

**COASTAL MISSISSIPPI BOARD MEETING**  
**May 28, 2020**  
**OFFICIAL MINUTES**

The Coastal Mississippi Board met Thursday, May 28, 2020 at 3:00 p.m. at their office located at 2350 Beach Blvd Suite A, Biloxi, MS 39531.

Commissioners Present: Nikki Moon, President; Mary Cracchiolo Spain, Vice-President; Mark Henderson, Secretary; Richard Chenoweth, Prior President; Bill Holmes; Brooke Shoultz; Danny Hansen; Kim Fritz; Rich Westfall; Rob Stinson

Commissioners via phone: Carla Todd, Treasurer; Clay Wagner; Richard Marsh; Rusty David; Shirley Dane

Staff Members Present: Milton Segarra, CEO; Cindy Jo Calvit, Executive Administrative Assistant; Erin Rosetti, Director of Communications and Engagement; Karen Conner, Director of Marketing; Pam Tomasovsky, Director of Finance; Zach Holifield, Director of Leisure Development

Others Present: Hugh Keating, Legal Counsel

Others via phone: Advisory Members: Donna Brown, Gulf Hills Resort; Gloria Frey, MS Coast Coliseum & Convention Center; Larry Ahlgren, Gulf Islands Waterpark; and Mike Davis, Hotel & Lodging Association; Chaille Munn, Gulfport-Biloxi International Airport; Mary Perez, Sun Herald; Keith Wilson, Streetcar PR

President Moon called the meeting to Order.

Commissioner Hansen said a prayer and lead the Pledge of Allegiance.

1. Commissioner Hansen made the motion to accept the agenda as presented. Seconded by Commissioner Cracchiolo Spain, the president called the question, with the following results:

Commissioner Chenoweth	Voted ---- Yes	Commissioner Holmes	Voted ---- Yes
Commissioner Cracchiolo	Voted ---- Yes	Commissioner Marsh	Voted ---- Yes
Commissioner Dane	Voted ---- Yes	Commissioner Stinson	Voted ---- Yes
Commissioner David	Voted ---- Yes	Commissioner Shoultz	Voted ---- Yes
Commissioner Fritz	Voted ---- Yes	Commissioner Todd	Voted ---- Yes
Commissioner Hansen	Voted ---- Yes	Commissioner Wagner	Voted ---- Yes
Commissioner Henderson	Voted ---- Yes	Commissioner Westfall	Voted ---- Yes

The motion having been duly made, seconded, and a favorable vote received from the Board, the president declared the motion adopted May 28, 2020.

2. Commissioner Hansen made the motion to accept the meeting minutes from the April 30, 2020 Coastal Mississippi Board Meeting as presented. Seconded by Commissioner Chenoweth, the president called the question, with the following results:

Commissioner Chenoweth	Voted ---- Yes	Commissioner Holmes	Voted ---- Yes
Commissioner Cracchiolo	Voted ---- Yes	Commissioner Marsh	Voted ---- Yes
Commissioner Dane	Voted ---- Yes	Commissioner Stinson	Voted ---- Yes
Commissioner David	Voted ---- Yes	Commissioner Shoultz	Voted ---- Yes
Commissioner Fritz	Voted ---- Yes	Commissioner Todd	Voted ---- Yes
Commissioner Hansen	Voted ---- Yes	Commissioner Wagner	Voted ---- Yes
Commissioner Henderson	Voted ---- Yes	Commissioner Westfall	Voted ---- Yes

The motion having been duly made, seconded, and a favorable vote received from the Board, the president declared the motion adopted May 28, 2020.

3. President's Report:

- Recognized and welcomed Advisory Members and Guests
- Welcomed new Commissioner Brooke Shoultz

4. Coastal Mississippi CEO Report:

- Presented Monthly Report (attached)

5. Commissioner Hansen made the motion to approve the Financial Statements as of April 30, 2020.

Seconded by Commissioner Chenoweth, the president called the question, with the following results:

Commissioner Chenoweth	Voted --- Yes	Commissioner Holmes	Voted --- Yes
Commissioner Cracchiolo	Voted --- Yes	Commissioner Marsh	Voted --- Yes
Commissioner Dane	Voted --- Yes	Commissioner Stinson	Voted --- Yes
Commissioner David	Voted --- Yes	Commissioner Shoultz	Voted --- Yes
Commissioner Fritz	Voted --- Yes	Commissioner Todd	Voted --- Yes
Commissioner Hansen	Voted --- Yes	Commissioner Wagner	Voted --- Yes
Commissioner Henderson	Voted --- Yes	Commissioner Westfall	Voted --- Yes

The motion having been duly made, seconded, and a favorable vote received from the Board, the president declared the motion adopted May 28, 2020.

