



# MINUTES

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## Visit SLO CAL Board of Directors

### Visit SLO CAL Board of Directors Meeting Minutes

Wednesday, May 20, 2020

8:30am

Video Conference –URL: <https://us02web.zoom.us/j/83994556758>

Meeting ID: 839 9455 6758

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

**PRESENT (VIA VIDEO CONFERENCE):** Alma Ayon, Jed Bickel, Kathy Bonelli, John Conner, Mark Eads, Aaron Graves, Jim Hamilton, Jay Jamison, Toni LeGras, Hemant Patel, Clint Pearce, Victor Popp, Amar Sohi

**ABSENT:** Sam Miller

**STAFF PRESENT:** Chuck Davison, Lisa Verbeck, Derek Kirk, Brendan Pringle

**Call to Order at 8:34 am.**

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

None.

#### ANNOUNCEMENTS

None.

#### CONSENT AGENDA

3. Approval of March 18, 2020 Board of Directors Meeting Minutes
4. Approval of March Visit SLO CAL Financials
5. Approval of April Visit SLO CAL Financials
6. Ratification of John Conner as San Luis Obispo's Appointed Board Member
7. 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 Board 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. Davison introduced John Conner, San Luis Obispo's new appointed Board Member.

Public Comment – None.

Board Discussion.

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

**Motion carried: 13:0:1**  
**Conner abstained.**

## **CEO REPORT**

### **8. CEO Report**

Davison reported out on Visit SLO CAL's Industry Advocacy Group Call with Assembly Member Jordan Cunningham on April 24, 2020, and on the organization's recent advocacy efforts that were approved by the Executive Committee. These efforts included drafting a letter of support for Cal Poly's draft Master Plan, which was approved by the CSU system on May 12, 2020, and adding 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, stakeholders and partners at large on the first Wednesday of the month via their SLO CAL Connection accounts. Davison noted that Visit California would be voting this morning on suspending in-state marketing restrictions. He also advised the Board that he will be having knee surgery next Tuesday; as such, he would be out for a day or two, and working remotely for a week before returning back to the office. He noted that the Board Meeting invite included a list of remote CEO meetings, an update on air service and the air service reactivation plan, and additional information on COVID-19 response efforts.

Public Comment – None.

Board Discussion.

## **BUSINESS ITEMS**

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

Davison noted 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 has used a public health emergency ordinance, announced May 15, 2020, 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 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, started in her role this week. 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. Davison requested Board feedback on Visit SLO CAL's COVID-19 response efforts.

Public Comment – None.

Board Discussion.

### **10. Approval of Strategic Direction 2023**

Davison introduced Matthew Landkamer, Principal, of Coraggio Group, who presented Strategic Direction 2023 (SD2023), Visit SLO CAL's proposed three-year strategic plan. Landkamer noted the ways in which Visit SLO CAL engaged investors, stakeholders and partners in the development of SD2023, 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.

Public Comment – None.

Board Discussion.

**ACTION:** Moved by Graves/Popp to approve Strategic Direction 2023 as presented.

**Motion carried: 14:0**

### **11. 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.

Board Discussion.

### **12. Marketing Update**

Verbeck outlined the research and strategy information provided by Visit California, which is informing Visit SLO CAL's media strategy and plan. She provided a high-level overview of Visit SLO CAL's FY2020/21 marketing planning efforts, including major updates in target audience, campaign timing and budget. Verbeck noted the importance of having a plan that is strategic, yet flexible.

Public Comment.

Board Discussion.

### **13. CEO Annual Review**

Davison signed out of the video conference, 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. Pearce outlined some of the Executive Committee's discussion on this topic, and noted that based on Davison's performance, the Executive Committee recommended approving the CEO's annual bonus at the full 20 percent of annual salary at their May 15, 2020 meeting.

Public Comment.

Board Discussion. The Board agreed that Davison earned the full bonus amount based on his performance and leadership. Hamilton noted that he would support paying the bonus, but only if it was suspended to a later date.

**ACTION:** Moved by Eads/Graves to approve the CEO Annual Bonus at 20 percent, to be paid immediately.

**Motion carried: 12:1**  
**Hamilton opposed (see Board Discussion).**  
**Popp left the meeting prior to the vote.**

## **ADJOURNMENT**

**ACTION:** Moved by Graves/Bonelli to adjourn at 10:48 am.