



Minutes

Visit Morro Bay Board of Directors

Visit Morro Bay Board of Directors Minutes

Thursday, May 26, 2022

9:00 am – 11:00 am

Virtual via Zoom

<https://us02web.zoom.us/j/83572784421?pwd=UXNmK3NzT3BxSzNVa1dQcDB5M0k4Zz09>

Meeting ID: 835 7278 4421 Passcode: 634919

Call-In Phone Number: 1(669)900-6833

- 1. CALL TO ORDER** – Executive Director Michael Wambolt stated that Board Chair Amish Patel and Vice Chair Steven Allen were not able to be at the meeting due to family obligations and that per the bylaws the board secretary Robert Elzer will act as Chair Pro Tem. **Board Secretary Robert Elzer called the meeting to order at 9:04 am**

PRESENT (VIA VIDEO CONFERENCE) Joan Solu, Robert Elzer, Val Seymour, and Scott Collins,

ABSENT: Chris Kosteka

STAFF PRESENT: Michael Wambolt, Elizabeth Gilson

PUBLIC PRESENT: Jen Ford, and Visit SLO CAL staff member Catherine Cropp

- 2. PUBLIC COMMENT (On Non-Agenda Items) None**

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| ANNOUNCEMENTS | M. Wambolt |
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None

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| EXECUTIVE DIRECTOR REPORT | M. Wambolt |
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- 3. Executive Director Report (30 min)**

Staff will provide an updated on current projects, reporting and areas of focus for the months ahead

Events

Michael Wambolt began the report with an update on events. He stated that the Kite Festival was a success there were thousands on the beach and that we will be looking at what that festival will look like next year as we go through the budget process. The Car festival had five hundred cars sign up. The town felt slow on the Thursday and the hotels stated that they did not have the impact that they did on Friday and Saturday. He stated that next year we need to look at getting the word out about the show much earlier. The City-Wide Yard Sale was also a success. He talked to residents, and they were extremely happy to have the event back. Talked to two City Council members and they were also happy the event was back. This year the event was in May but will work with Waste Management to align the event next year with the big waste pickup day. They announce that day in December. Once we hear from Waste Management, we will set a date and start marketing that heavily. The City Council heard about the tentative Ironman Race as an agenda item. There was a very healthy discussion about what that means for the City of Moro Bay. The City Council approved the next steps for the City and Visit Morro Bay to start contracting with the Ironman group and to have that to present to the City Council in the last meeting in June. Ironman is looking for a three-year contract. There is a lot if work to be done but there is a lot of excitement. The current operating account has five hundred and ninety dollars in it. Three hundred thousand that was rolled over from the previous year. For our reserve account on a monthly

basis, we hold seven percent from the TBID collection, and our current reserve account is fifty-eight thousand three hundred dollars. We will talk about how we will use these funds a little later in this meeting.

Branding

Brand guidelines – We approved our logo at the last meeting. Later in the meeting ABBI Agency will be giving an update on brand guidelines as well as fonts and colors that will be used.

Reports

Michael stated There are five properties that provide number to STR report, and he is working on getting more properties to participate so that we have more of a competitive analysis on a week-to-week basis, we are still seeing pretty healthy numbers. Michael has outlined events happening during weeks where there is an increase so that we can account for them in the future. March numbers were softer we will see that in the monthly. But still healthy numbers on the ADR leading up to the revenue side. The Spring break period started on the week of April 10th and rolled forward from there. There was a slowdown in occupancy, but it is being made up in the rate category. You will see that in the monthly as well. At the Visit SLO CAL marketing committee on a county level we are seeing a bit of a slow down in comparison to our comps. When we talk about comps we are talking about Santa Barbara and Monterey. We had a very healthy year last year and we are now seeing travelers going back into Santa Barbara and Monterey. But we are still seeing healthy numbers coming into San Luis Obispo and Morro Bay. The Car show weekend you will see the numbers doubled. On the Monthly STR the last 3 months were highlighted and in comparison, to last year which was extremely healthy and leading into 2019 -2020 this was our healthiest year then COVID happened and really our comparison is between last year 2019 and this year. Last year you are seeing a little bit of a slowdown in March but that was to be expected in because we had some Spring break in March. This year April is very solid and we are seeing rates that we have never seen before on an aggregate scale. If you add inflation there is a ten percent inflationary uptick for operating costs but we are seeing a fifteen to twenty percent increase in our monthly STR's. TOT currently is lagging a little bit because the city has gone to a new TOT collection service, so we do not have March numbers. Feb was a very healthy month. As we look at next year's budget Michael will base it on a ten percent increase over 2019 and keeping a close eye on it. If March and February continue like this, we will have a great end to third quarter, beginning of fourth quarter. Michael asked if there were any questions.

