



PA Dutch CVB Board of Directors

December 2011 Meeting Minutes

I. **Call to order**

Chairman Deryl Stoltzfus called to order the regular meeting of the PA Dutch CVB Board of Directors at 12:10 p.m. on December 8, 2011 in the CVB Theatre.

II. **Roll call**

The following persons were present: Deryl Stoltzfus (chair), Chris Barrett, Janet Wall, Mike Messina, Scott Bowser, Vicki Kulina, Kevin Molloy, Marsha DiBonaventuro, Scott Miller, David Nikoloff, Chuck Simmons, Tom Baldrige, Vince Bulik, Rick Stammel, Randy Patterson

The following persons were absent: Maria-Jose Tennison, Jan Garrabrandt, Shane Ackerman, Jennifer Buchter, Sheryl Holzbauer, Commissioner Scott Martin

III. **Consent agenda**

The board reviewed the November board meeting minutes.

MOTION: The board voted and approved the November board meeting minutes.

The board reviewed the November membership report. According to the report, the CVB gained 5 new members, reinstated 0 members, and lost 0 members. The CVB now has 683 members.

MOTION: The board voted and approved the November membership report.

Recognition of Outgoing Board Members and 2012 Board Composition

Randy Patterson, Jennifer Buchter, Kevin Molloy, Chuck Simmons, and Vicki Kulina were recognized for their service. Vicki submitted her resignation and will not be finishing out her term. The new 1012 board members include Michelle Rondinelli, Steve Sikking, Michelle Gehman, Mark Moosic, who will be filling Vicki Kulina's unexpired term, and Commissioner Martin who will be remaining on the board in an At Large position.

MOTION: The board voted and approved the 2012 board composition as presented.

IV. **New business**

None

V. Ongoing business

Period 11 & 12 Finance Report and Variance Explanations

The board reviewed the CVB's income and expenses for the period ending on November 30.

The hotel tax for October was better than anticipated, but it was not enough to fix the budget's negative variance.

The CVB is pleased that member co-ops continue to grow.

Map & Overnight Get Away Guides and *Group Planning Guide* revenues are slightly under budget, but membership dues revenue has surpassed budget.

Stakeholder Meeting for Convention Center

Commissioner Scott Martin convened a meeting that included the Lancaster County Convention Center Authority (LCCCA), the CVB, High, Wells Fargo, the Mayor's office, Commissioner Martin, and the county solicitor.

The group agreed that it is more important to look at long-term income solutions instead of short-term cost saving solutions. The LCCCA presented their ideas for solutions and the LCCCA and CVB jointly presented ideas that could potentially increase revenue for the Lancaster County Convention Center (LCCC). The meeting produced great dialog, but all agreed that a solution will not come from one meeting. Commissioner Martin advised the group to have similar but separate meetings with both Commissioner Dennis Stuckey and Commissioner Craig Lehman. The CVB will schedule these additional meetings.

Member Marketing Update Meetings

Segmented member meetings are scheduled for January. At these meetings the CVB's marketing plan and financial challenges will be discussed.

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ADR has been increasing and is higher than last year. This is the first time since March 2008 that demand and ADR have increased.

2012 Proposed Budget

The board reviewed the 2012 budget in detail. It assumes that the LCCC's safety mechanism will kick in March 2012, which will divert the hotel tax from the CVB. As a result, the CVB's budget has no extra expenses and includes an infusion from the fund balance. Because the CVB has a healthy fund balance, it is able to pull from those funds to make budget A long-term budget plan needs to be developed, and it's imperative that the board communicate it's financial status frequently and with transparency to membership.

MOTION: the board voted and approved the position statement below:

For the approval of the 2012 budget which requires a commitment of \$1.2 million of the unrestricted fund balance will be used to fund operational expenses and maintain current marketing expenditures planning for the projected loss of hotel tax revenue and PA state funding. The board also further requires a task force be formed to develop a long-term funding sustainability solution that will provide a deliverable by June 2012.

The board agreed that two task forces must be created. One task force should be charged with solving big picture financial issues, while the another focuses on the CVB's operations. This second group should investigate alternative revenue sources and potential new business models. The board agreed that the CVB should explore and firmly present big picture solutions, but ultimately it is the commissioners who can execute a plan of action.

One task force will be charged with sustainability of the CVB; the other will be charged with presenting to the board of PA Dutch CVB a solution to solving the financing issues of the LCCC.

MOTION: The board voted and approved the charges of the above two task forces; Kevin Molloy abstained.

VI. Adjournment

Chairman Deryl Stoltzfus adjourned the meeting at 2:20 p.m.

Minutes respectfully submitted by Kristen May.