



MINUTES

Visit SLO CAL Board of Directors Annual Meeting

Visit SLO CAL Board of Directors Annual Meeting Minutes

Wednesday, June 16, 2021

8:30am-10:30am

Embassy Suites, 333 Madonna Road, San Luis Obispo, CA 93405

Video Conference Option - URL: <https://us02web.zoom.us/j/85985719714>

Meeting ID: 859 8571 9714

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

1. CALL TO ORDER: Hemant Patel

PRESENT: Jed Bickel, Kathy Bonelli, Mark Eads, Aaron Graves, Jim Hamilton, Jay Jamison, Amit Patel, Hemant Patel, Victor Popp, Amar Sohi

PRESENT (VIA VIDEOCONFERENCE): Alma Ayon, Toni LeGras, Sam Miller

ABSENT: Clint Pearce, Nipool Patel, John Conner

STAFF PRESENT: Chuck Davison, Cathy Cartier, Brendan Pringle, Kyla Boast

Call to Order at 8:38am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

Davison announced that SLO CAL branded annual thank you gifts have been distributed to the Board (at their seats), in appreciation for their time, effort, energy and hard work over the past fiscal year. He thanked the Board for their leadership, partnership and support. He noted that Martin Resorts, Supervisor Dawn Ortiz-Legg and Visit SLO CAL will be hosting a reception for newly appointed California Coastal Commissioner Meagan Harmon on Wednesday, June 23, 2021, from 5:00pm-7:00pm at the Avila Lighthouse Suites. Coastal lodging investor owners and GMs and elected officials will be invited to participate in this event. Davison also introduced his daughter, Savannah Davison, who was attending the meeting. Bonelli announced that she would resign from the Board following the September Board meeting. Davison thanked Bonelli for her service, and noted that Pringle will work to get the application posted for the vacation rental seat on the Board.

CONSENT AGENDA

3. Approval of May 19, 2021 Board of Directors Meeting Minutes
4. Approval of May 2021 Visit SLO CAL Financials
5. Appointment of Marketing Committee Seats
6. Ratification of Jed Bickel's Appointed Board Seat
7. Ratification of Sam Miller's Appointed Board Seat
8. Ratification of Victor Popp's Appointed Board Seat
9. Selection of Visit SLO CAL's FY 2021 Auditor

Davison noted that the Marketing Committee recommended the re-appointment of Lindsey Roberts (Martin Resorts) and Lori Keller (Blu Hotel Investors) and the appointment of Lynette Sonne (Farmstead Ed) and Leann Standish (SLO Museum of Art) at their June 8, 2021 meeting. The Executive Committee also recommended the re-appointment of Roberts and Keller, and the appointment of Sonne; however, concerns over Leann Standish's representation as a single business in one community, lack of previous engagement with Visit SLO CAL and limited marketing expertise led to her recommendation not being moved forward. Upon the recommendation of the Board last year, an annual audit and tax filing RFP was conducted. Five proposals were received and scored based on similar audit experience (20%), proposed service delivery model and individual assigned to the account (40%), cost (20%) and overall presentation (20%). Staff is recommending the selection of Glenn Burdette, who scored highly based on the thoroughness of their approach, the qualifications of the partner assigned to the account and their ability to work with Visit SLO CAL's timeline. Davison outlined Glenn Burdette's credentials and past work with other non-profits of a similar size and complexity, and the proposed involvement of the principal assigned to the account. Staff vetted the proposal through Jim Hamilton, Visit SLO CAL Board Member and the County Auditor, who noted that the proposal was robust, and noted the quality of Glenn Burdette's work. Staff also reached out to nonprofit references who have worked with the proposed account lead, who spoke to her thoroughness, responsiveness and extensive, detail-oriented prep work (pre-audit discovery work).

Public Comment – None.

