



Minutes

Visit Morro Bay Board of Directors

Visit Morro Bay Board of Directors Minutes

Thursday, November 16, 2023

9:00 am – 11:00 am

Virtual via Zoom

<https://us02web.zoom.us/j/84843611155?pwd=bzdTa1BYaTJMdVY3ck9zUFV2bFI0dz09>

Meeting ID: 848 4361 1155 Passcode: 972262

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

1. **CALL TO ORDER:** Board Chair Amish Patel called the meeting to order at 9:50 am

PRESENT: (VIA VIDEO CONFERENCE) Board members - Amish Patel, Dane Jacobs, Steven Allen, Amit Patel, and Yvonne Kimball

ABSENT: Robert Elzer and Chris Kostecka

STAFF PRESENT: Michael Wambolt, Elizabeth Gilson, Marianna Garcia

PUBLIC PRESENT: Megan Leininger - Visit SLO CAL, Dan Costley - Morro Bay Rotary, Hayley Walters, Taylor Stewart, Ty Whitaker of the ABBI Agency, Allison Duggan - Booking.com/Priceline, Chelsea Edwards - Epsilon

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

ANNOUNCEMENTS - None	M. Wambolt
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EXECUTIVE DIRECTOR REPORT	M. Wambolt
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3. **Executive Director Report (20 min)**

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

Branding: Michael stated that the first round of upgrades has been completed. The second round has started with the pop up top and interior. Originally the Board approved a thirty-thousand-dollar renovation budget and it looks like it will end up being closer to around fifteen thousand dollars.

Events: Michael stated that the Morro Bay Triathlon was a sell out and he has a meeting with the organizers today. Michael stated there is a slight change to the Lighted Boat Parade on Saturday December 2nd. If it rains on Saturday the parade will happen the next day. If it rains on Sunday the Boat Parade will not be happening. Michael stated that the WSL was moved from February to the second week of December and because of this a Longboard component was added taking the event from a three to four-day event to a five-day competition. Michael stated that he has had great communication with the organizers of the Winter Bird Festival coming up in January. They have added forty five percent more new programs and they are about eighty-five percent sold out for all programs a week after opening registration. Because the event runs on Martin Luther King weekend there are conversations to move it to the next weekend next year so that the holiday weekend is open for visitors and we can then have two good weekends in January.

Finances: Michael stated that there has been a change in how we will go over finances. They are now a part of the Consent Agenda. Our operating account is currently at three hundred and fifteen thousand two hundred and fifty-one dollars and the reserve account is one point one million dollars. The reserve account was carried over when the district was first launched. There was carry over funds of about five hundred thousand dollars and the we carried over funds

from the first two previous years of about five hundred thousand dollars because business was so good and we wanted to save the funds for lean periods. We are activating these funds now. The Board tentatively approved three hundred and fifty thousand dollars for extra marketing for this current fiscal year. Programs to be included in that are two Expedia campaigns through Visit California, Booking.com, and Epsilon which we will talk about further in this meeting. Also, some of the funds were moved over for the VW Bus.

Reports: Michael stated that in the STR report he is seeing inconsistent reporting in our historical data. He started see This this year. For example, 2022 versus 2023 numbers in this year's report the 2022 number was different than the year prior. In spring of this year STR had changed their method of reporting and so now they are utilizing an algorithm that instead of showing the eight reporting hotels they are trying to figure out what the non-reporting hotels are doing. So, we don't have an apples to apples right now. Moving forward Michael is working with STR to see if we can get a report from them that just includes the eight hotels. Michael stated that the way we overcome this is the TOT numbers from the City. The catch to that is we get the report forty-five days after so we are not getting this data in a timely basis for us to make decisions on how the industry is doing. But it is looking good year over year. Not the 2020-2021 numbers we were hoping for but not expecting with the closure of HWY 1 closure and other different variables. Our TBID funds to us was a hundred and seventy-nine thousand and some change and this year our budget is a hundred and sixty-five thousand so we are slightly over what our budget was. In comparison to the last two years July was looking really healthy for us overall. We had one hundred and eighty thousand dollars to us and one hundred and eighty two thousand in our peak years. This is still a quite significant change from 2018-19 when we look at economic data from the City. Michael stated that the rates for hotel rooms is more confident. He has been talking to a number of hoteliers and they are saying they may not be as busy but they are still making money or they are equal because of the rate change. We are pacing slightly above where are budget numbers are but when you compare this data back to 2018 we are still ahead of peak years. With the Hampton Inn opening there is a six percent addition of rooms available to the marketplace for us so that is helping bring numbers up as well. We saw bigger occupancy numbers in 2018-19 but are seeing more revenue come into the marketplace currently

Sales: Michael stated that Mariana has been doing outreach to international and FIT. So, we have sent out a number of leads to our partners. We have some international companies looking for specific properties but these go out to everybody. For SMERF groups Mariana is working on bird watching and car clubs as well.