Board member Joan Solu asked for Michael to confirm that he was going to forecast a ten percent increase the next fiscal year 2022-23. Michael said correct based on 2019 numbers. Joan Solu then stated that the city in their budget forecasted a two percent increase and it used to be that we had to lock our numbers with theirs and that ten percent is more realistic especially with inflation. Joan Solu then asked in our contract with the City do we still need to be tied to their numbers that closely or can we forecast our own numbers? Michael stated that he would have to look at the specifics but didn't think we had to. Our contract is for accomplishing our sales and marketing. Michael stated that he works closely with Scott Collins as he is the treasurer, so conversations are had.

Joan Solu then asked if the County's TOT report could be included in our TOT report? Michael stated yes.

Board member Val Seymour asked if Michael had received receipts from the events that we gave sponsorships to that have happened the last two months. Michael stated that he is working with them and that he will get the information to the board.

Board member Joan Solu commented on the City-Wide Yard sale and the fact that Atascadero had their the same Weekend and that hopefully we can work with them next year and hopefully work with Waste Management to be on weekend before the big waste pickup. She then commented on Iron man and asked if it was correct that we are working on a three-year contract. Michael stated yes. Michael then stated that he had already contacted his counterpart in Atascadero and had a conversation about working together in the future. But that ours will most likely be on our own. His hope is to have it in late February early March so that we can yield events through Spring break and then have events the 4 or 5 weekends prior to Summer.

Strategic Plan

Michael stated that the strategic plan is coming along, and we have had the first three meetings three hours a piece our planning group Amish, Steve, Robert, Erica, and Jalpa have been fantastic along this process and that we are

one third through the process and for the board members not involved he will be reaching out to walk through where we are so that they see can see the work that is happening. Also, they have had to push back the final meeting to June 14th in person where the group will be fine tuning and finalizing everything. It will be a four-year plan and it is one of the most important things that we do as we move forward. Michael then asked if Board member Robert Elzer wanted to give any insight into the strategic planning process. Board member Robert Elzer stated that he enjoyed the process and feels that the group has made some decent headway and that it will be good to have the last session in person and that they will wrap things up and present it to the board and hopefully they will be satisfied with what the group came up with.

Sales

Michael stated that he is still reaching out to bed banks. IPW is coming up and this is where a lot of the work will lead into. We had a site visit from Audley Travel. We have had 2 Audley Travel site groups come through an that was base off of the UK mission that Michael went to with Visit SLO CAL. The travel agents that came through thoroughly enjoyed their time and look forward to selling us. Michael is still working on SMERF groups, cycling and car clubs. Car clubs came through during the car show and Michael has a list of groups he met with so that in the future we can have smaller groups come through throughout the year so that we have maximization on our yield and a little bit more distribution of travelers with the goal of more mid-week travelers.

Visit SLO CAL

Michael stated that he will be attending IPW with Visit SLO CAL and right now they have sixty-five appointments over three days. He will be assisting SLO CAL with getting things started as he led IPW for four years while working at Visit SLO CAL.

Stakeholder Engagement

Michael stated that we are reaching out to partners on a face to face and phone basis weekly. They are really enjoying being able to chat with us and understand what is going on. We send out an email biweekly and our open rate is around 40%. The extranet partner portal has been launched so if the partners don't have time to read the email, they can find the information there. They can update their listing and do promotions on their own, so it gives them more control over their listing on the morrobay.org website. We did a vacation rental mailer. mailer which we will do annually We received forty-nine mailers back. This is one of the communication pushes we will do to make sure we reach all of us vacation rentals. We have great correspondence with our rental management companies. Last couple weeks Michael has had a couple of speaking engagements. One at Professor Wallace's class at Cal Poly and mentioned we would be having an internship program. The second was at the Morro Bay Chamber of Commerce breakfast and showcased us "Come Get Salty" brand and am getting a lot of good feedback.

