



AGENDA

Visit SLO CAL Executive Committee

Visit SLO CAL Executive Committee Agenda

Thursday, November 14, 2019

11:30am-1:30pm

Visit SLO CAL Conference Room

1334 Marsh Street, San Luis Obispo, CA 93401

1. CALL TO ORDER
2. PUBLIC COMMENT (On Non-Agenda Items)

ANNOUNCEMENTS	C. Davison
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CONSENT AGENDA – <i>motion required</i>	C. Davison
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3. Approval of October 14, 2019 Executive Committee Meeting Minutes
4. Approval of September Visit SLO CAL Financials
5. Approval of October Visit SLO CAL Financials
Staff will request Committee approval of the October 14, 2019 Executive Committee Meeting Minutes, the September Visit SLO CAL Financials and the October Visit SLO CAL Financials.

CEO REPORT	C. Davison
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6. CEO Report (15 min)
Staff will provide an update on current projects, reporting and areas of focus for the months ahead.

BUSINESS ITEMS	C. Davison
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7. Destination Management Strategy Work Plan (30 min) – *motion required*
Staff will request Committee feedback on the Destination Management Strategy Work Plan and a recommendation for Board approval.
8. Advisory Committee Meeting Format Discussion (15 min)
Staff will request feedback on proposed changes to the format of the December Advisory Committee Meeting.
9. Coraggio Group Engagement (20 min) – *motion required*
Staff will request Committee feedback on an engagement with Coraggio Group to conduct local community outreach, facilitate discussions at the Marketing Committee Retreat, and facilitate the development of a new strategic plan (Strategic Direction 2023), post-renewal of the TMD. Staff will request a recommendation for Board approval.
10. TMD Renewal Update (15 min)
Staff will provide an update on the TMD renewal process, including petition signatures to date, meetings to date, updated timeline, key next steps and needed Board assistance.
11. Marketing Update (10 min)
Staff will provide an update on key marketing initiatives.

ADJOURN.

Brown Act Notice: Each speaker is limited to two minutes of public comment for items not on the agenda. Public comment for each agenda item will be called for separately and is also limited to 2 minutes per speaker. State law does not allow the Executive Committee to discuss or take action on issues not on the agenda, except that members of the Committee may briefly respond to statements made or questions posed by the person giving public comment. Staff may be directed by the Committee to follow-up on such items and/or place them on the next Committee agenda. The order of agenda items is listed for reference and items may be taken in any order deemed appropriate by the Executive Committee.

ADA Notice: Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Brendan Pringle at (805) 541-8000 at least 48 hours prior to the meeting.



MINUTES

Visit SLO CAL Executive Committee

Visit SLO CAL Executive Committee Meeting Minutes

Monday, October 14, 2019

11:30am

Visit SLO CAL Conference Room
1334 Marsh Street, San Luis Obispo, CA 93401

1. CALL TO ORDER: Clint Pearce

PRESENT: Aaron Graves, Hemant Patel, Clint Pearce

ABSENT: Mark Eads, Jay Jamison

STAFF PRESENT: Chuck Davison, Brendan Pringle

Call to Order at 11:34 am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

Davison reminded the Committee members to take Visit SLO CAL's FY2018/19 Stakeholder Satisfaction Survey, using the Board-specific link. He also encouraged them to share the separate survey link in the email with fellow investors and partners.

Davison noted that the Industry Educational Symposium is happening on October 23, 2019, and highlighted the speaker line-up.

Visit SLO CAL has been contemplating moving the Beginning of Year Bash up to January 7, 2020 as a celebration in the event the Tourism Marketing District renewal is approved. Visit SLO CAL will float that date after the hearing date has been confirmed.

CONSENT AGENDA

3. Approval of August 13, 2019 Executive Committee Meeting Minutes
4. Approval of Resolution to Update Bank Account Signature Cards
5. Approval of Resolution to Renew Line of Credit

Davison noted that, due to the timing of the meeting, September financials will not be available until November. He also noted that Visit SLO CAL is in the process of updating the checking account signature cards to include the current roster of Executive Committee members and President & CEO, and that upon approval of the Consent Agenda, Visit SLO CAL's line of credit with Bank of the Sierra would be renewed at \$250k, with the Executive Committee as signers. He reminded the Committee that this line of credit has not been drawn from in three plus years and remains in place in the event that the organization needs access to emergency funding.

Public Comment – None.

Committee Discussion.

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

Motion carried: 3:0

CEO REPORT

6. CEO Report

Davison reviewed U.S. Travel's Travel Trends Index for August 2019 vs. August 2018. He reported out on the September Board Meeting action items. Davison also reported out on local meetings and his upcoming travel schedule. Based on the motion at the last Board Meeting, Visit SLO CAL has added language to the Advocacy Plan, noting that the organization would conduct proactive outreach with partners and would check in with members of the Executive Committee prior to taking a position on an issue. On September 13, 2019, Visit SLO CAL was issued its certificate of registration on the Supplemental Register for its SLO CAL Crafted® phrase and design service mark. Although conceived more two years ago, the advancement of SLO CAL Crafted® is also one of the recommendations in the Destination Management Strategy. Davison reported out on key takeaways from the Visit California Fall Board Meeting on October 10-11, 2019, and shared some of the research data that was provided during the meeting. He noted that Visit SLO CAL has a reserved table at the Central Coast Economic Forecast, happening November 8, 2019, and offered seats to the Committee. Currently, the date of the December Executive Committee meeting (Thursday, December 12, 2019) conflicts with the Destinations International Board Meeting. Davison asked if the Committee would prefer to cancel or reschedule this meeting. He also reported out on local meetings and his upcoming travel schedule.

Public Comment – None.

Committee Discussion. The Committee agreed to reschedule the December meeting for December 16, 2019.

BUSINESS ITEMS

7. Visit California – California Welcome Center

On September 29, Pismo Beach Premium Outlets (Simon Property Group) filed notice with State of California announcing they will be closing the California Welcome Center (CWC) due to lack of financial funding, leaving the future of this highly-trafficked CWC at stake. CWC is a countywide asset, and its uncertain if the CWC can be relocated somewhere else in Pismo Beach and meet the CWC requirements. Visit SLO CAL has been in discussions with Visit California about securing the CWC in SLO CAL, and staff is seeking direction to continue those discussions and explore a potential Visit SLO CAL sponsorship, with conditions, to secure CWC's future in the destination in Pismo Beach or elsewhere along the Highway 101. Davison noted that Visit SLO CAL would not run a CWC, but would be interested in funding a center to keep it in SLO CAL. He also noted that, based on the timing of the issue and the need for immediate attention, the Executive Committee would need to provide direction prior to the next Board meeting.

Public Comment – None.

Committee Discussion.

ACTION: Moved by Graves/Patel to allow the President & CEO to negotiate on behalf of Visit SLO CAL to keep the California Welcome Center in SLO CAL including sponsorship funding, with conditions, up to \$90,000 annually.

Motion carried: 3:0

8. Spartan Race Sponsorship

Davison outlined a sponsorship opportunity with The Spartan Race to bring their BEAST competition to Santa Margarita Ranch in March 2020. He noted that based on previous first year events, The Spartan Race expects 8000 competitors in the first year, and that the sponsorship opportunity would align with both the Active Adventurer persona and the Destination Management Strategy recommendation of bringing Signature Events to SLO CAL. In Monterey County's event, more than 3000 attendees come from 200+ miles away. Since the event would occur at Santa Margarita Ranch, lodging for the event would be needed in multiple surrounding communities meeting the directive of the event impacting multiple communities. Davison outlined the key metrics and noted that the activation would include up to \$60k in cash and in-kind sponsorship. Since AMGEN has confirmed that the Tour of California will not be in SLO CAL in 2020, budgeted funds would be deferred to this opportunity. The Spartan Race is looking for a three-year commitment, but this would be contingent on the renewal of the Tourism Marketing District and if The Spartan Race delivers on contracts and established expectations.

Public Comment – None.

Committee Discussion.

ACTION: Moved by Graves/Patel to allow the President & CEO to enter into contract negotiations with The Spartan Race, establishing a sponsorship of \$60k in total cash and in-kind sponsorship, for an event at Santa Margarita Ranch and replacing AMGEN Tour of California in 2020.

