



AGENDA

Visit SLO CAL Board of Directors

Visit SLO CAL Board of Directors Agenda
Wednesday, September 20, 2017
8:30 am
The Carlton Hotel
6005 El Camino Real, Atascadero, CA 93422

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 July 19, 2017 Board Meeting Minutes (*yellow*)
4. Approval of June/FY2016-17 Year-End Financials (*green*)
5. Approval of July and August Financials (*green*)
6. Approval of FY2016-17 Annual Report
7. Approval of Audrey Arellano's Marketing Committee Application
Staff will ask for Board approval of the July 19, 2017 Board Meeting Minutes, the June/FY2016-17 Year-End Financials, the July and August Financials, the FY2016-17 Annual Report, and of the Executive Committee's recommendation to appoint Audrey Arellano to the VSC Marketing Committee.

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

BUSINESS ITEMS	C. Davison
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9. FY2016-17 Audit (10 min) – *motion required*
Staff will request Board approval of VSC's FY2016-17 Audit.
10. Media Agency and PR Agency Selection (5 min) – *motion required*
Staff will request Board approval of the Executive Committee's recommendation on the selection of a Media Agency and PR Agency.
11. Board and Executive Committee Seats (10 min)
Staff will provide an update on the open Atascadero Board seat and discuss the process for filling the Secretary seat on the Executive Committee.
12. Board Member Attendance (10 min)
The Board will discuss Board member attendance as outlined in the VSC Bylaws, based on the transition to a bi-monthly meeting schedule.

13. County Agreement with Airbnb (15 min)

Staff will provide an update to the Board on the current county contract effort requiring Airbnb to pay TOT and assessments (TMD & CBID, where applicable) in the unincorporated area.

14. Financial Processes Discussion (10 min)

The Board will discuss potential changes to its operating and reserve cash account.

15. 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 board to discuss or take action on issues not on the agenda, except that members of the board may briefly respond to statements made or questions posed by the person giving public comment. Staff may be directed by the board to follow-up on such items and/or place them on the next board agenda. The order of agenda items is listed for reference and items may be taken in any order deemed appropriate by the Board of Directors.

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 Board of Directors

Visit SLO CAL Board of Directors Meeting Minutes

Wednesday, July 19, 2017

8:30am

Inn at Morro Bay

60 State Park Rd, Morro Bay, CA 93442

1. CALL TO ORDER: Clint Pearce

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

ABSENT: John Arnold, Roger Wightman

STAFF PRESENT: Chuck Davison, Brooke Burnham, Michael Wambolt, Brendan Pringle

Call to Order at 8:34 am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

The Paso Robles City Council approved the formation of its non-profit district (now called Paso Robles Destination) as of July 1, 2017. Stacie Jacob is serving as interim CEO, and VSC is helping promote the search for an Executive Director. In the meantime, Jacob will occupy the DMO Marketing Committee seat representing Paso Robles upon Board approval.

Davison outlined the new Board Meeting Schedule, based on the Board's decision to move to bi-monthly meetings.

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

CONSENT AGENDA

3. Approval of June 21, 2017 Board Meeting Minutes

Davison reminded the Board that June/End-of-Year Financials will be presented along with the annual audit in September.

Public Comment – None.

Board Discussion.

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

CEO REPORT

4. CEO Report

Davison provided a draft example of the CEO Report that VSC will be sending in months when the VSC Board is not meeting. In addition to this report, the packet sent to the Board will include monthly financials, as well as TOT, Marketing, SEO and Activity Reports.

Davison recapped the CalTravel Summit (June 27-29, 2017) and Destination International Convention (July 11-July 14, 2017), outlining the major highlights and takeaways. Davison noted that he was elected to the Board and Executive Committee of CalTravel, giving VSC a great opportunity to stay up to speed on advocacy at the state level. Davison also noted that the Cannabis panel that he moderated was highly rated by attendees due to the information conveyed.

Pam Roberts has been promoted to Events & Membership Manager. VSC is currently working with Searchwide to fill the Director of Communications role. The SLO CAL trademark was processed in December, with details expected in the coming months, and VSC is working to finalize the "Life's Too Beautiful to Rush" trademark submittal. As VSC starts the RFP process for a new media agency to place our media in the future, VSC is working with its attorneys on a creative-only SOW for BCF.

Davison outlined his travel schedule.

Public Comment – None.

Board Discussion.

BUSINESS ITEMS

5. TMD Contract Deliverables

Davison provided an update on the FY2016-17 Audit, required by our contract with the County. He noted that the County has approved our auditor (Burkart & Stevens), and reviewed the timeline for this process.

He updated the Board on the FY2016-17 Annual Report, also required by our County contract. The County has again this year granted VSC an extension to deliver the report by September 30 instead of the August 30 contract date. Davison reviewed the timeline, and noted that VSC will produce a small run of printed annual reports this year for Board members, Committee members and government officials, and provide a digital version on its website.

Public Comment – None.

Board Discussion.

6. Executive Committee Power

At the June Board Meeting, it was recommended that VSC review Executive Committee authority after deciding to change to bi-monthly meetings, as some items and opportunities require a more urgent response. One example is the approval of a contract with a new media buying agency in August. Davison reviewed language from VSC's Bylaws, which notes that the Committee may exercise all the authority of the Board between Board meetings, with certain key exceptions. Davison noted that the Committee would report out on action taken at the next Board meeting and Committee decisions would be ratified by the Board.

Public Comment – None.

Board Discussion.

7. Marketing Committee Applications

VSC re-opened the Marketing Committee application process now that the tourism marketing district is two years old. Davison noted that membership of the Committee is balanced across DMOs, communities, agencies and the industry sector. He also outlined the guidelines for applicants as marketing professionals. The Board reviewed current representation numbers.

Davison pointed out that four seats remained open (the Management District Plan calls for up to 18 seats), the Paso Robles DMO seat has been vacated by Amanda Diefenderfer with their district changes, and one seat (formerly occupied by Judith Bean) has been held for Arroyo Grande's DMO as required by the MDP.

VSC received applications from Melissa Colon (Pacifica Hotels), Audrey Arellano (Adelaide Inn & Cambria Inns Collection), Jill Tweedie (Breakaway Tours & Event Planning), Shari Clark (BCA), Dawn Rodden (Los Osos/Baywood Park Chamber) and Stacie Jacob (Paso Robles Destination). The Marketing Committee recommended Colon, Arellano, Tweedie and Clark at their July 11, 2017 meeting. Since Jacob's application was submitted late, it did not make the Marketing Committee agenda packet, but can still be approved by the Board.

At their July 18, 2017 meeting, the Executive Committee recommended that Tweedie, Clark and Jacob join the VSC Marketing Committee, and requested that Audrey Arellano's application be further vetted by the VP of Marketing and the Marketing Committee, based on her sales background and new role as Brand Manager. The Executive Committee was concerned that appointing Colon would open the door for any sales professional to have a seat on the Marketing Committee.

Public Comment – None.

Board Discussion.

ACTION: Moved by N. Patel/Maggelet to approve the following candidates to join VSC's Marketing Committee, as recommended by the Executive Committee: Jill Tweedie, Shari Clark and Stacie Jacob.

Motion carried: 9:0

8. Marketing Update

Burnham provided an update on paid media efforts. VSC has sent an RFP to seven media agencies in the effort to be more strategic about media planning and placement. The Marketing Committee will have a special meeting on August 3 for finalist presentations. Burnham reviewed key campaign performance metrics and learnings gleaned from the campaign.

Burnham provided an update on owned media efforts. Four partners have signed onto VSC's co-op with Chute, a social media content aggregator. Burnham discussed the growth of organic traffic on the VSC website during the month of June.

VSC contracted Peregrine Media Group to do the second round of aerial footage (via helicopter), focusing on the interior of the County. The Board viewed a clip of this footage.

Burnham provided an update on Film SLO CAL, including new productions being filmed in SLO CAL in July and August.

Public Comment – None.

Board Discussion.

ADJOURNMENT

ACTION: Moved by N. Patel/Graves to adjourn the meeting.

Motion carried: 9:0

Meeting adjourned at 9:50am.

San Luis Obispo County
 Visitor's & Conference Bureau
 2016/2017 June Financial Summary - With Reforecasted Budget

Income	This Month	Budgeted for Month	MTD Variance	MTD Actual v. Budget %	MTD % of Total Income/Expenses	FISCAL YTD	Reforecasted YTD Budget	YTD Variance	YTD Actual v. Budget %	YTD % of Total Income/Expenses
PY TBID Collected in CY	\$ -	\$ -	\$ -	100.00%	-0.27%	\$ 749,410	\$ 749,410	\$ -	100.00%	16.87%
Membership Dues	\$ (1,200)	\$ -	\$ (1,200)	100.00%	-0.27%	\$ 33,760	\$ 39,000	\$ (5,240)	86.56%	0.76%
TBID Income										
SLO County Unincorporated	\$ 64,317	\$ 64,317	\$ -	100.00%	14.38%	\$ 855,533	\$ 855,533	\$ -	100.00%	19.26%
SLO City	\$ 68,190	\$ 68,190	\$ -	100.00%	15.24%	\$ 699,716	\$ 699,716	\$ 0	100.00%	15.75%
Pismo Beach	\$ 81,741	\$ 81,741	\$ -	100.00%	18.27%	\$ 861,887	\$ 861,887	\$ -	100.00%	19.41%
Morro Bay	\$ 24,621	\$ 24,621	\$ -	100.00%	5.50%	\$ 290,750	\$ 290,750	\$ -	100.00%	6.55%
Paso Robles	\$ 39,994	\$ 39,994	\$ -	100.00%	8.94%	\$ 451,581	\$ 451,580	\$ 0	100.00%	10.17%
Arroyo Grande	\$ 8,915	\$ 8,915	\$ -	100.00%	1.99%	\$ 90,613	\$ 90,613	\$ -	100.00%	2.04%
Atascadero *	\$ -	\$ -	\$ -	0.00%	0.00%	\$ 111,151	\$ 111,151	\$ -	100.00%	2.50%
Grover	\$ 3,166	\$ 3,166	\$ -	100.00%	0.71%	\$ 41,461	\$ 41,461	\$ -	100.00%	0.93%
Adjustment for Actual TBID Collected	\$ 157,672	\$ -	\$ 157,672	35.24%		\$ 255,419	\$ 161,834	\$ 93,585	157.83%	
Total Income	\$ 447,414	\$ 290,942	\$ 156,472	153.78%	100.00%	\$ 4,441,280	\$ 4,352,935	\$ 88,345	102.03%	100.00%
* District pays quarterly										
Expenses										
Contingency Reserve	\$ 22,371	\$ 14,547	\$ 7,824	153.78%	6.36%	\$ 222,064	\$ 217,647	\$ 4,417	102.03%	5.99%
G&A	\$ (15,759)	\$ 17,638	\$ (33,397)	-89.35%	-4.48%	\$ 198,257	\$ 233,202	\$ (34,945)	85.02%	5.35%
Industry Research and Resources	\$ 15,389	\$ 17,211	\$ (1,822)	89.41%	4.38%	\$ 251,372	\$ 401,862	\$ (150,490)	62.55%	6.78%
Travel Trade	\$ 55,022	\$ 50,222	\$ 4,800	109.56%	15.65%	\$ 377,666	\$ 412,902	\$ (35,236)	91.47%	10.19%
Communications	\$ 15,593	\$ 44,294	\$ (28,701)	35.20%	4.44%	\$ 123,825	\$ 373,542	\$ (249,717)	33.15%	3.34%
Advertising	\$ 87,307	\$ 104,432	\$ (17,126)	83.60%	24.84%	\$ 726,997	\$ 651,096	\$ 75,901	111.66%	19.61%
Promotions	\$ 4,308	\$ 6,154	\$ (1,846)	70.00%	1.23%	\$ 38,785	\$ 70,624	\$ (31,840)	54.92%	1.05%
Events	\$ 10,465	\$ 15,150	\$ (4,685)	69.08%	2.98%	\$ 194,543	\$ 194,430	\$ 113	100.06%	5.25%
Digital Marketing	\$ 152,608	\$ 294,578	\$ (141,969)	51.81%	43.42%	\$ 1,534,564	\$ 1,592,485	\$ (57,921)	96.36%	41.40%
Film Commission	\$ 4,173	\$ 12,071	\$ (7,897)	34.57%	1.19%	\$ 38,264	\$ 62,182	\$ (23,919)	61.53%	1.03%
Total Expenses	\$ 351,476	\$ 576,297	\$ (224,820)	60.99%	100.00%	\$ 3,706,336	\$ 4,209,973	\$ (503,637)	88.04%	100.00%
Surplus(Deficit)	\$ 95,938	\$ (285,354)	\$ 381,292	-33.62%		\$ 734,944	\$ 142,962	\$ 591,982	0.00%	
Cash Flow										
Surplus (Deficit)	\$ 95,938					\$ 734,944				
Beginning Cash Balance	\$ 811,296					\$ 467,503				
Change in Accounts Receivable	\$ (303,840)					\$ (814,735)				
Change in Accrued Expenses	\$ 77,686					\$ (19,993)				
Change in Prepaid Expenses	\$ 182					\$ (387)				
Change in Accounts Payable	\$ 144,291					\$ 458,221				
Change in Fixed Assets / Investing Activities	\$ (92,293)					\$ (92,293)				
Visit SLO County Cash Balances	\$ 733,261					\$ 733,261				
Contingency Reserve - 5% of Cummulative Revenues	\$ (364,720)					\$ (364,720)				
Liability on Balance Sheet										
Net Available Cash	\$ 368,541					\$ 368,541				

