also increased marketing and social media presence, as well as their grants program. Harry is proposing that the Eastern Oregon Visitors Association is designated as the RDMO through 2025.

Commissioner Sugahara congratulates Alana Carollo, executive director of Eastern Oregon Visitors Association, and EOVA on the work they have done and is in favor of adopting the proposal.

Commissioner Francisco asks if this proposal aligns EOVA's term with the other RDMO terms.

Harry confirms that this will align EOVA with the other RDMO's terms.

Chair Youngblood proposes that EOVA is designated as the RDMO through 2025 for the Eastern Oregon region. Commissioner Willitts moves to approve and Commissioner Sugahara seconded. The motion to designate Eastern Oregon Visitors Association as the Eastern Oregon Regional Destination Management Organization through 2025 is approved by unanimous consent.

Approval of Minutes

Chair Youngblood asks if there are changes after reviewing the briefing and meeting minutes of the February 24-25, 2020 and March 31, 2020 meetings.

Commissioner Willitts wants to state on record that the note on fog over Portland could be misconstrued as smog, and he had meant to say fog.

Chair Youngblood asks for approval of February's Commission Briefing and Meeting Minutes.

Commissioner Willitts moves to approve the minutes and Commissioner Francisco seconds. The February 24-25, 2020 Commission Briefing and Meeting and March 31, 2020 meeting minutes are approved by unanimous consent.

Chair Youngblood recesses the meeting at 10:30 a.m. for a 5-minute break.

Chair Youngblood calls the meeting back to order at 10:38 a.m.

REPORTS, UPDATES & DISCUSSIONS:

Public Affairs & Policy Update

Sara Morrisey, Public Affairs Manager, provides a COVID-19 Federal Update through a PowerPoint Presentation. Discusses Travel Oregon's support for Great American Outdoors Act that will benefit Oregon's public lands. Discusses U.S. Travel Virtual Capitol Hill meetings. Covers the COVID-19 state timeline. Multnomah County is the only county in Oregon that remains at baseline. Covers what is allowed in Phase 1 and 2 of reopening and that 29 of 36 counties are now in Phase 2 of reopening. Provides a short overview of Oregon's state economy and projections to a return to pre-COVID economy by 2024. This is dependent on treatment and a vaccine for the virus. Governor Brown did ask state departments and agencies to reduce budgets by 17% for this coming fiscal year. ODOT has decided to stop all Scenic Byway Program funding for the time being. ODOT will not be accepting new Scenic Byways designations and there is no Scenic Byways Program Manager position at ODOT any longer. Shares that a special session is being planned for June. Travel Oregon continues to monitor if a special session will include a bill proposing removal of the TLT sunset clause.

Chair Youngblood asks if the Save our Parks Act is dead.

Sara states the Great American Outdoors Act is a result of and effectively replaces the Save our Parks Act.

Commissioner DiNovo asks for clarification on group size in Phase 2.

Sara has reached out for additional clarity from the Governor's office and updates will be shared with the commission.

Commissioner Sugahara asks about the June 2020 special session and if the sunset clause is voted on, could it be implemented before the actual sunset occurs July 1, 2020.

Sara answers that there is a lot of interest in the removal of the sunset clause due to Travel Oregon's demonstrated efforts in supporting the state through this time period. Travel Oregon is unsure when the bill for sunset removal will be heard. If the bill does not occur at the June special session, the assumption is that the sunset in funding will occur.

Commissioner Sugahara clarifies if the TLT sunset removal bill is adopted after the July 1 date, could Travel Oregon receive funds retroactively.

Sara states she believes this could be stipulated in the bill.

Commissioner Boyles speaks to a meeting he has planned this week with ORLA where they will urge the Governor to include the bill to remove the sunset in this upcoming June special session.

RCTP Guideline Modifications

Teresa O'Neill, Vice President of Global Strategic Partnerships, thanks the commissioners for their input on the RCTP guideline modifications and emergency response grant guidelines. Acknowledges the regional partners and the extensive work they did to modify their plans. Teresa reintroduces Harry Dalgaard.

Harry shares a PowerPoint presentation on the RCTP Emergency Management Guidelines and newly developed RCTP plans by region. Regional budgets are allocated based on the calendar year and distributed on the fiscal year; this means that their budgets have not changed for fiscal year 2020-21. Provides a quick synopsis of each region's changes to their biennial plans. Commissioners were provided an executive summary and budget from each region. Harry notes that these regional plans will continue to be dynamic due to the changing landscape of our industry through this COVID-19 crisis and recovery.