Motion carried: 3:0

9. TMD Renewal Update

Davison provided an update on the TMD renewal process, noting that since the County released the petition on August 1, 2019, Visit SLO CAL has collected petitions representing more than 600 lodging properties. Countywide petitions received in support total 73.18% (a super-majority), which doesn't include a number of petitions that are yet to be counted. Visit SLO CAL has audited the County's petition tracker to ensure that all submitted petitions were tracked. He provided an overview of collected petitions and percentage represented by each jurisdiction. He provided an update on meetings, noting that Pismo Beach City Council will hold the last remaining city council hearing in the process. All other jurisdictions have unanimously approved resolutions for the renewal. He reviewed the upcoming (tentative) schedule of Board of Supervisors hearings. He encouraged all Pismo Beach Board members to write a support letter to the City Council and to attend Tuesday's meeting, as well as to calendar the second and third Board of Supervisors hearings (on November 19, 2019 and January 7, 2020, respectively). He also requested feedback from the Committee on how Visit SLO CAL should approach working with organizations around the county that did not support the renewal of the Tourism Marketing District or recommended against the continuation of the district. He noted that a similar request for feedback would be included in the November Board agenda.

Public Comment – None.

Committee Discussion.

10. Marketing Update

Davison provided an update on travel trade efforts, partnership and events updates, and key marketing initiatives. He also reported out on paid, earned and owned media results.

Public Comment – None.

Committee Discussion.

11. Staffing Update

Davison requested feedback from the Committee on the inclusion of three new positions in the Budget Re-Forecast, which is scheduled to be presented for approval to the Board on January 15, 2020 (post-final Board of Supervisor TMD Renewal hearing on January 7): an Executive Assistant, a Sales Support role (level to be determined), and a Graphic Designer. He also announced that Brooke Burnham, VP of Marketing, will be transitioning off the team, effective December 20, 2019. He noted that he has been in contact with Searchwide as a national recruitment agency to identify replacement candidates. Searchwide has recommended that, based on the TMD's budget of \$7M+ post renewal, the role should be elevated to a Chief Marketing Officer (CMO), and that the salary range be increased accordingly.

Public Comment – None.

Committee Discussion.

ACTION: Moved by Graves/Patel to allow the President and CEO to contract Searchwide as the recruiter for the CMO position at suggested increased salary, posting the position as soon as possible.

Motion carried: 3:0

ACTION: Moved by Graves/Patel to recommend Board approval of the addition of three new positions – Sales Support, Executive Assistant and Graphic Designer – to the 2019/2020 Budget Re-Forecast.

Motion carried: 3:0

ADJOURNMENT

Adjourned at 1:22 pm.

San Luis Obispo County
Visitors & Conference Bureau
2019-2020 Financial Summary - September

Income	This Month	Budgeted for Month	MTD Variance	MTD Actual v. Budget %	MTD % of Total Income/ Expenses	FISCAL YTD	Budget YTD	YTD Variance	YTD Actual v. Budget %	YTD % of Total Income/ Expenses
Web & Ticket Revenue	\$ 754	\$ 850	\$ (96)	89%	0.16%	\$ 2,928	\$ 2,550	\$ 378	115%	0.20%
Co-op Revenue	\$ 4,916	\$ 7,833	\$ (2,918)	63%	1.01%	\$ 18,288	\$ 22,500	\$ (4,212)	81%	1.22%
Interest Income	\$ 1,142	\$ 1,733	\$ (591)	66%	0.24%	\$ 8,685	\$ 4,998	\$ 3,687	174%	0.58%
TMD Income										
Collected from Prior Year Assessments	\$ 1	\$ -	\$ 1	100%	0.00%	\$ 2,188	\$ 20,000	\$ (17,813)	11%	0.15%
SLO County Unincorporated	\$ 133,961	\$ 133,961	\$ -	100%	27.62%	\$ 430,208	\$ 430,208	\$ -	100%	28.79%
SLO City	\$ 80,738	\$ 80,738	\$ -	100%	16.64%	\$ 237,557	\$ 237,557	\$ -	100%	15.90%
Pismo Beach	\$ 96,844	\$ 96,844	\$ -	100%	19.96%	\$ 376,482	\$ 376,482	\$ -	100%	25.19%
Morro Bay	\$ 40,901	\$ 40,901	\$ -	100%	8.43%	\$ 130,175	\$ 130,175	\$ -	100%	8.71%
Paso Robles	\$ 56,253	\$ 56,253	\$ -	100%	11.60%	\$ 184,994	\$ 184,994	\$ -	100%	12.38%
Arroyo Grande	\$ 11,414	\$ 11,414	\$ -	100%	2.35%	\$ 34,145	\$ 34,145	\$ -	100%	2.28%
Atascadero **	\$ 45,089	\$ 45,089	\$ -	100%	9.29%	\$ 45,089	\$ 45,089	\$ -	100%	3.02%
Grover Beach	\$ 3,927	\$ 3,927	\$ -	100%	0.81%	\$ 14,444	\$ 14,444	\$ -	100%	0.97%
Adjustment for Actual TMD Collected	\$ 9,149	\$ -	\$ 9,149	100%	1.89%	\$ 9,149	\$ -	\$ 9,149	100%	0.61%
Total TMD Income	\$ 478,275	\$ 469,125	\$ 9,150			\$ 1,464,430	\$ 1,473,094	\$ (8,663)		
Total Income	\$ 485,087	\$ 479,541	\$ 5,546	101%	100.00%	\$ 1,494,332	\$ 1,503,141	\$ (8,810)	99%	100.00%
** District pays quarterly										
Expenses										
Contingency Reserve	\$ 23,951	\$ 23,499	\$ 453	102%	6.50%	\$ 73,368	\$ 73,782	\$ (414)	99%	7.62%
G&A	\$ 24,770	\$ 27,060	\$ (2,290)	92%	6.73%	\$ 68,919	\$ 83,057	\$ (14,139)	83%	7.16%
Industry Research and Resources	\$ 18,600	\$ 28,941	\$ (10,342)	64%	5.05%	\$ 57,581	\$ 104,307	\$ (46,726)	55%	5.98%
Travel Trade	\$ 16,628	\$ 24,351	\$ (7,723)	68%	4.51%	\$ 54,847	\$ 68,618	\$ (13,771)	80%	5.70%
Communications	\$ 21,921	\$ 19,082	\$ 2,839	115%	5.95%	\$ 66,550	\$ 68,980	\$ (2,430)	96%	6.92%
Advertising	\$ 205,132	\$ 241,328	\$ (36,197)	85%	55.70%	\$ 488,861	\$ 560,216	\$ (71,355)	87%	50.81%
Promotions	\$ 3,661	\$ 3,683	\$ (22)	99%	0.99%	\$ 7,338	\$ 8,384	\$ (1,046)	88%	0.76%
Events	\$ 6,286	\$ 4,133	\$ 2,153	152%	1.71%	\$ 12,300	\$ 16,398	\$ (4,098)	75%	1.28%
Digital Marketing	\$ 24,212	\$ 28,050	\$ (3,838)	86%	6.57%	\$ 71,963	\$ 85,999	\$ (14,036)	84%	7.48%
Film Commission	\$ -	\$ 2,794	\$ (2,794)	0%	0.00%	\$ 814	\$ 8,018	\$ (7,204)	10%	0.08%
Engagement & Advocacy	\$ 23,152	\$ 31,706	\$ (8,554)	73%	6.29%	\$ 59,678	\$ 97,354	\$ (37,676)	61%	6.20%
Total Expenses	\$ 368,312	\$ 434,627	\$ (66,315)	85%	100.00%	\$ 962,219	\$ 1,175,115	\$ (212,896)	82%	100.00%
Surplus(Deficit)	\$ 116,775	\$ 44,914	\$ 71,860	260%		\$ 532,113	\$ 328,027	\$ 204,087	162%	

Cash Flow

Surplus (Deficit)	\$ 116,775	\$ 532,113
Beginning Cash Balance	\$ 1,694,751	\$ 1,583,994
Change in Accounts Receivable	\$ 50,235	\$ (23,135)
Change in Accrued Expenses	\$ 17,698	\$ 150,229
Change in Prepaid Expenses	\$ (49,823)	\$ (195,608)
Change in Accounts Payable	\$ 146,674	\$ (120,700)
Change in Reserve Contingency	\$ 23,951	\$ 73,368

Ending Cash Balance

\$ 2,000,261

Contingency Reserve - 5% of Cumulative Revenue

\$ (862,798)

Liability on Balance Sheet

Net Available Cash

\$ 1,137,463

Notes:

- \$117k surplus for September (\$72k larger surplus than budgeted). \$532k surplus year-to-date (\$204k larger surplus than budgeted).