SLO CAL: Michael stated that he attended the Denver media mission and met with sixteen media partners in that region. This was a co-op with SLO Cal and the Paso Robles Wine Alliance and travel Paso so there was a wine tasting event. We made some really good connections there. ABBI agency has been sent the contacts on that.

SLO CAL Welcome: Michael stated that as a reminder that this customer service training is free to everyone.

Stakeholder Engagement: Michael stated that we have sent out our annual survey. WE only have four that have been filled out so we are doing follow up email to get a better assessment.

Winter Activation: Michael stated that we have done an outreach to all the properties for fall and winter deals to put on our deal page on the website. We have been pushing out on social media. We are trying to give a further booking window in these periods for our partners and we are putting our marketing dollars behind that.

Michael stated for the Winter Wonderland the Board approved ten thousand dollars to build out an event, We worked with the City Recreation department and came up with some ideas but were unfortunately due to bandwidth we were not able to accomplish them this year. We will put these in the calendar for next year. Later in the meeting we will talk about placemaking for the holiday and being a part of that.

Visitor Guide: Michael stated that we jus received a mockup this week and he will be calling a subcommittee meeting and keep moving forward.

CONSENT AGENDA – *motion required*

M. Wambolt

4. Approval of September 28, 2023, Board Meeting Minutes

Michael asked if there were any questions. Seeing none asked that a motion be made to approve the minutes.

ACTION: Board member Steve Allen made a motion to approve the September 28, 2023, Board meeting minutes. Board member Dane Jacobs seconded the motion.

MOTION: Carried 5:0

5. Approval of Visit Morro Bay Financials

Michael went over the current budget and Profit and Loss statements for the month of September.

PUBLIC COMMENT: None

ACTION: Board member Steve Allen made a motion to approve the Visit Morro Bay Financials. Board member Amit Patel seconded the motion

MOTION: Carried 5:0

BUSINESS ITEMS & DISCUSSIONS	M. Wambolt
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6. Visit Morro Bay Welcomes City Manager Yvonne Kimball to the Board of Directors.

Staff and Board of Directors will welcome City Manager Yvonne Kimball to the Board of Directors

Michael introduced the new board member and City Manager Yvonne Kimball and then asked her to share a few words..

Board member Yvonne Kimbal thanked Michael for the warm welcome and stated that she is excited to work with the Board. She stated that she thinks highly of Michael and feels that he is doing a great job.

Board member Steven Allen asked if Yvonne had any type of tourism background

Board member Yvonne Kimball stated that she had no experience directly but explained her City manager history and She has been involved in it as it has pertained to the cities she has worked for.

The Board welcomed Yvonne and shared pleasantries with her.

7. Visit Morro Bay Marketing Update - Abbi Agency (15 min)

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

Michael introduced Hayley Walters of the ABBI Agency.

Hayley Walters and Taylor Stewart gave a report on marketing, social media, and PR efforts on work done and spoke about ongoing future efforts.

Board Chair Amish Patel stated that he liked the Lighted Boat Parade graphics.

Michael stated that the Rotary will be using it next year so that there is continuity.

8. Transient Occupancy Tax Audit Discussion (15min)

Staff will provide an update on the TOT audit. Board to discuss and give staff next steps.

Michael stated that the City will be doing an audit of all the hotel properties a third of them this year. Coming out of this year there is a confusion on what the definition of rent is and what the fees and charges were that TOT is collected on. Michael then read the official City definition of rent. He then stated that the appeals process was going to go through HDL then it would go in front of City Council. The City said it seemed that it would be messy for all this audit stuff to go in front of City Council so the City Council approved a change in the appeal process to hire a third party that the appeals would go through. Michael stated that the current code is from the sixties before a lot of the charges hotels are using were implemented. He then read the City of Paso Robles rent definition which he felt dove deeper. He stated that he has met with the City to talk about a FAQ for the hoteliers. Michael stated that this taking a lot of Hotel staff time, City staff time and in some cases legal costs. If this can be clearly defined in the future. Then all properties are on

the same page and know what to do moving forward. Michael is looking for direction from the Board for Visit Morro Bay to write a letter to the City stating that we believe that the City needs to clearly define this and this will help to eliminate problems in the future.