Vacation

Michael will be on vacation on June 13th. He then asked if there were any questions. There were not.

Chair Pro Tem Robert Elzer then stated that he had passed over asking at the beginning of the meeting if there was any public comment on non-agenda items. Michael Wambolt asked if there was any to raise their hands. There were none.

CONSENT AGENDA – *motion required*

M. Wambolt

4. **Approval of April 21, 2022, Special Board Meeting Minutes (5 mins)**
5. **Approval of March 24, 2022, Board Meeting Minutes**

ACTION: Board member Joan Solu moved to approve the consent agenda items. Board member Scott Collins seconded.

MOTION: Carried 4:0

BUSINESS ITEMS & DISCUSSIONS

M. Wambolt

6. Visit Morro Bay Events Sponsorship Procedure (15 min)

Staff will provide board with an update to the events sponsorship procedure. Board will discuss the presented procedure and recommend any changes or move to motion approval.

Michael commented on research that he has been doing to compile an event funding application for future use. He found that most cities are waiting for the Visit SLO CAL County event procedure to come out and that he felt we didn't have time to wait. Michael stated that he didn't believe in reinventing the wheel and that he found Atascadero has the most robust procedure in place. Michael has made a few changes but that the procedure being presented is mostly from the document Atascadero sent over. Michael feels that the doc is extremely robust. Michael stated that events would need to be off season but that a summer event would not be ruled out. Michael then went over the specifics of the document. He then asked the board for discussion.

Board member Joan Solu stated that on page three she would like to see the wording changed from are you receiving in kind or financial support from other organizations yes or no to are you seeking or receiving as it is important for us to know, and she would explain further. And the other part of that is, please list the organizations and the amount you are seeking. Joan Solu then went on to explain the situation that happened in the past with the Central Coast Writers coreference that was held at Cuesta College and the fact that we gave them a nice chunk of funding and then they sought funding from Pismo Beach, but Pismo required them to book all the lodging in Pismo Beach. She asked that Michael make sure that he gets that information to stop something like that happening again. She then commented on the point regarding the post event report and getting a full financial recap from the event organizers.

Michael then asked how everyone feels about the form and that he would make the changes requested. He then stated that he could open up public comment but asked if the board was ready to make a motion and take a vote for approval of the form.

Board member Joan Solu stated that she had another question she would like to see added. Will your organization be promoting other San Luis Obispo County communities as part of your marketing effort? She stated she heard Michael state at the last meeting that Visit SLO CAL will sponsor events if it impacts two communities and would like to make sure that we take advantage of that opportunity to get funding from VISIT SLO CAL.

Michael stated that he would add that question.

Board member Val Seymour asked if there was a way for the event to capture how many of the people attending the event are locals from the county, how many are tourists how many are actually staying in hotels. She feels there is overkill on events and sees the traffic on the Embarcadero and feels that we should be paying money out to be bringing in people from the county.

Michael stated that he agrees, and, in the recap, we can ask for that but doesn't see how they will be able to capture that data unless they are taking a survey at the event. He stated there is something else we can look at like Arrivalist data. They track cell phone data, and we can get some pricing for these events and see if we can get snap shots of the weekends that the events are happening. Also is it a cost we pass on the event or do we absorb it. He will look into it.

Joan Solu commented on how in the past the Tourism office would have a booth at the event and give out stickers etc. To get people to stop and they would collect data such as email addresses, where they are from so that we would have a good idea and she recalls that at major events about 35% of attendees were local area.

Michael stated that the Arrivalist data will let us know where attendees are coming from and how long they stay in the area. He stated that he would get information to the board on how much it would cost to use that service. Michael then asked if the board would like to entertain a motion, or he does see the need to have a special board meeting in June and he could tighten up the event sponsorship document and wait until then for a motion on the document.

Robert Elzer stated that he was fine with voting now. Board member Joan Solu asked if Board member Robert Elzer was making a motion.

Board member Robert Elzer then asked if we needed to ask if there was any public comment. Michael said yes.

Board member Robert Elzer then asked for public comment. Michael then asked for anyone wanting to comment to raise their hand. There was no public comment. Board member Robert Elzer asked if there was any further discussion from the board and then asked for a motion to be made.