- All TMD amounts accrued through July have been collected.

- Monies received from partners to help fund initiatives (co-op) are now being recorded as Income, versus a credit to Expenses as they have been recorded in the past.

Visit SLO CAL

Balance Sheet Prev Year Comparison

As of September 30, 2019

	Sep 30, 19	Sep 30, 18	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1010 · Bank of the Sierra - TMD	859,034.63	1,067,443.84	-208,409.21	-19.5%
1020 · Bank of the Sierra - Membership	269,598.09	204,120.26	65,477.83	32.1%
1030 · Morgan Stanley - TMD	691,574.56	448,454.07	243,120.49	54.2%
1040 · Morgan Stanley - Membership	104,649.74	101,072.22	3,577.52	3.5%
Total Checking/Savings	1,924,857.02	1,821,090.39	103,766.63	5.7%
Accounts Receivable				
1200 · Accounts Receivable	933,825.27	898,287.16	35,538.11	4.0%
Total Accounts Receivable	933,825.27	898,287.16	35,538.11	4.0%
Other Current Assets				
1320 · Prepaid Rent	4,369.95	4,369.95	0.00	0.0%
1340 · Workman's Comp Deposit	744.40	367.00	377.40	102.8%
1350 · Prepaid Expenses	250,033.98	53,254.05	196,779.93	369.5%
1330 · Employee Advances	7.26	0.00	7.26	100.0%
1499 · Undeposited Funds	75,403.90	67,699.97	7,703.93	11.4%
Total Other Current Assets	330,559.49	125,690.97	204,868.52	163.0%
Total Current Assets	3,189,241.78	2,845,068.52	344,173.26	12.1%
Fixed Assets				
1400 · Fixed Assets				
1405 · Computer Hardware/Software	31,747.44	31,747.44	0.00	0.0%
1410 · Furniture & Fixtures	102,213.07	102,213.07	0.00	0.0%
1415 · Leasehold Improvements	71,766.15	71,766.15	0.00	0.0%
1425 · Office Equipment	19,488.10	19,488.10	0.00	0.0%
Total 1400 · Fixed Assets	225,214.76	225,214.76	0.00	0.0%
1500 · Accumulated Depreciation				
1505 · Comp. Hdwr/Sftwr. Acc. Depr.	-17,156.17	-17,156.17	0.00	0.0%
1510 · Furn. & Fixt. Accum. Depr.	-10,765.00	-10,765.00	0.00	0.0%
1515 · Leasehold Imp. Accum. Depr.	-2,987.00	-2,987.00	0.00	0.0%
1525 · Office Equip. Accum. Depr.	-15,556.00	-15,556.00	0.00	0.0%
Total 1500 · Accumulated Depreciation	-46,464.17	-46,464.17	0.00	0.0%
Total Fixed Assets	178,750.59	178,750.59	0.00	0.0%
Other Assets				
1600 · Intangibles				
1605 · Trademark - Slocal	15,750.00	15,750.00	0.00	0.0%
Total 1600 · Intangibles	15,750.00	15,750.00	0.00	0.0%
Total Other Assets	15,750.00	15,750.00	0.00	0.0%
TOTAL ASSETS	3,383,742.37	3,039,569.11	344,173.26	11.3%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts Payable	230,178.91	65,398.86	164,780.05	252.0%
Total Accounts Payable	230,178.91	65,398.86	164,780.05	252.0%
Credit Cards				
2060 · American Express Credit Card	4,134.99	5,825.70	-1,690.71	-29.0%
Total Credit Cards	4,134.99	5,825.70	-1,690.71	-29.0%
Other Current Liabilities				
2070 · Accrued Liabilities	147,649.01	93,160.70	54,488.31	58.5%
2010 · Deferred Revenue	3,000.00	2,055.00	945.00	46.0%
2100 · Payroll Liabilities				
2115 · Company ETT Payable	2.19	0.00	2.19	100.0%
2125 · Company FUTA Payable	13.16	0.00	13.16	100.0%
2135 · Company SUI Payable	107.50	0.00	107.50	100.0%
2160 · Health Insurance Withheld	-509.53	23.63	-533.16	-2,256.3%
Total 2100 · Payroll Liabilities	-386.68	23.63	-410.31	-1,736.4%
Total Other Current Liabilities	150,262.33	95,239.33	55,023.00	57.8%

3:24 PM

10/14/19

Accrual Basis

Visit SLO CAL
Balance Sheet Prev Year Comparison
As of September 30, 2019

	Sep 30, 19	Sep 30, 18	\$ Change	% Change
Total Current Liabilities	384,576.23	166,463.89	218,112.34	131.0%
Total Liabilities	384,576.23	166,463.89	218,112.34	131.0%
Equity				
3120 · Reserved Earnings	862,797.76	641,137.85	221,659.91	34.6%
3130 · Retained Earnings	1,604,255.37	1,522,038.79	82,216.58	5.4%
Net Income	532,113.01	709,928.58	-177,815.57	-25.1%
Total Equity	2,999,166.14	2,873,105.22	126,060.92	4.4%
TOTAL LIABILITIES & EQUITY	3,383,742.37	3,039,569.11	344,173.26	11.3%

San Luis Obispo County
Visitors & Conference Bureau
2019-2020 Financial Summary - October