Visit SLO CAL
Balance Sheet Prev Year Comparison
As of June 30, 2017

	Jun 30, 17	Jun 30, 16	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1010 · Bank of the Sierra - TMD	572,788.30	461,388.71	111,399.59	24.1%
1020 · Bank of the Sierra - Membership	160,472.38	6,079.22	154,393.16	2,539.7%
1030 · HOB - SAVOR	0.00	34.95	-34.95	-100.0%
Total Checking/Savings	733,260.68	467,502.88	265,757.80	56.9%
Accounts Receivable				
1200 · Accounts Receivable	814,735.45	0.00	814,735.45	100.0%
Total Accounts Receivable	814,735.45	0.00	814,735.45	100.0%
Other Current Assets				
1320 · Prepaid Rent	3,326.70	3,326.70	0.00	0.0%
1340 · Workman's Comp Deposit	387.00	0.00	387.00	100.0%
1350 · Accrued Expenses	19,992.74	0.00	19,992.74	100.0%
Total Other Current Assets	23,706.44	3,326.70	20,379.74	612.6%
Total Current Assets	1,571,702.57	470,829.58	1,100,872.99	233.8%
Fixed Assets				
1400 · Fixed Assets				
1405 · Computer Hardware/Software	24,216.44	22,404.87	1,811.57	8.1%
1410 · Furniture & Fixtures	91,012.07	20,930.63	70,081.44	334.8%
1415 · Leasehold Improvements	37,301.15	32,651.59	4,649.56	14.2%
1425 · Office Equipment	14,560.10	14,560.10	0.00	0.0%
Total 1400 · Fixed Assets	167,089.76	90,547.19	76,542.57	84.5%
1500 · Accumulated Depreciation				
1505 · Comp. Hdwr/Sftwr. Acc. Depr.	-12,451.17	-12,451.17	0.00	0.0%
1510 · Furn. & Fixt. Accum. Depr.	-2,465.00	-2,465.00	0.00	0.0%
1515 · Leasehold Imp. Accum. Depr.	-343.00	-343.00	0.00	0.0%
1525 · Office Equip. Accum. Depr.	-1,288.00	-1,288.00	0.00	0.0%
Total 1500 · Accumulated Depreciation	-16,547.17	-16,547.17	0.00	0.0%
Total Fixed Assets	150,542.59	74,000.02	76,542.57	103.4%
Other Assets				
1600 · Intangibles				
1605 · Trademark - Slocal	15,750.00	0.00	15,750.00	100.0%
Total 1600 · Intangibles	15,750.00	0.00	15,750.00	100.0%
Total Other Assets	15,750.00	0.00	15,750.00	100.0%
TOTAL ASSETS	1,737,995.16	544,829.60	1,193,165.56	219.0%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts Payable	231,476.04	75.00	231,401.04	308,534.7%
Total Accounts Payable	231,476.04	75.00	231,401.04	308,534.7%
Credit Cards				
2050 · Rabobank Credit Card	4,619.90	0.00	4,619.90	100.0%
Total Credit Cards	4,619.90	0.00	4,619.90	100.0%
Other Current Liabilities				
2100 · Payroll Liabilities				
2160 · Health Insurance Withheld	468.50	332.95	135.55	40.7%
Total 2100 · Payroll Liabilities	468.50	332.95	135.55	40.7%
2800 · Restricted Reserves	364,719.82	0.00	364,719.82	100.0%
Total Other Current Liabilities	365,188.32	332.95	364,855.37	109,582.6%
Total Current Liabilities	601,284.26	407.95	600,876.31	147,291.7%
Total Liabilities	601,284.26	407.95	600,876.31	147,291.7%
Equity				
3110 · Fund Balance	34,053.44	34,053.44	0.00	0.0%
3120 · Retained Earnings	367,712.21	257,794.86	109,917.35	42.6%
Net Income	734,945.25	252,573.35	482,371.90	191.0%
Total Equity	1,136,710.90	544,421.65	592,289.25	108.8%
TOTAL LIABILITIES & EQUITY	1,737,995.16	544,829.60	1,193,165.56	219.0%

San Luis Obispo County
Visitor's & Conference Bureau
2017/2018 July Financial Summary

Income	This Month	Budgeted for Month	MTD Variance	MTD Actual v. Budget %	MTD % of Total Income/Expenses	FISCAL YTD	YTD Budget	YTD Variance	YTD Actual v. Budget %	YTD % of Total Income/Expenses
PY TMD Collected in CY	\$ 2,019	\$ 2,100	\$ (81)	96.12%	0.52%	\$ 2,019	\$ 195,000	\$ (192,981)	1.04%	0.52%
Membership Dues	\$ 27,750	\$ 9,689	\$ 18,061	286.41%	7.11%	\$ 27,750	\$ 35,299	\$ (7,549)	78.61%	7.11%
TMD Income										
SLO County Unincorporated	\$ 75,912	\$ 75,912	\$ -	100.00%	19.46%	\$ 75,912	\$ 881,199	\$ (805,287)	8.61%	19.46%
SLO City	\$ 51,406	\$ 51,406	\$ -	100.00%	13.18%	\$ 51,406	\$ 720,704	\$ (669,298)	7.13%	13.18%
Pismo Beach	\$ 125,911	\$ 125,911	\$ -	100.00%	32.28%	\$ 125,911	\$ 887,742	\$ (761,831)	14.18%	32.28%
Morro Bay	\$ 41,335	\$ 41,335	\$ -	100.00%	10.60%	\$ 41,335	\$ 299,473	\$ (258,138)	13.80%	10.60%
Paso Robles	\$ 52,788	\$ 52,788	\$ -	100.00%	13.53%	\$ 52,788	\$ 465,127	\$ (412,339)	11.35%	13.53%
Arroyo Grande	\$ 8,206	\$ 8,206	\$ -	100.00%	2.10%	\$ 8,206	\$ 93,331	\$ (85,125)	8.79%	2.10%
Atascadero *	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ 114,487	\$ (114,487)	0.00%	0.00%
Grover	\$ 4,762	\$ 4,762	\$ -	100.00%	1.22%	\$ 4,762	\$ 42,706	\$ (37,944)	11.15%	1.22%
Adjustment for Actual TBID Collected	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%
Total Income	\$ 390,089	\$ 372,109	\$ 17,980	104.83%	100.00%	\$ 390,089	\$ 3,735,068	\$ (3,344,980)	10.44%	100.00%
* District pays quarterly										
Expenses										
Contingency Reserve	\$ 19,504	\$ 18,500	\$ 1,004	105.43%	12.23%	\$ 19,504	\$ 177,003	\$ (157,499)	11.02%	12.23%
G&A	\$ 18,853	\$ 28,739	\$ (9,885)	65.60%	11.82%	\$ 18,853	\$ 254,428	\$ (235,575)	7.41%	11.82%
Industry Research and Resources	\$ 18,308	\$ 23,843	\$ (5,535)	76.79%	11.48%	\$ 18,308	\$ 297,854	\$ (279,546)	6.15%	11.48%
Travel Trade	\$ 24,298	\$ 28,500	\$ (4,202)	85.26%	15.24%	\$ 24,298	\$ 416,670	\$ (392,373)	5.83%	15.24%
Communications	\$ 20,582	\$ 37,002	\$ (16,420)	55.62%	12.91%	\$ 20,582	\$ 231,239	\$ (210,657)	8.90%	12.91%
Advertising	\$ 31,031	\$ 60,842	\$ (29,811)	51.00%	19.46%	\$ 31,031	\$ 1,617,083	\$ (1,586,052)	1.92%	19.46%
Promotions	\$ 4,004	\$ 8,059	\$ (4,055)	49.68%	2.51%	\$ 4,004	\$ 63,138	\$ (59,134)	6.34%	2.51%
Events	\$ -	\$ 2,650	\$ (2,650)	0.00%	0.00%	\$ -	\$ 199,900	\$ (199,900)	0.00%	0.00%
Digital Marketing	\$ 19,359	\$ 36,691	\$ (17,332)	52.76%	12.14%	\$ 19,359	\$ 391,514	\$ (372,155)	4.94%	12.14%
Film Commission	\$ 3,500	\$ 6,339	\$ (2,839)	55.22%	2.20%	\$ 3,500	\$ 75,209	\$ (71,709)	4.65%	2.20%
Total Expenses	\$ 159,440	\$ 251,164	\$ (91,724)	63.48%	100.00%	\$ 159,440	\$ 3,724,040	\$ (3,564,600)	4.28%	100.00%
Surplus(Deficit)	\$ 230,649	\$ 120,945	\$ 109,704	190.71%		\$ 230,649	\$ 11,028	\$ 219,620	2091.42%	
Cash Flow										
Surplus (Deficit)	\$ 230,649					\$ 230,649				
Beginning Cash Balance	\$ 733,261					\$ 733,261				
Change in Accounts Receivable	\$ 113,384					\$ 113,384				
Change in Accrued Expenses	\$ 18,998					\$ 18,998				
Change in Prepaid Expenses										
Change in Accounts Payable	\$ (59,567)					\$ (59,567)				
Visit SLO County Cash Balances	\$ 1,036,724					\$ 1,036,724				
Contingency Reserve - 5% of Cumulative Revenues	\$ (384,224)					\$ (541,723)				
<small>Liability on Balance Sheet</small>										
Net Available Cash	\$ 652,500					\$ 495,000				

Visit SLO CAL
Balance Sheet Prev Year Comparison
As of July 31, 2017

	Jul 31, 17	Jul 31, 16	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1010 · Bank of the Sierra - TMD	854,580.93	629,605.97	224,974.96	35.7%
1020 · Bank of the Sierra - Membership	182,143.03	13,009.44	169,133.59	1,300.1%
Total Checking/Savings	1,036,723.96	642,615.41	394,108.55	61.3%
Accounts Receivable				
1200 · Accounts Receivable	701,351.76	352,948.12	348,403.64	98.7%
Total Accounts Receivable	701,351.76	352,948.12	348,403.64	98.7%
Other Current Assets				
1320 · Prepaid Rent	3,326.70	3,326.70	0.00	0.0%
1340 · Workman's Comp Deposit	387.00	569.00	-182.00	-32.0%
1350 · Accrued Expenses	994.99	2,762.00	-1,767.01	-64.0%
Total Other Current Assets	4,708.69	6,657.70	-1,949.01	-29.3%
Total Current Assets	1,742,784.41	1,002,221.23	740,563.18	73.9%
Fixed Assets				
1400 - Fixed Assets				
1405 · Computer Hardware/Software	24,216.44	22,404.87	1,811.57	8.1%
1410 · Furniture & Fixtures	91,012.07	20,930.63	70,081.44	334.8%
1415 · Leasehold Improvements	37,301.15	32,651.59	4,649.56	14.2%
1425 · Office Equipment	14,560.10	14,560.10	0.00	0.0%
Total 1400 - Fixed Assets	167,089.76	90,547.19	76,542.57	84.5%
1500 - Accumulated Depreciation				
1505 · Comp. Hdwr/Sftwr. Acc. Depr.	-12,451.17	-12,451.17	0.00	0.0%
1510 · Furn. & Fixt. Accum. Depr.	-2,465.00	-2,465.00	0.00	0.0%
1515 · Leasehold Imp. Accum. Depr.	-343.00	-343.00	0.00	0.0%
1525 · Office Equip. Accum. Depr.	-1,288.00	-1,288.00	0.00	0.0%
Total 1500 - Accumulated Depreciation	-16,547.17	-16,547.17	0.00	0.0%
Total Fixed Assets	150,542.59	74,000.02	76,542.57	103.4%
Other Assets				
1600 - Intangibles				
1605 · Trademark - Slocal	15,750.00	0.00	15,750.00	100.0%
Total 1600 - Intangibles	15,750.00	0.00	15,750.00	100.0%
Total Other Assets	15,750.00	0.00	15,750.00	100.0%
TOTAL ASSETS	1,909,077.00	1,076,221.25	832,855.75	77.4%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts Payable	157,493.15	32,962.97	124,530.18	377.8%
Total Accounts Payable	157,493.15	32,962.97	124,530.18	377.8%
Other Current Liabilities				
2800 · Restricted Reserves	384,224.25	173,381.00	210,843.25	121.6%
Total Other Current Liabilities	384,224.25	173,381.00	210,843.25	121.6%
Total Current Liabilities	541,717.40	206,343.97	335,373.43	162.5%
Total Liabilities	541,717.40	206,343.97	335,373.43	162.5%
Equity				
3110 · Fund Balance	34,053.44	34,053.44	0.00	0.0%
3120 · Retained Earnings	1,102,657.46	367,712.21	734,945.25	199.9%
Net Income	230,648.70	468,111.63	-237,462.93	-50.7%
Total Equity	1,367,359.60	869,877.28	497,482.32	57.2%
TOTAL LIABILITIES & EQUITY	1,909,077.00	1,076,221.25	832,855.75	77.4%

San Luis Obispo County
Visitor's & Conference Bureau
2017/2018 August Financial Summary

Income	This Month	Budgeted for Month	MTD Variance	MTD Actual v. Budget %	MTD % of Total Income/Expenses	FISCAL YTD	YTD Budget	YTD Variance	YTD Actual v. Budget %	YTD % of Total Income/Expenses
PY TMD Collected in CY	\$ 107,786	\$ 96,450	\$ 11,336	111.75%	19.83%	\$ 109,804	\$ 195,000	\$ (85,196)	56.31%	11.54%
Membership Dues	\$ 585	\$ 3,916	\$ (3,331)	14.94%	0.11%	\$ 46,485	\$ 35,299	\$ 11,186	131.69%	4.88%
TMD Income										
SLO County Unincorporated	\$ 114,399	\$ 114,399	\$ -	100.00%	21.04%	\$ 190,311	\$ 881,199	\$ (690,888)	21.60%	19.99%
SLO City	\$ 103,559	\$ 103,559	\$ -	100.00%	19.05%	\$ 154,965	\$ 720,704	\$ (565,739)	21.50%	16.28%
Pismo Beach	\$ 113,114	\$ 113,114	\$ -	100.00%	20.81%	\$ 239,025	\$ 887,742	\$ (648,717)	26.93%	25.11%
Morro Bay	\$ 41,335	\$ 41,335	\$ -	100.00%	7.60%	\$ 82,670	\$ 299,473	\$ (216,803)	27.61%	8.69%
Paso Robles	\$ 47,152	\$ 47,152	\$ -	100.00%	8.67%	\$ 99,940	\$ 465,127	\$ (365,187)	21.49%	10.50%
Arroyo Grande	\$ 10,925	\$ 10,925	\$ -	100.00%	2.01%	\$ 19,131	\$ 93,331	\$ (74,200)	20.50%	2.01%
Atascadero *	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ 114,487	\$ (114,487)	0.00%	0.00%
Grover	\$ 4,762	\$ 4,762	\$ -	100.00%	0.88%	\$ 9,524	\$ 42,706	\$ (33,182)	22.30%	1.00%
Adjustment for Actual TMD Collected	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%
Total Income	\$ 543,617	\$ 535,612	\$ 8,005	101.49%	100.00%	\$ 951,855	\$ 3,735,068	\$ (2,783,213)	25.48%	100.00%
* District pays quarterly										
Expenses										
Restricted Reserve	\$ 27,181	\$ 21,958	\$ 5,223	123.79%	17.60%	\$ 47,593	\$ 177,003	\$ (129,411)	26.89%	15.22%
G&A	\$ 16,596	\$ 19,262	\$ (2,665)	86.16%	10.75%	\$ 35,450	\$ 254,428	\$ (218,979)	13.93%	11.33%
Industry Research and Resources	\$ 22,401	\$ 27,029	\$ (4,628)	82.88%	14.50%	\$ 40,709	\$ 297,854	\$ (257,145)	13.67%	13.01%
Travel Trade	\$ 20,057	\$ 28,503	\$ (8,446)	70.37%	12.99%	\$ 44,355	\$ 416,670	\$ (372,315)	10.65%	14.18%
Communications	\$ 20,013	\$ 14,369	\$ 5,644	139.28%	12.96%	\$ 40,645	\$ 231,239	\$ (190,594)	17.58%	12.99%
Advertising	\$ 26,679	\$ 93,504	\$ (66,825)	28.53%	17.27%	\$ 57,710	\$ 1,617,083	\$ (1,559,373)	3.57%	18.45%
Promotions	\$ 3,142	\$ 6,174	\$ (3,032)	50.88%	2.03%	\$ 7,095	\$ 63,138	\$ (56,042)	11.24%	2.27%
Events	\$ 5,164	\$ 5,650	\$ (486)	91.39%	3.34%	\$ 5,164	\$ 199,900	\$ (194,736)	2.58%	1.65%
Digital Marketing	\$ 10,585	\$ 61,566	\$ (50,981)	17.19%	6.85%	\$ 29,944	\$ 391,514	\$ (361,570)	7.65%	9.57%
Film Commission	\$ 2,632	\$ 5,204	\$ (2,572)	50.57%	1.70%	\$ 4,132	\$ 75,209	\$ (71,077)	5.49%	1.32%
Total Expenses	\$ 154,450	\$ 283,219	\$ (128,769)	54.53%	100.00%	\$ 312,797	\$ 3,724,040	\$ (3,411,242)	8.40%	100.00%
Surplus(Deficit)	\$ 389,167	\$ 252,393	\$ 136,774	154.19%		\$ 639,058	\$ 11,028	\$ 628,029	5794.70%	
Cash Flow										
Surplus (Deficit)	\$ 389,167					\$ 639,058				
Beginning Cash Balance	\$ 1,036,724					\$ 733,261				
Change in Accounts Receivable	\$ (179,474)					\$ (66,091)				
Change in Accrued Expenses	\$ (14,802)					\$ (15,956)				
Change in Prepaid Expenses										
Change in Accounts Payable	\$ (65,227)					\$ (123,886)				
Visit SLO County Cash Balances	\$ 1,166,387					\$ 1,166,387				
Restricted Reserves - 5% of Cumulative Revenues	\$ (412,313)					\$ (541,723)				
Equity on Balance Sheet										
Net Available Cash	\$ 754,074					\$ 624,663				
Comments to the Board:										
<ul style="list-style-type: none"> - 100% of 2016/2017 TMD funds have been collected and recognized as of 08/31/17 - 0% of 2017/2018 TMD funds have been collected as of 08/31/17 - Of the \$46,485 in Membership Dues that have been accrued \$32,835 has been collected as of 08/31/17 - YTD Expenses for Advertising and Marketing are significantly less than budgeted as the Marketing Contract is still in negotiation - Restricted Reserves have been re-categorized as Equity from a Liability per the Auditor's recommendation 										

