

**NEWPORT COUNTY CONVENTION & VISITORS BUREAU
BOARD OF DIRECTORS MEETING
TUESDAY, SEPTEMBER 19, 2006**

MEETING MINUTES:

The meeting was called to order at 12:05 p.m. by Chairperson Jeanne Marie Napolitano.

BOARD MEMBERS IN ATTENDANCE WERE:

Chairperson Jeanne Marie Napolitano, Treasurer Mark Stenning, Gregory Fater, Lisa Gross, Donna Olney Kohler, Brian Moore, Karen Oakley, Len Panaggio, Pieter Roos, Laurie Stroll, Harlan Tyler and Katie Wilkinson

BOARD MEMBERS ABSENT AND EXCUSED WERE:

Rocky Kempenaar, Susan Samson

BOARD MEMBERS ABSENT:

Vice Chairperson Charles Vaillancourt

STAFF PRESENT WERE:

Evan Smith, Debbie Gatta, Cathy Morrison, Anne Marie McLaughlin, J. Timothy Walsh and Mary Ann Kelly

GUESTS PRESENT WERE:

I. PREVIOUS MEETING MINUTES:

The previous meeting minutes were reviewed. A motion to accept the minutes was made by Karen Oakley and seconded by Len Panaggio. The motion passed unanimously.

II. TREASURER'S REPORT:

The treasurer's report was read by Mark Stenning. City Tax through May was up 8.82% and Regional Tax was up 7.28%. The current year to date combined growth is 8.45%. A motion to accept the treasurer's report was made by Pieter Roos and seconded by Karen Oakley. The motion passed unanimously.

III. STAFF REPORTS:

Each Staff Report will now reflect the figures of the previous month's activity.

A. MARKETING:

Evan introduced Anne Marie McLaughlin, Communications Manager, who reported for Kathryn Farrington. Anne Marie works with travel writers and a number of other programs in the marketing department. Anne Marie reported that registration for Newport Restaurant Week is complete. It will be held November 6-12. The Newport Winter Getaway Package kick off will be November 1st. After doing a poll with lodging and attractions in Newport County, it was decided to extend the length of the package to the end of April. Kathryn and Annie are at IFEA (International Festival & Event Association) in Ottawa, Canada. When Annie returns, she will be going to Springfield, MA for the Big E Exposition. September 25th is Newport Day at the Rhode Island State House. On September 27th (new date), Anne Marie and Annie will be representing Newport County at the Penn Station Promotion Event in New York City. The International Tennis Hall of Fame invited the NCCVB to share a booth with them at the U.S. Open. This was a free trade show for us with a gate of 640,000 attendees. For five days, media hosted Giada's Weekend Getaway shoot for the Food Network. Next week the Travel Channel is coming to Newport to film a show called Trip of a Lifetime. A UK Travel Journalist FAM is coming in this weekend. They will be here for the Taste of Rhode Island. The next Marketing Meeting will be

held on October 18th at the Jane Pickens Theater.

B. CONVENTION & TOURISM:

Tim Walsh, Vice President Sales, reported that the Newport Winter Package will be advertised in MPI NY. The numbers for convention sales are strong. Convention sales is short one staff person. Interviewing is almost done and Tim hopes to have someone in place in the next couple of weeks. The NCCVB had a great trade show at ASAE (American Society of Association Executives) in Boston. All of the industry partners who worked together on the Financial Insurance Meeting Planner Conference at the Hotel Viking did a great job. The Conference Direct Regional Meeting (a third party planning company) was held in Newport. The Vendor Fair is coming up in October. In November, we have the Nursing Alliance Trade Show. Damon is in the UK on a travel mission.

C. OPERATIONS:

Cathy Morrison reported that ticket sales for August were very good and September has been busy, especially on the weekends, but YTD figures are still down. The cruise ship fall schedule has started. The cruise ship schedule is on our web site (click on Industry Resources). The NCCVB won second place in Newport in Bloom. The PSNC's Gift Shop is no longer on our first floor. They left us at the end of August. This means a \$6,000.00 loss on that budget line for operations.

During the off season Cathy and Evan will be looking at options to replace the PSNC store. The NCCVB will start a recycling program. Evan and Cathy will be meeting with the company that promotes Smart Cards for the parking meters next week. Cathy has requested an energy audit through National Grid because we received the highest electric bill ever. The information specialists have begun handing out survey cards to visitors inviting them to visit a web site and rate their experience at the Visitors Center and in Newport. There are twenty-five questions. The questions can be changed during the year. At a previous board meeting the board approved this electronic survey system.