6. Commissioner Chenoweth made the motion to ratify the check/EFT disbursements totaling \$171,118.09.

Seconded by Commissioner Henderson, the president called the question, with the following results:

Commissioner Chenoweth	Voted --- Yes	Commissioner Holmes	Voted --- Yes
Commissioner Cracchiolo	Voted --- Yes	Commissioner Marsh	Voted --- Yes
Commissioner Dane	Voted --- Yes	Commissioner Stinson	Voted --- Yes
Commissioner David	Voted --- Yes	Commissioner Shoultz	Voted --- Yes
Commissioner Fritz	Voted --- Yes	Commissioner Todd	Voted --- Yes
Commissioner Hansen	Voted --- Yes	Commissioner Wagner	Voted --- Yes
Commissioner Henderson	Voted --- Yes	Commissioner Westfall	Voted --- Yes

The motion having been duly made, seconded, and a favorable vote received from the Board, the president declared the motion adopted May 28, 2020.

7. Commissioner Cracchiolo Spain made the motion to ratify the expenses paid by credit card totaling \$7,050.49. Seconded by Commissioner Hansen, the president called the question, with the following results:

Commissioner Chenoweth	Voted --- Yes	Commissioner Holmes	Voted --- Yes
Commissioner Cracchiolo	Voted --- Yes	Commissioner Marsh	Voted --- Yes
Commissioner Dane	Voted --- Yes	Commissioner Stinson	Voted --- Yes
Commissioner David	Voted --- Yes	Commissioner Shoultz	Voted --- Yes
Commissioner Fritz	Voted --- Yes	Commissioner Todd	Voted --- Yes
Commissioner Hansen	Voted --- Yes	Commissioner Wagner	Voted --- Yes
Commissioner Henderson	Voted --- Yes	Commissioner Westfall	Voted --- Yes

The motion having been duly made, seconded, and a favorable vote received from the Board, the president declared the motion adopted May 28, 2020.

8. Commissioner Westfall gave a brief recap of the Marketing & Sales Committee Meeting with a:

- Presentation from Karen Conner, Erin Rosetti and Zach Holifield.
- Peter Mayer Presentation of Coastal Mississippi Re-Entry Plan.

9. Commissioner Chenoweth made the motion to approve a Marketing Re-Entry Budget of \$300,000.

Seconded by Commissioner Stinson, the president called the question, with the following results:

Commissioner Chenoweth	Voted --- Yes	Commissioner Holmes	Voted --- Yes
Commissioner Cracchiolo	Voted --- Yes	Commissioner Marsh	Voted --- Yes
Commissioner Dane	Voted --- Yes	Commissioner Stinson	Voted --- Yes
Commissioner David	Voted --- Yes	Commissioner Shoultz	Voted --- Yes
Commissioner Fritz	Voted --- Yes	Commissioner Todd	Voted --- Yes

Commissioner Hansen	Voted ---- Yes	Commissioner Wagner	Voted ---- Yes
Commissioner Henderson	Voted ---- Yes	Commissioner Westfall	Voted ---- Yes

The motion having been duly made, seconded, and a favorable vote received from the Board, the president declared the motion adopted May 28, 2020.

10. Commissioner Holmes made the motion to accept the recommendations below from the Nomination Committee of Board Officers for FY2021 for purposes of discussion:

President – Mary Cracchiolo Spain	Treasurer – Brooke Shoultz
Vice President – Mark Henderson	Secretary – Rob Stinson

Seconded by Commissioner Chenoweth, then Board Discussion.

11. Commissioner Holmes made the motion to accept the below Slate of Officers for FY2021 and to accept Commissioner Shoultz as Vice-Chair of Finance Committee; In the event Commissioner Todd is unable to serve, Commissioner Shoultz would succeed to Treasurer:

President – Mary Cracchiolo Spain	Treasurer – Carla Todd
Vice President – Mark Henderson	Secretary – Rob Stinson

Seconded by Commissioner Chenoweth, the president called the question, with the following results:

Commissioner Chenoweth	Voted ---- Yes	Commissioner Holmes	Voted ---- Yes
Commissioner Cracchiolo	Voted ---- Yes	Commissioner Marsh	Voted ---- Yes
Commissioner Dane	Voted ---- Yes	Commissioner Stinson	Voted ---- Yes
Commissioner David	Voted ---- Yes	Commissioner Shoultz	Voted ---- Yes
Commissioner Fritz	Voted ---- Yes	Commissioner Todd	Voted ---- Yes
Commissioner Hansen	Voted ---- Yes	Commissioner Wagner	Voted ---- Yes
Commissioner Henderson	Voted ---- Yes	Commissioner Westfall	Voted ---- Opposed

The motion having been duly made, seconded, and a favorable vote received from the Board, the president declared the motion adopted May 28, 2020.

