



MINUTES

Visit SLO CAL Board of Directors

Visit SLO CAL Board of Directors Meeting Minutes

Wednesday, September 20, 2017

8:30am

The Carlton Hotel

6005 El Camino Real, Atascadero, CA 93422

1. CALL TO ORDER: Clint Pearce

PRESENT: Kathy Bonelli, Mark Eads, Aaron Graves, Jim Hamilton, Jay Jamison, Lori Keller, Sarah Maggelet, Sam Miller, Nipool Patel, Clint Pearce, Val Seymour, Roger Wightman

ABSENT: John Arnold

STAFF PRESENT: Chuck Davison, Brooke Burnham, Brendan Pringle

Call to Order at 8:35 am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

Davison reminded the Board to cc Records@SLOCAL.com on any emails to Board, Committee and VSC team members pertaining to official VSC business.

The SLO Airport is hosting a Grand Opening for its new terminal on October 14, 2017 from 5:30pm-9:00pm. All VSC Board members are invited. Davison also noted that the Airport is providing VSC with the space for a large banner at the airport to welcome visitors. BCF is working on the creative for this opportunity.

VSC will be holding its Fall Industry Educational Symposium on September 21, from 8am to 12:30pm, at Embassy Suites in SLO, which will feature presentations from Visit SLO CAL, Visit California, Arrivalist, JBS Hotels, and Host Compliance.

CONSENT AGENDA

3. Approval of July 19, 2017 Board Meeting Minutes
4. Approval of June/FY2016-17 Year End Financials
5. Approval of July and August Financials
6. Approval of FY2016-17 Annual Report
7. Approval of Audrey Arellano's Marketing Committee Application

Public Comment – None.

Board Discussion.

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

Motion carried: 12:0
Patel arrived after the vote.

CEO REPORT

8. CEO Report

Davison announced that Item 14 of the agenda would be tabled to allow time for additional fact-finding based on recommendations from the Executive Committee.

Davison reviewed the July Travel Trends Index from U.S. Travel, and pointed out that international tourism is slumping in 2017 due to two factors: the “Trump Slump” and the valuation of the dollar leading to a decrease in business. He also reviewed the July TOT report, and noted that the numbers are expected to increase against the budget in the coming months with the initiation of the County’s Airbnb collection agreement and the opening of the Inn at the Pier in Pismo Beach.

VSC will be presenting its bi-annual update at the City Managers Meeting on September 22, 2017.

Davison noted that he received positive feedback from councilmembers during the Morro Bay City Council Meeting on August 22, 2017.

Davison recapped the CalTravel Executive Committee and Board Meetings (August 17-18, 2017) and the key takeaways from U.S. Travel’s Educational Seminar for Tourism Organizations (ESTO), which the VSC leadership team attended from August 26-29, 2017. U.S. Travel issued a number of insightful new reports, which VSC forwarded to constituents and elected officials via email.

Davison provided an update on VSC’s Highway 1 closure communication efforts. Davison and other constituents met with Assemblyman Cunningham in the North Coast on August 16, 2017. Assemblyman Cunningham’s office has reached back out to Caltrans to follow up. Caltrans recently released a rebuild plan with Highway 1 at Mud Creek opening to traffic by late summer of 2018. Davison participated with VCA in the Best Buddies Challenge: Hearst Castle, which was a great opportunity to get the message out that Highway 1 is open in SLO CAL. During the event, Davison met with Lieutenant Governor Gavin Newsom and asked for additional support and influence with Caltrans.

VSC leadership held its quarterly check-in on the progress of the Operational Plan with Coraggio Group on August 24, 2017. Many items are on track, but several marketing-related items are behind schedule based on new marketing contracts and staffing, which VSC is working to correct.

Davison outlined his travel schedule.

Public Comment – None.

Board Discussion.

BUSINESS ITEMS

9. FY2016-17 Audit

As part of its contract with the County, VSC is required to do a full-scale audit each fiscal year. This was VSC’s second successful audit. The audit did not identify any deficiencies in internal control that were considered to be material weaknesses. The Audit Report Management Advisory Comments noted that changes recommended in the FY2015/16 audit regarding the Segregation of Accounting Duties and Vendor Invoices had been implemented in FY2016/17. The report identified, however, that VSC’s cash account balance has exceeded the FDIC insured amount at various times throughout

the year. The contingency fund will continue to weigh against this balance as it increases monthly. This item will be discussed and addressed by the Board at a future meeting.

