



MINUTES

Visit SLO CAL Board of Directors

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Annual Meeting Minutes

Wednesday, June 17, 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, John Conner, Mark Eads, Aaron Graves, Jim Hamilton, Jay Jamison, Toni LeGras, Clint Pearce, Victor Popp, Amar Sohi

ABSENT: Kathy Bonelli, Sam Miller, Hemant Patel

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

Call to Order at 8:33 am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

Visit SLO CAL will be holding a virtual town hall on Wednesday, June 24, 2020 at 10:00am. Davison outlined the agenda.

CONSENT AGENDA

3. Approval of May 20, 2020 Board of Directors Meeting Minutes

4. Approval of May Visit SLO CAL Financials

Davison explained that the March TMD income (remitted to Visit SLO CAL in May) is significantly less than what was re-forecasted in January and the projections for May were also reduced from the reforecast based on estimated receipts due to the impact of COVID-19.

Public Comment – None.

Board Discussion.

ACTION: Moved by Hamilton/Bickel to approve the Consent Agenda as presented.

Motion carried: 11:0

CEO REPORT

5. CEO Report

Davison noted that Kirk was appointed to serve as Chair of the CalTravel Government Relations Committee—an exciting opportunity for him to play a key role in this committee and state advocacy. REACH asked Visit SLO CAL to sign a coalition letter, as requested by Congressman Carbajal’s office, supporting the possible selection of Vandenberg Air Force Base as the permanent United States Space Command (USSPACECOM) Headquarters. Based on the need to sign on by 6/16 (yesterday), staff requested approval in advance from the Executive Committee at their 6/15 meeting, and signed the letter. Davison reported out that on June 8, 2020, Visit SLO CAL’s creative agency, BCF, notified the organization that due to late payments on their SBA loan, their assets were being liquidated, and that BCF would cease to exist within the next 30-40 days. BCF’s CEO, Keith Ireland, has assured Davison that all current projects would be completed despite these unfortunate circumstances. Ireland’s wife will be opening a new agency out of BCF (called Sunshine & Bourbon), and Visit SLO CAL will contract with that agency on a month-to-month basis to complete the necessary work for the current campaign. Visit SLO CAL will work to release an RFP for the business in the coming months. Davison noted his travel schedule, which includes an upcoming vacation.

Public Comment – None.

Board Discussion.

BUSINESS ITEMS

6. COVID-19 Impact & Response Update

Visit SLO CAL created an Open and Safe Toolkit which includes flyers, social media banners and profile picture frames, to help investors and partners communicate with guests the health and safety precautions they are taking to keep everyone safe and healthy. The resources were distributed to investors and partners on May 22, 2020, and they are available at SLOCAL.com. On May 30, 2020, Visit SLO CAL provided a three-scenario lodging forecast to stakeholders and destination partners, who received both the report for their community and the countywide report. Four of six DMOs have agreed to offset the \$1,000 cost of their individual community report. Access to the reports was subsequently shared with Board members on June 1, 2020, and with Visit SLO CAL’s list of investors and partners on June 4, 2020. Davison outlined the components of the forecast, and noted that Visit SLO CAL used the baseline forecast to produce its FY2020/21 revenue budget projections. On June 5, 2020, the County announced that the countywide public health order limiting the daily occupancy of all lodging properties to 50% would expire. Davison noted that Visit SLO CAL had been advocating directly with Wade Horton, County CAO, on this issue, and he recognized the lodging investors who took an active role in advocating for the tourism community against this order. He also noted that despite the fact that leisure travel is permitted and this ordinance has been lifted, the County government is still pushing back on promotion of travel to the region. Davison reported out on air service changes, and on the occupancy, ADR and RevPAR figures reported by STR for the week ending June 6, 2020. Davison outlined the highlights of Visit SLO CAL’s latest cash flow projection produced by its controller. Visit SLO CAL received approval for a loan through EIDL, but has not received an update on the grant, which is now processed separately. Davison noted that based on the restrictions that come with the loan, and Visit SLO CAL’s current cash position, the Executive Committee agreed that the organization should allow the opportunity to expire, and wait to see if it receives a grant, which is still an option. Davison requested Board feedback on Visit SLO CAL’s COVID-19 response efforts.

Public Comment – None.

Board Discussion.

7. Diversity Discussion

Davison noted that he and Kirk met with Jed Bickel and Myraline Whitaker of SeaCrest/Inn at the Cove, and decided it would be an important first step with the Board to lead a discussion on the role of Visit SLO CAL and the SLO CAL tourism industry to support diversity, equity and inclusion efforts in the community. He thanked Bickel and Whitaker for having this initial conversation with Visit SLO CAL staff. He noted that the purpose of the Board's conversation would be to discuss proposed action steps on the draft document that was included in the agenda packet, in order to ensure that the conversation continues. Davison outlined the highlights of Visit SLO CAL's draft engagement plan for equity, diversity and inclusion (EDI), and requested feedback from the Board. He noted that Visit SLO CAL does not believe it should be leading the community-wide conversation but that it should be playing a role, and that the draft engagement plan will start the conversation. He also noted that staff believes EDI efforts should be a Board-led initiative.

Public Comment – None.

Board Discussion. Bickel thanked Davison and Kirk for reaching out to start this conversation and described his own personal experience to the Board. Sohi approved of Visit SLO CAL's decision to make this a priority and noted that he believed the organization should have a leadership role. Bickel agreed and added that if others see Visit SLO CAL set an example, they will feel safe in that space and also create positive action. The Board expressed consensus on the items outlined in the draft document and requested the full plan be brought back to the board in the months ahead.

