

2:02 PM

August 29, 2013

Billings Chamber/CVB Board Room

Steve Wahrlich called meeting to order.

In attendance: Steve Wahrlich (SW), Ben Kerns (BK), Shelli Mann (SM), Joyce Bratland (JB), Ginny Hart (GH), LaRell Baldwin (LB), Ron Spence (RS)

Staff: John Brewer, Alex Tyson

Perimeter seating: Jeff Muri, Sheri Olson, Greg Pekovich, Joe Studiner, Nichole Mehling-Miles, Beth Cantrell, Ray and Junie Price

Public Comment: Jeff Muri offered a newer document to the Board that represented additional signatures in the form of a petition. The document was handed to SW.

SW continued with the meeting by sharing full background of the RFQ process. He explained the entire process that had taken place as the DRAFT RFQ was created.

He also discussed a meeting between SW, Ron Muri and John Brewer that took place the Monday prior to 8/26. Ron Muri, at that 8/26 meeting, showed SW and John Brewer the latest version of a petition. This version was different than the above mentioned document that was presented by Jeff Muri at the start of this 8/29 meeting. The newer document offers more signatures stating opposition to the question of the petition as posed by Ron and Jeff Muri.

There was also discussion regarding a meeting that took place on 8/22 between John Brewer, SW and Matt Brosovich. Brosovich said at that meeting that he withdraws his letter that made statements against moving forward with the research RFQ process. He said he doesn't disagree with seeking the research, but more so how the Board is doing it.

SW passed out the previous version of the petition per the Ron Muri, John Brewer and SW meeting and conversed about the Board's possible options.

- 1) Proceed with the RFQ and seek research
- 2) Disregard until the Muri's present a full 50% against the research
- 3) Go to the full membership (shareholders) and get a formal vote by the Board as a full Board

SW talked to full Board of Directors (BOD) about the potential that those who do not want the TBID or the study could look to disband the TBID. Ron Muri had said to SW in previous conversations that while that would not be his first choice, to work to disband the TBID, he would contemplate doing so.

SW called for comments and questions.

SM shared that in an earlier conversation with Ron Muri he stated that if the BOD were to proceed with the RFQ for Convention Center Research, the next petition would be to take down the TBID.

JB spoke about another nine (9) hotels coming on line that we will work to fill. Any other ideas on how to boost tourism in Billings? JB proceeded to discuss that she feels the compression when the convention hotels are booked, and how not growing the M/C segment would hurt everyone.

SW asked, hypothetically, WHY are people (hoteliers) against simply the gathering of information. Airlifts is a concern yes, but let's start thinking about the future. What do we want to be 5-7 years down the line?

SW discussed options to full BOD:

Go forward without hesitation.

Cease and desist per the Muri's petition.

Ron Spence interrupted to speak that there would be five (5) or six (6) new signatures to add to the petition.

There was a discussion about if the TBID Board were to conduct its own survey of stakeholders with all Board members, if it would be one vote for one hotel or a vote based on square footage. Nothing was decided or acted upon.

RS and SW went back and forth as to what the disconnect is between stakeholders that are for seeking research and those who are against seeking input.

SM stated that if the BOD goes forward with conducting its own survey, she would want to be sure Ron Spence was part of the process of visiting stakeholders with his fellow Board members. No one would visit a shareholder solo. That way it would be neutral and not leading with.. "the Muri's want this..."

A long conversation took place regarding Larry Lambert who owns hotels in both Billings and Bozeman. Lambert is also Chairman of the Bozeman TBID BOD. Lambert talked to RS about how a convention center in Bozeman would only impact 14,000 room nights annually and how that is not worth building a convention center for. There was other conversation that took place regarding RS conversation with Lambert. (AT chooses not to place in minutes since it was a lot of he said this... he said and Lambert wasn't there to confirm or deny such conversation).

BK said he was jealous that Bozeman and Lambert actually had the research to make a decision or form a true opinion on the matter. The Billings TBID is sitting here with no research and people who don't want to arm themselves with the data to make an informed decision regarding such a project.

