

**MINUTES OF THE RETREAT  
OF THE TOWN OF PINETOP-LAKESIDE ADVERTISING AND  
PROMOTION COMMITTEE, HELD ON WEDNESDAY, FEBRUARY 20,  
2019 AT THE TOWN HALL COUNCIL CHAMBERS  
325 W. WHITE MOUNTAIN BOULEVARD, LAKESIDE, AZ 85929**

**A. Call to Order**

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Chair Begovac called the work session to order at 9:00 a.m.

**Roll Call:**

The following Members were present:

Jeanne Begovac	Chair
Ceci Byrne	Vice Chair
Kellen Nicholson	Member
Chuck Teetsel	Member
Angela Fabian	Member
Trent Kay	Member
Bill Gibson, Jr.	Member
Whitney Giokaris	Member

The following Member was absent:

Simon Rizk	Member
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Also Present:

Keith Johnson	Town Manager
Jill Akins	Deputy Town Clerk
Tony Alba	Community Services Manager
Lynn Krigbaum	Councilmember
Shannon Smith	Arizona Office of Tourism Asst. Deputy Director of Marketing
Kiva Couchon	Arizona Office of Tourism Director of Industry Affairs

## 1. Proposed formation of Tourism Bureau for the Town Of Pinetop-Lakeside

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Chair Begovac welcomed and thanked everyone for attending the yearly Advertising and Promotion Retreat. She asked that cell phones be turned off or silenced, no side bar conversations and wait to be recognized before speaking. She explained that this is a non-voting Work Session for Committee members and Town employees in attendance are to provide direction and answer questions but not be a part of Committee discussion.

Chair Begovac said having a Tourism Bureau for the Town is very exciting and announced that Manager Alba has a presentation for the group.

Manager Alba said the Town has spent a lot of time regarding the Tourism Bureau the past four months and said that the Arizona Office of Tourism would have a presentation for the group later in the meeting.

Manager Alba said that he has worked for the Town a little more than a year and he thinks it is good for any group or organization to review their purpose or mission. He said a good question for today's retreat is "Why are we here?" The Committee's purpose is to attract visitors to the community and this is done through a variety of avenues. The bottom line is that the Committee makes recommendations to the Town Council regarding the best way to promote the community to visitors and also to local residents, both permanent and part-time. He explained a great job is done to market the Town through advertising, marketing, event development and promotion and social media. He said several great events had been added in the past year, Pinetop-Lakeside Days, Hot Air Balloon Festival, Chili Cook Off and the Tillman Honor Run. He said partnerships are also a big part of the Advertising and Promotion Committee. The Advertising and Promotion Committee is the agency that promotes Pinetop-Lakeside as a visitor's destination. He thinks that there is more that the Committee can do to bring visitors to the community and more to directly interact with visitors and potential visitors. He said that the Town needs to position itself as the go to source for visitors and needs to do more with Local First Arizona, the White Mountain Partnership, travel writers and bloggers, tour operators and the Arizona Office of Tourism. He feels more could be done with those groups. It has been talked about to create a visitors bureau and he feels that the time has come to create a tourism department that will build on what the Advertising and Promotion Committee is already doing and doing so successfully. He suggested expanding the role of the Town and the Committee to become even more tourism focused. He believes a visitor

experience can be created and develop the area into the recreation destination of choice. Instead of marketing the destination in general terms it can be elevated and taken to the next level and he believes the method to do that is to create a tourism department at the Town of Pinetop-Lakeside. In order to achieve that goal, the Advertising and Promotion Committee will have to take on more responsibility, will have to change the thinking of the Committee and will have to study some of the best practices throughout the state. This will be a big undertaking, requiring hard work and strategic thinking by the Town and the Committee members. He suggested changing the name of the group from the Advertising and Promotion Committee to the Tourism Advisory Board. He asked the members to think about and consider changing the name. He said a part-time position will need to be added to focus on tourism. He explained a compelling story will have to be created and messaged to the Town Council explaining why the tourism department is needed and why it needs to move quickly. Several things need to be considered to accomplish the tourism department:

- Restructure the Committee and change the by-laws
- Establish credibility to be the tourism body in Town
- Identify and maintain funding sources
- Additional staff, focusing on visitors and tourism

He stated that he visited with his counterparts in Kingman, AZ, and said that two and a half years ago the City of Kingman created a tourism department under the management of the City. He said the main focuses for their first year were the following (many that the Advertising and Promotion Committee are already doing):

- Promote with multi-channel marketing, including web displays, social content, print, etc.
- Participate in the Arizona Office of Tourism Marketing Cooperative and Governors Conference on Tourism and other viable programs.
- Provide counsel to the Town Council regarding tourism in the development of short and long range projects and plans.
- Collaborate with the community and with regional partners in tourism promotion efforts.
- Operate the visitors center to serve the traveling public.

Manager Alba suggested for the Committee to consider creating a tourism department within the Town and that it is time to pursue becoming the official visitor center with the Arizona Office of Tourism for the Town.

It was the consensus of the members to move forward with the visitor center.

Manager Alba said it will require some infrastructure costs to create the visitor center, for example, buying display racks and creating a space in Town Hall.

Vice Chair Byrne said there are some very rough and preliminary ideas but there could be up to \$15,000.00 from visitor services to contribute to the visitor's center for this budget year. She said there is \$4,000.00 in the current 2019 budget and recommends \$12,500 from the 2020 budget for cost-sharing and auxiliary staff costs. An estimated \$2,500.00 a year for set up costs, signage and brochures. She suggested cost sharing with the Parks and Recreation Department and other town budget areas such as the General Fund and she stated some of the \$160,000.00 Advertising and Promotion budget could be reallocated from the print advertising. She said sources of non-tax based revenue like sponsorships, tickets sales from events, gift shop sales, grants from public and corporate philanthropy and economic development could be utilized. She stated that the Advertising and Promotion budget would not be able to fund the entire visitor center.

Chair Begovac said what is being proposed for today is do we have buy in and do we want to move forward with the visitor center and should a sub-committee be formed to help with the details after finding out what the Arizona Office of Tourism will require.

Manager Alba stated the committees by-laws would have to be rewritten and asked if this is something that the committee members want to pursue.

In response to Member Fabian, Chair Begovac said there would need to be someone hired part-time to man the visitor center along with having other duties a lot of which would free up Manager Alba's work load to some extent and some of the cost would have to come from the Advertising and Promotion budget and some funds would be re-allocated from other monies, fund raising, sponsorships and business promotions, ticket sales and gift shop sales. She said this is only preliminary information and said they would not know the details until after the presentation from the Arizona Office of Tourism.

Member Nicholson said currently a significantly low percent of our budget is going towards tourism and visitors. She thinks that having a visitor center is very important and the nature of the committee, wants and needs, has changed. She acknowledged this is a really big step and is important to consider.

Manager Alba stated that the Arizona Office of Tourism is not going to decide who gets the visitor center; it is the community that will decide. They will identify the official visitor center, but they are not going to pick one over another. He said the mission of the Advertising and Promotion Committee tourism is focused and attracting visitors; if you look at the Chamber's mission it is to create strong businesses and networking, there is no tourism in their mission statement. He said this is not an effort to squash the Chamber, we want a strong Chamber, and said it is his belief that this organization and this Town are best positioned to be the tourism agency. And other towns in Arizona are taking ownership of their tourism and it does not mean that we will not have a strong Chamber or continue to work with the Chamber, but the Chamber can continue to do what they do well which is business development, creating strong businesses and the Town would need to be a part of that.

Member Gibson expressed that he is excited about this idea and he is all in and will support this effort. He said he wants to make sure the Town and the Committee makes sure they know where this is headed.

Chair Begovac said Town Manager Johnson has had conversations with the Chamber and that they are aware of the direction the Town is taking and choosing to do. From this point forward, this is public knowledge.

In response to Member Gibson, Town Manager Johnson said the preliminary budget for the next fiscal year is being developed. He said the Town would most likely have to make up the difference for the salary for the visitor center position. It might start out as a part-time position that would turn into a full time position in the future.

Vice Chair Byrne stated that she agrees with Town Manager Johnson that the Advertising and Promotion Committee's budget would not be able to support the entire salary, but she thinks there are ways to work with the Town during the budget process.