ACTION: Board member Joan Solu moved to approve the Events Funding Application document with the discussed changes made to the document. Board member Val Seymour seconded.

MOTION: Carried 4:0

7. Visit Morro Bay Marketing Update - Abbi Agency (20 min)

The Abbi Agency will provide an update to the board on current marketing efforts and focus on months ahead.

THE ABBI Agency staff Ty Whitaker, Alli Williams Danni Hannah, Warren Phan, Liz Bowling, Caroline Sexton, Julian Talent, and Angela Rudolph joined the meeting at this time (10:02am).

Warren Phan presented the Board approved new brand guidelines and use. Then discussed the logo, the colors and it's use and misuse, typography, and various textured backgrounds. The logo will be launched in July. He then went over photography that they received. He also went over branded swag items that ABBI will be looking into to promote brand launch. A beach bag, a beach towel, a great hat, water bottle or tumbler, and sunscreen. SBBI would also like to integrate items from great businesses in Morro Bay such as taffy or brand hot sauce or an oyster shucker

Angela Rudolf presented an overview of some of the efforts ABBI will be putting forth on social media. Some of the ways will be an Instagram grid secret logo reveal. This will be done over a couple of weeks. They be doing a short video series of six to eight videos forty-five seconds long in the course of three to four months where they will interview different local business owners and local celebrities on what getting salty means to them. There will be fan acquisition campaign contests that play with "Come Get Salty" and will be encouraging people to like certain posts, tag their friends to increase followers and encourage people who have not been to Morro Bay to come visit. Contest prizes could include hotel stays, swag, or restaurant gift certificates. There will also be continued brand awareness campaigns that will continue throughout the year. Will also do Tik Tok and Instagram videos that will be a play on getting salty in Morro Bay. Will be using new branded hashtag for content that will be featured on Instagram and Facebook stories.

Liz Bowling presented how ABBI will be taking the Come Get Salty campaign plan and integrate it into public relations. The first phase will be a press release geared toward industry and local folks talking about the rebrand, highlighting Michael and his strategic lead in inviting this work. This will help create local buy in and local awareness. The second phase will focus on the consumer piece. There is a robust content calendar and the "Come get Salty" will be integrated into it. The next piece will be media drops. It is a very fun way to give journalists a gift very central to Morro Bay. Media drops are a good way to get journalists to come to Morro Bay.

Danni Hanna explained media drops and how they are geared toward getting journalists attention. They are curated packages that are delivered straight to the journalists' door. They include swag items and press kit materials that insure we are sharing the proper messaging and information if they have interest in writing a story. The ten drops will be made to Southern California and San Francisco Bay areas and so that they are geographically connected to Morro Bay. They will also look at direct flight markets as well such as Texas. Danni then presented two samples of FAM themes that ABBI would like to move forward with in the rebrand.

Warren Phan spoke on the Kite Festival. They launched PR, paid media, and social media efforts two months out. During the event, an ABBI team member collected content such as images, video, Go Pro footage, and went live on Kite Festival social account. Warren then presented images and video collected.

Julian presented paid media numbers for the Kite Festival. The numbers were good, and people were interested in the content as well. The bulk of impressions were from ages under forty-four years of age. This will help with targeting audiences in the future.

Angela Rudolf gave a social media overview. ABBI took control of the Kite Festival social media pages on Facebook and Instagram in March and revitalized and rejuvenated the conversation since there had been a long hiatus. Logos were updated a contest was ran and a Facebook event was created. A lot of the top performing content was around a giveaway for a one night stay in Morro Bay.

Alli Williams presented PR for the Kite Festival there were six placements locally and in our drive markets. One of the coolest was the mention in the LA Times newsletter and on their website. four were regional placements and two were local. Orange County Today posted about the Festival, NBC Los Angeles mentioned it on the news, as did KSBY locally.

Warren Phan then went over opportunities for Kite Festival for next year. A new logo needs to be created. Website needs to be updated. Vendor outreach needs to be built up. Engaging ads need to be developed with assets gather this year.

Board member Solu stated that the presentation was comprehensive, but she likes the direction they are going with the event.

