

MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Paul Raymore
Marketing Manager

SUBJECT: Review, discuss and possibly approve an early opening item for the 2017/18 fiscal year allowing the District to enter into an agreement for media buying services for 2017/18; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities, Recreation Center and Tennis Center; Vendor: EXL Media; Contract Amount: \$257,000 in paid media spending, \$84,000 in trade media spending and \$60,000 in agency fees – a grand total of \$401,000

STRATEGIC PLAN: Long Range Principle #6 - Communication

DATE: May 24, 2017

I. RECOMMENDATION

That the Board of Trustees make a motion to authorize Staff to enter into an agreement with EXL Media for 2017/18 fiscal year media buying services for Diamond Peak Ski Resort, the Incline Village Golf Courses, Facilities and the Recreation and Tennis Centers for a total amount of \$401,000 consisting of \$257,000 in paid media spending, \$84,000 in trade media spending and \$60,000 in agency fees prior to the start of the fiscal year 2017/2018.

II. STRATEGIC PLAN REFERENCE(S)

Long Range Principle #6 – Communication – The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

Review, discuss and possibly approve an early opening item for the District to enter into an agreement for media buying services for 2017/18; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities, Recreation Center and Tennis Center; Vendor: EXL Media; Contract Amount: \$257,000 in paid media spending, \$84,000 in trade media spending and \$60,000 in agency fees – a grand total of \$401,000

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- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

III. BACKGROUND

As a component of IVGID's Diamond Peak, Golf Courses, Facilities, Recreation Center and Tennis Center annual marketing and advertising campaigns, the District contracts with a media buying agency to help plan, place, and negotiate rates for advertising placement. This includes, but is not limited to, print ads, digital ads, billboards, radio spots, television spots, and paid search campaigns. This is an essential service for the District's Marketing Staff as the research, documentation, reporting, and support received from the third party provider significantly exceeds in-house capabilities.

To allow for proper planning and seamless execution of IVGID's advertising campaigns, we are requesting the early opening of this item so that District staff and EXL Media have adequate time to plan for the early 2017/18 fiscal year advertising placements. No funds from this authorization will be spent before the 2017/18 fiscal year begins on July 1, 2017.

IV. BID RESULTS

This item is not subject to competitive bidding within the meaning of Nevada Revised Statute (NRS) 332.115 as described in subsection (b) Professional Services.

EXL Media is an Incline Village, Nevada based firm and has over nineteen years of experience successfully handling media buys for the District. EXL Media has vast knowledge of the competitive landscape of the Lake Tahoe recreation market. They are the best qualified and capable media agency to support the District in meeting its budget objectives and will provide the level of attention, detail, and reporting that is required to ensure successful media campaigns.

V. FINANCIAL IMPACT AND BUDGET

Review, discuss and possibly approve an early opening item for the District to enter into an agreement for media buying services for 2017/18; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities, Recreation Center and Tennis Center; Vendor: EXL Media; Contract Amount: \$257,000 in paid media spending, \$84,000 in trade media spending and \$60,000 in agency fees – a grand total of \$401,000

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The budgets for the proposed media buying services contract is included in the Board-approved Fiscal Year 2017/18 Diamond Peak, Championship Course, Mountain Course, Facilities, Recreation Center and Tennis Center Operating Budgets allocated to Marketing. The contract details are as follows:

1. Term: July 1, 2017 through June 30, 2018
2. Total contract: \$317,000 cash plus \$84,000 trade value
 - a. Cash Media: \$257,000
 - i. Diamond Peak: \$155,000
 - ii. Golf: \$56,000
 - iii. Facilities: \$32,000
 - iv. Recreation Center: \$9,000
 - v. Tennis Center: \$5,000
 - b. Trade Media: \$84,000 (\$80,000 Diamond Peak, \$4,000 Golf)
 - c. Agency Fees: \$60,000

The Trade Media component is budgeted assuming up to \$84,000 in 1:1 retail value trade to cover various ad buys. One of the advantages to including a trade component in the contract is that the traded amount typically sees significant breakage (i.e. unredeemed value) relative to the actual redeemed amount.

V. ALTERNATIVES

None; third party media buying services is a critical component to successful operations at IVGID.