12. Reminders

- Coastal Mississippi Monthly Board Meeting- June 2020  
Thursday, June 25, 2020 3:00pm – 4:30pm Coastal Mississippi Board Room

13. Commissioner Henderson made the motion to adjourn the meeting. Seconded by Commissioner Chenoweth, the president called the question, with the following results:

Commissioner Chenoweth	Voted ---- Yes	Commissioner Holmes	Voted ---- Yes
Commissioner Cracchiolo	Voted ---- Yes	Commissioner Marsh	Voted ---- Yes
Commissioner Dane	Voted ---- Yes	Commissioner Stinson	Voted ---- Yes
Commissioner David	Voted ---- Yes	Commissioner Shoultz	Voted ---- Yes
Commissioner Fritz	Voted ---- Yes	Commissioner Todd	Voted ---- Yes
Commissioner Hansen	Voted ---- Yes	Commissioner Wagner	Voted ---- Yes
Commissioner Henderson	Voted ---- Yes	Commissioner Westfall	Voted ---- Yes

The motion having been duly made, seconded, and a favorable vote received from the Board, the president declared the motion adopted May 28, 2020.

# COASTAL MISSISSIPPI

## Board of Commissioners Meeting

### CEO REPORT

May 2020

Milton Segarra, CDME  
5.28.20

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MISSISSIPPI | *The Secret Coast*

#### INDUSTRY / BUSINESS DEVELOPMENT

- Conference Calls with:
  - Coastal Mississippi Casino Leadership
  - South MS Planning & Development District
  - Peter Mayer- Re-Entry Plan
  - Civic Innovation Challenge w/Paul Gavin
  - Summer Promotions w/Kenny Glavan & Linda Hornsby
  - Coastal Mississippi Regional Partnership
- Destination Promise of Health calls with local Medical Facilities
- Coastal Mississippi Partners Webinar
- City Nation Place Webinar- Panelist
- Destinations International:
  - Governance Committee
  - Global Leadership Committee



#### CITY - COUNTY - STATE

- Conference Calls with:
  - Mississippi DMO Leadership- Tourism Recovery Fund
  - Coastal Mississippi Regional Partnership
  - MTA/MSAE Joint Meeting w/guest speaker- Governor Reeves
- Coastal Mississippi COVID-19 Tourism Impact Presentation:
  - Jackson County Board of Supervisors
- Tourism Recovery Fund & Presentation:
  - Gulf Coast Legislative Delegation

#### MEDIA

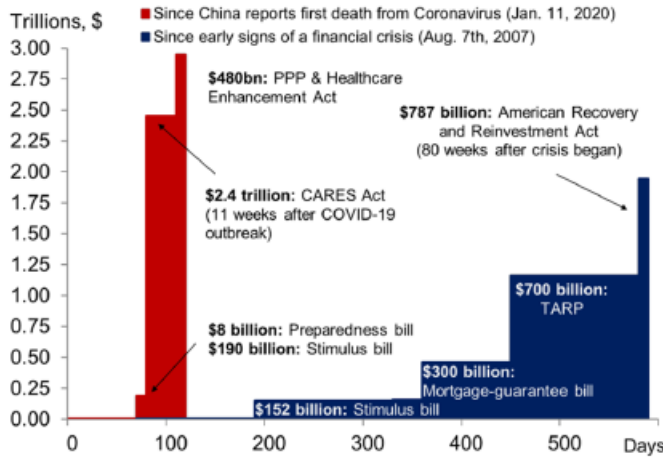
- MS Public Broadcasting-
  - National Travel & Tourism Week and Impacts of COVID-19
  - Re-Opening of Casinos & Health/Safety as a Destination
- WLOX: Re-Opening of Region
- WLOX Live: Joint calls with Casino Operators, Tourism and Governor Reeves
- Ricky Mathews (LIVE): Coastal Mississippi Efforts

#### CEO MONTHLY MEETINGS – May 2020

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MISSISSIPPI | *The Secret Coast*

...but an easing of lockdowns will release stimulus impact

### US: Funds authorized by Congress



Source : Oxford Economics/CBO

TOURISM ECONOMICS

## Economic Development Agency CARES ACT Recovery Assistance Grant

In partnership through Southern Mississippi Planning & Development District



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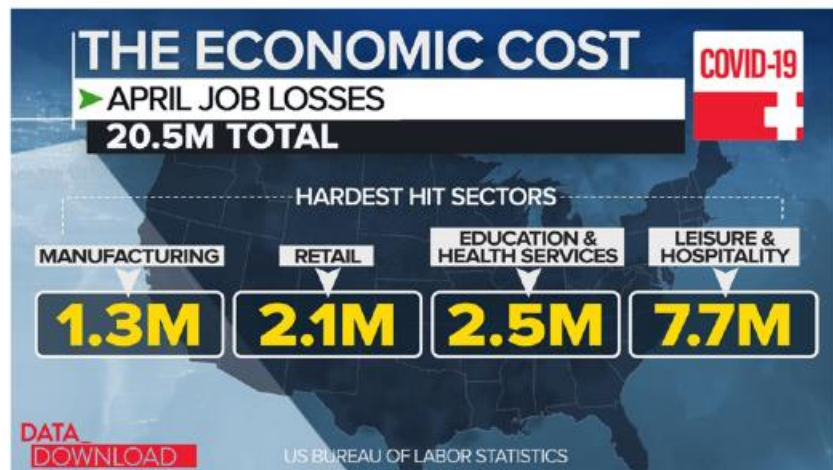
- No required submission date, money will be available until 9/30/22 or until funding is expended. Approved funds are earmarked.
- 20% Match Required (Salaries, Marketing, Advertising, Consulting)
- Reimbursable Based Throughout Project
- Phased Reimbursement. 25%, 50%, 75%, 90%, 10%
- Not required, but to enhance the deal:  
Apply match in a variety of areas, not just to one category.