Visit SLO CAL
Balance Sheet Prev Year Comparison
As of August 31, 2017

	Aug 31, 17	Aug 31, 16	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1010 - Bank of the Sierra - TMD	972,012.29	906,585.95	65,426.34	7.2%
1020 - Bank of the Sierra - Membership	194,374.24	16,363.99	178,010.25	1,087.8%
Total Checking/Savings	1,166,386.53	922,949.94	243,436.59	26.4%
Accounts Receivable				
1200 - Accounts Receivable	880,826.17	774,717.73	106,108.44	13.7%
Total Accounts Receivable	880,826.17	774,717.73	106,108.44	13.7%
Other Current Assets				
1320 - Prepaid Rent	3,326.70	3,326.70	0.00	0.0%
1340 - Workman's Comp Deposit	387.00	569.00	-182.00	-32.0%
1350 - Accrued Expenses	35,948.42	40,181.60	-4,233.18	-10.5%
Total Other Current Assets	39,662.12	44,077.30	-4,415.18	-10.0%
Total Current Assets	2,086,874.82	1,741,744.97	345,129.85	19.8%
Fixed Assets				
1400 - Fixed Assets				
1405 - Computer Hardware/Software	24,216.44	22,404.87	1,811.57	8.1%
1410 - Furniture & Fixtures	91,012.07	20,930.63	70,081.44	334.8%
1415 - Leasehold Improvements	37,301.15	32,651.59	4,649.56	14.2%
1425 - Office Equipment	14,560.10	14,560.10	0.00	0.0%
Total 1400 - Fixed Assets	167,089.76	90,547.19	76,542.57	84.5%
1500 - Accumulated Depreciation				
1505 - Comp. Hdwr/Sftwr. Acc. Depr.	-15,088.17	-12,451.17	-2,637.00	-21.2%
1510 - Furn. & Fixt. Accum. Depr.	-6,208.00	-2,465.00	-3,743.00	-151.9%
1515 - Leasehold Imp. Accum. Depr.	-1,630.00	-343.00	-1,287.00	-375.2%
1525 - Office Equip. Accum. Depr.	-4,915.00	-1,288.00	-3,627.00	-281.6%
Total 1500 - Accumulated Depreciation	-27,841.17	-16,547.17	-11,294.00	-68.3%
Total Fixed Assets	139,248.59	74,000.02	65,248.57	88.2%
Other Assets				
1600 - Intangibles				
1605 - Trademark - Slocal	15,750.00	0.00	15,750.00	100.0%
Total 1600 - Intangibles	15,750.00	0.00	15,750.00	100.0%
Total Other Assets	15,750.00	0.00	15,750.00	100.0%
TOTAL ASSETS	2,241,873.41	1,815,744.99	426,128.42	23.5%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 - Accounts Payable	63,774.03	48,082.77	15,691.26	32.6%
Total Accounts Payable	63,774.03	48,082.77	15,691.26	32.6%
Credit Cards				
2050 - Rabobank Credit Card	1,312.15	969.09	343.06	35.4%
Total Credit Cards	1,312.15	969.09	343.06	35.4%
Other Current Liabilities				
2100 - Payroll Liabilities				
2160 - Health Insurance Withheld	0.00	76.30	-76.30	-100.0%
Total 2100 - Payroll Liabilities	0.00	76.30	-76.30	-100.0%
Total Other Current Liabilities	0.00	76.30	-76.30	-100.0%
Total Current Liabilities	65,086.18	49,128.16	15,958.02	32.5%
Total Liabilities	65,086.18	49,128.16	15,958.02	32.5%
Equity				
3120 - Reserved Earnings	412,312.58	217,015.00	195,297.58	90.0%
3130 - Retained Earnings	1,125,416.90	401,839.00	723,577.90	180.1%
Net Income	639,057.75	1,147,762.83	-508,705.08	-44.3%
Total Equity	2,176,787.23	1,766,616.83	410,170.40	23.2%
TOTAL LIABILITIES & EQUITY	2,241,873.41	1,815,744.99	426,128.42	23.5%



ANNUAL REPORT



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FY 2016/17

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DEAR STAKEHOLDERS,

Visit SLO CAL is pleased to share our FY 2016/17 Annual Report, along with a glimpse of what is to come in the year ahead. As we reflect on the past year, we are proud of the progress and accomplishments our industry and our organization have achieved and we appreciate your support.

In FY 2016/17, we applied the insights gained from extensive research to launch the new, unifying and emotionally resonant countywide brand, SLO CAL. This brand was brought to life through all of you and introduced to consumers through the iconic “Life’s Too Beautiful to Rush” campaign, targeting six key feeder markets and three target personas.

Visit SLO CAL’s promotional efforts are part of our multi-year Strategic Plan that sets the stage for major advancement in the coming years. Our continued goals are to: 1) create greater awareness of our county and its assets, and 2) increase demand for overnight stays. The Strategic Plan has provided our organization with an illuminated roadmap and navigational direction for the next three years of the Tourism Marketing District.

As we look to the new fiscal year, Visit SLO CAL continues to seek ways to expand the SLO CAL brand, efficiently and effectively reaching potential travelers with the right message, at the right time, in the right place. We also strive to advance our strategic partnerships, identifying and leveraging opportunities for economic vitality throughout the county.

With our most productive year as an organization behind us, the opportunities that lie ahead for SLO CAL seem endless. The tourism industry in the county is more unified than ever, and our collective efforts as partners are having an impact on our guests, our communities and our residents. Thank you for your continued partnership, support and collaboration. We look forward to another amazing year with you in SLO CAL!

All the Best,



Chuck Davison
President & CEO
Visit SLO CAL

OUR VISION

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A vibrant and prosperous SLO CAL, fueled by a collaborative and flourishing tourism industry

ABOUT US

Visit SLO CAL (VSC) is a small, but mighty team of destination marketing professionals who work with, and on behalf of, our community, our members and our lodging constituents to promote San Luis Obispo County, California (SLO CAL) to travelers from around the world. As the sole countywide non-profit destination marketing and management organization (DMMO) for SLO CAL, our mission is to “inspire travel and foster our unique experiences to create life-long ambassadors and economic growth for SLO CAL”.

Our goal is to work with strategic partners, our members and our lodging constituents to build the SLO CAL brand through a data-driven, efficient and dynamic marketing program. Built on research with a strategy of continuous improvement, this program aims to establish SLO CAL as a favorite West Coast destination that is known for its signature slower pace of life and wide variety of incredible, immersive guest experiences.



STRATEGIC PLAN

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The VSC Board of Directors approved the organization's three-year Strategic Plan (Strategic Direction 2020) in June 2016. Since then, the VSC staff, board and partners have been executing key initiatives to accomplish the outlined objectives and five over-arching imperatives. VSC worked with Coraggio Group to map out a detailed Operational Plan and prioritized its initiatives, which the Board approved in November 2016.

IMPERATIVES

OPTIMIZE OUR ORGANIZATIONAL CAPACITY

OBJECTIVES:

- Increased employee engagement and satisfaction scores
- Ratio of administrative cost to economic impact

INITIATIVES:

- Align our organizational structure with our strategic plan
- Establish a continuous learning program for the VSC Team
- Evaluate and develop the tools, systems and technologies we need to succeed

ESTABLISH BRAND CLARITY AND INCREASED AWARENESS THROUGH UNIFIED EFFORTS

OBJECTIVES:

- Bi-annual growth of awareness in targeted visitor categories
- Bi-annual growth of awareness in targeted markets
- Bi-annual growth of awareness in targeted segments

INITIATIVES:

- Establish a unifying and emotionally resonant San Luis Obispo County brand
- Produce and share data-driven strategic insights
- Inspire and activate tourism ambassadors

BUILD AND EXPAND STRATEGIC PARTNERSHIPS

OBJECTIVES:

- Balanced inventory of partnerships
- Inbound partnership opportunities
- Earned Partnership Value (EPV)

INITIATIVES:

- Develop a system for annual partnership planning
- Align resources to manage partnerships
- Identify, develop and activate relationships
- Work with our partners to identify and reduce duplication of efforts

ADVOCATE FOR THE DEVELOPMENT OF CRITICAL TOURISM INFRASTRUCTURE

OBJECTIVES:

- Increased visitor volume
- Increased international visitor volume
- Draft of Tourism Infrastructure Master Plan completed
- Increased total air service

INITIATIVES:

- Develop long-term Tourism Infrastructure Master Plan
- Enable access to San Luis Obispo County via increased transportation options
- Initiate feasibility study for conference center
- Advocate and educate to support international tourism readiness

DEMONSTRATE VALUE TO OUR STAKEHOLDERS, PARTNERS AND COMMUNITIES

OBJECTIVES:

- Year-over-year growth in total stakeholder participation at VSC events/meetings
- Increased stakeholder satisfaction scores
- Year-over-year growth in local media coverage
- Deliver on objectives as stated in annual marketing plan
- Community engagement with countywide tourism

INITIATIVES:

- Develop an engaged and high-functioning tourism culture for San Luis Obispo County
- Create an impactful annual marketing plan and timeline
- Develop and execute a local communication strategy
- Develop a plan for advocacy on behalf of stakeholders

FY2016 /17 BOARD OF DIRECTORS

Jay Jamison · Chair | Pismo Coast Village | Pismo Beach
Elected Designated RV Park Seat (—June 2019)

Clint Pearce · Vice Chair | Madonna Enterprises | San Luis Obispo
Elected Designated At-Large Seat (—June 2019)

JP Patel · Secretary | Best Western Plus Colony Inn | Atascadero
Appointed Atascadero Seat (—June 2020)

John Arnold · Treasurer | Holiday Inn Express | Paso Robles
Appointed Paso Robles Seat (—June 2018)

Noreen Martin · Past President | Martin Resorts | Unincorporated Area
Elected Designated At-Large Seat (—June 2017)

Kathleen Bonelli | Paso Robles Vacation Rentals | Paso Robles
Elected Designated Vacation Rental Seat (—June 2019)

James Davison | Pelican Inn & Suites | Unincorporated Area
Appointed Unincorporated Area Seat (—February 2017)

Mark Eads | SeaVenture Beach Hotel | Pismo Beach
Elected Designated At-Large Seat (—June 2019)

Aaron Graves | The Rigdon House | Unincorporated Area
Elected Designated Bed & Breakfast Seat (—June 2018)

Jim Hamilton | County of San Luis Obispo
County At-Large Appointee (—June 2020)

Rachel Lima | Hampton Inn & Suites | Arroyo Grande
Appointed Arroyo Grande Seat (—February 2017)

Sarah Maggelet* | Sarah's Suite | Unincorporated Area
Appointed Unincorporated Area Seat (—June 2019)

Sam Miller | Holiday Inn Express | Grover Beach
Appointed Grover Beach Seat (—June 2018)

Nipool Patel | Lamplighter Inn & Suites | San Luis Obispo
Appointed San Luis Obispo Seat (—June 2020)

Val Seymour | The Front Street Inn & Spa | Morro Bay
Appointed Morro Bay Seat (—June 2020)

Roger Wightman | Sandcastle Inn | Pismo Beach
Appointed Pismo Beach Seat (—June 2018)

**Appointed to Unincorporated Area Seat after James Davison resigned from the Board*

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FY2016 /17 MARKETING COMMITTEE

Ashlee Akers | Partner & Vice President of Client Services | Verdin

Jim Allen | Director of Marketing and Communications | Hearst Castle

Terrie Banish | Deputy City Manager – Outreach/Promotions/Events | City of Atascadero

Molly Cano | Tourism Manager | City of San Luis Obispo

Cheryl Cuming | Chief Administrative Officer | Unincorporated County Business Improvement District (CBID)

Amanda Diefenderfer | Destination Manager | Travel Paso Robles Alliance

Christen Goldie | Revenue & Marketing Director | The Apple Farm

Gordon Jackson | Executive Director | Pismo Beach Conference and Visitors Bureau (CVB)