The Board discussed.

Board member Steve Allen asked if Michael wanted a motion to approve the writing of a letter to the City.

Michael said yes.

PUBLIC COMMENT: None

ACTION: Board member Steve Allen made a motion to have the Visit Morro Bay Staff to draft a letter of response to the TOT audit from the City that is asking for a clear definition of what rent is and what TOT is being charged on. Board member Amit Patel seconded the motion.

MOTION: Carried 4:1 Board member Yvonne Kimball abstained

9. Epsilon Campaign Update and Approval of Future Campaign (15min) *motion required*

Staff and Epsilon will present the final report from round one campaign. Board to discuss and potentially approve additional funds for FY23-24

Michael stated that in spring of last year the board approved Two hundred thousand dollars for retargeting campaigns through Epsilon. Two separate campaigns at one hundred thousand dollars each. The summer campaign costs were ninety thousand dollars for Epsilon and ten thousand dollars to the ABBI Agency for operating costs. Michael stated that the board at the last meeting tentatively approved another two hundred dollars from the rollover funds depending on this final report. Michael introduced Chelsea Edwards of Epsilon to go over the report.

Chelsea Edwards gave a brief overview of the results of the summer campaign. She stated that the Board would be happy with the results. She stated that the objective was to target past visitors and retarget these people to bring them back to Morro Bay. The flight dates were May 11th – July 1st, 2023. The measurement window for those visitations and transactions of a hundred and thirteen days. We targeted LA, San Francisco, Sacramento and then suppressed the residents of Morro Bay. To make sure our message, reach, and scale was getting to visitors. There was a ninety-thousand-dollar investment in the campaign spend. The total visitor spend was one point two million which is a return of thirteen to one on AD spend. Two million unique individuals were reached. Over eight thousand people came based off of seeing the AD, coming to Morro Bay, and spending money. Over eighteen thousand dollars in transactions were captured. Twenty seven percent of measured spend was for accommodations. The information will allow Visit Morro Bay to look at where people are coming from, who we should be focusing on and where the majority of the budget should be going. So intentional marketing campaigns can be run to attract the right visitor. Visitor spend by age bracket shows that 45-year-old plus visitor contributed eighty one percent of the spend. This allows us to see the types of campaigns and who we should model them off of. The five hundred plus household net worth was fifty four percent of visitor spend. We are able to see who will come and spend the right money. Household net worth of a hundred thousand spent fifty six percent. It was found that women spend more than men as well as married couples. The overall return on investment was thirteen dollars for every dollar spent. We are going to continue to target those markets and grow that activity. Chelsea suggested connected TV opportunity and targeting certain times of year.

Michael stated that the second-round campaign spend report should be given to us some time in December which will give us the Fall season numbers. Michael opened it up for Board discussion and motion

The Board discussed

PUBLIC COMMENT: None

ACTION: Board member Steve Allen to approve another two hundred thousand dollars from the rollover fund for this fiscal year for more Epsilon future reports. Board member Amit Patel seconded the motion.

MOTION: Carried 4:1 Board member Yvonne Kimbal Abstained

10. Approval to Move Reserve Funds to Operating Account (15min) *motion required*

Due to a FY22-23 invoice from The Abbi Agency being sent in FY23-24, Staff would like approval to move funds from reserve to operating.

Michael stated that Visit Morro Bay received two late invoices that would have fallen into fiscal year 2022-23. Michael would like to not have them paid with 2023-2024 budget funds.

PUBLIC COMMENT: None

ACTION: Board member Amish Patel motioned to approve moving from the reserve fund twenty-five thousand two hundred and seventy-four dollars to the operating account to cover fiscal year 2022-23 invoices. Board member Steve Allen seconded the motion.

MOTION: Carried 5:0

11. Lighted Boat Parade Sponsorship –\$5,000 December 2023 (10 mins) *motion required*

Staff to provide the board with a sponsorship opportunity of \$5,000 for the Lighted Boat Parade. Board to discuss and approve funds.