Income	This Month	Budgeted for Month	MTD % of Total			FISCAL YTD	Budget YTD	YTD % of Total		
			MTD Variance	MTD Actual v. Budget %	Income/ Expenses			YTD Variance	YTD Actual v. Budget %	Income/ Expenses
Web & Ticket Revenue	\$ 635	\$ 850	\$ (215)	75%	0.18%	\$ 3,563	\$ 5,275	\$ (1,712)	68%	0.19%
Co-op Revenue	\$ 6,815	\$ 7,333	\$ (519)	93%	1.88%	\$ 25,103	\$ 29,833	\$ (4,730)	84%	1.35%
Interest Income	\$ 1,587	\$ 1,733	\$ (146)	92%	0.44%	\$ 10,272	\$ 6,731	\$ 3,542	153%	0.55%
TMD Income										
Collected from Prior Year Assessments	\$ -	\$ -	\$ -	100%	0.00%	\$ 2,188	\$ 20,000	\$ (17,813)	11%	0.12%
SLO County Unincorporated	\$ 99,756	\$ 99,756	\$ -	100%	27.58%	\$ 529,964	\$ 529,964	\$ -	100%	28.55%
SLO City	\$ 62,050	\$ 62,050	\$ -	100%	17.16%	\$ 299,607	\$ 299,607	\$ -	100%	16.14%
Pismo Beach	\$ 80,492	\$ 80,492	\$ -	100%	22.26%	\$ 456,974	\$ 456,974	\$ -	100%	24.62%
Morro Bay	\$ 31,027	\$ 31,027	\$ -	100%	8.58%	\$ 161,202	\$ 161,202	\$ -	100%	8.69%
Paso Robles	\$ 54,597	\$ 54,597	\$ -	100%	15.10%	\$ 239,591	\$ 239,591	\$ -	100%	12.91%
Arroyo Grande	\$ 7,785	\$ 7,785	\$ -	100%	2.15%	\$ 41,930	\$ 41,930	\$ -	100%	2.26%
Atascadero **	\$ -	\$ -	\$ -	100%	0.00%	\$ 45,089	\$ 45,089	\$ -	100%	2.43%
Grover Beach	\$ 2,723	\$ 2,723	\$ -	100%	0.75%	\$ 17,167	\$ 17,167	\$ -	100%	0.92%
Adjustment for Actual TMD Collected	\$ 14,195	\$ -	\$ 14,195	100%	3.92%	\$ 23,345	\$ -	\$ 23,345	100%	1.26%
Total TMD Income	\$ 352,626	\$ 338,430	\$ 14,195			\$ 1,817,056	\$ 1,811,524	\$ 5,532		
Total Income	\$ 361,663	\$ 348,347	\$ 13,316	104%	100.00%	\$ 1,855,994	\$ 1,853,363	\$ 2,631	100%	100.00%
** District pays quarterly										
Expenses										
Contingency Reserve	\$ 17,663	\$ 16,964	\$ 699	104%	3.89%	\$ 91,031	\$ 90,746	\$ 285	100%	6.43%
G&A	\$ 33,034	\$ 34,244	\$ (1,210)	96%	7.27%	\$ 101,953	\$ 117,301	\$ (15,348)	87%	7.20%
Industry Research and Resources	\$ 13,693	\$ 29,957	\$ (16,264)	46%	3.01%	\$ 71,274	\$ 134,265	\$ (62,990)	53%	5.03%
Travel Trade	\$ 25,069	\$ 32,592	\$ (7,522)	77%	5.52%	\$ 79,916	\$ 101,210	\$ (21,293)	79%	5.64%
Communications	\$ 29,558	\$ 34,144	\$ (4,586)	87%	6.50%	\$ 96,109	\$ 103,124	\$ (7,016)	93%	6.78%
Advertising	\$ 287,559	\$ 276,085	\$ 11,474	104%	63.27%	\$ 776,420	\$ 836,201	\$ (59,781)	93%	54.81%
Promotions	\$ 2,449	\$ 1,683	\$ 766	146%	0.54%	\$ 9,787	\$ 10,067	\$ (280)	97%	0.69%
Events	\$ 2,650	\$ 1,633	\$ 1,017	162%	0.58%	\$ 14,950	\$ 18,031	\$ (3,081)	83%	1.06%
Digital Marketing	\$ 19,699	\$ 24,059	\$ (4,360)	82%	4.33%	\$ 91,662	\$ 110,058	\$ (18,396)	83%	6.47%
Film Commission	\$ -	\$ 3,214	\$ (3,214)	0%	0.00%	\$ 814	\$ 11,232	\$ (10,418)	7%	0.06%
Engagement & Advocacy	\$ 23,094	\$ 29,807	\$ (6,712)	77%	5.08%	\$ 82,772	\$ 127,161	\$ (44,389)	65%	5.84%
Total Expenses	\$ 454,469	\$ 484,381	\$ (29,911)	94%	100.00%	\$ 1,416,688	\$ 1,659,396	\$ (242,708)	85%	100.00%
Surplus(Deficit)	\$ (92,806)	\$ (136,034)	\$ 43,228	68%		\$ 439,307	\$ 193,967	\$ 245,339	226%	

Cash Flow				
Surplus (Deficit)	\$ (92,806)		\$ 439,307	
Beginning Cash Balance	\$ 2,006,511		\$ 1,583,994	
Change in Accounts Receivable	\$ (2,552)		\$ (25,688)	
Change in Accrued Expenses	\$ 38,248		\$ 188,477	
Change in Prepaid Expenses	\$ 5,876		\$ (189,732)	
Change in Accounts Payable	\$ (29,761)		\$ (144,211)	
Change in Reserve Contingency	\$ 17,663		\$ 91,031	
Ending Cash Balance	\$ 1,943,179		\$ 1,943,179	
Contingency Reserve - 5% of Cumulative Revenue	\$ (880,461)		\$ (880,461)	
Liability on Balance Sheet				
Net Available Cash	\$ 1,062,718		\$ 1,062,718	

Notes:

- \$93k deficit for October (\$43k smaller deficit than budgeted). \$439k surplus year-to-date (\$245k larger surplus than budgeted).
- All TMD amounts accrued through August have been collected.
- Monies received from partners to help fund initiatives (co-op) are now being recorded as Income, versus a credit to Expenses as they have been recorded in the past.

Visit SLO CAL
Balance Sheet Prev Year Comparison
As of October 31, 2019

	Oct 31, 19	Oct 31, 18	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1010 · Bank of the Sierra - TMD	874,231.93	1,063,233.61	-189,001.68	-17.8%
1020 · Bank of the Sierra - Membership	271,153.22	209,501.23	61,651.99	29.4%
1030 · Morgan Stanley - TMD	692,868.13	526,134.12	166,734.01	31.7%
1040 · Morgan Stanley - Membership	104,925.33	101,176.22	3,749.11	3.7%
Total Checking/Savings	1,943,178.61	1,900,045.18	43,133.43	2.3%
Accounts Receivable				
1200 · Accounts Receivable	936,377.61	742,372.04	194,005.57	26.1%
Total Accounts Receivable	936,377.61	742,372.04	194,005.57	26.1%
Other Current Assets				
1320 · Prepaid Rent	4,369.95	4,369.95	0.00	0.0%
1340 · Workman's Comp Deposit	744.40	367.00	377.40	102.8%
1350 · Prepaid Expenses	244,104.57	129,782.21	114,322.36	88.1%
1330 · Employee Advances	60.52	-265.71	326.23	122.8%
1499 · Undeposited Funds	0.00	259,139.95	-259,139.95	-100.0%
Total Other Current Assets	249,279.44	393,393.40	-144,113.96	-36.6%
Total Current Assets	3,128,835.66	3,035,810.62	93,025.04	3.1%
Fixed Assets				
1400 · Fixed Assets				
1405 · Computer Hardware/Software	31,747.44	31,747.44	0.00	0.0%
1410 · Furniture & Fixtures	102,213.07	102,213.07	0.00	0.0%
1415 · Leasehold Improvements	71,766.15	71,766.15	0.00	0.0%
1425 · Office Equipment	19,488.10	19,488.10	0.00	0.0%
Total 1400 · Fixed Assets	225,214.76	225,214.76	0.00	0.0%
1500 · Accumulated Depreciation				
1505 · Comp. Hdw'r/Sftwr. Acc. Depr.	-17,156.17	-17,156.17	0.00	0.0%
1510 · Furn. & Fixt. Accum. Depr.	-10,765.00	-10,765.00	0.00	0.0%
1515 · Leasehold Imp. Accum. Depr.	-2,987.00	-2,987.00	0.00	0.0%
1525 · Office Equip. Accum. Depr.	-15,556.00	-15,556.00	0.00	0.0%
Total 1500 · Accumulated Depreciation	-46,464.17	-46,464.17	0.00	0.0%
Total Fixed Assets	178,750.59	178,750.59	0.00	0.0%
Other Assets				
1600 · Intangibles				
1605 · Trademark - Slocal	15,750.00	15,750.00	0.00	0.0%
Total 1600 · Intangibles	15,750.00	15,750.00	0.00	0.0%
Total Other Assets	15,750.00	15,750.00	0.00	0.0%
TOTAL ASSETS	3,323,336.25	3,230,311.21	93,025.04	2.9%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts Payable	203,367.67	140,356.92	63,010.75	44.9%
Total Accounts Payable	203,367.67	140,356.92	63,010.75	44.9%
Credit Cards				
2060 · American Express Credit Card	7,435.56	12,432.40	-4,996.84	-40.2%
Total Credit Cards	7,435.56	12,432.40	-4,996.84	-40.2%
Other Current Liabilities				
2070 · Accrued Liabilities	185,636.33	150,578.06	35,058.27	23.3%
2010 · Deferred Revenue	4,000.00	3,055.00	945.00	30.9%
2100 · Payroll Liabilities				
2160 · Health Insurance Withheld	-1,126.04	-1,357.72	231.68	17.1%
Total 2100 · Payroll Liabilities	-1,126.04	-1,357.72	231.68	17.1%
Total Other Current Liabilities	188,510.29	152,275.34	36,234.95	23.8%
Total Current Liabilities	399,313.52	305,064.66	94,248.86	30.9%
Total Liabilities	399,313.52	305,064.66	94,248.86	30.9%

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Accrual Basis

Visit SLO CAL
Balance Sheet Prev Year Comparison
As of October 31, 2019

	Oct 31, 19	Oct 31, 18	\$ Change	% Change
Equity				
3120 · Reserved Earnings	880,460.81	659,369.12	221,091.69	33.5%
3130 · Retained Earnings	1,604,255.37	1,522,038.79	82,216.58	5.4%
Net Income	439,306.55	743,838.64	-304,532.09	-40.9%
Total Equity	2,924,022.73	2,925,246.55	-1,223.82	0.0%
TOTAL LIABILITIES & EQUITY	3,323,336.25	3,230,311.21	93,025.04	2.9%

DRAFT



Strategic Direction 2023

Visit SLO CAL

November 5, 2019
Submitted by Coraggio Group

2240 N. Interstate Avenue, Suite 300
Portland, OR 97227
503.493.1452

coraggiogroup.com

Scope of Work

Phase One: Get Clear

In preparation for developing Strategic Direction 2023, Visit SLO CAL will form an eight- to twelve-member Strategic Planning Team (SPT) made up of key staff members, Board members, and possibly other community representatives. Coraggio will facilitate a series of meetings with the SPT to arrive at the elements of the plan. To ensure the most efficient process, it will be important for the members of the SPT to consistently attend planning meetings.