Member Nicholson stated that Manager Alba has a huge undertaking with his job, just in general, and she said that Larry John Wright was hired to take care of social

media and she feels that they fall a little short. She feels that the website and social media is falling short and Manager Alba is being tasked to address the issues with Larry John Wright. She then suggested that the visitor center position could take over the management of the website and social media.

Member Giorkaris said she agrees with Member Nicholson that the results are not being seen with how much the current advertising agency is being paid and specifically that is falling short for tourism and not reaching the target audience.

Member Fabian said she would like to know what this part-time visitor center position would be doing.

Chair Begovac said the position would primarily be staffing the visitor center but said there would be times the position would be working on social media.

Manager Alba said there is staff here to man the visitor center during the week; however on weekends there would be a need for staffing. He volunteered to take his turn on a weekend, but additional help would be needed.

In response to Member Gibson, Manager Alba said he has had some very informal conversations regarding the visitor center concept individually with several councilmembers; and all expressed interest at the idea and it is good conceptually. He stated that this will take a lot of work from the entire Advertising and Promotion Committee to get this accomplished. He said right now the Arizona Office of Tourism relationship is with the Town of Pinetop-Lakeside and the Town is the one organization that attends the Governor Conference.

**2. Presentation by Arizona Office of Tourism (AOT) regarding program updates and upcoming opportunities.**

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Chair Begovac announced that Shannon Smith, Assistant Deputy Director of Marketing, and Kiva Couchon, Director of Industry Affairs, from the Arizona Office of Tourism would be presenting to the Committee.

Shannon Smith stated that the trending is great in terms of the tourism industry in Arizona. He said one of the focuses this year is to help the rural communities with their marketing efforts. He explained that the main goal of the Arizona Office of Tourism is to strengthen tourism in Arizona. He explained that marketing the entire state is very important to the Arizona Office of Tourism and they are working on growing event and fan tours, major sporting events like the Super

Bowl and the Final Four and work with international and regional partners. Rural marketing is an area that they will be targeting.

Kiva Couchon announced that in March 2019 a new program will be launched requiring applications that will be evaluated and there will be a fee associated with the program. She said it will be branding Arizona visitor and information centers and providing maps, guides and other materials to help the location be branded as a visitor center designated by the Arizona Office of Tourism.

In response to Member Teetsel, Ms. Couchon said the fee would be \$250.00 for the first year and a \$100.00 reapplication fee the following years to help with off-setting some of the costs of branding the material.

In response to Member Fabian, Ms. Couchon stated that there will be an entire set of guidelines which will be available when the program is launched and that there will be a twenty-five mile radius between centers.

In response to Manager Alba, Ms. Couchon said the twenty-five mile radius between centers is just a guideline and each community would be considered.

Ms. Couchon explained that the guidelines for the rural co-op have been refreshed and it is a great program to help reach visitors from Phoenix and Tucson areas to help and remind visitors to come here for their summertime fun. Applications for this program will be accepted starting in June 2019 and it is a cooperative program that a community buys into and the Arizona Office of Tourism will match.

In response to Councilmember Krigbaum, Ms. Couchon said the buy in cost is dependent on what the community wants and all of this is explained in the guidelines to be released in June 2019.

Chair Begovac said she and Manager Alba would schedule a meeting with the Arizona Office of Tourism within a few weeks.

In response to Member Giorkaris, Ms. Couchon said that some of the fam tours are marketed toward a younger demographic by using social media.

Chair Begovac said that Ms. Couchon and Mr. Smith would be the point of contact to help guide the Committee through the application process and Manager Alba would be the contact person from the Town.

In response to Manager Alba, Ms. Couchon said the Co-op will have webinars available explaining the application process and the guidelines.

In response to Manager Alba, Ms. Couchon said the Governor's Tourism Conference is open to anyone to attend. Ms. Couchon said she would find out if there will be a discount offered to first time attendees from rural communities.