John Brewer agreed that the TBID BOD should bring in the expert/professionals to get the questions answered.

There was banter back and forth about Matt Brosovich and his letter as to whether Brosovich was for or against the RFQ.

SW mentioned that Brosovich has good points about getting retailers and restaurants, etc., involved, however, by getting the research now, it will tell the BOD whether or not further conversation is even relevant. The hoteliers need to know first, if it's an even viable concept for the destination.

SW continued that currently 30% of the budget goes to meeting and convention recruitment. If the stakeholders don't want to invest in being competitive in the M/C segment, where do we go down the line?

LB: How can we make a decision one way or the other without the knowledge behind us?

GH agreed with LB that the BOD needs answers to questions. Ginny stated that she has three more hotels coming to her neighborhood (hotel area) and she wants to be a good representative as a TBID BOD, but how can she feel she's doing all she can for the city?

JB said that she felt she did her due diligence to talk to every shareholder over the past year. She said we need a vision and this was the vision she had (CC research) with good intentions. She said she is willing to go back the stakeholders and hear the no, but what is the NO to? No to the study? We should be done? If no, what's the next idea to move our industry and city forward?

SW: Judy Randall provided us insight, great insight that offered a good road map for the future. That's how I saw this RFQ.

SW: If BOD moves forward an issue is that the TBID could be abolished. We would have about one more year of funds to operate and then cease operations. I would see, without talking to LaRell or Mike Nelson, the downtown properties starting their own TBID, if the TBID is disband.

Or if we cease the RFQ proceedings, we should just operate differently.

SM said she would support a one hotel one vote or rooms per hotel vote for the TBID BOD own petition/tally.

Greg Pekovich, from the perimeter, said he thought that one vote one hotel would be good.

SM voiced concerns about losing the TBID funding and going back to state lodging tax dollars only.

Nichole Mehling Miles who is also the President of Yellowstone County Lodging Association states that the BOD could take a vote as follows:

Support RFQ – yes or no?

If no and the BOD proceeded with the RFQ, would you vote to terminate the TBID, yes or no?

Jeff Muri said Billings wouldn't lose 25% of the segment (M/C) without the study.

SW said, no... that's not what I said, I said we would not grow outside the 25%.

GH, getting back to the BOD petition suggestion, said it's important that the question on the petition is posed correctly.

SM: I asked the question to the guests in the perimeter, if we did another survey and Ron and I were involved, not campaigning, would you be against it? if signatures supported the RFQ?

Jeff Muri: I can't answer that question.

SM: We are the laughing stock of the state.

BK: We are arguing the wrong thing now. We need an independent judge.

RS: I defend Jeff Muri as I heard him on the phone. He wasn't campaigning. Never heard that. Never heard him refer to shutting down the TBID. We just don't want people out of a job.

GH: I just don't want all of our eggs in one basket.

Jeff Muri: This is one time that we have questioned what is being done. Have we questioned in the past? You've been doing a great job. This is one topic that we are bringing to your attention. I don't trust an expert. It's their job to tell us how it can be done. That's their job.

SW: I want information so I can have an intelligent conversation about the topic.

Ray Price: I want transparency with the TBID. Is there an audit?

RS quickly let him know that there is no issue with transparency. Everything is available on the stakeholder page at www.VisitBillings.com and that Board members conduct internal audits annually. There hasn't been any issue.

Ray Price and SM banter back and forth about who could do the research locally instead of hiring someone to do it. SM asked Price if he would do it. He said he didn't have time. SM said, neither do we... referring to everyone else's schedule being too busy.

Joe Studiner asked if the study could be led by the Chamber instead of TBID.

SW: it's a question of funding also.

GH: I am skeptical, but we just want answers to our questions.

BK: Motion to adjourn the meeting and push further conversation to September 12 BOD meeting.

RP seconded the motion.

SM: "I want a different petition."

JB: I thought that the discussions took place in January where we invited everyone to come.

GH: We need time to mull this over.

LB: I agree we should step back and get the emotion off the table.

SW called for votes: SM only nay.

RS said he would have additional signatures to the petition by Tuesday.

Adjourned at 3:35 p.m.