Can take up to 60 days for approval, most likely shorter.

Project is not required to start on day of approval.



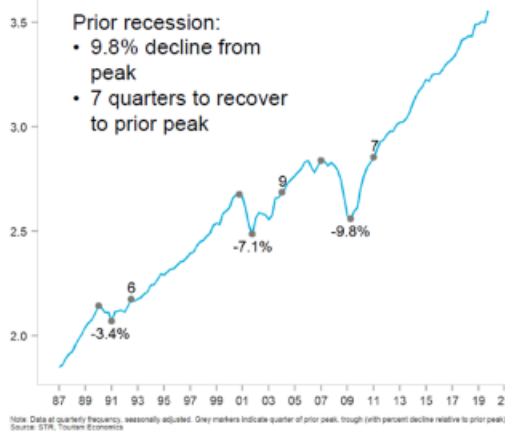
## COVID-19 IMPACT



## After previous recession, it took 7 quarters for demand to recover, and 12 quarters for ADR

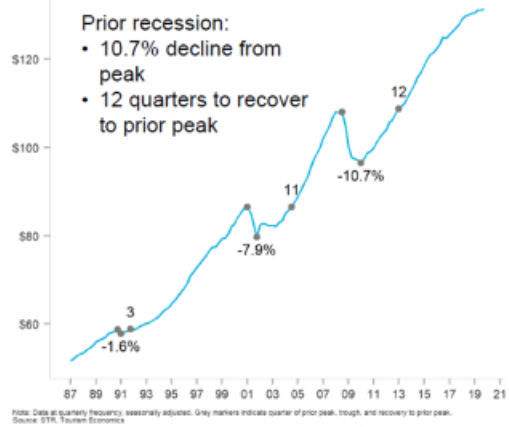
### Demand during recessions

Daily room nights in millions, total US



### ADR during recessions

ADR, total US

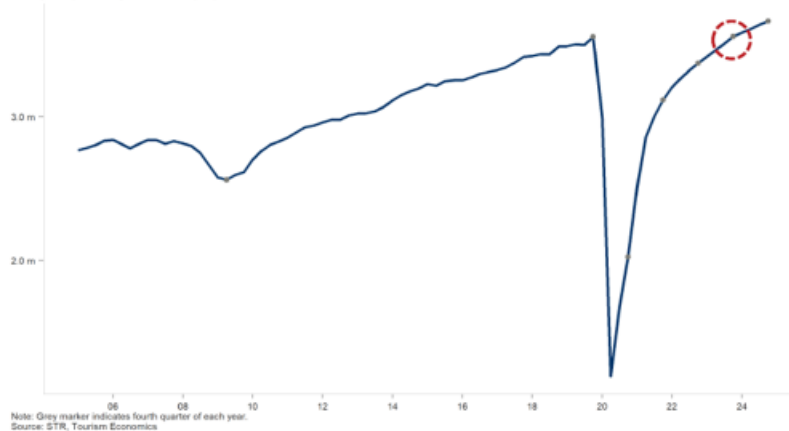


TOURISM ECONOMICS

## Full recovery in hotel demand may take twice as long as prior recession

### Demand

Average daily room nights, seasonally adjusted



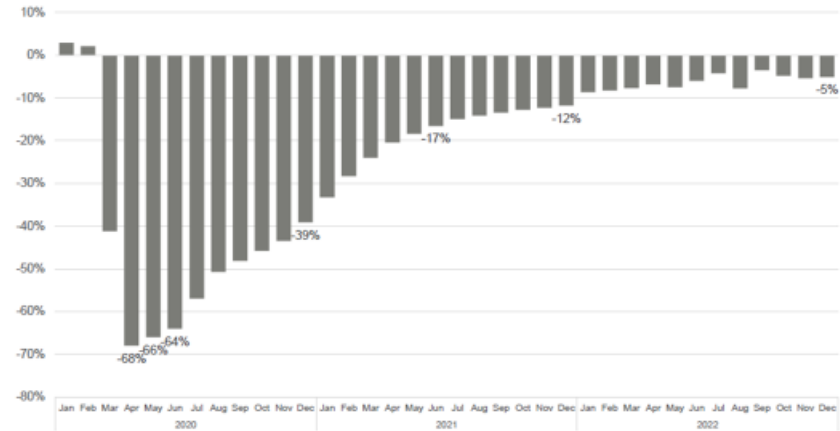
Demand recovers its prior peak by the end of 2023, approximately 14 quarters after trough.