Lori Keller | Chief Executive Officer | Martin Resorts

Jennifer Little | Tourism Manager | City of Morro Bay

Heather Muran | Executive Director | San Luis Obispo Wine Country Association

Jennifer Porter | Executive Director | Paso Robles Wine Country Alliance

John Sorgenfrei | President & Owner | TJA Advertising

FY2016 /17 ADVISORY COMMITTEE

Jim Bergman | City Manager | Arroyo Grande
 Matthew Bronson | City Manager | Grover Beach
 David Buckingham | City Manager | Morro Bay
 Dan Buckshi | County Administrator | County of San Luis Obispo
 Lynn Compton | Supervisor | County of San Luis Obispo
 Red Davis | Councilmember | Morro Bay
 Thomas Frutchey | City Manager | Paso Robles
 Barbara Harmon | Councilmember | Arroyo Grande

Erik Howell | Mayor Pro Tem | Pismo Beach
 Jim Lewis | City Manager | Pismo Beach
 Katie Lichtig | City Manager | City of San Luis Obispo
 Tom O'Malley | Mayor | Atascadero
 Steve Martin | Mayor | Paso Robles
 Heidi Harmon | Mayor | City of San Luis Obispo
 Rachelle Rickard | City Manager | Atascadero
 Mariam Shah | Councilmember | Grover Beach

OUR TEAM

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Chuck Davison • *President & CEO*

Leads the VSC team, advancing the initiatives of the Strategic Plan to position the organization for success; Manages board, committee, community and strategic partner relations

(Open) • *Executive Assistant*



Brooke Burnham • *Vice President of Marketing*

Leads the Marketing Department, managing the integrated marketing program, including paid, earned and owned media, as well as agency relations, partners and contractors; Oversees the Marketing Committee and acts as their liaison to the Board of Directors

(Open) • *Communications Director*

(Open) • *Brand & Digital Marketing Manager*



Jordan Carson • *Marketing Coordinator*

Coordinates consumer and industry social media efforts for VSC; Provides support to the Vice President of Marketing, including the coordination of monthly promotions, content development and sponsorship events

BCF • *Marketing Agency*

Research • *Research Agencies*

Kylee Corliss • *Film SLO CAL*

PR Agency • *TBD*



Michael Wambolt • *Director of Travel Trade*

Leads the Travel Trade Department, representing VSC at tradeshow and sales missions throughout the country and internationally, and hosting FAMs in the county; Advances domestic and international awareness of the county in the meeting and conference and the travel and leisure segments



Pam Roberts • *Events & Membership Manager*

Plans and executes all VSC industry events, trade shows and consumer events; Oversees Membership Services, providing support to existing members and activating new members



Brendan Pringle • *Operations Manager*

Manages multi-departmental projects, accounting operations and IT; Serves as the liaison to the VSC Board and Committees

WHY TOURISM MATTERS

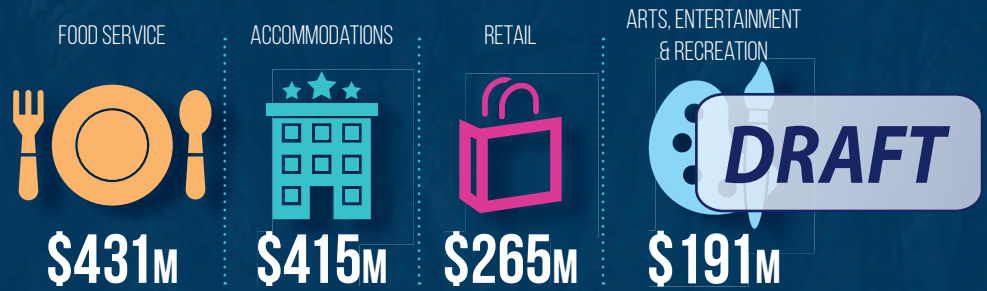
VSC's mission to "inspire travel and foster our unique experiences to create life-long ambassadors and economic growth for SLO CAL" is at the core of everything we do. Tourism supports SLO CAL's communities by creating jobs, generating tax revenue and supporting local businesses, all while fostering a higher quality of life through added amenities, diverse activities and robust local services.

TRAVEL SPENDING

\$1.59B
UP 1.2% OVER 2015

SOURCE: DEAN RUNYAN

DIRECT SPENDING FROM EACH SECTOR



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VISITOR SPENDING

\$1.53B
UP 1.1% OVER 2015

HOTELS AND MOTELS



\$923M

DAY TRAVEL



\$318M

CAMPGROUNDS



\$139M

PRIVATE HOMES



\$108M

VACATION HOMES



\$46M

DIRECT SPENDING BY DOMESTIC AND INTERNATIONAL TRAVELERS AVERAGED



SOURCE: DEAN RUNYAN



1 OUT OF 8 SLO COUNTY JOBS DEPEND ON TRAVEL AND TOURISM

SOURCES: CALIFORNIA ECONOMIC DEVELOPMENT DEPARTMENT + DEAN RUNYAN

17,820
TOTAL JOBS

ACCOMMODATIONS & FOOD SERVICE	ARTS, ENTERTAINMENT & RECREATION	RETAIL	GROUND TRANSPORTATION	VISITOR AIR TRANSPORTATION	OTHER TRAVEL
10,650 JOBS	4,970 JOBS	1,490 JOBS	440 JOBS	90 JOBS	180 JOBS

LOCAL TAX REVENUE

\$61.7M

WHICH COVERS EXPENSES FOR



EACH SLO CAL HOUSEHOLD WOULD PAY
AN ADDITIONAL \$595⁷⁰ IN TAXES

WITHOUT THE TAX REVENUE GENERATED BY TRAVEL AND TOURISM

SOURCES: DEAN RUNYAN + U.S. CENSUS BUREAU

VISITOR TAX RECEIPTS

\$44M

VS.

BUSINESS TAX RECEIPTS

\$18M

LODGING BY THE NUMBERS

	FY 2014/15	FY 2015/16	FY 2016/17	
TOT	\$ 33,563,348	\$ 35,926,108	\$ 37,616,854	UP 12.1% OVER 3 YEARS
OCC	70.5%	69.9%	68.9%	SUPPLY UP 4.1% OVER 3 YEARS
ADR	\$ 135.64	\$ 144.00	\$ 148.54	UP 9.5% OVER 3 YEARS
REV PAR	\$ 95.63	\$ 100.64	\$ 102.37	UP 7.0% OVER 3 YEARS

SMITH TRAVEL RESEARCH (STR) REPORTS

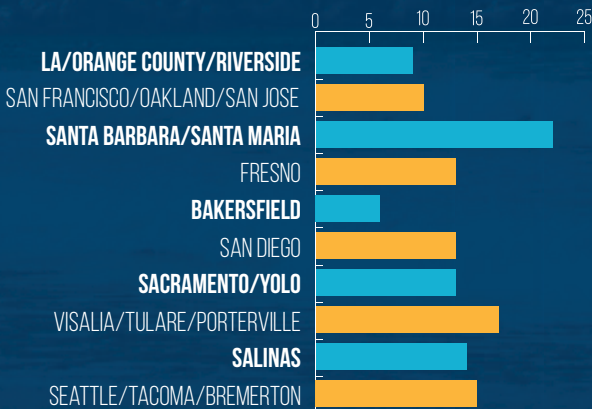
VSC uses weekly and monthly STR reports to monitor lodging industry performance and track seasonal changes and incidental impacts for 11 communities and the county as a whole.

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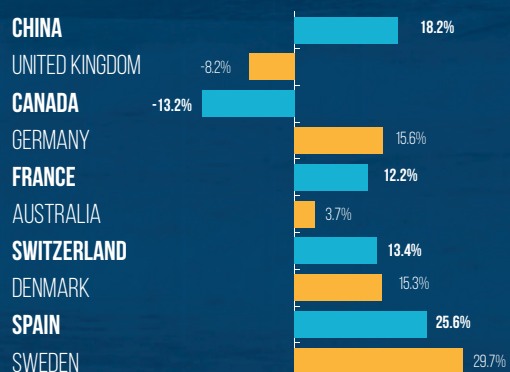
VISAVUE® TRAVEL

VSC continues to invest in the Visit California co-op on VisaVue® Travel data for both domestic and international travel spending in SLO CAL. The quarterly and annual reports offer key information on spending by market segment and merchant category, allowing VSC to gain insights on market impacts, changes and opportunities.

2016 TOP ORIGINATING MSA_s YOY \$ GROWTH (PERCENTS)



2016 TOP \$ COUNTRIES YOY \$ GROWTH (PERCENTS)



TRAVEL TRADE

DRAFT

VSC's Travel Trade Department expanded efforts in FY 2016/17 with a number of new initiatives, including its first independent international representation in the United Kingdom (UK) and Ireland, and the attendance of two additional Visit California programs: the Mexico Sales Mission and Club California France. VSC also strategically targeted tour operators and meeting planners through tradeshow, sales missions, familiarization tours (FAMs) and association connections.

SEP

2016

VSC Tour & Travel
Sales Mission
VCA China FAM



OCT

2016

VCA China FAM
VCA
UK SuperFAM



NOV

2016

VSC Meeting &
Conference Sales
Mission



DEC

2016

CalSAE Seasonal
Spectacular



JAN

2017

VCA Mexico Sales
Mission

PARTNERSHIP WITH BLACK DIAMOND

For the first time ever, VSC had direct travel trade representation in the UK and Ireland markets. VSC's partnership with Black Diamond in FY 2016/17 included:

- Training for Product Managers/Travel Agents
- VSC-Specific UK FAM
- Exclusive VSC Sales Mission in London and Dublin

MEETINGS & CONFERENCES

VSC actively promoted SLO CAL as a premier meetings destination at tradeshow and through industry associations, resulting in:

- 84 Appointments and Leads
- \$5M Estimated Buying Power



7 FAMs WITH
50 TRAVEL PROFESSIONALS



7 TRADESHOWS

5 SALES MISSIONS



10 CITIES

86 LEADS

5 AGENCY
TAKEOVERS

DRAFT

FEB

MAR

APR

MAY

JUN

2017

2017

2017

2017

2017

NTA Travel Exchange

MPI Northern California Expo

Black Diamond UK/Ireland Sales Mission

Vacation Rental Management Association Conference

US Travel Association IPW

Go West Summit

MPI Sacramento/Sierra Nevada Tradeshow

VCA China Sales Mission

California Cup

VCA Mexico SuperFAM

Connect California

Nan Hu Travel China Tour Operator FAM

Black Diamond UK/Ireland FAM

VCA France FAM



SALES MISSIONS

VSC targeted top four operators in China, the UK and Mexico through domestic and international sales missions. Through these missions, VSC built awareness for the destination, trained travel agency call centers and cultivated relationships with top travel agents and product managers. In FY 2016/17, travel trade sales missions resulted in:

- 103 Industry Appointments
- 86 Leads
- \$100M Estimated Buying Power

FAM TOURS

This year, VSC hosted travel trade FAMs from China, the UK, Ireland, France and Mexico to showcase the tour opportunities throughout SLO CAL. These FAMs included:

- 50 International Travel Professionals
- Top-Producing Travel Agency Product Managers
- \$15M Estimated Buying Power

EARNED MEDIA

MEDIA FAM TOURS/HOSTED MEDIA

In FY 2016/17, VSC partnered with Visit California, Central Coast Tourism Council and local DMO partners to host and/or work directly with over 100 journalists to craft stories featuring SLO CAL as a premier West Coast destination. The journalists that VSC hosted worked with major outlets, such as:



VISIT CALIFORNIA MEDIA RECEPTIONS

VSC took full advantage of opportunities offered through Visit California to reach national and international media.

• LOS ANGELES MEDIA RECEPTION

- 80+ Writers, Editors and Press
- Notable Media: AAA Westways, Condé Nast, Disney

• CHICAGO MEDIA BOOT CAMP

- 20+ Writers, Editors and Digital Influencers
- Notable Media: Dallas Morning News, Delta Sky, Chicago Tribune, National Geographic Traveler, USA Today

• NEW YORK MEDIA RECEPTION

- 192 Writers, Editors and Press
- Notable Media: Fodor's, NBC's TODAY, ShermansTravel, Travel + Leisure

• SAN FRANCISCO MEDIA RECEPTION

- 80+ Writers, Editors and Press
- Notable Media: AFAR, Bay Area News Group, San Francisco Chronicle, Smart Meetings, Sunset

DRAFT

HOSTED MEDIA ACCOUNTED FOR 110 SEPARATE ARTICLES FOR SLO CAL, INCLUDING



150,000 REACH
\$3,800 VALUE



101,681 REACH
\$2,974 VALUE



63,372 REACH
\$35,830 VALUE



50,000 REACH
\$6,000 VALUE



170,000 REACH
\$17,141 VALUE



258,214 REACH
\$10,467 VALUE



101,562 REACH
44,922 UNIQUE MONTHLY VISITORS

DESKSIDES + EVENTS

Conducting meetings (desksides) or hosting events with members of the press in their home market is an effective and efficient way for VSC to share information about SLO CAL, pitch story ideas and cultivate relationships with writers, editors and influencers. In FY 2016/17, VSC conducted such press relations in multiple markets.

- **NEW YORK: 3 DESKSIDE MEETINGS**
Notable Media: Condé Nast Traveler, The Rachael Ray Show and Magazine, Successful Meetings
- **DENVER: 10 DESKSIDE MEETINGS**
Notable Media: 5280 Magazines, AAA Encompass, Denver Post, National Geographic Social
- **SEATTLE: 25 DESKSIDE MEETINGS**
Notable Media: Destination Wineries, Evening Magazine, Northwest Travel & Life, Seattle Times

PRESS RELEASES

In FY 2016/17, VSC wrote over a dozen press releases featuring seasonal story ideas, new attractions and key VSC initiatives, including Restaurant Month and Travel & Tourism Week. Releases are distributed directly to VSC's media contacts, through events and on the news wire, reaching thousands of writers and editors worldwide.

PR CONTRACTORS

VSC public relations efforts expanded in FY 2016/17 to include in-market representation in Denver and Seattle, in addition to local contractors. Through these contracts, VSC leveraged their established relationships and met with media in market to garner press coverage in conjunction with the launch of new air service.

IPW 2017 MEDIA MARKETPLACE

In June 2017, VSC represented SLO CAL at the IPW Media Marketplace, conducting 23 on-site media visits and proactive outreach, sharing press releases and story ideas.

DRAFT

PARTNERSHIP WITH BLACK DIAMOND

In November 2016, VSC began a contract with international public relations and trade agency, Black Diamond. This strategic relationship has increased VSC's media presence in the UK and Ireland markets by pitching stories, identifying opportunities and hosting media events, resulting in:

40,998,890 IN MEDIA CIRCULATION

\$633,021 IN PUBLIC RELATIONS VALUE

CRISIS COMMUNICATION

In FY 2016/17, two natural crises in the county required activation of the VSC Crisis Communication Plan that was developed in 2015: the Chimney Fire and the closure of Highway 1.