Kickoff Phone Call

To build a foundational understanding of your current situation and your needs for the project, we will meet with Chuck and a few key SPT members for a 90-minute telephone work session. We will prepare an outline and educated questions for this conversation and what we learn in this working session will shape our approach to the project and will help us target our engagement activities in the rest of the Get Clear phase.

Investor/Stakeholder Engagement Sessions

We will conduct four investor/stakeholder engagement sessions in different regions of the county—the Five Cities region, San Luis Obispo, the North Coast, and North County. At each three-hour session, we will guide a large group of investors/stakeholders through engaging activities meant to accomplish the following goals:

- Build investor/stakeholder understanding of timing and mechanics of additional TMD funding
- Gain understanding of investor/stakeholder hopes for uses of additional TMD funding
- Gather input related to the strategic direction of Visit SLO CAL: the strengths, weaknesses, opportunities and threats ahead of the organization
- Build investor/stakeholder buy-in for Strategic Direction 2023

Board Member Interviews

Understanding the needs, expectations, opinions and insights of your Board members is critical input to developing the strategic plan and making informed business decisions. We will perform 30-minute telephone interviews of all 15 of these stakeholders.

Survey Development and Management

Concurrently with the stakeholder engagement sessions and Board interviews, we will develop and deploy an investor/stakeholder survey that will allow you to gain even broader input. This outreach early in the project builds understanding of strategic issues, and also engages Visit SLO CAL team members, investors and stakeholders in a way that lets them feel heard as part of the planning process. The staff portion of this survey will also include the Gallup Q-12 Employee Engagement instrument to test progress against the benchmark set in November of 2018.

Marketing Committee Retreat

As a final piece of the engagement phase, we will facilitate the Visit SLO CAL Marketing Committee Retreat in early March. This facilitation will serve the traditional purpose of aligning all your marketing partners with your strategic direction, but in this planning year will also serve as a forum to hear from these stakeholders in relationship to both the expanded TMD funding and Strategic Direction 2023.

Insights Report

When we have completed the telephone interviews and the survey, we will synthesize what we learned into a collection of key themes—an Insight Report that will highlight, for each theme, a top-level understanding of the issue, a collection of quotes that support the theme, and key strategic implications for Visit SLO CAL. This report will serve as a guide throughout the planning process and will be shared with the SPT at the beginning of the planning process.



Phase Two: Get Focused

We will structure the planning work, as we did three years ago, in paired work sessions—an afternoon four-hour work session followed by a morning four-hour work session. Within each pair of work sessions, we will invite investors/stakeholders to join us for one hour to review our progress and offer feedback.

Work Sessions 1 & 2: Strategic Imperatives and Objectives

In the first part of the first two work sessions, we will share the results of our discovery phase in the Insight Report, will review your Vision, Mission, Values, Brand Intention and Position statements and will work with the SPT to begin to define the “Strategic Focus” portion of the plan, which includes these elements:

- **Strategic Imperatives**
What must be accomplished over the planning horizon?
- **Objectives**
How will we measure success?

For this pair of workshops, we will invite investors/stakeholders to join for an hour after the second (morning session) to learn about progress and offer feedback.

Work Sessions 3 & 4: Initiatives and Revisions

In the second pair of work sessions, we will work with your SPT to align on the “Action” part of the plan—the Initiatives that you will undertake within the planning horizon:

- **Initiatives**
What collective actions do we need to take, that are transformative in nature?

Coming out of the Initiative work session, you will have a draft Strategic Plan. For this pair of workshops, we will invite investors/stakeholders to join for an hour after the third (afternoon session) to learn about progress and offer feedback in advance of the morning Revision Session.

In the Revisions Workshop, we will work with the SPT to think through the feedback you received from the investor/stakeholder group and make any adjustments to the plan that are necessary. The key outcome of this meeting is a final draft of the Strategic Plan.

Phase Three: Get Moving

Deliverable: Final Strategic Plan and Board Presentation

Once we complete the work sessions, we will take some time to collect everything the SPT decided into one coherent document. We have a one-page Strategic Plan format, you know it as the “placemat”, that has proven very effective at helping participants and non-participants alike to understand the overview of the strategic plan, while also being able quickly reference the specifics. In this way, the final document acts as both a guide to working the plan, and as a tool for communicating it.

In our budget, we have included time for one consultant to travel to SLO CAL to assist in the presentation of the final Strategic Plan to your Board and other investors/stakeholders.

Quarterly Check-Ins

Once approved, we have planned to conduct three quarterly check-ins with you via telephone, to offer support and coaching to ensure that the Strategic Plan is effectively activated over the coming year.



Proposed Investment

The requested investment for the work described in this proposal is \$48,373, not including travel and overnight expenses—which will be charged through at cost. We will provide monthly invoices for work completed, due Net 15.

Phases	Tasks/Deliverables	Task Subtotal
Get Clear	<ul style="list-style-type: none">Kickoff Phone CallInvestor/Stakeholder Engagement SessionsBoard Member InterviewsSurvey Development and ManagementMarketing Committee RetreatInsights Report	\$21,763.73
Get Focused	<ul style="list-style-type: none">Work Sessions 1 & 2: Strategic Imperatives and ObjectivesWork Sessions 3 & 4: Initiatives and Revisions	\$20,037.33
Get Moving	<ul style="list-style-type: none">Deliverable: Final Strategic Plan and Board PresentationQuarterly Check-Ins	\$6,571.93
Total:		\$48,373.00



Project Team



Matthew Landkamer Principal and Project Lead

Matthew helps clients think through, better understand and then take action on their most important strategy, organizational change, and brand challenges. His art and design background, combined with hands-on business experience, allows him to bring a unique balance of creative design thinking and strategic rigor to each of his client engagements. He is a skilled facilitator and problem solver with an impressive ability to start the conversations that need to be had inside organizations, and among organizational leaders—the kind of conversations that lead to valuable insights, bold thinking and needed results.

Matthew has spent 18 years leading marketing and strategy initiatives for organizations of all sizes from large companies to small, entrepreneurial ventures. He has worked with a wide range of Travel & Tourism organizations such as Visit San Luis Obispo County, Travel Portland, Visit West Hollywood, Ontario Convention & Visitors Bureau, and NBC Universal Studios Hollywood.