TOURISM ECONOMICS



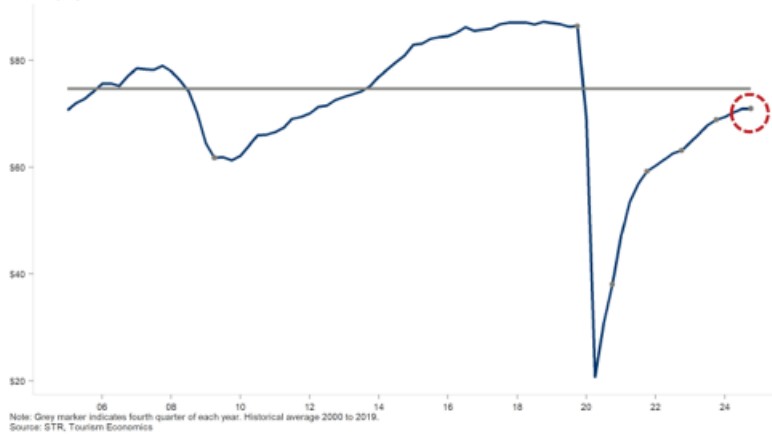
## Recovery is tempered...but inevitable

**Demand**  
Relative to 2019



## Real RevPAR recovery may be five years away

**RevPAR, real**  
Seasonally adjusted



## Updated US lodging forecast (May 18, 2020)

### Total US Forecast



	2019 Actual	2020 Forecast	2021 Forecast
Occupancy* level	66.1%	35.8%	52.1%
ADR growth	0.9%	-21.6%	+1.7%
RevPAR* growth	0.9%	-57.5%	+48.0%
<b>As ratio to 2019: Room revenue</b>	0%	-57%	-35%

In 2021, room revenue recovers to a level 35% below 2019

\* Reflects economic methodology, which assumes no temporary hotel closures  
Released May 18, 2020



## Anatomy of a recovery



### Initial recovery

- Leisure
- Especially drive



### Secondary recovery

- Essential business
- Small- and medium-size groups
- Regional international (intra-Americas, intra-Europe)



### Final recovery

- Long-haul international
- Large events

Return to “normal” levels of travel will be a multi-year effort (likely 2023)



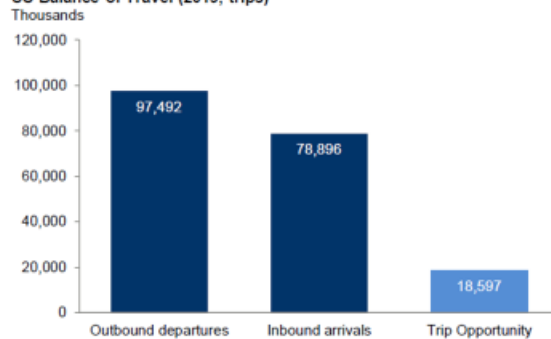
## 2. Segment visitor markets



Origin and purpose segmentation produce more accurate forecasts as well as a clear assessment of risks / opportunity

## Domestic opportunity is massive while international travel stalls

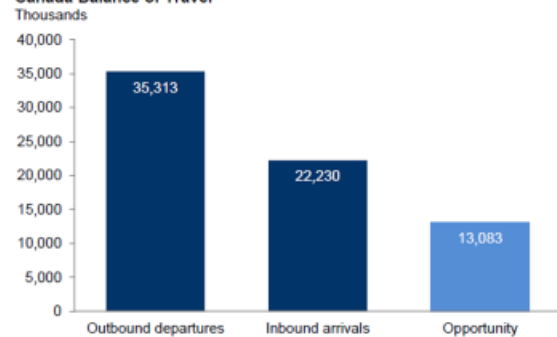
US Balance of Travel (2019, trips)