- **CHIMNEY FIRE:**
The Chimney Fire consumed over 46,000 acres in SLO CAL in August and September of 2016, and VSC worked quickly and consistently to keep constituents updated via the website, email alerts and industry-specific social media channels.
- **PFEIFFER BRIDGE CLOSURE AND HIGHWAY 1 LANDSLIDES:**
VSC has worked closely with state, regional and local partners to activate a crisis communications strategy around the Highway 1 closure, informing the public, press and tourism industry partners through a variety of tactics and outlets, including:



CRISIS PLAN

TALKING POINTS FOR INDUSTRY PARTNERS

ONLINE CLOSURE INFORMATION HUB

CONSUMER RESOURCES & DETOUR MAPS

224
LODGING PROPERTY VISITS

INDUSTRY OUTREACH:

24
VISITOR CENTER & CHAMBER VISITS

ONGOING MEDIA RELATIONS, INTERVIEWS + INFORMATION

OWNED MEDIA

DRAFT

SLOCAL.COM WEBSITE

With the launch of the new "Life's Too Beautiful to Rush" SLO CAL brand campaign, VSC also launched a dynamic, interactive landing page featuring a video header, visual mapping tour of the county and snapshots of the individual destinations.

Additionally, the previous website continues to house VSC's robust guest-experience information, event calendar and blog. This site has seen extensive growth in traffic due to VSC's ad campaign, strategic content development and continued site optimization efforts.

2016-2017 SNAPSHOT



2,082,828
WEBSITE VISITS



316.6%
YOY



1,134,390
UNIQUE VISITORS



199.6%
YOY



3,532,325
PAGEVIEWS



137.7%
YOY



1.7

AVERAGE PAGES PER VISIT



2.6 MILLION

MINUTES ON SLOCAL.COM



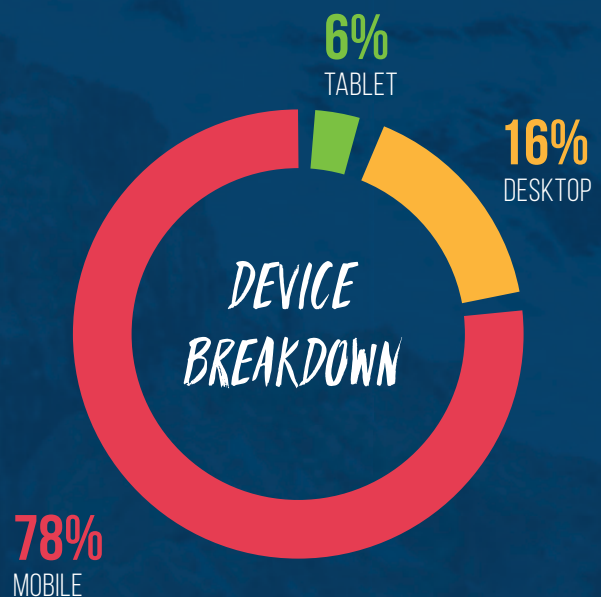
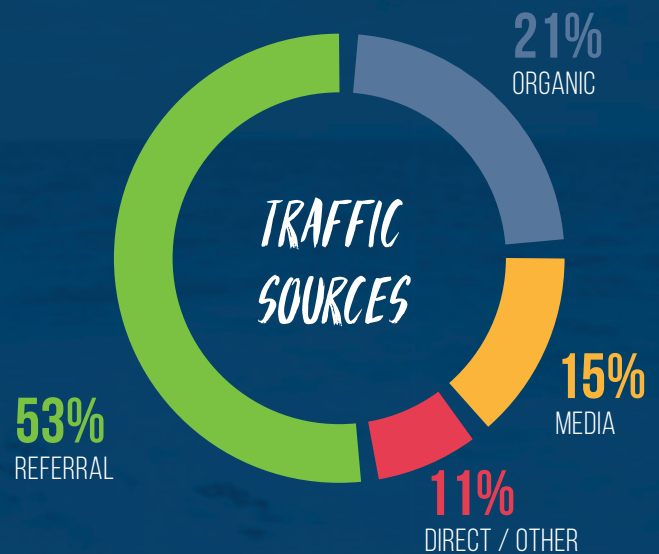
ORGANIC SEARCH TRAFFIC

26.6% YOY



MOBILE TRAFFIC INCREASE

621.6% YOY



E-MAIL MARKETING

THIS MONTH IN SLO CAL

This Month in SLO CAL is VSC's monthly newsletter, sharing trip ideas, giveaways, seasonal blog posts, unique deals and signature events with 36,000 subscribers. VSC also sends targeted e-blasts to strategic markets, such as promotions sent to Seattle and Denver subscribers supporting the new direct flights to San Luis Obispo County.

THIS WEEK IN SLO CAL

Every Thursday, VSC delivers the weekly industry newsletter, *This Week in SLO CAL*, to lodging constituents, members and partners, sharing industry insights, travel trends, VSC news, crisis communications and local events.

2017/18 VISITORS MAGAZINE

In 2017, VSC expanded the *SLO CAL Visitors Magazine* (SCVM) with fresh, rich content and new branding. The SCVM provides an important opportunity to inspire travelers through engaging stories about SLO CAL's unique culinary, wine, adventure, cultural and coastal scenes, as well as exciting events and hidden backstories about our destination. The 2017 SCVM included new features on local picks, regional drives and *A Day in the Life*, where readers get to meet interesting people in SLO CAL.

- 45,000 SCVMs were printed and distributed
- SCVM was distributed through:
 - Travel & Corporate Locations in Los Angeles and San Francisco
 - VCA Welcome Centers
 - Requests on SLOCAL.com
 - Businesses, Hotels & Visitor Centers in SLO CAL

DRAFT

SLO CAL BLOG

The SLO CAL blog continues to be a critical part of telling the destination story, inspiring travel and gaining organic search engine traffic. VSC has developed a strategic content calendar, expanding efforts to engage website users, tell unique stories and highlight partners through dynamic content. VSC also worked with Expedia to help create a blog post for SLOCAL.com, which was shared on Expedia's social media channels. VSC follows a "create once, distribute everywhere" (CODE) model, distributing content widely through email marketing, social media and website pages. In FY 2016/17, the VSC blog saw 400,605 pageviews, an increase of 251.36% over FY 2015/16.

SOCIAL MEDIA

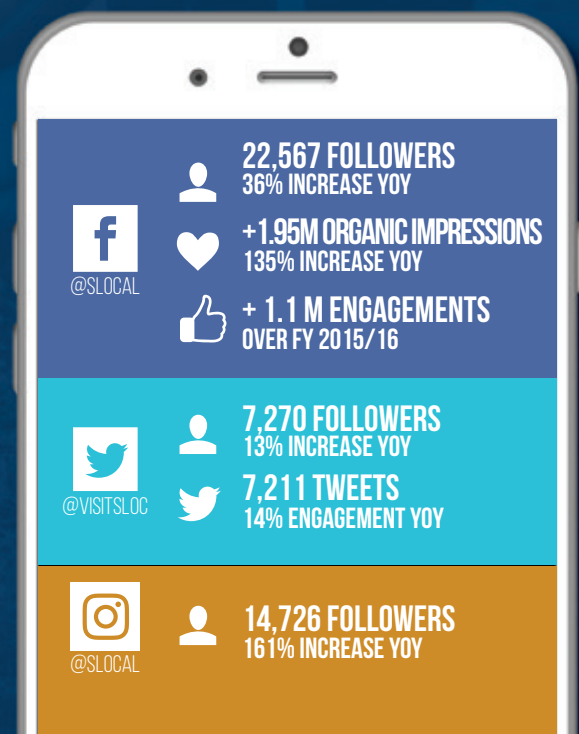
VSC applied the new SLO CAL brand to all social media channels in 2017. VSC also continues to expand efforts to work with influencers, allowing them to tell the SLO CAL story directly to their hyper-engaged audiences.

INFLUENCERS

VSC continues to seek opportunities to expand online SLO CAL presence through brand ambassadors near and far. In FY 2016/17, VSC hosted two influencers, and will grow this program in the coming year.

Pete Halvorsen - @PeteHalvorsen 199K Followers

Corey Marshall - @MissFoodieProblems 87K Followers

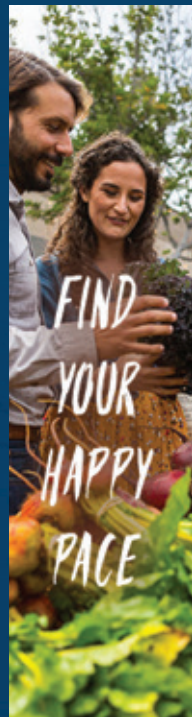
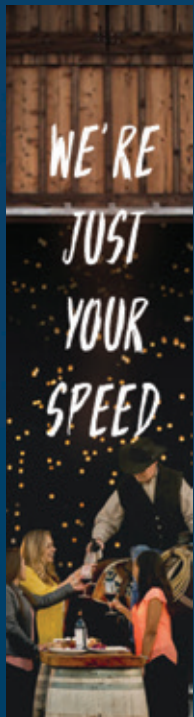


PAID MEDIA

DRAFT

NEW SLO CAL BRAND

In January of 2017, VSC completed a key Strategic Plan imperative, rolling out the first ever countywide tourism brand, SLO CAL, and the "Life's Too Beautiful to Rush" campaign to support it. Built on research, including the Share-of-Wallet Study and the Feeder Market Study, the new campaign is both data-driven and emotionally resonant. With it, San Luis Obispo County became SLO CAL, a "world you've been too busy to see," with a sense of place that connects with both visitors and residents.



CAMPAIGN BY THE NUMBERS



TOTAL WEB TRAFFIC*
1,797,695



ENGAGED USERS
135,314



ENGAGED USERS CVR
7.5%



ARRIVALS**
6,093



CONTENT PAGE VIEWS
(BUZZFEED & MATADOR)
230,866



COST PER WEIGHTED
CONVERSION
\$12.60



COST PER ARRIVAL
\$88.64



COST PER MINUTE
OF ENGAGEMENT
\$4.53

*TOTAL WEB TRAFFIC DURING CAMPAIGN PERIOD, NOT JUST PAID MEDIA EFFORTS

**ARRIVALS ARE BASED ON MEDIA PLACEMENTS TRACKABLE THROUGH ARRIVALIST AND ARE NOT INCLUSIVE OF ALL ARRIVALS RESULTING FROM THE MEDIA PLAN

TARGET MARKETS

VSC's limited advertising budget means that each dollar must be spent strategically, hitting the right people, at the right time, with the right message, and only those people. VSC reduces waste by careful targeting and optimization toward three strategic personas and by narrowing the focus to six key feeder markets, chosen through research data and to support the two new direct flights.

6 MARKETS

LOS ANGELES
SAN FRANCISCO
SEATTLE

DENVER
PHOENIX
LAS VEGAS





PERSONAS

VSC's marketing strategy leverages psychographic segmentation to go beyond the demographics of household income, age, education level, etc., to uncover the beliefs, motivations, aspirations and lifestyles that enable engagement with the person, not just the target market.

MOM TO THE MAX

Scheduled, Connected, Affluent,
Seeks Transparency



ACTIVE ADVENTURER

Active, Mid-High Affluent, Educated,
Passionate Experience-Seekers



CULTURED CLASS

Educated, Risk Takers, Gracious,
Confident, Professionals

DRAFT

COOPERATIVE ADVERTISING

Telling the full countywide travel story enables the consumer to envision a more extensive and dynamic vacation experience in SLO CAL, leading to longer stays and higher spending. VSC's co-op ad programs enable multiple organizations to join forces and funds to do just that – creating efficiencies and multiplying impact. In FY 2016/17, VSC worked with the Marketing Committee to identify and implement a variety of co-op ad programs, including:

PARTICIPANTS:
MORRO BAY • ARROYO GRANDE
ATASCADERO • SAN LUIS OBISPO
PISMO BEACH

2 ARTICLES | 5 :90 VIDEOS

PARTICIPANTS:
ATASCADERO • PASO ROBLES
SAN LUIS OBISPO

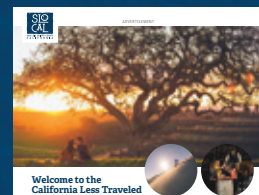
"FORGET NORCAL AND SOCAL, SLO CAL IS WHERE IT'S AT"

2 ARTICLES

Alaska AIRLINES

7 PAGE CO-OP

RAN MAY 2017 IN ALASKA AIRLINES' IN-FLIGHT MAGAZINE



RESEARCH

RESEARCH NOW

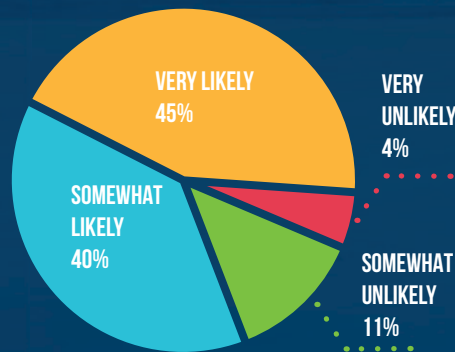
VSC hired a global market research firm, Research Now, to conduct a three-wave Brand Lift Study (BLS) to measure consumer awareness of the SLO CAL brand in key feeder markets. The first wave was completed ahead of the advertising launch and established a baseline from which to measure the campaign's impact. Wave two was conducted during the summer, following the campaign, and wave three will be conducted next year. So far, the BLS shows:

FAMILIARITY WITH SLO CAL

39% HAVE VISITED SLO CAL IN THE PAST, UP FROM 38% IN WAVE 1

61% HAVE NOT VISITED OF WHICH 68% WOULD BE INTERESTED IN VISITING SLO CAL

LIKELIHOOD TO CONSIDER VISITING SLO CAL AFTER SEEING ADS



DRAFT

ARRIVALIST

Another way that VSC is tracking the success of the "Life's Too Beautiful to Rush" campaign is through a new contract with Arrivalist, a platform that evaluates the link between marketing exposure and market visitation. Arrivalist places tracking pixels on the SLOCAL.com website and on the digital ads VSC places to track interactions with consumers (viewing ads, visiting the website, etc.) and actual visits to SLO CAL (when their mobile device arrives in the county).

