



Minutes

Visit San Luis Obispo County Board of Directors

Visit San Luis Obispo County Board of Directors Meeting Minutes

Wednesday, December 16, 2015

8:30am

Courtyard by Marriott, San Luis Obispo
1605 Calle Joaquin, San Luis Obispo, CA 93405

1. CALL TO ORDER: Jay Jamison

PRESENT: Kathleen Bonelli, James Davison, Mark Eads, Jim Hamilton, Jay Jamison, Noreen Martin, Sam Miller, JP Patel, Clint Pearce, Roger Wightman

STAFF PRESENT: Chuck Davison, Kylee Jepsen, Brendan Pringle, Becky Singh, Michael Wambolt

Call to Order at 8:30am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

SLO County TOT figures increased 1.2% year over year for October.

Davison introduced Becky Singh, VSLOC's Director of Marketing, who started on Monday, December 14, 2015.

Board Discussion.

Public Comment – None.

BUSINESS ITEMS

3. Approval of November 18, 2015 Board Meeting Minutes

Board Discussion.

Public Comment – None.

ACTION: Moved by Wightman/Hamilton to approve the November 2015 Board Meeting Minutes as presented.

Motion carried: 10:0

4. Approval of November VSLOC Financials & Restated Allocation

As the financials reflect, VSLOC's actual expenses fall behind its projected expenses. Actual expenses will catch up in December as the shoulder season campaign continues. VSLOC has also done a re-allocation of the annual budget to the individual departments. A re-forecast of financials will be presented to the Board in February.
Board Discussion.

Public Comment – None.

ACTION: Moved by Martin/J. Davison to approve the November VSLOC Financials and Restated Allocation.

Motion carried: 10:0

Item 6 was reversed with Item 5 on the Agenda.

6. CEO Report

The Research Agency RFP process has begun. The RFP document is available on the Members Area of the VSLOC website. The Marketing Committee will score the Research Agency RFP responses at their January 12, 2016 meeting, and will hear oral presentations on January 19, 2016. The Marketing Committee's recommendation will be considered for Board Approval at the January 20, 2016 Board Meeting.

The reporting for the first two weeks of the Fall Campaign is currently being analyzed by Catalyst. The agency will dig deeper into these numbers and make some modifications moving forward.

Agenda items for the next BOD Meeting agenda include the Marketing Agency RFP for FY2016-17, Research Agency Selection and Contract Approval, and the Final Fall Creative.

Board Discussion.

Public Comment – None.

5. Sunset SAVOR the Central Coast

The VSLOC Board voted 11-2 at the last meeting to continue Year 2 of VSLOC's Joint Venture Agreement with Fast Forward Ventures (F2V) to manage and own SAVOR the Central Coast. The following week, F2V notified VSLOC staff that they opted out of the agreement, for the following reasons:

- 1) The financial structure of the event is too dependent on local DMOs. They believe that as VSLOC transitions out of ownership, DMOs will become less supportive.
- 2) National sponsors don't see value in San Luis Obispo County from a national level, as the audience is too small and it's a tough destination to travel to.
- 3) Volatility around long-term Main Event location. A contract was not reached with Santa Margarita Ranch (SMR) for the 2015 event and questions arose about the ability to reach a long-term agreement with SMR. At last month's Board meeting, the Board expressed that they felt VSLOC should at least RFP other Main Event options. However, any other option would require a substantial build, and the goal is to reduce expenses—not add expenses.

Options for the future include:

- 1) Cease operations of SAVOR and maintain the assets and trademark for possible similar or different future use.
- 2) Sell the event: F2V suggested that events typically sell for 6 times the profit (\$78,000) or 0.08 times the gross revenue (\$82,000), and that it may be worth 3-5 times higher with the event's financial turnaround in 2015. However, the sale of the event would likely lead to significant changes, which may impact the brand and view of

VSLOC for those who don't realize the organization no longer owns it upon a sale. VSLOC could engage a business broker or sell directly to someone like Rob Rossi of Santa Margarita Ranch (either all at once or through a deal where VSLOC licenses the brand long-term, similar to the F2V Joint Venture Agreement)

- 3) Place the event on hold for a year, possibly restarting in 2017 with a new production company. However, it may be hard to re-engage national sponsors and DMOs after a year off.
- 4) Hire a full-time event manager and go back to VSLOC running the event. VSLOC is not interested in pursuing this option.

Board Discussion.

Public Comment— Destini Cavaletto with SMR noted that she wanted to speak on behalf of Rob Rossi. She noted that Rossi is a huge supporter of the event and wants to see it continue. Rossi is willing to put together some kind of proposal from the Ranch to see it continue.

Aaron Graves of the Pleasant Inn in Morro Bay said that he would like to see the event evolve and focus more on heads in beds.

ACTION: Moved by J. Patel/Pearce to place the event on hold for further research by the Marketing Committee moving into the future, and bring back recommendations to the board.

Motion carried: 10:0

ADJOURNMENT

Meeting adjourned at 10:00am.