Source: Tourism Economics

**19 million more US outbound trips than inbound**

Canada Balance of Travel

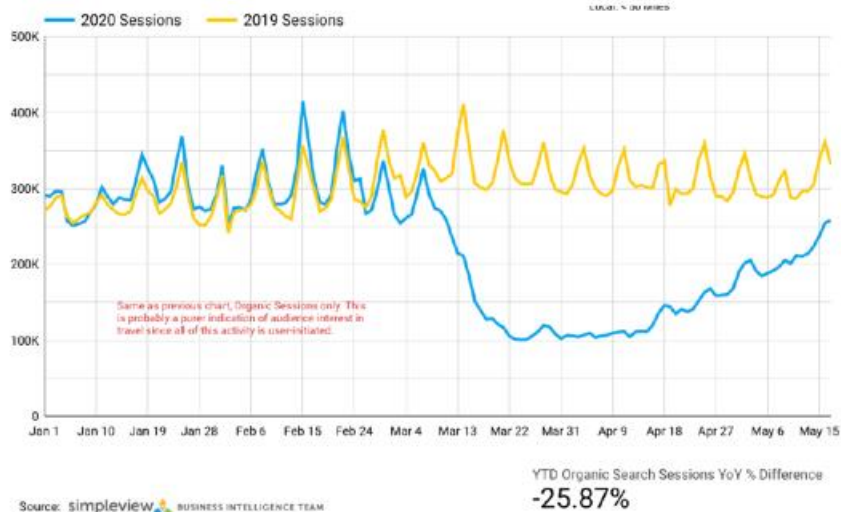


Source: Tourism Economics

**13 million more Canadian outbound trips than inbound**

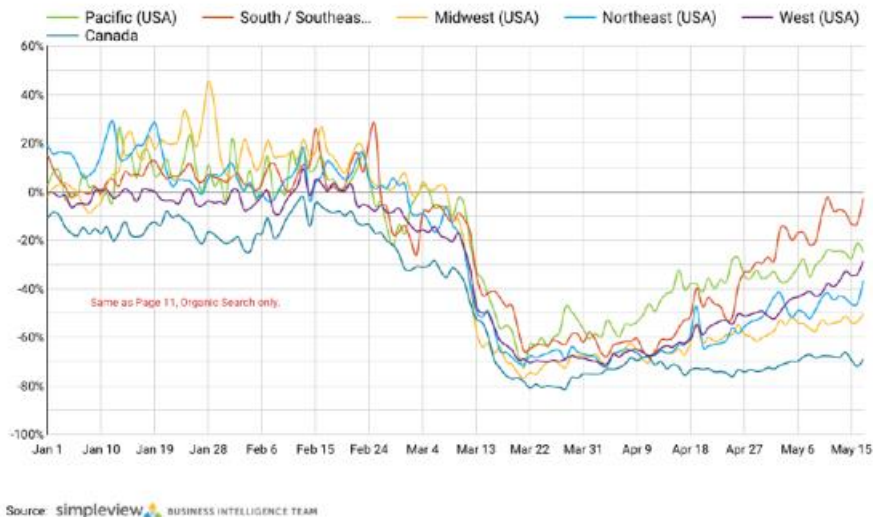
## Organic Sessions to DMO Websites - Year over Year

May 11<sup>th</sup> – May 17<sup>th</sup> : The best metric, organic search sessions, had an excellent week +28% over last week and now within 26% YoY



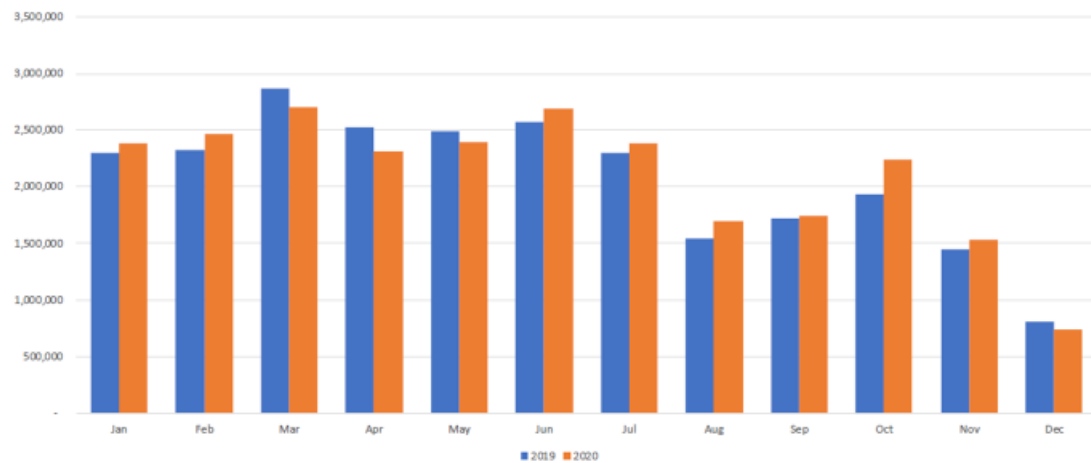
## Organic Sessions to DMO Websites - Year over Year

While the south/southeast continues to outperform when fly, drive and local are combined