PAID MEDIA ARRIVALS
6,093
TOP 5 STATES
% ARRIVALS

CALIFORNIA	83.0%
WASHINGTON	7.1%
ARIZONA	5.4%
COLORADO	2.3%
TEXAS	0.3%

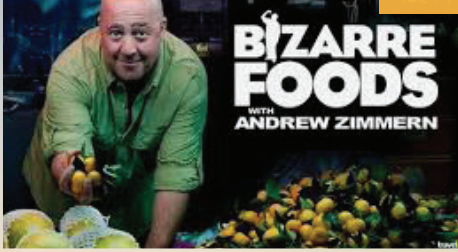
OWNED MEDIA ARRIVALS
887
TOP 5 STATES
% ARRIVALS

CALIFORNIA	83.0%
NEVADA	2.0%
ARIZONA	1.8%
COLORADO	1.7%
TEXAS	1.6%

MONTH	EXPOSURES	ARRIVALS
JAN (21 ST TO 31 ST)	7.96%	1.39%
FEB	27.28%	14.04%
MAR	26.75%	20.57%
APR	29.08%	27.82%
MAY	5.25%	15.83%
JUNE	3.64%	12.65%
JULY(1 ST TO 17 TH)	0.04%	7.69%

DRAFT

FILM SLO CAL



Along with the new SLO CAL brand, the SLO CAL Film Commission was rebranded as Film SLO CAL (FSC). FSC promotes, tracks and facilitates filming in the county. In 2016, filming remained strong with 120 project leads coming through the FSC office in the calendar year. These projects included independent feature films, television programs, commercials, photo shoots, music videos, documentary films and more. In 2016, FSC reported:

316
FILMING
DAYS

\$6.3M
ECONOMIC IMPACT
FOR SLO CAL

OVER 85
PRODUCTIONS

NOTABLE PRODUCTIONS INCLUDED:

- Bizarre Foods with Andrew Zimmerman (Viewership: 1M)
- Beach Front Bargain Hunt (Viewership: 9.4M)
- Shark Week (Viewership: 2M)
- The Real Housewives of Beverly Hills
- Commercial film or still shoots for Subaru, Polaris, Dodge, Jeep, Samsung, ipsey, Neiman Marcus and Bic Soleil
- Visit California "Living the Dream" TV commercial

FILM INDUSTRY LOCATION FAMILIARIZATION TOUR

As part of its sponsorship of the SLO Film Fest, FSC hosted 12 location managers, scouts and filmmakers for a two-day film location scouting FAM through the county. Participants included independent film makers and location scouts for studios, such as Disney.

MAJOR FILM COMMISSION TRADE SHOWS

FILM IN CALIFORNIA EVENT: FSC met with representatives from Paramount and Disney, and with location managers who work on features, commercials and TV series.

ASSOCIATION OF FILM COMMISSIONERS INTERNATIONAL (AFCI) LOCATIONS CONFERENCE: FSC promoted SLO CAL as a film location to over 500 industry professionals seeking locations for upcoming feature films, TV shows and commercials.

NEW FILM SLO CAL BROCHURE

This year, FSC produced its first-ever *Film in SLO CAL* marketing brochure, showcasing a sample of the beautiful film locations in the county and providing information on production services available in the region. This is the first time FSC has had a branding piece of this caliber to display and distribute to filmmakers at trade shows and events.



SPONSORSHIPS + EVENTS

DRAFT

VSC continues to seek event sponsorships and partnerships that align with VSC's mission, fit the SLO CAL brand and provide additional exposure to the key markets and personas.

SAVOR ON THE ROAD

Last year, VSC reinvented SAVOR as an event marketing activation, taking it on the road to key target markets. To accomplish an immersive SLO CAL destination experience, VSC partnered with a variety of local restaurants, winery, brewery, distillery and activity members to create "SAVOR—A San Luis Obispo County Experience." VSC organized destination installations with food, wine, beer and spirit tastings, as well as craft products and local foods, at the San Diego Bay Wine + Food Festival in November and the Seattle Wine & Food Experience in February.



SAN DIEGO – 5,000 ATTENDEES AND 11 PARTNERS
SEATTLE – 2,000 ATTENDEES AND 9 PARTNERS



\$50,000 SPONSORSHIP

2 HOURS TV COVERAGE

30 SECOND COMMERCIALS

ONLINE VIDEO, BANNER ADS,
SOCIAL MEDIA POSTS + E-BLAST INCLUSION



VSC DELIVERS AMGEN TOUR OF CALIFORNIA TO SLO CAL

VSC sponsored the AMGEN Tour of California for the second year in a row, contributing \$50,000 to support a race start in Pismo Beach and a finish in Morro Bay on May 16, 2017. The race route covered many SLO CAL communities during the two-hour live international broadcast, including Grover Beach, Arroyo Grande and Edna Valley, as well as a sprint down Higuera Street in downtown San Luis Obispo. In addition to the coverage, VSC, along with the start and finish cities, received promotions, such as international TV commercials on NBC Sports, online video ads, social media coverage and more.

5,896 Total Tour Tracker Ad Views for VSC

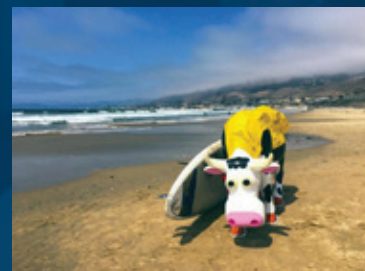
17,688 Total Tour Tracker Ad Views for Pismo Beach, Morro Bay and VSC

Social Media: **13** Social Posts / **461,014** Reach

VSC: **5** Emails / **298,959** Deliveries / **19.86%** Open Rate

COWPARADE SLO COUNTY

Contributing \$20,000, VSC was the Official Tourism Sponsor for CowParade SLO County, a countywide art installation that ran from September 2016 to April 2017. VSC collaborated with local marketing firm BCA to create and produce seven "Adventure Cow" videos featuring activities throughout the county—from kayaking in Morro Bay to ziplining in Santa Margarita, grapestomping in Paso Robles to the Polar Bear Dip in Cayucos. The video promotion saw:



40,800+ Facebook Video Views / **5,000+** Instagram Video Views

INDUSTRY EDUCATION

DRAFT

VSC is dedicated to providing the latest industry information, research and resources to tourism partners, lodging constituents and VSC members. In FY 2016/17, VSC hosted several industry events covering a wide range of topics, including:

RESEARCH
 SOCIAL LODGING
 CUSTOMER SERVICE
 INTERNATIONAL
 TOURISM IMPACT
 CHINA
 VACATION RENTALS
 PERSONAS
 RECEPTIVES
 SLO CAL
 ADVOCACY
 INFLUENCERS
 HOTELS
 VISIT CALIFORNIA

INDUSTRY EDUCATIONAL SYMPOSIUM

In October 2016, VSC held an Industry Educational Symposium, designed to cover important and timely industry topics, which were focused on perfecting operational effectiveness and increasing revenue.

GLOBAL READY TRAINING

VSC partnered with Visit California to host a first-of-its-kind Global Ready China seminar in December 2016. The seminar provided more than 75 attendees with an understanding of the Chinese tourist and insight on how to welcome this growing market.

INDUSTRY SOCIAL MEDIA CHANNELS

VSC utilized the industry social media channels established last year to inform constituents and industry partners on industry news, local accomplishments and crisis updates for the Chimney Fire and the Highway 1 closure.



2017 ANNUAL VISIT SLO CAL TOURISM EXCHANGE

The Tourism Exchange in May is VSC's largest industry event of the year, bringing together community partners, lodging constituents, VSC members and government officials to celebrate National Travel & Tourism Week. Here, attendees heard the latest industry intelligence from guest speakers, learned from tourism industry experts and networked with peers. The VSC Tourism Exchange saw a record attendance in 2017.



SPEAKERS FROM...

170 ATTENDEES



STRATEGIC PARTNERSHIPS

Following the Strategic Plan imperative to “build and expand strategic partnerships,” VSC continued cultivating and strengthening collaboration with several national, statewide and regional organizations in marketing, development and continuous improvement.

DRAFT

VISIT CALIFORNIA

VSC understands the value of the tourism funnel and having strong relationships with DMOs at the national, state and regional level. It is critical for VSC to stay top-of-mind with these organizations, and Visit California (VCA), the state’s destination marketing organization, has proven to be a key ally in accomplishing VSC’s mission. To help maintain this vital relationship, VSC President & CEO, Chuck Davison, sits on VCA’s Branding Committee and VSC staff and partners attend many VCA events, participate in VCA programs and collaborate frequently.

GLOBAL READY SEMINAR: VSC partnered with VCA to host training for local partners around the Chinese culture and Chinese guest. For more information, see page 20.

CHINA & MEXICO SALES MISSIONS: VSC continued to increase international awareness of SLO CAL by attending VCA’s China and Mexico Sales Missions, allowing VSC access to a network of premier travel agencies and resources.

MEXICO AND CANADA CEO MISSION: In May, Chuck Davison joined a delegation of senior industry leadership and elected officials on a VCA CEO Mission to deepen ties and reaffirm our industry’s commitment in Mexico and Canada in response to the U.S. political climate and economic factors impacting international travel.

SILVER ANNIVERSARY CELEBRATION: Chuck Davison and VSC Vice President of Marketing, Brooke Burnham, attended Visit California’s Silver Anniversary Celebration in May. Also representing SLO CAL at the event were Paso Robles Mayor, Steve Martin; VSC and VCA Board Member Noreen Martin and VSC Board Chair Jay Jamison.

CALIFORNIA DMO LEADERSHIP SUMMIT: Chuck Davison was among 11 destination CEO’s invited by VCA to participate in their DMO Leadership Summit. Attendees discussed a wide array of topics, including government affairs, industry trends, organizational governance and business issues.

HIGHWAY 1 CLOSURE COLLABORATION: VSC has been working closely with VCA and partners along the Central Coast to help inform the public and travel trade around the Highway 1 closure (see page 12 for details).



“LIVING THE DREAM” COMMERCIAL*: VCA featured SLO CAL in their “Living the Dream” TV commercial, which began airing nationally and internationally in the winter.

Supported by planned VCA media spend of \$26.1M in FY16/17; deployed through broadcast and online TV channels in 6 markets:



*CAMPAIGN YIELDED OVER 900M IMPRESSIONS

LOCAL PARTNERSHIPS

DRAFT

OTHER INDUSTRY RELATIONS



SLO COUNTY REGIONAL AIRPORT (SLOCRA)

VSC partners with the SLOCRA to attract new visitors to the area, develop new flights and support existing routes. VSC supported new flight development with over \$460,000 in marketing to activate the new markets. Three new flights, two serving new markets, were established in FY 2016/17 (see page 23 for more details).



CAL POLY

VSC collaborates with Cal Poly on several initiatives, including Poly Parent Adventures, internships for the Cal Poly Experience Industry Management students and the Local Economic Development Committee for the President's Council of Advisors, which VSC President & CEO Chuck Davison serves on.

POLY PARENT ADVENTURES: VSC and Cal Poly continued their partnership to promote Poly Parent Adventures, offering special deals and packages.

- 35 member participants
- 1,527 pageviews

VSC INTERNSHIP PROGRAM: VSC employed two Cal Poly seniors as full-time interns to gain multi-departmental DMO experience, including events, marketing and travel trade promotion.



ECONOMIC VITALITY CORPORATION

VSC President & CEO Chuck Davison serves on the Board of the Economic Vitality Corporation (EVC). VSC and EVC collaborate on many issues, including working with the SLOCRA to advocate for additional air service.



AMTRAK

Amtrak is a VSC member and acts as a strong strategic partner in attracting visitors to SLO CAL via Los Angeles, San Francisco and San Diego.

DMO PARTNERS

VSC collaborates with local destination marketing organizations (DMOs) to expand their reach and impact, while seeking to reduce and avoid duplication of efforts. Each DMO has a seat on the VSC Marketing Committee, informing the annual VSC Marketing Plan.



BRAND USA

Brand USA leads the nation's global marketing effort to promote the US as a premier travel destination.



U.S. TRAVEL ASSOCIATION

U.S. Travel is the leading force that grows and sustains travel, and protects the freedom to travel.



DESTINATIONS INTERNATIONAL

Destinations International (formerly Destination Marketing Association International) is the global destination marketing association, providing education, resources and advocacy for DMOs worldwide.



DMA WEST

DMA West is the trade association for destination marketing organizations in the western US, providing regionally specific educational enrichment and networking opportunities.



CALIFORNIA TRAVEL ASSOCIATION (CALTRAVEL)

CalTravel is the unified voice of California's travel industry, bringing tourism businesses together in education and advocacy. Chuck Davison serves on both the board of directors and the executive committee.



CENTRAL COAST TOURISM COUNCIL (CCTC)

VSC Vice President of Marketing, Brooke Burnham, serves on the board of this regional DMO. VSC partnered with CCTC to attract international tour groups and media to the county.

TOURISM INFRASTRUCTURE

One of the five key imperatives of the VSC Strategic Plan is to advocate for the development of critical tourism infrastructure. VSC has been working on a number of related initiatives over the past year, including air service development and conducting the Conference Center Feasibility Study.

DRAFT

AIR SERVICE DEVELOPMENT

VSC partnered with San Luis Obispo County Regional Airport and the EVC to grow flight service to SLO CAL. VSC assists in the development and support of new flights, including promotional campaigns that target new flight markets to grow awareness and demand. FY 2016/17 brought an additional San Francisco flight with United Airlines, a new direct flight to Seattle with Alaska Airlines and new direct service to Denver with United Airlines, marking the first new flight markets in nearly 10 years.



ADDITIONAL FLIGHT SERVICE TO SAN FRANCISCO HAS ALSO BEEN SECURED

15-20,000^{SQ}_{FT}
BALLROOM DESIRED

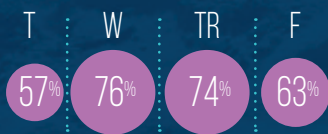
- 81% OF THOSE WHO HAVEN'T BOOKED BEFORE WOULD CONSIDER BOOKING IN SLO CAL IF THE NEW FACILITY WAS BUILT
- 84% OF MEETING PLANNERS WOULD BOOK IN FALL, WINTER AND SPRING
- OF THOSE WHO HAVE BOOKED, 79% ARE DEFINITELY OR LIKELY TO RETURN IF THE NEW FACILITY WAS BUILT

CONFERENCE CENTER FEASIBILITY STUDY

VSC conducted the Conference Center Feasibility Study to explore new opportunities for mid-week and non-peak-season tourism business. The study clearly showed strong potential for a mid-size conference facility to be successful in SLO CAL. The study was shared with business and government leaders throughout the county, and VSC is committed to supporting such an initiative in the future.

MID-WEEK & SHOULDER SEASON SHOW HIGHEST POTENTIAL

PEAK EVENT TIMING





MOVING FORWARD

In the coming year, VSC will focus on a number of projects related to the five imperatives in our Strategic Plan. From establishing brand clarity and building partnerships, to advocating for continued infrastructure development and demonstrating value to our communities, VSC is committed to strategic progress for the county.