D. PRESIDENT'S REPORT:

Evan reported that September is the half year mark of our fiscal year. From a bed tax stand point it appears healthy. We are up 8%. The soft spots in revenue are ticket sales and the loss of rent from the closure of the PSNC store. Evan shared first year accomplishments of the NCCVB board and board goals for the second half of the 2006-2007 year. Due to Vice Chairperson Charles Vaillancourt's election loss, there will be a change on our board in January, 2007. We also have to wait for the outcome of the Newport elections in November to determine if there will be any further changes.

There was further discussion on the casino issue. Evan gave board members a copy of an email sent to him from Keith Stokes regarding the Brown University poll on the casino question. Harrah's is spending a tremendous amount of money to win. Chairperson Jeanne Marie Napolitano stated that it is very important that the hospitality industry get the word out that Harrah's promises are debatable. Laurie Stroll commented that the people in the hospitality industry that are for the casino are on Harrah's payroll. She also said it was important to get the word out. Save Our State is having a fundraiser in October and the NCCVB is listed as one of their sponsors.

Evan gave board members a copy of a letter from John Palumbo, Chair of the RI Zoological Society, requesting the opportunity to visit our board to brief them on the Roger Williams Park Zoo, their bonding initiative and the rationale behind it. The board directed Evan to contact Mr. Palumbo and invite him to the October board meeting.

Evan told board members that Steve Fisher has resigned from JF Media, our primary internet design company, and has started a new company. He is asking for our business. Our web site is the most important part of our program. Chairperson Jeanne Marie Napolitano asked Evan to send board members a brief summary of the situation and to come up with an RFP. The board directed Evan to do a full account review and to move forward with the RFP process.

IV. COMMITTEE REPORTS:

A. SALES AND MARKETING COMMITTEE:

Lisa Gross, Chairperson, report that the Sales and Marketing Committee met on September 5th. The first agenda item was the formal review of a proposal from a company and a program called Destination 3000, which is a destination, sales, marketing and management system. It is a tool and database which can be used in this organization in all areas of convention sales, marketing and the visitors center. This particular proposal has the capability to customize our particular market place and organization. The estimated cost is \$53,000.00. After discussion, a motion was made by Gregory Fater to accept the report of the Sales and Marketing Committee and authorize the purchase of the D3000 program. It was seconded by Mark Stenning and passed unanimously.

The second agenda item was related to our web site advertising. The question is – should the NCCVB allow non Newport County advertisers on our web site? Currently the NCCVB has two web sites: www.GoNewport.com and www.YourNewportWedding.com. Len Panaggio stated that the board must decide if our web site should be mission based or revenue based. Lisa Gross explained the pros and cons. She reported that after much discussion, the Sales and

Marketing Committee tabled the item and would like to see the entire board join in the discussion. Chairperson Jeanne Marie Napolitano proposed having a workshop to discuss this item further and will call a special meeting for this purpose.

V. UNFINISHED BUSINESS:

Gregory Fater said that the NCCVB has stated that we oppose casino gambling and asked if we should back that opposition with a monetary donation. Board members were concerned if they could spend tax payers' money to do this. The board directed Evan to get legal counsel to determine if we can donate funds to support our position and opposition to Question #1 and to come back to the board with an opinion via email. Once we have counsel's opinion, Gregory Fater asked that a special meeting be called for the purpose of discussing the contribution and the amount.

Len Panaggio once again brought up the sewage problem at Easton's Beach and how this gives a negative impact to tourism. Evan explained that there was a two and a half hour meeting held at the NCCVB this morning to work on resolving this problem. There were representatives from Newport, Middletown and Save the Bay. Save the Bay had helpful advice and counsel for long term and short term goals to resolve the problem. Save the Bay is willing to use their

marketing power to educate the public. Middletown is now requiring all new hotels to have holding tanks to store its own sewage until the overflow has stopped.

VI. NEW BUSINESS:

Harlan Tyler said that many of his colleagues have a growing concern about the number of empty stores and commercial spaces in Newport County. He asked if we could initiate a research based analysis. Chairperson Jeanne Marie Napolitano said there has already been discussion on this issue by the Planning and Zoning Committees. The board directed Evan to invite Keith Stokes and Paige Brock from the city to speak to the board about this issue.

VII. ADJOURNMENT:

A motion was made by Gregory Fater to adjourn. It was seconded by Mark Stenning and passed unanimously. The meeting adjourned at 1:30 p.m.