



# MINUTES

---

## Visit SLO CAL Executive Committee

### Visit SLO CAL Executive Committee

#### Meeting Minutes

Friday, May 15, 2020

11:30am-1:30pm

Video Conference – URL: <https://us02web.zoom.us/j/83960032812> Meeting ID: 839 6003 2812

Call-In Phone Number: (669) 900-6388

**1. CALL TO ORDER:** Clint Pearce

**PRESENT (VIDEO CONFERENCE):** Mark Eads, Aaron Graves, Jay Jamison, Hemant Patel, Clint Pearce

**ABSENT:** None

**STAFF PRESENT (VIDEO CONFERENCE):** Chuck Davison, Brendan Pringle

**Call to Order at 11:35am**

---

**2. PUBLIC COMMENT (On Non-Agenda Items)**

None.

#### **ANNOUNCEMENTS**

None.

#### **CONSENT AGENDA**

- 3. Approval of April 13, 2020 Executive Committee Meeting Minutes**
- 4. Approval of March and April Visit SLO CAL Financials**
- 5. Ratification of John Conner as San Luis Obispo's Appointed Board Member**
- 6. Approval of Resolution to Increase Line of Credit**

Davison noted that the revenue figures in the April Financials reflect the projected decrease in TMD revenue due to COVID-19. Since TMD funds are not remitted to Visit SLO CAL until approximately two months after they are received by lodging investors, the organization accrued the TMD income based on the projected decrease so that there would not be such a significant adjustment two months later. Davison also informed the Committee that Visit SLO CAL has been approved for an increase to our line of credit from \$250k to \$500k by Bank of the Sierra, noting that Visit SLO CAL's original request for an increase to \$1M was denied, based on income being tied to lodging revenue, which is severely impacted by COVID-19.

Public Comment – None.

Committee Discussion.

**ACTION:** Moved by Graves/Jamison to approve the Consent Agenda as presented.

**Motion carried: 5:0**

## **CEO REPORT**

### **7. CEO Report**

Davison reported out on Visit SLO CAL's Industry Advocacy Group Call with Assembly Member Jordan Cunningham on April 24, 2020. Visit SLO CAL drafted a letter of support for Cal Poly's draft Master Plan, and submitted it after receiving approval from Board Chair Clint Pearce; it was approved by the CSU system on May 12, 2020. Davison also requested that the Committee allow Visit SLO CAL to add its name to coalition letters from the League of California Cities and CalTravel supporting the Western States Pact's request from the federal government for \$1 trillion in direct and flexible relief. Davison showcased Visit SLO CAL's monthly Board and Community Dashboards from Tourism Economics and noted the positive response received thus far. The Board Dashboard is shared with the Board at bi-monthly Board Meetings and through the off month CEO Report; the Community Dashboard is shared with DMO and community leaders by the 27<sup>th</sup> of every month and subsequently with investors, partners and stakeholders at large on the first Wednesday of the month via their SLO CAL Connection accounts.

Public Comment – None.

Committee Discussion. The Committee approved allowing Visit SLO CAL to sign on to coalition letters with the League of California Cities and CalTravel.