Board Discussion. Hamilton recognized Davison and Pringle for conducting an RFP for the audit, and noted that Glenn Burdette is the auditor for a number of County nonprofit contractors. He added that Glenn Burdette has an excellent reputation, and that their cost is reasonable. Davison added that Glenn Burdette has offered to present the audit to the Board, in person, at the September meeting. H. Patel and Graves noted their positive experience with the firm.

ACTION: Moved by Hamilton/Graves to approve the Consent Agenda, including the re-appointment of Lindsey Roberts and Lori Keller, and the appointment of Lynette Sonne to the Marketing Committee, as well as the selection of Glenn Burdette as Visit SLO CAL's FY 2021 auditor.

Motion carried: 13:0

CEO REPORT

10. CEO Report

Davison provided an update on his sabbatical planning, and thanked the Committee for the opportunity to step away. He outlined the FY 2022 Board of Directors meeting schedule, noting that in FY 2022, Visit SLO CAL will revert to having the last (Annual) Board meeting in May. Pringle will send calendar invites for all dates. Davison reviewed a list of key initiatives budgeted in FY 2021 that have experienced serious delay (Oceano Dunes Economic Impact Assessment, Cal Poly Economic Impact Assessment, Events & Festivals Strategy, and Customer Service Training Initiative). He added that the sudden extended leave on May 25, 2021 of the Director of Community Engagement & Advocacy who oversees this work will cause additional delays to these areas of oversight due to a gap in staffing. Davison outlined next steps on the Events & Festivals Strategy and Customer Service Training Initiatives.

Public Comment – None.

Board Discussion. Graves questioned the delay in the work and noted the importance of driving these initiatives forward. He asked if additional staff was necessary. Davison shared his frustration with the delay and the lack in activation of budgeted funds in this fiscal year. He noted Visit SLO CAL's reputation of being known for delivering on their scope-of-work. He outlined that while additional staff has not been allocated in the FY 2022 budget, he would bring a staffing plan to achieve these results to the Executive Committee in August. Davison also noted that on items like the Events & Festivals Strategy MOU, requested by the Board, Visit SLO CAL would lean heavily on the support of Board members to champion initiatives at the community level, especially for those that are also Board members of their local DMO who will need to approve the MOU advancement.

BUSINESS ITEMS

11. COVID-19 Impact & Response Update

Davison noted that on June 11, 2021, Governor Newsom signed an executive order that lifted capacity limits and physical distancing requirements for businesses (mega events still have limits), effective June 15, 2021. People who are fully vaccinated are not required to wear a mask (except on public transit, in youth and healthcare settings, shelters, and correctional facilities). Cal/OSHA guidelines are set to be approved on June 17, 2021. People who have not been vaccinated are required to wear a mask in public places, and California's state of emergency remains in effect. Davison provided an update on air service, and noted that Visit SLO CAL and the SLO County Regional Airport would be in front of air service planners five times over the next 12 months as part of their air service recovery strategy. Davison celebrated the launch of air service from San Diego and Portland on June 17, 2021, and noted that Visit SLO CAL was hosting six influencers from Portland, and that its first flight, as of yesterday, was 96 percent full. He added that Visit SLO CAL's talking points around new air service have highlighted how lodging owners have invested millions of dollars in the initiative to bring new air service to the county over the past five years. Davison reviewed the cash flow projection for June to December 2021, and noted that it reflects expense estimates from the draft FY 2022 budget, in front of the Board in this meeting for approval. He also reviewed how SLO CAL compared to its competitive set on occupancy, ADR and RevPAR, based on the April 2021 STR report. Davison noted that as SLO CAL puts the pandemic behind us, the "COVID-19 Impact & Response" item would no longer be an agenda item at future meetings, and that any related updates would occur in the CEO Report.

Public Comment – None.

Board Discussion.