Public Comment – None.

Board Discussion.

ACTION: Moved by Graves/Maggelet to approve the FY2016/17 Audit as presented for submission to the County, and to authorize Burkart & Stevens to file VSC's FY2016/17 Tax Return.

Motion carried: 12:0

10. Media Agency and PR Agency Selection

On August 3, 2017, three national media agencies presented their proposals to the Marketing Committee: Goodway Group, Orange 142 and Miles Media. The Marketing Committee unanimously recommended the approval of Goodway Group as VSC's Media Agency of Record, based on their deep digital strategy, high-level optimization and their ability to take VSC to the next level with efficiency, tracking and reporting. The Executive Committee subsequently recommended allowing the President & CEO to enter into contract negotiations with Goodway. This contract has been finalized and the SOW is expected to be finalized this week. BCF will continue to manage VSC's creative process, including the design and development of VSC's brand and advertising assets. Goodway will develop the digital media strategy, manage the place and optimization of VSC's digital media campaign, and provide tracking and reporting.

On September 12, 2017, three national Public Relations firms presented their proposals to the Marketing Committee: Turner Public Relations, Mfa, and The Brandman Agency. The Marketing Committee unanimously recommended the approval of Turner Public Relations as VSC's PR Agency of Record, based on their innovative and strategic approach, strong measurement focus and their authenticity. Turner was the PR Agency of Record for Visit Estes Park, Brooke Burnham's former employer, along with several other destinations. The Executive Committee subsequently approved allowing the President & CEO to begin contract negotiations with Turner Public Relations as VSC's PR Agency of Record.

Davison noted that VSC plans to have two all-agency meetings each fiscal year to bring its three agencies together for strategic and collaborative planning.

Public Comment – None.

Board Discussion.

ACTION: Moved by Keller/Patel to approve Goodway Group as VSC's Media Agency of Record and Turner Public Relations as its PR Agency of Record.

Motion carried: 12:0

11. Board and Executive Committee Seats

With the sale of his property at the end of August, JP Patel officially provided his letter of resignation from the Visit SLO CAL Board on September 6, 2017. Amar Sohi of the Holiday Inn Express (Atascadero) has applied for JP Patel's Board seat and VSC submitted a letter of recommendation on his behalf to the City of Atascadero. Atascadero TBID will appoint a new Board member on September 20, 2017, which will go to the City Council for approval on October 10, 2017. Patel's resignation opens up the Secretary seat on the Executive Committee, which will be addressed at a future meeting, once the Atascadero seat has been appointed.

Public Comment – None.

Board Discussion.

12. Board Member Attendance

Based on the transition to a bi-monthly meeting schedule, regular Board attendance at meetings is more critical than ever. Davison reviewed the guidelines from the VSC bylaws, and asked that the Board adhere to these guidelines, as they will be followed more strictly moving forward. He also noted that tardiness is preferable to absence from the meeting.

Public Comment – None.

Board Discussion.

13. County Agreement with Airbnb

On August 12, 2017, the County Board of Supervisors (CBoS) approved an agreement with Airbnb, requiring them to collect taxes and assessments in the County unincorporated area. Davison relayed some of the concerns raised by some vacation rental constituents about the agreement, and noted that they feel that the County has compromised legal vacation rentals to collect TOT dollars without evidence of each property being licensed. Additionally, some are worried that the new agreement may cause legal vacation rentals to double pay if they are not aware. VSC has been in contact with VSC Board Member Jim Hamilton with the County Tax Collector's office, and the County is developing an FAQ that VSC will be able to share on the Member's Area of its website.

Hamilton noted that Airbnb would not budge on releasing property information, but that they consented to all of the requirements that other jurisdictions were able to place on them. Hamilton also gave an update on Host Compliance's efforts to get illegal vacation rentals into compliance.

Public Comment – None.

Board Discussion.

14. Financial Processes Discussion

This item was tabled for a future meeting.

15. Marketing Update

Burnham walked the Board through a preview of the new VSC website, including the home page, a content page, an individual listing page and a destination page.

Public Comment – Kristin Huebner, Pismo Beach CVB, asked if the Pismo Beach CVB would be able to provide the content for its destination page. Burnham responded that VSC would work with each destination on this content, requesting talking points and images.

Board Discussion.

ADJOURNMENT

ACTION: Moved by Graves/Keller to adjourn the meeting.

Motion carried: 12:0

Meeting adjourned at 10:09am.