## **BUSINESS ITEMS**

### **8. COVID-19 Impact & Response Update**

Davison provided an update on COVID-19-related air service reductions and on the air service reactivation plan, noting that Visit SLO CAL and SLO County Regional Airport are working closely with the airlines to maintain current services until the time is right to revive flights. Boeing is predicting that a major airline may go out of business by the fall due to COVID-19. Davison highlighted Visit SLO CAL's recent activations in response to COVID-19, including its weekly Live Video Series, which launched on April 15, 2020, and its monthly "Virtual Cheers" with meeting planners and A-List media, which have been successful in keeping SLO CAL top of mind. He reported out on recent local media interviews and on the County's efforts to limit non-essential travel. The County will announce a public health emergency ordinance later today to limit per property occupancy to 50 percent for the near term. Visit SLO CAL has - and will continue to - advocate for allowing 100 percent occupancy. Davison recognized and showed appreciation for the County's engagement with the organization on issues like this. Davison noted that the State of California won't lift the order restricting essential travel until Phase III. The County has likewise launched an advertising campaign in LA, SF Bay Area and the Central Valley, asking residents not to travel to the county at the current time based on the "essential travel only" restrictions. Davison noted that he has had to clarify with several lodging investors that Visit SLO CAL is not running, nor is it funding, this advertising campaign for the County. Davison provided an update on the County's COVID-19 re-opening plan, and announced that Visit SLO CAL is planning to re-open its office on May 26, 2020, and that Visit SLO CAL has researched best practices on re-opening, utilizing Morris & Garritano as a key resource. Davison reported out on lodging data for the week ending May 9. Visit SLO CAL has engaged Tourism Economics to develop a three-scenario lodging forecast for the destination, which will be shared with local stakeholders, destination partners and lodging investors in the coming week. The report will include monthly projections through June 2022 for the county and for the communities that report into STR, in the hopes that our local tourism community will have the same baseline for planning. Davison provided an update on staffing, including the elimination of the Director of Travel Trade position. Visit SLO CAL Sales Manager Kyla Boast has stepped up to manage sales relationships for the organization. He also noted that PR & Communications Manager Taylor Grantham, who accepted her offer several months ago, will start in her role on May 18, 2020. Davison noted that Visit SLO CAL has yet to hear back from the SBA on its request for an Economic Injury Disaster Loan (EIDL) and grant through the Small Business Administration, and is following up on a weekly basis to check on the status. He outlined two different cash flow scenarios developed by Visit SLO CAL—one showing payroll cuts continuing through December 2020 and no additional new hires through this time, and the other reflecting the first version of the draft FY2020/21 budget. He also reviewed research and strategy information provided by Visit California, which is informing Visit SLO CAL's media strategy and plan. Davison requested Committee feedback on Visit SLO CAL's COVID-19 response efforts.

Public Comment – None.

Committee Discussion.

## 9. Approval of Strategic Direction 2023

Davison presented Strategic Direction 2023 (SD2023), Visit SLO CAL's proposed three-year strategic plan, noting the ways in which Visit SLO CAL has engaged investors, partners and stakeholders in the development of SD2023. He outlined all of the major updates from Visit SLO CAL's previous plan, Strategic Direction 2020, and reviewed the complete draft of SD2023 with the group. He added that he was proud of the contributions of staff to the development of the plan, which will help create buy-in from the team as they work to accomplish the initiatives of the plan over the next three years. Davison noted that Matthew Landkamer, Principal at Coraggio Group – the consultant who facilitated the development of SD2023 – will present the plan to the Board at the next Board meeting. He requested feedback from the Committee.

Public Comment – None.

Committee Discussion.

**ACTION:** Moved by Jamison/Graves to recommend that the Board approve Strategic Direction 2023, as presented.

**Motion carried: 5:0**

## 10. FY2020/21 Budget Planning Update

Davison provided an update on the FY2020/21 budget planning process, noting that staff has submitted their first draft of the budget, which includes a total initial net media spend of \$1.05M. Davison noted that staff will come back to the Board later to request reserve funding to increase this number when the timing is right. He also noted that staff travel has been significantly reduced; international representation contracts are only budgeted from March-June, with China representation removed for FY2020/21; and Visit SLO CAL's annual domestic PR contract was reduced by about 30 percent for July to September 2020. Visit SLO CAL is currently budgeting for one new team member, a Digital Marketing Specialist, in the first half of the year, and two new staff members in the second half of the year—a Finance & HR Manager, who would take the place of the current contract controller, and a Marketing & Brand Manager. The Chief Investment Officer role, prioritized by the Board at the March 2020 meeting, is on hold and will be reviewed in January during the re-forecast. The FY2020/21 Budget will be reviewed by the Executive Committee and Board in June.

Public Comment – None.

Committee Discussion.