12. FY 2022 Business & Marketing Plan

Davison noted that the draft FY 2022 Business & Marketing Plan was included in the agenda packet for review in concept, and that minor final updates will be made to the plan after Board approval and prior to publication. Davison noted that the FY 2022 plan includes four organizational objectives aligned with the four imperatives in SD 2023, and key results associated with each objective which ladder down to department and individual objectives and key results (OKRs). He outlined those four objectives, and reviewed the prioritization of Experience SLO CAL 2050 recommendations noted in the Plan. Cartier outlined the SLO CAL brand evolution and the phases of the House of Brands campaign strategy, provided details on Visit SLO CAL's target audience, the phased media plan approach, media campaign KPIs, and the strategies for owned and earned media; sales; partnership and events; and equity, diversity and inclusion (EDI). She also outlined partner activation opportunities. Davison noted that the Marketing Committee recommended approval of the Plan at their June 8, 2021 meeting, and the Executive Committee recommended approval of the Plan at their June 10, 2021 meeting.

Public Comment – None.

Board Discussion. Popp asked about group sales efforts planned for FY 2022. Boast discussed Visit SLO CAL's partnership with CVENT, and how the sales department was leveraging this tool to divert business from its competitive set.

ACTION: Moved by A. Patel/Bonelli to approve the FY 2022 Business & Marketing Plan in concept, as presented, and as recommended by the Marketing Committee and the Executive Committee.

Motion carried: 13:0

13. FY 2022 Budget

Davison presented the proposed FY 2022 annual budget, including additional staff positions, and walked the Board through revenue projections and expenses by department. He noted that staff accounted for residual income from past fiscal years, FY 2016 – FY 2020, estimated carryover from FY 2021 based on actual surplus income, estimated April surplus income, estimated surplus from May/June actuals, and the \$426k that was held as surplus funds during the re-forecast in January. The remaining estimated carryover will be held as a surplus, and will be addressed during the re-forecast. He noted that revenue numbers do not include PPP loan forgiveness (\$151k), as forgiveness of this loan is expected to occur in the coming fiscal year, and will be recognized as revenue at that time. He highlighted the fact that administrative costs represent only

19.1 percent of Visit SLO CAL expenses, as opposed to the agreed-upon 25 percent maximum. He also noted that the work proposed with this budget and the aforementioned Business & Marketing Plan will be the largest scope-of-work, by far, ever undertaken by Visit SLO CAL. Davison added that, in the future, Visit SLO CAL's monthly financial statements will show the residual surplus value so that the Board and staff can track against it.

Public Comment – None

Board Discussion. Graves recognized the level of detail on the Budget and the amount of work that went into its development, and Sohi noted how much he appreciated the amount of funds being directed to marketing and media spend.

ACTION: Moved by Graves/Popp to approve the FY 2022 Budget as presented, as recommended by the Executive Committee.

Motion carried: 13:0

14. Travel Trade & Marketing Update

Cartier provided an update on the Hero Brand and House of Brands Asset Development and Distribution Co-op. Staff launched the co-op form last week, and the co-op election deadline was EOD Friday, June 11; however, some destination partners are waiting on their board to grant approval. She distinguished Hero Assets from House of Brands Assets, outlined the opportunities, and noted the destination partners who had tentatively committed to participating thus far. Cartier also provided an update on the EDI Audience and Asset Alignment Study and Future Visitor Profile Study, noting that Visit SLO CAL has signed an agreement with SMARInsights to conduct this scope of work. She noted the completion timeline, outlined the opportunities and noted the destination partners who had tentatively committed to participating thus far. Davison requested that Board members serving on their local DMO boards champion these co-op opportunities, noting the incredible value of these opportunities and their minimal co-op cost as most local DMOs would not be able to afford these programs on their own.

Public Comment – None

Board Discussion.

ANNOUNCEMENT OF CLOSED SESSION ITEM

15. Employee Dismissal

CLOSED SESSION REPORT

No action was taken by the Board during Closed Session.

Davison noted upcoming agenda items.

ADJOURNMENT

Adjourned at 11:08am.