Select Relevant Experience:

- Visit SLO CAL
Strategic Plan
- Beverly Hills Convention & Visitors Bureau
Destination Development Plan
- Santa Monica Travel & Tourism
Destination Perception Study
- Carbon County, Utah
Destination Development Plan
- Visit New Hampshire
Organizational Alignment and Vision
- San Francisco Travel
Vision and Strategic Plan
- Visit West Hollywood
Strategic Plan & BID Charters
- NBC Universal Studios Hollywood
Strategic Business Development Study and Planning
- Santa Monica Travel & Tourism
Experience Management Plan
- New Mexico Tourism Department
Destination Roadmap—In progress
- Visit California
Tourism Sustainability Plan—In progress

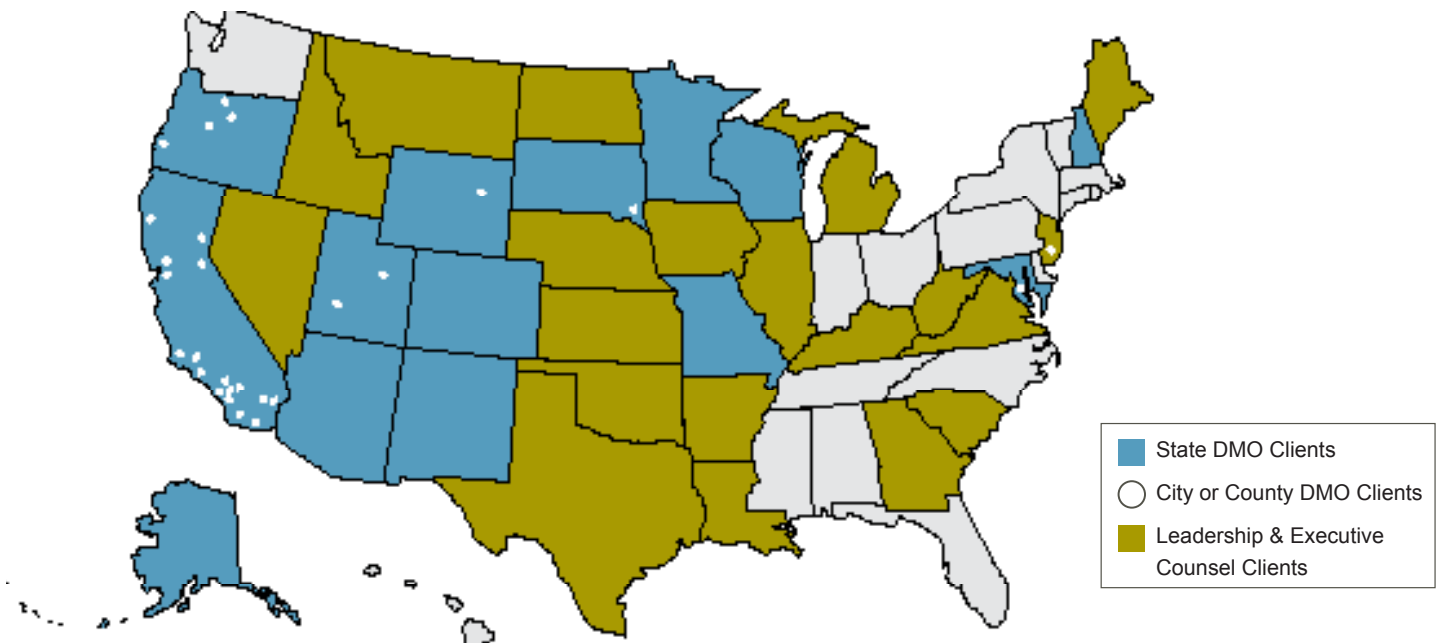


About Coraggio

Since 2005, Coraggio has been helping tourism leaders envision their organization's future, create exciting plans, and foster the agile teams they need to get there. Our team helps clients better understand their rapidly changing operating environments, determine how to respond to complex challenges and position their organizations and destinations to seize the right opportunities.

Coraggio is the only firm in the U.S. that has our powerful combination of strategy expertise, organizational effectiveness and destination marketing experience at every scale within the travel and tourism sector, as evidenced by:

- **We have been hired by U.S. Travel**—for the fourth year running—to design and lead their annual leadership forum for state tourism directors (National Council of State Tourism Directors). These forums emphasize practical ways to strengthen leadership and organizational effectiveness.
- This year alone, **we have been or will be featured speakers** at the Oregon, South Dakota, Arizona, Missouri, New Hampshire and Utah state tourism conferences, where we are speaking on organizational effectiveness, destination perception and strategy. We also spoke last year at U.S. Travel's ESTO (Educational Seminar for Tourism Organizations) conference—one of the biggest annual conferences for destination marketing in the U.S.—and this year will facilitate the second annual WESTO conference that brings together leadership from most of the 15 states that make up the Western States Tourism Policy Council.
- We have **worked directly with the leadership teams and industry stakeholders of eleven state tourism offices**, and with dozens of city and county tourism agencies nationally.
- In addition to travel & tourism industry expertise, **our team members have backgrounds in marketing and economics** that help them understand the unique needs of destination marketing organizations.



Destination Marketing Experience

Helping our clients take big leaps forward is what we do best.



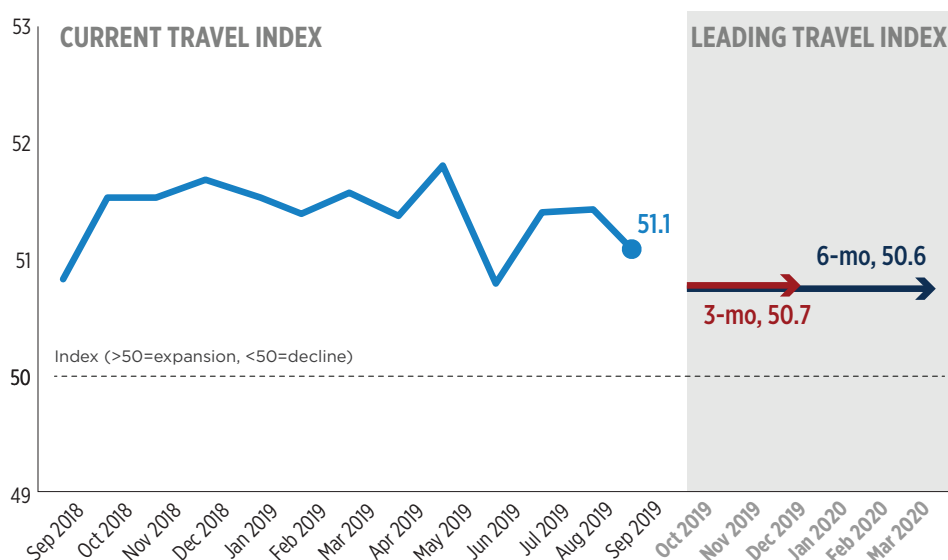
“Coraggio has a gift for identifying the key issues and guiding a group to the heart of the matter. In facilitating a recent planning process for a Colorado leadership initiative, Coraggio led us in crafting not only a compelling vision for our program, but in defining its value along with a structure for its governance. On a truly complex topic, they led us to a place that satisfied all participants.” — Cathy Ritter, Director, Colorado Tourism Office



SEPTEMBER TRAVEL TRENDS INDEX

The Travel Trends Index measures the direction and pace of travel volume to and within the U.S. on a monthly basis. The index includes a Current Travel Index (CTI) and a Leading Travel Index (LTI). Both the CTI and the LTI include subcomponents (domestic, international, leisure and business).

Analysis provided by
 OXFORD
ECONOMICS



SOURCE: Oxford Economics, U.S. Travel Association

CTI reading of **51.1** in **September 2019** indicates that travel to or within the U.S. grew **2.2%** in **September 2019** compared to September 2018.

LTI predicts travel growth will moderate through March 2020, a result of softer growth in domestic leisure travel and continued weakness in international inbound and domestic business travel.

Overall travel volume (person trips to or within the United States involving a hotel stay or air travel) grew at a slower year-over-year rate in September 2019 compared to August 2019. Domestic travel growth remains solid, primarily supported by the leisure segment; international inbound travel declined for the fifth month this year.

HIGHLIGHTS:

* For CTI and LTI definitions, please see below.

- The Current Travel Index (CTI) has registered at or above the 50 mark for 117 straight months, as the industry sustains its 10th consecutive year of expansion.
- The CTI was positive in September, registering 51.1 (indicating 2.2% y/y growth). This is moderately lower than the 6-month moving average (2.6%).
- International inbound contracted in September (-0.4%), continuing the segment's weakness. The Leading Travel Index (LTI) projects that inbound travel volume will decline about 0.6% over the next six months compared to the same period last year.
- Domestic leisure travel growth carried its strength into September (3.0%), but eased below its recent six-month trend (3.6%). The business segment experienced subdued growth (1.2%), on par with its six-month trend.
- The 6-month LTI reading of 50.6 indicates that total U.S. travel volume is expected to grow at a 1.2% rate through March 2020. Over the same period, domestic travel is expected to ease toward 1.4% growth and international inbound will remain slightly negative.