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NEW AIRPORT TERMINAL + AIR SERVICE DEVELOPMENT

VSC will continue to seek opportunities to work alongside the SLOCRA to promote air travel to the destination. The new terminal is scheduled to open in November 2017, offering new ways to welcome visitors to the destination and remind them of all there is to do in SLO CAL. With the initial success of the Denver and Seattle flight markets, VSC is committed to working with EVC and the SLOCRA on flight development to increase vacations to SLO CAL.

NEW WEBSITE

VSC is currently in the process of developing a brand-new website with the leading destination marketing website company, Simpleview, Inc. The new brand hub will be content-forward and consumer-focused, leveraging the latest technology, dynamic storytelling and data-driven construction to deliver the ultimate user experience. From vacation inspiration to trip-planning utility, every aspect of the travel consideration and conversion journey will be addressed, including continued partnership with Booking.com.

NEW BRAND PARTNERSHIPS

VSC is currently working on co-marketing opportunities with local and national brands, including one with local company LeftLane Sports and their sister company The Clymb. Such strategic marketing partnerships enable VSC to amplify the SLO CAL brand through content creation, influencers and promotions with more established partner brands. These co-branding agreements build awareness through strong reach and add authority through key target personas.

ADVOCACY

Advocacy for the tourism industry and our partners will take a front seat for VSC in the coming year as an advocacy strategy is developed to identify, vet and support key initiatives that will advance the tourism industry in SLO County.

NEW PR FIRM

VSC will soon be contracting a national public relations agency for FY 2017/18 and developing a year-long communications strategy to reach national and international media through proactive initiatives.

BRAND AMBASSADOR + INFLUENCER PROGRAM

Marketing is increasingly about reaching consumers through trusted sources. In FY 2017/18, VSC will expand programs to identify, collaborate with and host influencers and brand ambassadors. Providing or facilitating excellent, authentic content will help expand and galvanize the SLO CAL brand with key target audiences through large, national influencers, as well as regional and local brand ambassadors.

FY 2017/18 BUDGET

Estimated cost of providing activities in the next fiscal year:

\$3,724,040

Estimated amount of surplus or deficit revenue carried over from the previous fiscal year:

\$734,944

Estimated amount of contribution from non-assessment sources:

\$35,299

Reserves:

\$364,720

Cash Carry-Over:

\$368,541

DRAFT

TRAVEL TRADE (11.19%)

GENERAL AND ADMINISTRATIVE (4.75%)

DIGITAL MARKETING (10.51%)

FILM COMMISSION (2.02%)

CONTINGENCY RESERVE (6.83%)

INDUSTRY RESEARCH & RESOURCES (8.00%)

COMMUNICATIONS (6.21%)

EVENTS (5.37%)

PROMOTIONS (1.70%)

VISIT SLO CAL BUDGET*

\$3,724,040

ADVERTISING (43.42%)

*This is a more detailed budget by category than the budget found in the Management District Plan (MDP). However, the Advertising budget is increasing 5.7% from the 15.0% allowable variance defined in the MDP (35.0% to 37.3%)

APPENDIX

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METHOD AND BASIS OF LEVYING ASSESSMENT

The annual assessment rate is one percent (1%) of gross short-term (stays 30 or fewer consecutive days) room rental revenue. With the passage of the Tourism Marketing District (TMD) on June 10, 2015, implementation of the assessment began July 1, 2015, and continues for five (5) years through June 30, 2020. The county and each city are responsible for collecting the assessment from lodging businesses within their respective jurisdictions on a monthly or quarterly basis, including any delinquencies, penalties and/or interest. Within thirty (30) days of receipt, the county and each city then forward the assessments collected to the TMD managed by VSC.

PROPOSED BOUNDARY, ZONE OR CLASSIFICATION CHANGES

There are no proposed boundary, zone or classification changes for the coming year.

SLO CAL TOURISM MARKETING DISTRICT

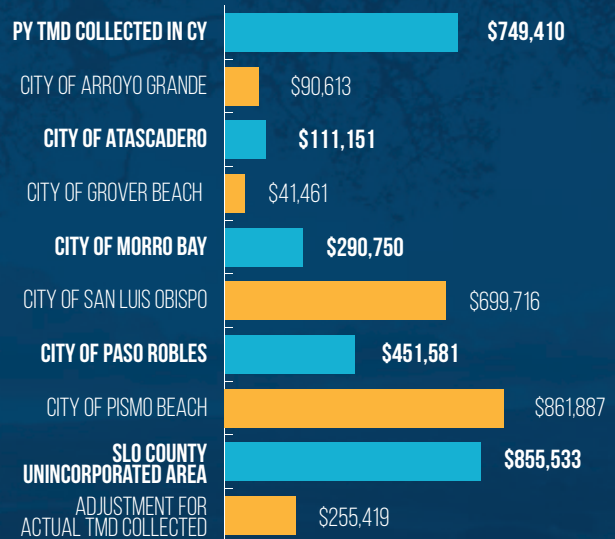
Developed by VSC, the San Luis Obispo County TMD (SLOCTMD) is a new countywide cooperative effort to collectively market all that the county has to offer for the benefit of assessed lodging businesses. The assessment district provides specific benefits to payors by funding marketing, advertising, promotions and sales efforts for assessed businesses.

The SLOCTMD provides an opportunity for lodging businesses throughout the county to collaboratively engage in marketing, advertising, sales and promotional efforts. This joint effort helps foster synergy among the county and businesses, and ensures TMD dollars are spent in the most streamlined manner possible. It aims to establish SLO CAL as a premier Central Coast tourism destination and a leader in the California tourism community.

The core focus of the SLOCTMD is twofold: to put more heads in beds and to increase the average daily rate charged for those beds.

To that end, the programs funded by the SLOCTMD have two specific goals: (1) to increase awareness of SLO CAL as an overnight destination, and (2) to increase lodging demand for the destination and lengthen visitors' average stay (leading to boosted lodging sales and revenue).

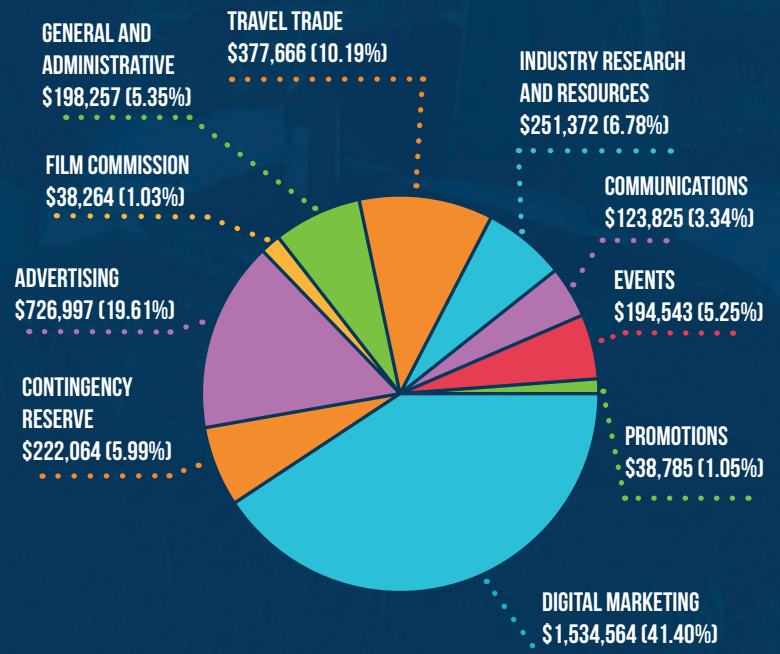
*ASSESSED FUNDS FROM FY 2016/17



*Collections remitted from July 1, 2016 to June 30, 2017, including funds collected from the prior year based on the transition from cash to accrual accounting method, as well as adjustments made for current year remittances that varied from accrued amounts.

FY 2016/17 DETAILED EXPENDITURES PAID

(Amounts and percentages)



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AUDREY ARELLANO / AUDREY@CAMBRIAINNS.COM

Adelaide Inn / Cambria Inns Collection

June 30, 2017

Brendan Pringle

Visit SLO CAL

Brendan@slocal.com

Dear Brendan and Visit SLO CAL Marketing Committee:

Please accept my submission and application to be selected as a member of the SLO CAL Marketing Committee. I feel that with my passion and enthusiasm for the central coast coupled with my 20+ years of marketing experience, I will be an asset to the group.

I have lived in Paso Robles for the last 10 years have been involved in marketing and tourism here on the Central Coast for the last 7 years through my employment as Director of Sales and Marketing with the Holiday Inn Express & Suites, Paso Robles, and now currently as Brand Manager with the Adelaide Inn in Paso Robles, and Castle Inn, Moonstone Cottages, Sand Pebbles Inn, and Blue Dolphin Inn in Cambria.

Through my hospitality career I am involved in various community organizations including the Wineries of Paso Robles Highway 46 East, Paso Robles Chamber of Commerce, Visit SLO CAL, Cambria Tourism Board/Visit Cambria, PRWCA, and TPRA. As President of the Wineries of the 46 East for the last 5 years, my main responsibility is branding and bringing public awareness and traffic to our 20 Winery and 8 Hospitality members through our marketing and annual events which further enhances my experience and knowledge of marketing and branding in the Central Coast.

Throughout my employment and involvement in both the hospitality and wine industry, I have established and maintained many connections and relationships here which, with my marketing experience, would make a great contribution to the committee.

Please see my resume attached reflecting my professional history and thank you for your consideration.

Sincerely,
Audrey Arellano



VISIT SLO CAL

MARKETING COMMITTEE APPLICATION FORM

NAME OF APPLICANT: Audrey Arellano

COMPANY: Adelaide Inn & Cambria Inns Collection

ADDRESS: 1215 Ysabel Avenue, Paso Robles, CA 93446

PHONE: 805-369-2058 EMAIL: Audrey@Cambriainns.com

TOTAL YEARS IN TOURISM INDUSTRY: 7

TOURISM-RELATED MARKETING EXPERIENCE:

I am actively involved in marketing/branding in both the hospitality and winery industries on the Central Coast and have been for about 7 years. I am currently the Brand Manager for 5 hotel properties (1 in Paso and 4 in Cambria) and am also President of the Wineries of 46 East organization which is a marketing non-profit consisting of 20 Paso Robles' wineries and 8 hospitality members. I have been associated with Visit SLO CAL, TPRA, and PRWCA for 6+ years, as well an Ambassador for the Paso Robles Chamber of Commerce. I also currently sit on the Cambria Tourism Board (CTB) Marketing Committee.

Employment History

CURRENT EMPLOYER: Black's Companies (Adelaide Inn & Cambria Inns Collection) YRS OF SERVICE: 1

TITLE: Brand Manager

PAST EMPLOYER: Holiday Inn Express & Suites, Paso Robles YRS OF SERVICE: 6

TITLE: Director of Sales & Marketing

Community/Board Involvement

ORGANIZATION: Paso Robles Wineries of Highway 46 East TITLE: President

DATES OF INVOLVEMENT: 2011-present

ORGANIZATION: Cambria Tourism Board TITLE: Marketing Committee

DATES OF INVOLVEMENT: Jan. 2017-present

ORGANIZATION: Paso Robles Chamber of Commerce TITLE: Ambassador

DATES OF INVOLVEMENT: 2011 to Present

Individuals interested in serving on the Marketing Committee should send this **Application Form**, along with a **cover letter** and any background (**resume or list of key accomplishments** – no more than two pages total) to demonstrate their active role in marketing, branding, public relations or digital media as it relates to tourism in San Luis Obispo County, to Brendan@SLOCAL.com. For more information, contact Visit SLO CAL at (805) 541-8000.

Audrey Rachelle Arellano

816 Sycamore Canyon Road, Paso Robles, CA 93446/Cell-805.975.3632/Email-Audrey@Cambriainns.com

Professional Profile:

I am a loyal and dedicated person and I stand behind my morals and ethics. I give 110% to my commitments and take pride in my accomplishments which drives me to be organized and have high attention to detail. I am a people person and I believe that any organization I am involved in must have relationship and communication at its core. I am a self-starter yet excel when I am a part of a team reaching to achieve a common goal.

Professional Employment History:

2017 to Present – Brand Manager

Adelaide Inn, Castle Inn by the Sea, Sand Pebbles Inn, Blue Dolphin Inn Paso Robles & Cambria, CA

Accountable for branding and messaging of all properties; individually and collectively, handle creation and implementation of packages and promotions, marketing materials, website content, social media content, eFlyers, eBlasts, and digital and print ads. Serve as the face of the company within the Central Coast through PR efforts.

2011 to 2017 - Director of Sales and Marketing

Holiday Inn Express & Suites Riverside Ave, Paso Robles, CA

Handled sales and marketing aspects of the Hotel. Including hotel promotions, packages, and specials, designed, created and implemented hotel promotional materials, wrote and published press releases and website content, established new key account business and maintained existing account relationships. Involved in business planning and development. Accountable for yearly budget planning and revenue strategies. Served as the face of the property within the Central Coast community through PR efforts.

2007 to 2010 - Executive Director

The Innacee Foundation Airport Road, Paso Robles, CA 93446

Innacee is a non-profit organization in alternative education. I started in its infancy and handled all sales, marketing, promotions and events. I played a key role in business planning and development.

2000-2007 - V.P. Sales & Marketing

Aqua Resource Group Tesla Rd. Irvine, CA

Aqua is a Marketing and Software Development company designed for business owners in the Mortgage/Real Estate Industry. Played key role in getting the company off of the ground. Created, implemented and ran the company employee sales training courses including writing and creating all materials. Involved in all business planning and development, revenue strategies, and website and promotional content and materials.

1996-2000 - Assistant Director of Sales & Marketing

National Rent-A-Fence Sepulveda Blvd, North Hills, CA

Handled sales and marketing budgets and strategies on the national, corporate level. Traveled nationwide monthly to exhibit in tradeshows, expos, and conventions to promote and sell products and services.

All previous employment includes Sales, Marketing, and Team Management

Community Involvement and Organizations:

Present: President of the Wineries of Highway 46 East, Ambassador for the Paso Robles Chamber of Commerce, Marketing Committee for Cambria Tourism Board/Visit Cambria (CTB), Member of the Paso Robles Wine County Alliance (PRWCA), Member of the Travel Paso Robles Alliance (TPRA), Member of Visit SLO CAL.