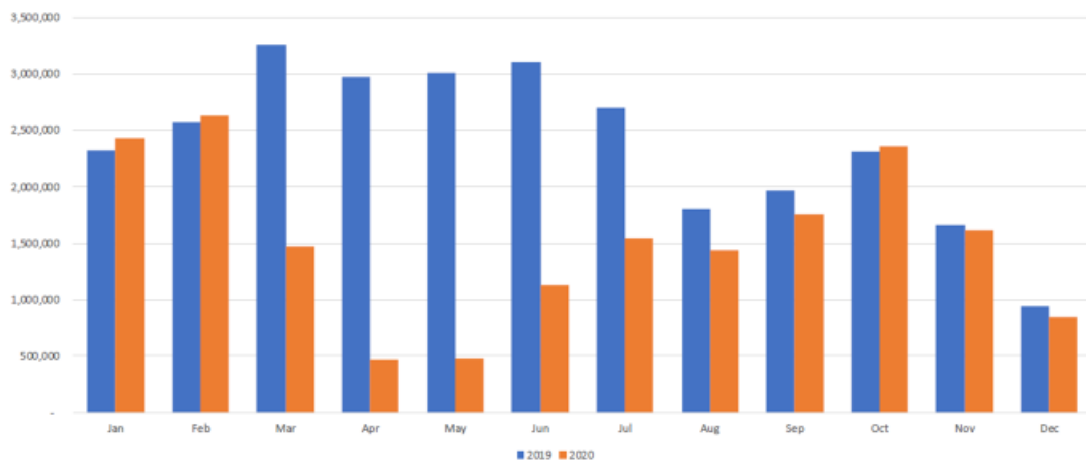
## February 1, 2020

Reality: 468,000 more room nights on the books vs. same time last year



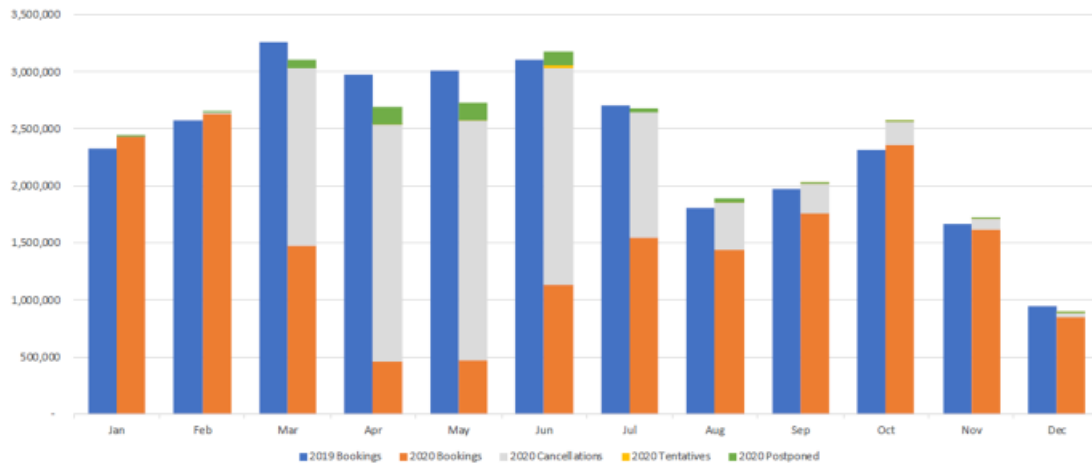
## May 17, 2020

Reality: 10.5 million fewer room nights on the books vs. same time last year



May 17, 2020

Insight: Most lost business is cancelled and not postponed. June and July cancellations have accelerated, with August through October starting to slip.



## The Importance of Destination Organizations



We are promoters of the destination brand



We are trusted sources for information for travelers and meeting planners



We advocate on behalf of the entire industry



We are stewards of the visitor economy and the visitor experience

**THANK  
YOU**



#### Coastal Mississippi – Contractual Action Items:

**ADOBE CREATIVE SUITES:** **Keep contract as is.**

The contract expires on 8/21/2020. Payments are \$58.00/month. There is no Force Majeure (FM) clause.

**AirDNA:** **Not a necessity at this time. Take next steps to receive refund.**

The contract is paid-up in full in the amount of \$4,800/year. It expires on 1/31/2021 and can only be renewed upon mutual agreement of parties. Monthly payments equate to \$400.00, with 9 months remaining in the term. There is no FM clause.

(NOTE: AirDNA has been very flexible about working with its parties to contract during the COVID-19 pandemic.)

**ARES TRAVEL:** **Keep contract as is.**

The annual fee is \$2,500.00. Contract expires on 2/18/2021 but will renew unless notice of cancellation is provided not less than 90 days prior to expiration. There is a FM clause.

**ARRIVALIST:** **Not a necessity at this time. Take next steps to cancel and pay for only the first six months of usage.**

The annual fee is \$49,000.00. Contract expires on 9/30/2020. The fee for FY 19-20 has not been paid. It has been suggested by Legal to reduce the fee to \$24,500 to cover that portion of the FY year which has already transpired and to have the balance cancelled. There is a FM clause upon which CM can rely. Written notice of

cancellation should be provided with the proposal to pay for only the first 6 months of the contract year.

**CROWDRIFT: Not a necessity at this time. Take next steps to receive refund.**

Annual fee is \$17,325.00 and is paid in full. Expires 9/30/2020, unless renewed. CM must provide notice of intent to renew more than 30 days before expiration. There is a FM clause. CM should provide written notice of cancellation and request a refund in the amount of \$8,662.50.

**DTN: Keep as is.**

No cost to CM. Expires upon 90 days written notice.

**LASERS EDGE: Not a necessity at this time. Take next steps to receive refund.**

Annual fee is \$350 and is paid in full. Expiration upon written request.

**M2Media: Keep as is.**

Fees are based on numbers of printed copies of Discover South Mississippi. Fees range from \$3,450 to \$4,100 per issue. Expiration date is 2/21/2021.