8. Visit Morro Bay FY2022-23 Board Meeting Schedule (10 min) – motion required
Staff will present board with proposed meeting schedule for FY2022-23.

Michael shared the proposed schedule for next fiscal year Board meetings and noted that the November date was during the Thanksgiving period so a new date will need to be agreed upon. Michael asked if there was any discussion.

Board member Robert Elzer asked if a new date for Thanksgiving should be picked before vote.

Michael stated that since three board members are missing that it is some thing that can be updated in the July period.

Board member Robert Elzer then asked if there was any public comment.

PUBLIC COMMENT: None

Board member Robert Elzer then asked for any board discussion. There was none.

ACTION: Board member Joan Solu moved that the Board meeting schedule for fiscal year 2022-23 be approved as provided by staff. Allowing Michael to poll board members on the November meeting date and change as appropriate. Then return that date to the board. Board member Val Seymour seconded.

MOTION: Carried 4:0

9. Visit Morro Bay Reserve Account Procedure Discussion (15 min)
Staff will provide board with update to the reserve account procedure. Board will discuss the procedure and recommend any changes or updates.

Michael stated that much like the event procedure he reached out to all the DMO partners, and all have different criteria and a lot of them are changing VISIT SLOCAL and Paso Robles are rewriting theirs but the criteria that he was able to pull from them is that all their reserve fund minimums are different. Ours is up for discussion The criteria for our account that has become an SOP for us would be to maintain a six-month operating budget. Which would be five hundred thousand dollars. Utilization of the reserve funds can be used for research, advanced marketing, and co-op opportunities. Utilization of reserve funds will be approved by the Board of Directors. There are roll over funds that have come in from 2020-21 and 2021-22. So, there will be a healthy reserve fund moving forward. Michael is looking to use those in a smart way for our constituents. This year with the brand launch there is a potential website update to look at. And a potential for some more research to look at. Our reserve fund will be about a million dollars.

This puts us in a good tactical position for the next couple of years. We can use those reserve funds for Ironman which is a sixty thousand dollar a year investment for 3 years. That it is not attached to our annual marketing budget so that it is not taking away from the work we are doing on an annual basis. Web site development would not have to be part of the annual budget as well. So, we can have our full marketing dollars going to full marketing on an annual basis from the annual budget. This put us in a good tactical position. Roll over funds for next year will be discussed at the September board meeting as the amount will be available. The city will be sending over 2020-2021 numbers that can be discussed in July. We are in a healthy place right now we want to be cognizant that these are dollars that our industry has given us to utilize and so we have to be smart and do things that haven't been done in the past like go to more trade shows or do more marketing in the summer. Create a bit more compression and drive more rate. Education is also important, and we want to bring in experts for our partners to yield to rate management and profit & loss. Maybe

there is a way to bring in experts to do more internal marketing. Michael then asked for discussion from the board. This is just a conversation and then Michael will draft an SOP.

Board member Joan Solu asked do our bylaws have a specified period of time that we must have reserves.

Michael answered that the bylaws that we have specify that there be a seven percent per month but no specific total. The amount will ultimately grow if we don't use it. Having an operating account in time of need wasn't in place and a lot of DMO's didn't have in place leading into the pandemic resolved and that is where a lot were not able to survive.

Board member Val Seymour asked if there is someone in the office that helps with social media like how to do things Differently?

Michael answered that ABBI agency does the social media and we could set up workshops through them or if we wanted to, we could look at other avenues or internal branding expert to come in. A lot of our hoteliers are owner operated so their time is focused on the operations side. So how can we fast track them to help them with their own branding presence and social media set up. Ultimately our businesses underneath us should funnel up with us with their own branding ideas as well. Also on an educational side, with the new hotels coming in and others renovating, can Visit Morro Bay put a certain amount of dollars toward bringing in a design contractor to come in for 1 or 2 hours with our partners, give them an estimate, and suggest a brand that would work for them and help them pay for it so that they can come into what would be considered a boutique brand verses a motel with limited service. There is a lot of money that can go to education.

Board member Val Seymour then asked would that be through ABBI or something else in mind.

Michael answered somebody else as it would be hard branding and on the marketing side of things. He suggested that we possibly do a social media and social branding and also bringing in someone that can help them set up a template for a monthly or quarterly newsletter.