The Oxford/U.S. Travel **Current Travel Index (CTI)** measures the direction and pace of travel volume to and within the U.S. on a monthly basis compared to the same month in the prior year. The index is comprised of a weighting of hotel room demand and air passenger enplanements that represents the overall volume of travelers each month. A score above 50 indicates expansion. A score below 50 indicates decline.

The Oxford/U.S. Travel **Leading Travel Index (LTI)** is an indicator of the future direction and pace of travel volume to and within the U.S. over the coming three and six months compared to the same period in the prior year. The LTIs represent average readings over the next three and six months. The LTI econometric model is based on data sets that have demonstrated to predict near-term future travel: online travel searches and bookings for future travel, consumer travel intentions data, and economic fundamentals. A score above 50 indicates expansion. A score below 50 indicates decline.

SEPTEMBER TRAVEL TRENDS INDEX (CONT.)

	CTI	3-MONTH LTI*	6-MONTH LTI**
AUGUST INDEX	51.5	50.9	50.8
SEPTEMBER INDEX	51.1	50.7	50.6
DIRECTION AND SPEED	Travel demand increased; at a slower rate than the previous month	Travel is expected to grow over the coming 3 months; at a slower rate	Travel is expected to grow over the coming 6 months; at a slower rate

* Average outlook reading for Oct 2019 to Dec 2019
 ** Average outlook reading for Oct 2019 to Mar 2020



The TTI has been largely consistent with general economic trends through the first three quarters of 2019: domestic leisure travel has been outpacing business travel and international inbound travel has been essentially flat. The forward-looking LTI signals that the economic expansion, while continuing, will decelerate somewhat over the next two quarters.

DAVID HUETHER
 Senior Vice President, Research

DETAILED RESULTS:

Domestic travel rose 2.4% in September and was carried primarily by the leisure segment (3.0%) as the business segment landed on a softer growth path (1.2%), on par with its six-month average. Leisure travel growth is expected to endure at approximately 1.6% through the coming six months—around half its current pace—while business travel growth is expected to remain unchanged from the previous six months. Vacation intentions remain elevated year-over-year in each month of this year; however, forward-looking booking and search data provide mixed signals.

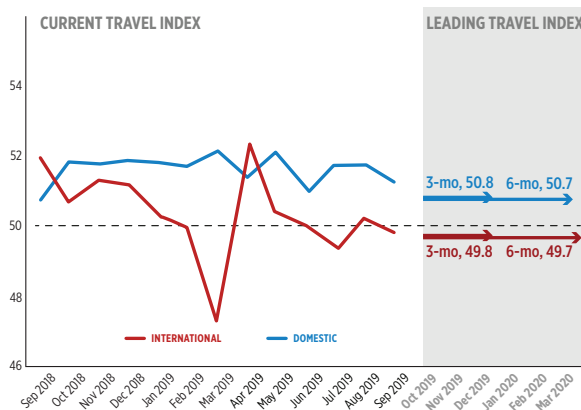
International inbound demand declined year-over-year in September. The segment has oscillated between positive and negative territory in 2019, shrinking in five of nine months. Over the coming months, international inbound travel growth is expected to remain suppressed by economic and policy-based headwinds resulting in a year-over-year decline.

	CURRENT TRAVEL INDEX (CTI)				LEADING TRAVEL INDEX (LTI)		6-MO LTI VS. CTI 6-MO AVG.	
	6-MONTH AVG	JULY	AUGUST	SEPTEMBER	3-MONTH*	6-MONTH**	DIRECTION	SPEED
TOTAL MARKET	51.3	51.4	51.5	51.1	50.7	50.6	Increasing	Slower
INTERNATIONAL	50.3	49.3	50.2	49.8	49.8	49.7	Decreasing	-
DOMESTIC	51.5	51.7	51.6	51.2	50.8	50.7	Increasing	Slower
BUSINESS	50.6	50.9	50.6	50.6	50.7	50.6	Increasing	-
LEISURE	51.8	51.9	52.0	51.5	50.9	50.8	Increasing	Slower

* Average outlook reading for Oct 2019 to Dec 2019
 ** Average outlook reading for Oct 2019 to Mar 2020

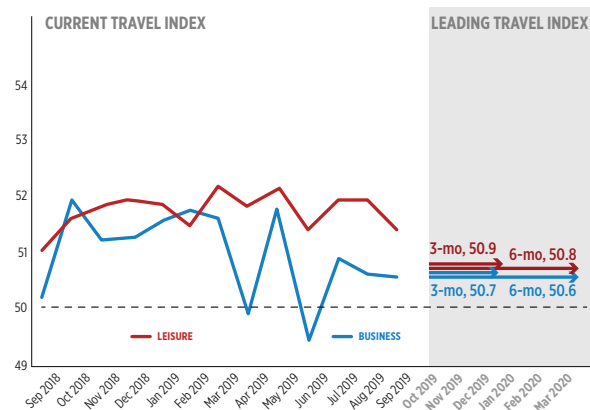
SEPTEMBER DOMESTIC AND INTERNATIONAL TRAVEL INDEX

Index (>50 = expansion, <50 = decline)



SEPTEMBER DOMESTIC BUSINESS AND LEISURE TRAVEL INDEX

Index (>50 = expansion, <50 = decline)



The Oxford/U.S. Travel **Current Travel Index (CTI)** measures the direction and pace of travel volume to and within the U.S. on a monthly basis compared to the same month in the prior year. The index is comprised of a weighting of hotel room demand and air passenger enplanements that represents the overall volume of travelers each month. A score above 50 indicates expansion. A score below 50 indicates decline.

The Oxford/U.S. Travel **Leading Travel Index (LTI)** is an indicator of the future direction and pace of travel volume to and within the U.S. over the coming three and six months compared to the same period in the prior year. The LTIs represent average readings over the next three and six months. The LTI econometric model is based on data sets that have demonstrated to predict near-term future travel: online travel searches and bookings for future travel, consumer travel intentions data, and economic fundamentals. A score above 50 indicates expansion. A score below 50 indicates decline.

SEPTEMBER TRAVEL TRENDS INDEX (CONT.)

The LTI indicates that domestic travel is anticipated to expand approximately 1.4% year-over-year through March 2020. The leisure segment will contribute the majority of growth despite moderating, while business travel will persist at its current subdued growth rate. Consumer confidence and expectations retreated in September, and the prevailing consumer spending strength that has underpinned overall economic growth is expected to abate some through the start of 2020. Business activity has cooled, particularly in manufacturing, signaling subdued investment prospects. Trade conflicts will continue to weigh upon the domestic travel market and pose additional downside risks through the next six months.

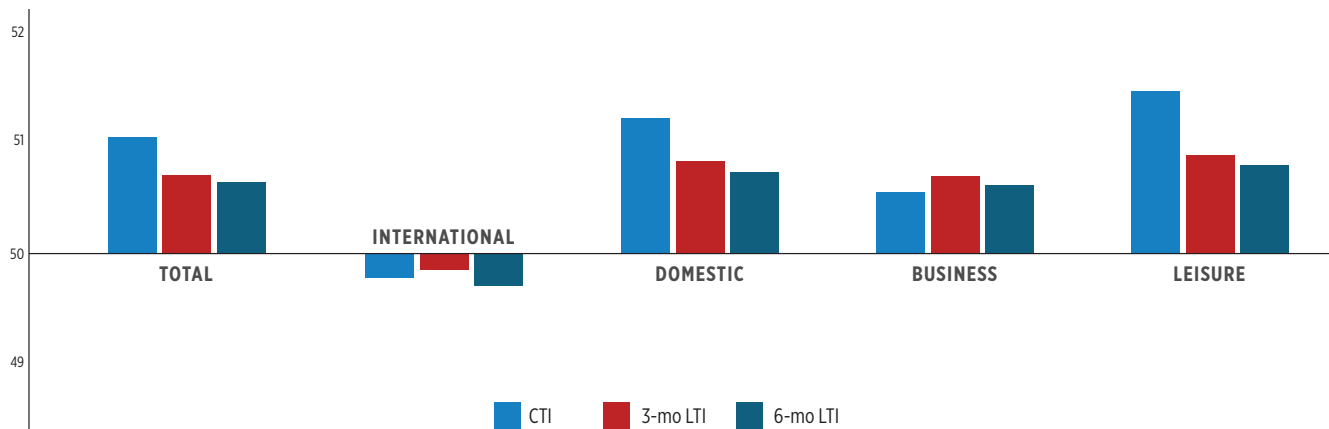
International inbound travel demand receded year-over-year in September, marking the fifth month in negative territory in 2019. Looking ahead, the LTI indicates that the segment's vulnerability is likely to continue and may worsen. Cooling domestic and global momentum, prolonged and expanding trade tensions and policy uncertainty remain major risks to international traveler sentiment.