Chair Begovac announced it was the consensus of the Committee members to have Manager Alba continue working with the Arizona Office of Tourism to pursue the Visitor Center. She suggested forming a visitor center sub-committee. Members Fabian, Teetsel, Nicholson, Vice Chair Byrne and Manager Alba volunteered to serve on the Visitor Center Sub-Committee.

Manager Alba said that the City of Kingman has offered to conduct a presentation to the Committee on how they had set up their visitor center. He said he would like to take the concept of the visitor center to Town Council around the beginning of April 2019.

Member Giorkaris thinks that either Owen Laluk or Trent Kay should attend the Arizona Office of Tourism Governor's Tourism Conference.

Manager Alba agrees with Member Giorkaris' comments; however, he stated that Sunrise would have to fund their attendance to the conference.

Chair Begovac clarified that the proposed Tourism Department would include the Tourism Advisory Board, Community Services Manager, part-time tourism staff and an Event Coordinator reporting to the Town Manager. The Advertising and Promotion Committee would be the Tourism Advisory Board.

### **3. Proposal for review from Epic Rides**

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Chairman Begovac announced that Epic Rides has submitted a proposal for Tour of the White Mountains 2019 to 2023.

Manager Alba said there would not be a lot of discussion today regarding their proposal and said that Epic Rides will be presenting to the Committee at the March 2019 regular Advertising and Promotion Committee meeting. He reported that for the past several years the Town and the Advertising and Promotion Committee has been paying \$3,750.00 to Epic Rides for the Tour of the White Mountains and also paying for Port-O-Johns for sanitation. Epic Rides requested for the Town to

provide traffic control, which cannot be done since the event takes place in the County. Their revised proposal for 2019-2023 would be an increase fee of \$15,000.00 with a 5% annual escalator (applied each year from 2020-2023), the Town would continue to pay for sanitation and they would remove the exclusivity clause. He said he does not intend to have a long drawn out discussion today, but asked the members to review the proposal and be prepared with questions to Epic Rides at the March 2019 meeting.

Vice Chair Byrne announced that Epic Rides committed to give back \$10,800.00 to the community non-profits. Epic Rides was asked if we can work with other agencies in Town to help off-set some of this \$15,000.00 annual host community fee.

Manager Alba explained that not all of the benefiting agencies are located in the Town of Pinetop-Lakeside.

Town Manager Johnson said it was expressed to Epic Rides that this is a pretty steep jump in the annual fee and that the Town realizes that some of their other venues, such as Grand Junction, CO and Payson, AZ, pay an even higher fee. But when the impact to the community numbers are presented, he said he feels that the numbers are over stated by quite a bit and said they told Epic Rides that the Town did not feel they could justify the annual host fee requested. He explained that the tax numbers from the hotels and restaurants had nothing different year to year or month to month. He expressed he does not want them to stop having the event here and believes this is an easy sell for them to come to this area. He believes TRACKS get a large charitable donation from Epic Rides because the members volunteer a lot of hours to help put on the event.

In response to Member Teetsel, Town Manager Johnson said Epic Rides responded that they would have to re-evaluate things if the \$15,000.00 fee was not paid.

Chair Begovac pointed out that Pinetop-Lakeside is already listed on their website as one of their events.

Manager Alba believes that Epic Rides had signed a five year contract with PLAC&S with at least three years left on the contract. His sense is that this increased fee is to help Epic Rides grow their events in other parts of the country.

Chair Begovac stated that the Town will receive pretty much the same benefit from the event but be charged a lot higher annual fee.

Town Manager Johnson stated that the White Mountains venue can only grow to a maximum of one thousand participants.

Councilmember Krigbaum stated that it is too bad that Member Rizk is not in attendance because he has had some really good points in the past and said that the Committee needs to make sure that Member Rizk will be able to attend the March 2019 meeting when Epic Rides presents their proposal. She said that Member Rizk has a good outlook on what happens to the businesses in the Town during the Tour of the White Mountains.

Member Nicholson expressed that the tax revenue reflected by Epic Rides is guessing and said from her business and speaking to other business owners in Town the effect is not seen as an increase. She said the restaurants may have a little bit of an increase but said that most of the riders camp, rent Airbnb's, stay in places where they can cook for themselves or a lot stay with friends or family that live here. She said that two thirds of the participants that she talked to camp and she believes that it is just a guess on what the Town receives in tax revenues. Member Nicholson asked if negotiating the fee with Epic Rides is possible.