Michael stated that the light boat parade bring thousands of people to the waterfront we have been doing marketing behind that . The Morro Bay Rotary does all the work organizing and presenting the event. Michael introduced the Rotary president Dan Costley

Michael then asked if the Board had any questions.

Board Chair Amish Patel asked Dan Costley what the five thousand dollars would be used for.

Dan Costley stated that the funds would be used to purchase a canopy for the Santa House. cash awards for the parade, fixing lights on the Santa House, food items that are sold at the Santa House, stuffed toys that are given out at the Santa House, Beverages and food for parade judges, and rental of sound system.

Board member Steve Allen asked what happens to funds if the parade is cancelled. Does it get saved?

Dan Costley stated yes except for any food items that had been purchased and any rentals.

PUBLIC COMMENT: None

ACTION: Board member Steve Allen made a motion to approve five-thousand-dollar sponsorship of the Lighted Boat parade. Board Chair Amish Patel seconded the motion

MOTION: Carried 5:0

Michael stated that we have two more items to discuss and it will run over the 11:00 am end time. One of the items needs a motion and vote and asked for a motion to extend the meeting fifteen minutes.

PUBLIC COMMENT: None

ACTION: Board member Steve Allen motioned to extend the meeting fifteen minutes. Board chair Amish Patel seconded the motion.

MOTION: Carried 5:0

12. Approval of Booking.com Marketing Campaign \$25,000 (15min) *motion required*

Staff will present the board with a Booking.com marketing Campaign. Campaign to run December – June. Board to discuss and potentially approve rollover funds for campaign.

Michael stated that at the last board meeting staff provided proposed programs for the rollover funds of three hundred and fifty thousand for this fiscal year. There was a talk about a Trip Advisor campaign. The Board didn't want to work with Trip Advisor and asked staff to reach out to Booking.com. Michael stated that he touched bases with Allison Duggan and she provided an amazing proposal. He then introduced Allison

Allison Duggan of Booking.com presented the proposal. This will include search results display on Priceline specific. Within their AD's they would reach the users on the Priceline search results page with custom targeting and messaging that would go out to represent Morro Bay. Along with that on Priceline they have propose the native inline. We are looking for users that are intending to come to the state of California who are active and not yet converted. We would like to reach them when they are making their search. Twenty percent of the plan was prosed on Priceline and the

larger portion to Booking.com. That falls in the realm of room nights that are being driven into the market from the split of Priceline to Booking.com. This would drive to a custom Priceline landing page that would be specific to Morro Bay. The unit on Booking.com is called our native display. This is the AD unit. This will be specific to Morro Bay. This will show travel intender behavior.

Michael asked Allison to go into the added value.

Allison stated that Booking.com rolled out the program at the end of Quarter one of twenty twenty-three. So, it is a new program. Booking.com works with a few California destinations and are not a built-in partner of the Visit California Co-op. But with this we essentially match the benefit that would be received. Of the thirty-thousand-dollar investment, we are supporting Forty-five thousand dollars of added value which will add up to a seventy-five-thousand-dollar campaign. She stated that reports would be given monthly.

Michael stated that the twenty-five thousand dollars was originally proposed to the Board of Directors and we can use the amount we are saving on the VW Bus renovations to add the extra five thousand dollars for this if the Board approves.

The Board discussed.

PUBLIC COMMENT: None

ACTION: Board member Steve Allen made a motion to approve the Booking.com thirty-thousand-dollar marketing campaign from rollover funds previously approved. Board member Dane Jacobs seconded the motion.

MOTION: Carried 4:0 Yvonne Kimball had left the meeting without notice.

13. Visit Morro Bay Holiday Lights Funds Discussion (15min)

Michael stated that the Chamber of Commerce did a listening tour about three or four months ago and what came out of it was the need in the shopping districts of more lighting and holiday spirit. Michael stated that he wants a discussion of the Board on things like place making for Visit Morro Bay and when we think of place making it is signage around town and holiday lights. This would be the ability to work with the Chamber of Commerce and the City of Morro Bay to make the destination pop a bit more. We are looking to make the destination a place where people come, enjoy, and make memories. This is almost as important as the marketing we are doing. Our destination is a huge part of our marketing. Michael asked the Board to discuss.

The Board discussed.

Declaration of items to be discussed at the next meeting: None

14. Next Board of Directors meeting – January 25, 2024 – 9:00am – 11:00am – Via Zoom

ADJOURN. Board Chair Amish Patel adjourned the meeting at 11:17 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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