Board member Robert Elzer asked if Michael's goal for the reserve account was to keep five hundred thousand dollars in the account?

Michael stated that it is just a suggestion for survivability in case something like COVID happens again. But that we did well during the pandemic. An operational budget of five hundred thousand give us marketing ability and not just survivability. Numbers from other communities is two hundred and fifty to three hundred thousand dollars. Which was unheard of two years ago.

Robert Elzer stated that he was comfortable with the five hundred-thousand-dollar reserve.

Board member Joan Solu sated that she had a question and a comment. Seven percent is automatically going into the Reserve account and if we have a monthly budget of one hundred thousand dollars and we make two hundred thousand dollars, which means fourteen thousand goes out to the reserve automatically. Does the other \$86,000 go into the operating account?

Michael stated the eighty-six thousand stays in the operating account so that at the end of the year what ever is left should roll over into the operating account but the goal is to not have any funds left as it should be used for marketing.

Board member Joan Solu the asked regarding the reserve account is there going to be financial policy on how that is invested? And suggested that there be a secondary investment policy regarding the reserve account so that the board, the city and the community know that we are providing fiscal responsibility.

Michael answered that he has seen other DMO'S have healthy reserves and would look into the best policy for that. He stated that no motion was needed this was just starting a conversation and that a motion would be needed once the SOP is done for the organization.

10. Visit Morro Bay FY2022-23 Draft Budget Review (15 min)

Staff will provide board with the first-round budget for FY2022-23. Board will discuss and make any recommendations.

Michael stated that there was only nine minutes left and did the board want to make a motion to extend the meeting another fifteen minutes as more time was needed.

ACTION: Board member Robert Elzer made a motion to extend the meeting another fifteen minutes. Board member Joan Solu seconded.

MOTION: Carried 4:0

Michael presented the first-round budget draft for the next fiscal year 2022-23. He asked if there were any questions.

Board member Joan Solu asked if the City was renegotiating the office rental contract with the Chamber of Commerce and the radio station?

Michael stated yes. Michael then stated that we are looking at a teen percent increase over the 2019 budget. Which will give us a budget of one point one million dollars with the current proposed spend that would bring us to one million forty-four thousand. That gives a little breathing room though there is a healthy reserve account.

Board member Joan Solu asked what point in budget growth would you be thinking of adding more staff?

Michael stated that would be around the middle of this year We can get through summer but would like to have a staff person onboard to help to get us out into the marketplace, connectivity and also be able to do follow up on projects tat we have in house. Events would be one of those pieces. Once strategic plan is done that will be Michael's focus and he will need someone to do the day to day that he has been handling.

Board member Joan Solu asked where that was noted in the budget.

Michael answered it was not in there but that he would add it. He then asked if there were any other questions.

PUBLIC COMMENT: None

11. Visit Morro Bay Financial Update and Review (10 min)

Staff will provide an update to the current financials of the Visit Morro Bay TBID

Michael gave an update on the current budget. Stated that there were a few pieces he wanted to touch on that had not been budgeted but that there were funds for. A new computer was purchased for Liz Gilson. Slightly higher on vendor services design for Kite festival, office supplies, postage, but everything else is running below budget. So right now, we are looking at a three hundred thousand dollar roll over for 2022-23 budget. Once the budget is closed for the year, we can look at how to use those funds. Michael's goal is to look at updating the website. Right now, is the time to come out strong.

Board member Joan Solu stated that the budget looks really great and commented on ways that we can support our partners and the destination and is excited about the overage.

Michael then commented on ways that he is looking forward to growing the Winter holiday event and extending it.

12. Next Board of Directors meeting (tentative) – June 23, 2022 – 9:00am – 11:00am – Via Zoom

ADJOURN. Meeting adjourned at 11:07 am

Brown Act Notice: Each speaker is limited to two minutes of public comment for items not on the agenda. Public comment for each agenda item will be called for separately and is also limited to 2 minutes per speaker. State law does not allow the Board of Directors to discuss or take action on issues not on the agenda, except that member of the Board may briefly respond to statements made or questions posed by the person giving public comment. Staff may be directed by the Board to follow-up on such items and/or place them on the next Board agenda. The order of agenda items is listed for reference and items may be taken in any order deemed appropriate by the Board.

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