Town Manager Johnson believes that Epic Rides would not pull the 2019 event, but said he feels that they would be looking for someone somewhere else to pay their requested fee for the 2020 event. He said the Town suggested to them to do more advertising, get more sponsors and to not ask the Town to come up with \$11,000.00 more dollars.

Manager Alba explained that there are other options out there and said this is not the time to get into a long discussion. He said the Mayor has put the Town in touch with a gentleman from New Mexico and preliminary conversations have taken place and it was said that he would be interested in bringing an event to Town. He said there are other options to consider. He agreed that Epic Rides would not pull the 2019 event but said it is a big increase and the Committee would have to take a look and decide if they wanted that much of the budget dedicated to this event.

Trent Kay said it cannot be controlled where the participants are staying or their food and beverage and said it is \$18.00 for registration and what does Epic Rides need the \$15,000.00 fee for.

Chair Begovac said the \$15,000.00 is not needed for the event in Pinetop, but said the \$15,000.00 is needed to expand what they are doing in places other than Pinetop.

Councilmember Krigbaum wonders what the contract is with PLAC&S and if there is money involved she is pretty sure that Epic Rides would not pull the event from that location in 2019. She suggested asking Steve Berman what the contract with PLAC&S involves.

Member Teetsel said he would try to find out what the contract is before the March 2019 meeting.

Member Giokaris shared that before this meeting, she received an email from Epic Rides trying to schedule a phone call with her to discuss the proposal and said that she found that off putting and finds it exploiting that they are asking for \$15,000.00 in order to hold the event in Pinetop or they will move the event next year. She said the proposal could be discussed in one of the sub-committees before the March 2019 meeting with questions for Epic Rides asking what is in it for the Town. She suggested that Epic Rides could make a Pinetop video like the video made for the Grand Junction Ride, make a list of questions for Epic Rides asking what is in it for the Town to pay the \$15,000.00 fee.

Vice Chair Byrne said there had been negotiations with Epic Rides two years ago and said that they are very hard and set on that fee and they would not budge and said she agrees with Town Manager Johnson to look at other options.

Member Gibson said it seems very inappropriate that Epic Rides reached out to Member Giokaris and addressing people on our board.

Member Giokaris said she did not respond to the emails. She explained that the email was sent to Open Spaces Yoga and said that her boss forwarded the email to her. She said the email was sent the day before the retreat. She agreed that it was not appropriate.

Member Gibson said he is just trying to work out if it is okay or not okay for Epic Rides to address members individually regarding something that they will be presenting to the Committee at the March meeting.

Chair Begovac believes it is inappropriate.

Manager Alba said he does not believe it is unethical or illegal because Councilmembers are contacted all of the time regarding different issues.

Chair Begovac stated this is all food for thought and that it would be a voting item at the regular meeting in March 2019. She said Epic Rides will be presenting and asked the Committee members to have questions and suggestions.

#### **4. Proposed 2019-2020 Committee's Budget**

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Vice Chair Byrne said the Committee has been doing well, is on track and staying within the budget. She looked at the tax receipts to help figure out what to spend next fiscal year and said normally the tax revenues increase year to year but said the special hotel tax is down this year in terms of tax receipts. She said Finance Director Rodolph thinks this is a blip and things are stabilizing a little bit. With that in mind, in looking at the fiscal year that starts in July 2019, she is proposing to ask for the same amount of money as this fiscal year, \$231,000.00, because the Committee has a very good marketing plan.