## 11. Board Member Selection Process

Davison reviewed the status of appointed and elected seats on the Visit SLO CAL Board of Directors. The SLOTBID Board appointed John Conner, owner of Petit Soleil, to represent the City of San Luis Obispo, replacing Nipool Patel's appointed seat on the Board. New Board Member On-Boarding occurred May 12, 2020 via video conference with Clint Pearce (as his Board Member Liaison) and me. The City of Morro Bay approved the renewal of Hemant Patel to Morro Bay's appointed seat. Visit SLO CAL is waiting for a response from the City of Atascadero on Atascadero's appointed seat. Jim Hamilton confirmed that he will be renewed to his County-appointed seat. As previously noted to the Committee, Aaron Grave's at-large seat is up for election at the end of the fiscal year, along with four new at-large seats. Visit SLO CAL opened the Board application process on March 18, 2020 and extended the deadline to April 30, 2020 based on the current crisis, receiving eight qualified applications in the process. Davison reviewed the applications received (Kevan Beall, PRG Hospitality Group; Tova Chesnin, Inn Paradiso; Aaron Graves, Chateau Hospitality; Jeffrey Meyers, Martin Resorts; Yatin Naran, The Inn at San Luis Obispo and Olive Tree Inn & Suites; Amish Patel, Morro Bay Hospitality; Amit Patel, New Horizon Associates, Inc.; and Nipool Patel, Lamplighter Inn & Suites). Davison outlined the breakdown of applicants by community representation and how each addition would affect the composition of the current board. He noted that while there are five total Board seats open,

including Aaron’s seat which is up for renewal, there is no obligation to fill all five seats; there is the option to hold a special meeting to elect remaining seats later in the year or wait until the next Annual Meeting in May 2021. Staff is requesting that the Executive Committee, as the ad hoc nominating committee, recommend a slate of candidates for the Board to consider at the June (Annual) meeting.

Public Comment – None.

Committee Discussion. The Committee requested that staff look into amending the bylaws in the future so that regional managers who directly supervise general managers at their companies would be eligible to apply. The Committee also agreed to recommend three candidates and to hold off on the other two seats until the immediate impact of the COVID-19 crisis passes.

**ACTION:** Moved by Eads/Patel to recommend that the Board re-elect Aaron Graves to an open at-large seat on the Visit SLO CAL Board.

**Motion carried: 4:0:1  
Graves abstained.**

**ACTION:** Moved by Eads/Patel to recommend that the Board elect Amit Patel to an open at-large seat on the Visit SLO CAL Board.

**Motion carried: 5:0**

**ACTION:** Moved by Eads/Patel to recommend that the Board elect Nipool Patel to an open at-large seat on the Visit SLO CAL Board.

**Motion carried: 5:0**

## **12. Executive Committee Seats**

Davison noted that the election of Executive Committee seats would be an agenda item for the June Board of Directors meeting, and outlined the titles of each current Executive Committee member. Davison noted that it could also consider holding over the last Executive Committee seat until the July meeting or opening it up for nominations at the June meeting.

Public Comment – None.

Committee Discussion. The Committee decided to hold the item until the June meeting for a decision.

## **13. CEO Annual Review**

After introducing the item, Davison signed out of the video conference, and Pearce reviewed the criteria set forth for the CEO’s Year Five (May 1, 2019 – April 30, 2020) bonus compensation: 10 percent bonus is tied to Visit SLO CAL’s operation and 10 percent bonus is tied to the delivery of Strategic Direction 2020 imperatives. He added that a detailed documentation of results was provided to the Board in advance of the meeting.

Public Comment – None.

Committee Discussion. The Committee agreed that Davison earned the full bonus amount based on his performance and leadership.

**ACTION:** Moved by Jamison/Patel to recommend that the Board approve the CEO Annual Bonus at 20 percent, to be paid immediately.

**Motion carried: 5:0**

## **ADJOURNMENT**

**ACTION:** Moved by Pearce/Patel to adjourn at 1:45 pm.