Commissioner Willitts asks if our regional partners are experiencing staff reductions.

Harry answers yes, some regions have had to reduce staff and Travel Oregon is hoping that the emergency guidelines reduce future losses.

Grants Program Update

Teresa O'Neill introduces Michelle Woodard, Travel Oregon's Grants Manager. Michelle provides an update on the grants program through a PowerPoint presentation, including who was awarded for the Oregon Wine Country License Plate Matching Grants Program and an overview of the COVID-19 Emergency Response Grants Program.

Chair Youngblood acknowledges the difficult decisions made across the industry during this time and thanks Michelle for her work to help support Oregon businesses.

Commissioner Boyles asks Michelle to elaborate on what she learned about funding private businesses.

Michelle notes as an example, hotel management groups applied for grants with particular hotels in mind and the application did not ask to specify which of their individual hotel properties they were applying for. States that in the future the grants team would also ask for confirmation of lodging tax being paid out as small lodging properties report financial information in many different ways. Also expands that recipients in the for-profit world may have never received grants and it changed what type of questions the grants team was receiving throughout the process.

Virtual Training, Education & Assistance Program

Alexa Carey, Director of Community Based Services, and Lisa Itel, Director of Global Strategic Partnerships, share a PowerPoint overview of the newly developed virtual training, education, and assistance program. They discuss how this program will work cross-functionally to support Travel Oregon's strategic plan, as well as how it supports the phased reopening plan from the Governor's office.

Commissioner Sugahara asks if Travel Oregon has reached out to Tim Williams at Oregon Film to partner on this initiative.

Lisa notes that yes, Oregon Film is a top 5 key strategic partner to Travel Oregon and is involved in this program.

Commissioner DiNovo and Commissioner Ponzi give praise to Lisa and Alexa on this program and are excited to see how these trainings can help businesses overcome challenges due to COVID-19.

Marketing Recovery Campaign

Kevin Wright, VP of Global Marketing, and Katy Clair, Director of Global Marketing, share the current Marketing Recovery Campaign plan through a PowerPoint presentation, including how Travel Oregon utilized our platform to spread the stay home messaging from the Governor's Office and how the plan will promote local and in-state travel once it is safe to do so.

Commissioner Willitts notes that TripAdvisor notifies top hotels of awards yearly and this year COVID-19 pushed the public award announcements out to an undisclosed date. 12% of the top hotels were in Oregon on TripAdvisor last year. Asks if Kevin has any connection to TripAdvisor to urge them to disclose awardees publicly, as it could significantly boost Oregon hotels' exposure on the site.

Kevin says he will reach out to his representative at TripAdvisor.

Commissioner Boyles notes that local DMOs are already beginning to promote travel in many cases and that any launch date later than mid-July would come later than when many in the state will begin to travel.

Kevin responds that Travel Oregon would be able to be nimble on social media and hold the advertising portion of the campaign back if guidelines required. There is also consideration of launching media to some counties ahead of others, although this would be a more complicated approach. Katy reiterates that the campaign will be a main focal point but there are many other layers to support the different phases of each county through social channels.

Additional Business

Todd notes that nimble, flexible, and responsive appeared commonly throughout today's meeting and Travel Oregon is using those words to guide process. Todd thanks Travel Oregon staff and all commissioners for their time and trust.

Chair Youngblood notes that the commissioners compressed 2 days' worth of content into just under 4 hours. Expresses gratitude to Travel Southern Oregon for hosting the commission meeting.

Chair Youngblood asks if there is additional business to consider.

Commissioner DiNovo notes how heartbreaking this time has been throughout the travel and tourism industry. She acknowledges all the staff that have been let go through this process for their work up until their departures and the staff that remain and continue to work to better the state.

Commissioner Sugahara announces that Oregon Film will open their investment fund September 28th and participation will support the Oregon film industry. Thanks Brad Niva and Bob Hackett for their presentation. Suggests all commissioners visit Lake County for destinations like Paisley, Fort Rock, the Alvord Desert, and Steens Mountains. Praises the collaboration he has seen throughout this meeting and thanks everyone for their time.

Chair Youngblood notes that the next scheduled Commission meeting is October 6, 2020. The meeting adjourned at 12:49pm.