Vice Chair Byrne presented the following Advertising and Promotion Committee fiscal year proposed 2020 budget to the members:

- Percentage by Marketing Types:
  - Tourism Advertising: 65-69% of the budget
  - Events: 16% of the budget
  - Marketing Partnerships: 8-9 % of the budget
  - Visitor Services: 1.73-6.5% of the budget
  - Website: 2% of the budget
- Visitor Center Costs:
  - From \$4,000.00 to \$15,000.00 a year
  - \$4,000.00 is current fiscal year 2019 budget for promotion, postage and supplies
  - Recommend including \$12,500.00 in fiscal year 2020 budget for cost-sharing and auxiliary staff costs.
- Other sources of visitor center funds:
  - Cost share with Parks and Recreation Department or other Town budget areas, such as General Fund
  - Reallocate budget line items

Non-tax base sources of revenue (cannot add these sources of revenue to the approved budget, but could use the funding through costs sharing with the general fund, where non tax Advertising and Promotion revenue is allocated) sponsorships, ticket sales from events, gift shop sales, grants from public and corporate philanthropy and economic development.

She said the proposed 2019/2020 budget will be presented to the Town Council in May 2019.

Member Nicholson stated that the Committee is an Advertising and Promotion Committee and asked what is considered the “promotion” part of the Committee.

Vice Chair Byrne stated that attending trade shows would be considered promotion and anything that is not print or on-line advertising.

Member Nicholson expressed that the Committee does not have a very clear picture for the promotional side of things or that it is represented well. She said if the Town is considered a tourism community the trade show budget needs to be increased.

**5. Review of event statistics for events funded by the Advertising and Promotion Committee for the past fiscal year.**

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Chair Begovac gave the Communications sub-committee the task of working with Manager Alba to get surveys completed and feedback from events funded by the Advertising and Promotion Committee.

**6. Discussion of Sub-Committee members and goals.**

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Chair Begovac explained that it has been a year of having sub-committees and expressed she feels that the sub-committees have been very successful and more has been accomplished by having them.

In response to Member Giokaris, Chair Begovac stated that there are four sub-committees and they are as follows:

- Finance
- Strategic Planning
- Banners/decorating

- Communications/surveys

Chair Begovac explained that the sub-committees are temporary, include no more than three committee members, meet away from regular meetings and require a leader to organize and speak for the sub-committee. She stated she would like to see everyone participate and speak up if they would like to move from the committee they are already on. Sub-committees meet once per month and provide reports at the regular Advertising and Promotion Committee meetings.

Member Gibson requested to be a part of the finance sub-committee as long as the meeting times are flexible and he may have to participate by phone or email at times.

Chair Begovac said the strategic planning sub-committee has been focusing and working on the website. She explained that Manager Alba has a list of things that he will be working on and fixing the website, and that the website is a work in progress. Once the website is nailed down, the strategic planning sub-committee will be looking at a bigger picture of goals, ideas, Pinetop story and providing direction to Sam John.

Chair Begovac explained that the banners/decorating sub-committee started due to long discussions regarding Christmas decorating and wreaths. The sub-committee has not met in quite awhile and meetings are held on an as needed basis. She suggested Recreation Coordinator Malaina Spillman be asked on a monthly basis a timeline for the banner across Highway 260 and if Town decorations are needed.

Chair Begovac stated that the communications/surveys sub-committee was formed because the Advertising and Promotion Committee members felt as though the message was not getting out as to what the Advertising and Promotion Committee does for promoting the Town.

Member Giokaris requested to join the banners/decorating sub-committee.

Trent Kay announced that the Sunrise representative would attend the strategic planning sub-committee since Chair Begovac would not be on that sub-committee any longer. He said Owen Laluk would attend the communications sub-committee meetings.

Chair Begovac explained that the sub-committee meets once a month for an hour or two and said there is not a regular day during the month that they meet, just whenever the sub-committee members can decide on a day and time.

**7. Review and discuss the list of advertising suggestions and overall goals.**

Chair Begovac presented the following goals and 2019 advertising options for the Committee to consider and work on:

- The visit Pinetop website is still being worked on and glitches corrected.
- Update and/or change the Mission Statement and goals for the Advertising and Promotion Committee.
- Review Larry John Wright's contract and possibly revise what the advertising company is being asked to do and explain the new focus of the Committee.
- Member Fabian will talk to Sam John regarding posting OOTV videos to the Facebook page.
- More print advertising in the Tucson area.
- Radio spots on college radio stations.

**8. Adjournment:**

There being no further business at this time, the meeting was adjourned at approximately 2:00 p.m.

  
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Jeanne Begovac  
Chair