Adam Sacks, President of Oxford's Tourism Economics group says, "Domestic travel, particularly the leisure segment, remains a bright spot despite cooling across all travel segments. We expect overall travel demand to moderate through the first quarter of 2020 in the face of weakening business investment and consumer activity."

Please note: The Travel Trends Index is based on public and private sector source data which are subjected to revision by the source agency.

SEPTEMBER CTI, 3-MONTH AND 6-MONTH LTI

Index (>50 = expansion, <50 = decline)



The Oxford/U.S. Travel **Current Travel Index (CTI)** measures the direction and pace of travel volume to and within the U.S. on a monthly basis compared to the same month in the prior year. The index is comprised of a weighting of hotel room demand and air passenger enplanements that represents the overall volume of travelers each month. A score above 50 indicates expansion. A score below 50 indicates decline.

The Oxford/U.S. Travel **Leading Travel Index (LTI)** is an indicator of the future direction and pace of travel volume to and within the U.S. over the coming three and six months compared to the same period in the prior year. The LTIs represent average readings over the next three and six months. The LTI econometric model is based on data sets that have demonstrated to predict near-term future travel: online travel searches and bookings for future travel, consumer travel intentions data, and economic fundamentals. A score above 50 indicates expansion. A score below 50 indicates decline.

METHODOLOGY

The **Current Travel Index (CTI)** measures monthly travel volumes in the U.S., including both domestic and international inbound travel. A score over 50 indicates an expansion in travel relative to the same month the prior year.

The index measures person trips that involved a hotel stay and/or a flight.

The following methods and sources are used to estimate (1) total travel; (2) international visitations; and (3) domestic travel (which is the residual of total travel minus international visitations):

1. **Total travel (domestic and international):** Total travel is calculated based on hotel stays of domestic and international travelers as well as air travel of domestic travelers. While most international visitors are assumed to stay in hotels, domestic travelers often do not. As such, the domestic travel estimate is further informed by domestic air enplanements to help capture the entire domestic market. STR provides monthly data on hotel room demand, and domestic air passenger enplanements are calculated based on monthly investor relations reports for all major domestic airlines. The research firm TNS provides representative data on U.S. travelers to determine the average length of stay, persons per traveler party, and the proportion of hotel guests who also fly. The CTI encompasses three traveler types on these bases that are shown below with their basic calculation.

HOTEL GUESTS & FLYERS

enplanements

enplanements per trip

×

% of flyers that stay in hotel

HOTEL GUESTS & NON-FLYERS

occupied rooms x people per room

length of stay

×

% of hotel guests that did not fly

NON-HOTEL GUESTS & FLYERS

enplanements

enplanements per trip

×

(1 – % of flyers that stay in hotel)

2. **International visits:** The international component of the CTI is based on the Department of Homeland Security’s Advanced Passenger Information System (APIS), which tracks international travel to the U.S., and distinguishes between foreign nationals and U.S. citizens. Visits from Canada are tracked by Statistics Canada and visits from Mexico are tracked by Banco de Mexico. Further analysis of international markets is informed by origin-destination air travel data from OAG, Sabre Market Intelligence aviation passenger data, and IATA Billing Settlement Plan data. Each of these datasets tracks non-resident air travel to the U.S. by country of origin based on unique sources. Official estimated of international visitation to the U.S. (I-94) are released by the U.S. Department of Commerce on approximately a four-month lag. As this data becomes available, historic CTI estimates will be revised.
3. **Domestic travel:** The domestic component of the CTI is measured as the residual of total travel minus international. The domestic leisure travel component is based on STR room demand data that is segmented by type of property and day of the week. A domestic leisure travel proxy has been developed based on the location, type of property, and day of the week of travel. Domestic business travel is measured as the residual of total domestic travel minus domestic leisure travel.

The **Leading Travel Index (LTI)** measures the likely average pace and direction of U.S. travel volumes over the coming three and six-month periods. A reading over 50 indicates an expansion in travel relative to the same period last year.

The LTI econometric model includes three categories of information that have shown a strong predictive capability of short-term travel trends. High frequency macroeconomic data capture underlying movements in the labor market, exchange rates and company performance. Consumer sentiment data from the Conference Board provide a long-term trend of consumer attitudes that can be tracked with future travel patterns; online search and bookings data provide a window into traveler planning based on data from ADARA and nSight, and data from ARC measures bookings.

TRAVEL TRENDS INDEX DATA CATEGORY	MEASUREMENT	TRAVEL SEGMENTS	DETAILS
MACROECONOMIC TRENDS	Unemployment rate	Total, international, domestic (leisure)	Share of labor force
	Exchange rates	Total, international	\$US market rates, weighted average of inbound markets
	GDP by visitor origin	Total, international, domestic (business & leisure)	Gross output, U.S. and weighted average of inbound markets
	Corporate profits	Total, international, domestic (business)	Corporate earnings, U.S. and weighted average of inbound markets
	Personal disposable income	Total, international	Personal income, weighted average of inbound markets
CONSUMER AND BUSINESS SENTIMENT	Consumer travel intentions	Total, domestic (leisure)	Visitor intentions & air visitor intentions
	S&P stock market index	Total, domestic (business)	Stock market index, period average
TRAVEL SEARCH AND BOOKING	ADARA online searches and bookings for future travel	Total, international, domestic (business & leisure)	Domestic/international & business/leisure
	ARC bookings for future travel	Total, domestic	Air travel with 6-month booking windows
	nSight online searches and bookings for future hotel stays	Total, domestic, international	Domestic/international forward bookings

ABOUT THE U.S. TRAVEL ASSOCIATION

The U.S. Travel Association is the national non-profit organization representing all components of the travel industry, which generates \$2.5 trillion in total economic output and supports 15.7 million American jobs. U.S. Travel’s mission is to increase travel to and within the United States.

ABOUT OXFORD ECONOMICS

Oxford Economics is one of the world’s foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Its best-of-class global economic and industry models and analytical tools give it an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

DATA CONTRIBUTORS

The U.S. Travel Index project is dependent upon unique datasets to track and predict travel trends. The U.S. Travel Association and Oxford Economics wish to thank the following organizations for their significant contributions:

ADARA serves leading travel brands by delivering critical intelligence that drives personalization and relevance throughout the customer’s journey, resulting in more meaningful and profitable relationships. Fueling these insights is ADARA’s data co-op which connects over 200 leading travel brands to create the most comprehensive view of the world’s travelers and their behaviors across brands, channels, and devices. ADARA transforms how their B2C clients leverage consumer insight at every stage—learn, act, measure and modify—to unleash the revenue potential of each individual.

Airlines Reporting Corporation (ARC) is a leading technology solutions company providing the U.S.-based travel industry with world-class business products, travel agency accreditation services, process and financial management tools, and powerful data analytics.

nSight combines the world’s largest view of consumer shopping data with predictive marketing and revenue management solutions to deliver more guests to your hotel and visitors to your destination.

STR is the leading global provider of competitive benchmarking, information services and research to the hotel industry.

TRAVEL TRENDS INDEX	55	54	53	52	51	50	49	48	47	46	45
12-MONTH % CHANGE IN TRIPS	+10.0%	+8.0%	+6.0%	+4.0%	+2.0%	+0.0%	-2.0%	-4.0%	-6.0%	-8.0%	-10.0%