



MINUTES

Visit SLO CAL Executive Committee

Visit SLO CAL Executive Committee Meeting Minutes

Monday, April 13, 2020

11:30am-1:30pm

Video Conference – URL: <https://zoom.us/j/703046390> | Meeting ID: 703 046 390

Call-In Phone Number: (669) 900-6388

1. CALL TO ORDER: Clint Pearce

PRESENT: Mark Eads, Aaron Graves, Jay Jamison, Hemant Patel, Clint Pearce

ABSENT: None

STAFF PRESENT: Chuck Davison, Brendan Pringle

Call to Order at 11:32am

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

None.

CONSENT AGENDA

3. Approval of March 9, 2020 Executive Committee Meeting Minutes

Public Comment – None.

Committee Discussion.

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

Motion carried: 4:0

CEO REPORT

4. CEO Report

Based on the current state of business, Davison proposed moving the Annual Board of Directors Meeting to June 17, 2020, allowing more time to plan and have a better sense of the recovery timeline for COVID-19. He outlined the agenda items and asked the Committee if they would like to hold the previously scheduled May Board of Directors Meeting as well, or postpone the May meeting to June.

Public Comment – None.

Committee Discussion. The Committee asked that Visit SLO CAL hold both the meeting on May 20, 2020 and the Annual Board Meeting on June 17, 2020.

BUSINESS ITEMS

5. COVID-19 Impact & Response Update

Davison provided an update on the impact of COVID-19 to the SLO CAL tourism industry, including reductions in air service and key takeaways from weekly lodging property call-arounds, along with national projections on hotel room revenue decreases, and new polling on when people will resume leisure activities post-pandemic. He noted that Federal Reserve Chairman Jerome Powell has discussed the re-opening of the economy, but expects that to occur after June 2019. Davison also outlined Visit SLO CAL's operational response thus far to the impact of COVID-19. Based on occupancy projections from STR and baseline operating expenses needed to facilitate business through December, staff developed a Cash Flow Projection sheet to determine cash flow. Davison noted that Visit SLO CAL has reduced its programs budget through June by \$859k, eliminated five positions, and implemented a mandatory 20 percent temporary reduction in pay for remaining staff, with some minor exceptions for a couple mid- and front-line team members who must remain above certain state thresholds. He provided an update on changes to major agency contracts, and noted that Visit SLO CAL is working with legal on new language for contracts going forward. Visit SLO CAL has applied for a \$2M Economic Injury Disaster Loan (EIDL) through the SBA to be eligible for the \$10k forgivable grant, approved by Visit SLO CAL's Chair, but would not pursue a loan over \$25k since that would require a personal guarantor. Likewise, Visit SLO CAL has requested an increase to its line of credit (LOC) from \$250k to \$1M. It is likely that an increase to \$500k instead will be approved, since income is tied to lodging revenue, which is severely impacted by COVID-19. Visit SLO CAL's controller is recommending the organization take advantage of the Employee Retention Tax Credit, but has noted that the FICA deferral component of the CARES Act is probably not worth the trouble, based on the organization's cash flow projections. Davison reviewed Visit SLO CAL's contingency reserves (invested in laddered CDs), which are valued at more than \$957k. Visit SLO CAL is now receiving WARN notices from the Workforce Development Board on the number of furloughs and layoffs in 100+ employee companies, and noted that staff continues to conduct weekly call-arounds to gauge the overall impact of COVID-19 on the lodging community. Davison outlined Visit SLO CAL's response efforts as an industry resource, including weekly calls with local DMOs and wine associations, regular updates to SLOCAL.com's COVID-19 industry resource page and consumer facing page, and weekly communications to the local industry with important recovery information. Davison noted that several communities that have opted to defer penalties and interest on late February and March TOT payments, but noted that TMD and TBID payments are required in all communities. He noted Visit SLO CAL's advocacy efforts, and that the organization is working with the County and other coalition partners to support development of a website (RecoverCentralCoast.org) that provides the most relevant information and resources for local employers and the workforce. The website features Visit SLO CAL's COVID-19 page as the resource for the tourism industry. Davison outlined the consumer, trade, media and resident-focused activations that Visit SLO CAL is working on over the next 30 days in preparation for when the destination opens back up. Davison played Visit California (VCA)'s new video on social media that features Sensorio (Paso Robles). Staff worked with VCA's agency the previous week to get the necessary licensing for Sensorio to be included in the spot. Davison asked the Committee if they had any additional feedback on the organization's response efforts to-date. He also noted that Visit SLO CAL and other partners have been encouraging the county to develop a re-opening plan so that the industry can know what this might look like in advance.

Public Comment – None.

Committee Discussion. The Committee agreed with taking advantage of the Employee Retention Tax Credit. Eads noted that a forecast would be a helpful resource. Davison responded that many DMOs, including Visit SLO CAL, have asked VCA to consider commissioning a California forecast. Pearce noted that his focus has been on the future, and when they can move the needle again.

6. Strategic Direction 2023 Planning Update

On March 31 and April 3, 2020, Coraggio facilitated Work Sessions 1 and 2 with Strategic Planning Team (SPT). Davison reviewed the progress that the SPT made during those sessions and the current draft updates. During an Investor & Partner Feedback Session, following Work Session 2, more than 29 attendees called in to provide feedback and help inform

Strategic Direction 2023, including lodging investors, city officials, and DMO, chamber and wine association partners. Davison outlined next steps, including Work Sessions 3 and 4, happening on April 22 and 23, 2020, respectively, and noted that a second Feedback Session will occur on April 22, 2020 from 4:30pm-5:30pm as a final opportunity for the industry to provide feedback before the presentation to the Board. The final draft plan will be presented to the Board for review and approval at the May 20, 2020 Board Meeting. Davison requested feedback from the Committee on the plan thus far.

Public Comment – None.

Committee Discussion. The Committee agreed with the changes made thus far and the overall direction of Strategic Direction 2023.

7. Board Member Selection Process

Davison reviewed the status of appointed and elected seats on the Visit SLO CAL Board of Directors. The SLOTBID Board appointed John Conner, owner of Petit Soleil, to represent the City of San Luis Obispo, replacing Nipool Patel's appointed seat on the Board. The Morro Bay seat, held by Hemant Patel; the Atascadero seat, held by Amar Sohi; and the County-appointed seat, held by Jim Hamilton all require renewal. Davison is working with the respective government officials on this process. Aaron Grave's at-large seat is up for election at the end of the fiscal year, along with four new at-large seats. Visit SLO CAL has received one Board application to-date, from Nipool Patel, and has extended the Board Application deadline to April 30, 2020 based on the current crisis. Davison noted that the four new at-large Board seats do not all need to be filled at once if there are not acceptable candidates.

Public Comment – None.

Committee Discussion.

ADJOURNMENT

Adjourned at 1:04 pm.