8. Strategic Direction 2023 Update

With the approval of Strategic Direction 2023 (SD2023), staff requested a proposal from Coraggio Group to facilitate the development of an Operational Plan. As with the Operational Plan for Strategic Direction 2020, this plan would efficiently and effectively outline Visit SLO CAL's approach to implementing and executing SD2023 in a way that minimizes confusion, prioritizes strategies, and manages capacity constraints. He outlined the proposed three-phase approach, and noted that the cost would be \$10,855. He explained that the cost for Visit SLO CAL's previous Operational Planning was significantly higher, and that this reduced cost was based on a reduced scope from Coraggio, with the team performing work independently on action steps for most of the initiatives and managing the documentation of the Operational Plan. Davison noted that the goal would be to complete the Operational Plan by the end of July. The Executive Committee recommended Board approval of Coraggio Group's proposal at their June 15, 2020 meeting.

Public Comment – None.

Board Discussion.

ACTION: Moved by Graves/LeGras to approve Coraggio Group's proposal to facilitate the development of an Operational Plan for SD2023, as recommended by the Executive Committee.

Motion carried: 11:0

9. FY2020/21 Business & Marketing Plan

Davison noted that the draft FY2020/21 Business & Marketing Plan was Visit SLO CAL's sixth Business & Marketing Plan, and is by far the most thorough plan that the organization has developed, despite all of the uncertainty that surrounds this time of crisis. The plan was recommended for approval by the Marketing Committee on June 9, 2020 and by the Executive Committee on June 15, 2020. Davison noted that some minor adjustments may be made to the plan in the coming days, but that the overall strategy will remain the same. Davison reviewed the business and marketing objectives, updated media strategy, new elements and features, target market overview and media allocations. He also outlined the earned media and travel trade strategies and objectives, and recapped the prioritization of Experience SLO CAL 2050 (destination management strategy) recommendations. He noted that the Chief Investment Officer recommendation would be put on hold and reconsidered as a FY2020/21 priority during the re-forecast.

Public Comment – None.

Board Discussion.

ACTION: Moved by Bickel/Graves to approve the FY2020/21 Business & Marketing Plan, as recommended by the Executive Committee.

Motion carried: 11:0

10. FY2020/21 Budget

Davison presented the FY2020/21 annual budget and walked the Board through revenue projections and expenses by department. Davison noted that, in the coming months, depending on additional revenue increases, staff may make a recommendation to access reserve funds to boost the advertising campaign when the time is right. The proposed budget was recommended for Board approval by the Executive Committee on June 15, 2020.

Public Comment – None

Board Discussion.

ACTION: Moved by Graves/Sohi to approve the FY2020/21 Budget as presented, as recommended by the Executive Committee.

Motion carried: 11:0

11. Board Member Selection Process

Davison provided an update on the appointed seats. The City of Atascadero will likely make their decision in July; the County will renew Hamilton's appointed seat; and the City of Morro Bay approved the renewal of H. Patel to Morro Bay's appointed seat. He noted that in terms of elected seats, Graves' 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 COVID-19 crisis. Eight total qualified applications were received, all of which were included in the agenda packet. The ad-hoc nominating committee, comprised of the Executive Committee, reviewed the applications at their May 15, 2020 meeting. Davison noted that there is no obligation to fill all five open seats, and that the ad hoc nominating committee recommended the election of three candidates, holding off on the other two seats until the immediate impact of the COVID-19 crisis passes, offering the ability to engage additional lodging investors. Davison explained that the Board can hold a special meeting to elect remaining seats later in the year or wait until the next Annual Meeting in 2021. He reviewed the slate recommended by the ad hoc nominating committee, which includes Aaron Graves, Chateau Hospitality; Nipool Patel, Lamplighter Inn & Suites; and Amit Patel, New Horizon Associates.

Public Comment – None.

Board Discussion.

ACTION: Moved by LeGras/Ayon to elect Aaron Graves, Amit Patel and Nipool Patel to the open at-large seats on the Visit SLO CAL Board, as recommended by the ad hoc nominating committee (Executive Committee).

Motion carried: 10:0:1

Graves abstained (for the election of his seat).

12. Executive Committee Seats

Davison outlined the current composition of the Executive Committee. At their June 15, 2020 meeting, the Executive Committee recommended that the Board re-appoint Clint Pearce as Board Chair, based on his industry knowledge and

community relationships during this current crisis. They also recommended the appointment of Hemant Patel as Vice Chair, Mark Eads as Secretary, and Aaron Graves to remain as Treasurer. The current Executive Committee discussed adding a new member to the Committee. Davison opened the item up to the Board for nominations.

Public Comment – None.

Board Discussion.

ACTION: Moved by Bickel/Eads to appoint Clint Pearce as Chair, Hemant Patel as Vice Chair, Mark Eads as Secretary, Aaron Graves as Treasurer and Amar Sohi as At-Large Member for FY2020/21.

Motion carried: 10:0:2
Eads abstained (for the appointment of his seat).
Sohi abstained (for the appointment of his seat).

Davison recognized the fact that Visit SLO CAL is concluding its fifth and final year under the original Tourism Marketing District's five-year term. He noted how excited the staff is to be doing work on behalf of the Board and tourism industry, and how blessed they feel for the contribution that the Board makes on behalf of the organization and industry.

ADJOURNMENT

Adjourned at 10:36am.