**PETER A. MAYER ADVERTISING, INC.:**

**AGENCY SERVICES AGREEMENT - Keep as is. Agency has already agreed to reduction.**

Retainer fees from April 1, 2020 to September 30, 2020 will be reduced from \$10,000/mo. to \$5,000.00/mo. The budget will be amended to reduce gross digital and gross traditional media spending for the period of June through September of the FY to the sum of \$313,698.00. Minimum spending requirement for media will be waived by agency. No further work will be performed by Agency upon which an hourly rate may be charged without express written permission of CM. The COASTAL MISSISSIPPI and PETER MAYER – GO FORWARD PLAN must be adopted by CM as an amendment to the Agency Services Agreement and incorporated therein by reference.

Expires 9/30/2021.

**INFLUENCER AGREEMENT - Cancelled**

May be cancelled at any time without notice, subject to payment for pre-existing talent obligations created thereunder.



**SIMPLEVIEW, INC.:** **Keep as is. No billing for the rest of this fiscal year. They are giving us a credit for three months of SEO and we have support hours banked that will be credited to cover the cost of the other services we are billed for each month. This results in work continued being performed but no monetary requirements through September.**

**CONSULTING AND SERVICE AGREEMENT – Keep as is.**

There is a FM clause. Expires on 9/30/2020.

**CUSTOMER RELATIONSHIP MANAGEMENT AGREEMENT – Keep as is.**

There is a FM clause. Expires on 9/30/2020.

**WEBSITE CONSULTING AND LICENSE AGREEMENT – Keep as is.**

There is a FM clause. Expires on 3/1/21.

**SPARKLOFT:** **Keep as is. Agency has agreed to reduce retainer.**

Expiration 9/30/2020. There is a termination without cause provision with 30-day notice, as well as a FM clause.

**CISION:** ~ **Need to maintain the *Trendkite media monitoring* portion of this contract to ensure we are apprised of media sentiment and coverage.**

~ **Recommend we request credit for *Cision Communications Cloud – US and Canada Influencer Database* for the balance of this fiscal year.**

~ **Recommend we request credit for the *Cision Impact* feature that has yet to work for us.**  
Expiration 10/24/2020. There is a FM clause.

**CIVITAS:** **No payment for rest of fiscal year. Will revisit next fiscal year.**

Expiration upon completion of Scope of Work. Work will be suspended by mutual agreement. No further payments following the retainer paid in March 2020 unless and until work resumes.

**BRUCE NIERENBURG:** **Cancelled**

Contract will be cancelled by mutual agreement following the payment of the March 2020 retainer/consulting fee.

**STAN FLINT:** **Cancelled**

Contract will be cancelled by mutual agreement following payment of the March 2020 retainer.

**FOLEON:** **Recommend requesting refund for balance of this fiscal year, although this is not stipulated as an option within the FM clause.**

Contract is \$9,600.00 and is fully paid. Term is for 12 months and may be renewed upon written mutual agreement.

**PHOTOSHELTER:** **Recommend requesting refund for balance of this fiscal year, although this is not stipulated as an option within the FM clause.**

Contract is terminable upon 30-day notice. Fee is based on 8% of all purchasing transactions.

**FAHLGREN-MORTINE:** **Keep as is.**

Monthly retainer will be reduced from \$5,500.00 to \$2,250.00 beginning April 2020 for remainder of contract term, unless otherwise mutually agreed.

**TRAVMEDIA:** **Keep as is.**

Contract is \$2,400.00 per year and is fully paid. There is no FM clause.

**HELMS-BRISCOE:** **We did not move forward with this agreement. Nothing was submitted to agency.**

Contract is \$20,000.00 per year and expires on 1/1/2021. Termination upon 30-day notice with remaining fees to be negotiated.

**TRENDKITE:** **Keep as is.**

Contract is \$15,000.00 and expires on 10/24/2020. There is a FM clause.

**STR, INC.:** **Keep as is.**

Contract is \$8,290.00 per year. Terminable upon 30-day notice. Expires on 7/31/2020.

**Staffing Scenarios**
**4.24.20**

		<b>Eff. 5/1/20 Reductions</b>	<b>May Reductions</b>	<b>June-Sept Reductions</b>
Level 1 (6)		0%	0	0
Level 2 (4)			1,734	9,833
	PR/Comm	Furlough 6/1/20	417	4,168
	Marketing	10%	417	417
	PR/Comm	10%	417	417
	Marketing	Furlough 6/1/20	483	4,831
Level 3 (5)		Furlough 5/1/20	26,206	26,206
	Sales		5,594	5,594
	Sales		4,356	4,356
	Leisure		4,356	4,356
	Sales		4,168	4,168
	Sales		7,732	7,732
Level 4 (2)		Term 5/1/20	8,648	8,648
	Services		4,728	4,728
	Reception		3,920	3,920
<b>Monthly Total</b>			<b>36,587</b>	<b>44,687</b>

<i>Option A Reductions (April):</i>			<b>PR Reductions:</b>
Level 1	0%	<b>April</b>	<b>9,233</b>
Level 2	10%	<b>May</b>	<b>36,587</b>
Level 3	20%	<b>June-Sept</b>	<b>178,748</b>
Level 4	30%		
		<b>Total</b>	<b>224,568</b>
		<b>Previous</b>	<b>-114,486</b>
		<b>Additional</b>	<b>110,082</b>