September 5, 2017

Burkart & Stevens, an Accountancy Corporation
694 Santa Rosa Street
San Luis Obispo, California 93401

This representation letter is provided in connection with your audit of the financial statements of San Luis Obispo County Visitors and Conference Bureau (a nonprofit organization) which comprise the statement financial position as of June 30, 2017, and the related statement of activities and changes in net assets, and statement of cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 5, 2017 the following representations made to you during your audit:

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 29, 2017. Including our responsibility for the preparation and fair presentation of the financial statements.

- The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed
- We are in agreement with the adjusting journal entries proposed by you and they have been posted to the Organization's accounts.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Material concentrations have been properly disclosed in accordance with U. S. GAAP.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U. S. GAAP.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves
 - Management
 - Employees who have significant roles in internal control
 - Others where the fraud could have a material effect on the financial statements.

- We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware.
- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- San Luis Obispo County Visitors and Conference Bureau is an exempt organization under Section 501 (c)(6) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Other Services

In regards to the tax services performed by you, we have:

- Made all management decisions and performed all management functions.
- Designated an individual with suitable skill, knowledge, or experience to oversee the services.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.

President

Treasurer

**SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU**

**INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2017

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU
Independent Auditors' Report and Financial Statements
Year Ended June 30, 2017

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Independent Auditors' Report

To the Board of Directors
San Luis Obispo County
Visitors and Conference Bureau
1334 Marsh Street
San Luis Obispo, CA 93401

We have audited the accompanying financial statements of San Luis Obispo County Visitors and Conference Bureau (the Organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

San Luis Obispo County
Visitors and Conference Bureau
Independent Auditors' Report (continued)
For the year ended June 30, 2017

Auditor's responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Luis Obispo County Visitors and Conference Bureau as of June 30, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

DRAFT

BURKART & STEVENS
an Accountancy Corporation

September 5, 2017

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU
STATEMENT OF FINANCIAL POSITION
June 30, 2017

ASSETS

Current assets

Cash and cash equivalents (Note 1)
Accounts receivable (Note 1)
Prepaid expenses

	2017
	\$ 733,261
	814,735
	23,706
Total current assets	1,571,702
	139,249
	15,750
Total assets	\$ 1,726,701

Total current assets

Property and equipment (Note 3)

Property and equipment, net of accumulated depreciation of \$ 27,841

Other assets

Trademark

Total assets

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable
Payroll liabilities
Credit cards payable

	2017
	\$ 231,476
	469
	4,620
Total current liabilities	236,565
	1,125,416
	364,720
Total net assets	1,490,136
Total liabilities and net assets	\$ 1,726,701

Total current liabilities

Net assets:

Unrestricted:

Unreserved
Reserved (Note 6)

Total net assets

Total liabilities and net assets

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

	Unrestricted
Revenue and Support	
Membership dues	\$ 33,759
Assessment revenue (Note 2)	4,407,520
Interest Income	61
Total revenues	4,441,340
Expenses	
Marketing	1,009,551
Advertising and promotion (Note 8)	997,606
Salaries and wages	504,072
Contract services	174,147
Trade shows	165,837
Sponsorships	112,429
Website	66,390
Staff expenses	59,561
Health and workers compensation insurance	55,868
Rent - office (Note 5)	49,505
Trade and media	41,233
Payroll tax	40,102
Partner services	33,323
Legal and professional fees	30,951
Computer expenses	25,307
Office supplies and postage	22,455
Printing	20,398
Utilities	15,263
Retirement plan (Note 4)	14,005
Dues and subscriptions	12,101
Insurance	11,315
Depreciation (Note 3)	11,294
Board/committee meetings	9,696
Themed programs	3,977
Equipment rent	3,058
Rent - storage	2,608
Credit card charges	1,719
Repairs and maintenance	863
Retirement plan administration fee	600
Taxes	392
Miscellaneous	73
Total expenses	3,495,699
Change in net assets	\$ 945,641

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended June 30, 2017

Net assets

Beginning - July 1, 2016

Change in net assets

Ending - June 30, 2017

Unrestricted	
\$	544,495
	945,641
\$	1,490,136

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017

	2017
Cash flows from operating activities:	
(Deficiency)/excess of revenues over expenses	\$ 945,641
Reconciliation of excess of revenues over expenses to cash provided by operating activities:	
Depreciation	11,294
(Increase) decrease in accounts receivable	(814,735)
(Increase) decrease in prepaid expenses	(20,379)
(Increase) decrease in trademark	(15,750)
(Decrease) increase in accounts payable	231,476
(Decrease) increase in payroll liabilities	134
(Decrease) increase in credit cards payable	4,620
Net cash provided (used) by operating activities	342,301
Cash flows from investing activities:	
Purchase of fixed assets	(76,543)
Net cash provided (used) by investing activities	(76,543)
Net increase in cash	265,758
Cash at beginning of year	467,503
Cash at end of year	\$ 733,261

Supplemental disclosure (see Note 1 for additional income tax disclosure)

Income taxes paid for the year ended June 30, 2017	\$ 10
Interest paid for the year ended June 30, 2017	\$ -

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 1: ORGANIZATION AND PURPOSE

San Luis Obispo County Visitors and Conference Bureau (Organization) is a not-for-profit corporation organized to inspire travel and foster our unique experiences to create life-long ambassadors and economic growth for San Luis Obispo County. The Organization works with strategic partners, our members and our lodging constituents to build the brand through a data-driven, efficient and dynamic marketing program. The Organization's activities include marketing, advertising, public relations, group sales, promotions, events and sponsorships. The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(6).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The Organization's policy is to prepare its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents – Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts Receivable – Accounts receivable consists mainly of assessment revenue. Management has determined that there are no uncollectible accounts at June 30, 2017. Therefore, no allowance for doubtful accounts has been recorded.

Revenue - The Organization receives the majority of its revenues from tourist related industry memberships, member supported programs and assessment revenue, all of which are entirely within San Luis Obispo County.

Fixed Assets – Fixed assets are recorded at cost. Depreciation is provided for using accelerated methods over periods ranging from 5 to 7 years.

Employees - The Organization employs eight full-time employees and one part time employee.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation – Under Statement of Financial Standards No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has only unrestricted net assets. Unrestricted net assets represent the portion of expendable funds that are available for support of Organization operations.

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions – Statement of Financial Accounting Standards No. 116 requires the Organization to record contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Donor-restricted contributions whose restrictions are met in the same year are reported as unrestricted support. SFAS No. 116 also requires recognition of contributed services meeting certain criteria, at fair values. The organization has only unrestricted contributions.

NOTE 2: ASSESSMENT REVENUE

In June 2015, the Organization was awarded a contract to manage the countywide Tourism Marketing District beginning July 1, 2015 and running through June 30, 2020. The district provides a 1% assessment on all lodging room nights in San Luis Obispo County for those businesses paying TOT. The 1% assessment is remitted to the Organization to use for countywide tourism marketing. The following amounts were received during the fiscal year ended June 30, 2017:

	<u>2017</u>
County of San Luis Obispo	\$ 1,194,001
City of San Luis Obispo	827,251
City of Atascadero	148,889
City of Morro Bay	374,978
City of Grover Beach	45,196
City of Arroyo Grande	111,245
City of Paso Robles	639,760
City of Pismo Beach	<u>1,066,200</u>
	<u>\$ 4,407,520</u>

NOTE 3: FIXED ASSETS

Fixed assets at June 30, 2017 consisted of the following:

	<u>2016</u>
Furniture, fixtures and equipment	\$ 24,216
Computer hardware and software	105,573
Leasehold improvements	<u>37,301</u>
	167,090
Less: Accumulated depreciation	<u>(27,841)</u>
Net fixed assets	<u>\$ 139,249</u>

Depreciation expense for the year ended June 30, 2017 was \$ 11,294, including amortization of assets held under capital leases.

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 4: PENSION PLAN

The Organization has a profit sharing plan. The Organization contributed \$ 14,005 to the pension plan during the fiscal year ended June 30, 2017. The plan covers all employees over the age of 18 who have been employed for one year or more and have worked 1,000 or more hours during the current year. The Organization's contribution to the profit sharing plan is not mandatory.

NOTE 5: COMMITMENTS

Building Rent

The Organization signed a lease on December 6, 2013 for new office space which provided for an initial seventeen-month term with four consecutive one-year renewal options. The base rent was \$1,643 per month plus common area expenses which are estimated to be \$575 per month. The lease was amended to extend the term through July 31, 2015. As of July 17, 2015, the Organization signed a lease for new office space located at 1334 Marsh Street in San Luis Obispo. The initial term is 36 months with optional three consecutive two-year terms. The total rent per month amounted to \$ 4,125 during the year ended June 30, 2017.

Copier

On August 12, 2015 the Organization entered into a fifty-eight month lease agreement with De Lage Landen Financial for a copier beginning on August 12, 2015 and ending June 12, 2020. The lease calls for monthly rental payments of \$143 beginning on September 15, 2015. Future minimum lease payments are as follows:

	<u>Year</u>	<u>Amount</u>
For the year ending June 30,	2018	\$ 1,716
	2019	1,716
	2020	1,573
Total		\$ 5,005

NOTE 6: NET ASSETS – RESERVED

Based upon funding contracts with various governmental agencies, the Organization is required to reserve 5% of total recorded revenue during the year. These funds are to be used during periods when there are lower than anticipated collections and unforeseeable costs in carrying out the programs. The total reserved at June 30, 2017 is \$364,720.

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 7: CONCENTRATION OF CREDIT RISK

The Organization maintains its operating cash account at an institution which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times throughout the year, the balance has exceeded the insured amount. The total in excess of the FDIC insured limits amounted to \$ 504,979 at June 30, 2017.

NOTE 8: ADVERTISING COSTS

Advertising costs are expensed as incurred throughout the year. Advertising costs for is as follows:

	<u>2017</u>
Advertising costs for the year ending June 30,	\$ <u>997,606</u>

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 5, 2017, the date which the financial statements were available to be issued. There were no subsequent events to report.

Communication with Those Charged with Governance at the Conclusion of the Audit

September 5, 2017

Board of Directors
San Luis Obispo County
Visitors and Conference Bureau
San Luis Obispo, CA. 93401

DRAFT

We have audited the financial statements of San Luis Obispo Visitors and Conference Bureau, a nonprofit organization, for the year ended June 30, 2017, and have issued our report thereon dated September 5, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 5, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by San Luis Obispo Visitors and Conference Bureau are described in Note 2 to the financial statements. The Organization adopted the accrual basis of accounting during 2017. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Board of Directors
San Luis Obispo County
Visitors and Conference Bureau

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 5, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involved application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors charged with governance and, if appropriate, management of San Luis Obispo County Visitors and Conference Bureau and is not intended to be, and should not be, used by anyone other than these specified parties.

BURKART & STEVENS,
an Accountancy Corporation

San Luis Obispo, CA
September 5, 2017

SAN LUIS OBISPO COUNTY
VISITORS AND CONFERENCE BUREAU

MANAGEMENT ADVISORY COMMENTS

For the Year Ended
June 30, 2017

September 5, 2017

To The Board of Directors at
San Luis Obispo County
Visitors and Conference Bureau
San Luis Obispo, CA. 93401

In planning and performing our audit of the financial statements of San Luis Obispo County Visitors and Conference Bureau as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified..

However, during our audit we became aware of some matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated September 5, 2017, on the financial statements of San Luis Obispo County Visitors and Conference Bureau.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with Organization management, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Segregation of Accounting Duties

During our review of the cash receipt process, it was noted that the person opening the mail was posting the cash receipts, preparing the bank deposit and taking the deposit to the bank. It is recommended that another individual open the checks when they come in the mail and make a listing of the checks received prior to giving them to that individual to prepare the bank deposit. This list can then be reconciled with the deposits recorded on the books by the bookkeeper.

This recommendation has been implemented.

Vendor Invoices

During our previous review it was noted that several vendor invoices were missing proper documentation and in some cases there were no supporting documents to substantiate the payment. Without the proper documentation vendors could be over or underpaid. We have noted a significant improvement over the last two years but it was noted a limited number of invoices still did not have the approval stamp or any type of notation as to approval for payment.

We recommend that all invoices be approved and some type of notation be made on the invoice as to approval prior to payment. This recommendation has been implemented.

Concentration Risk

During our test of cash, it was noted that cash accounts that were held with one bank exceeded the \$250,000 FDIC (Federal Deposit Insurance Corporation) insured limits by approximately \$504,979 at June 30, 2017.

Recommendation:

We recommended that the Organization transfer funds to a second bank sufficient enough to fall under the FDIC per depositor insured limits.

We wish to thank Chuck, Brendan and Allison at San Luis Obispo County Visitors and Conference Bureau for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties. This letter does not affect our report dated September 5, 2017 for the financial statements of San Luis Obispo County Visitors and Conference Bureau.

BURKART & STEVENS
Accountancy Corporation

September 5, 2017



Visit SLO CAL Board of Directors Guidelines

The Visit SLO CAL Board of Directors includes representatives from each community and type of lodging business, as described below. Each community defines the designated lodging constituent to serve as their appointed member of the Board, which makes up the first eight (8) seats, one (1) representative at-large is appointed by the County Board of Supervisors and the remaining six (6) seats are elected by the Board.

The Visit SLO CAL Board reviews key strategies throughout the year. Realizing this, and the busy schedules of all involved, we request that only lodging constituents who are able to attend the monthly meetings in whole apply for Board seats so that we may assure the business of the organization can be conducted. Board meetings are currently held on the third Wednesday of every other month from 8:30 – 10:00 am and rotate locations throughout the county. This format is expected to stay the same for the near future.

Board members must be currently working as part of the management team of an assessed lodging business in San Luis Obispo County in order to remain on the Board.

It is the responsibility of appointed Board members to liaison back to their community (i.e. the Unincorporated County Business Improvement District (CBID)) on a monthly basis regarding Visit SLO CAL's efforts. However, we also ask our elected members to do the same with their respective communities. Within one week of a Board meeting, you will receive a copy of the draft minutes to aid you in reporting.

The Board of Directors serve for staggered three-year terms. The initial Board shall serve for terms of one, two, or three years. **Seats up for election serve for 3 year terms.**

Any Board member who in a twelve-month period either does not attend three (3) successive Board meetings or who misses a total of three (3) meetings without an approved excuse will automatically be removed from the Board without Board resolution unless (i) the member requests a leave of absence for a limited period of time, and the leave is approved by the members at a regular or special meeting (if such leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present); (ii) the member suffers from an illness or disability that prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection; or (iii) the Board by resolution of the majority of Board members must agree before a member who has missed three (3) successive meetings or three (3) meetings total may be reinstated.

The Board of Directors criteria and structure as defined in the [Management District Plan](#) is outlined on the following page.



Criteria and Structure Defined in the Management District Plan:

Board of Directors

Visit SLO CAL shall have a fifteen-member board of directors. The Board will strive to ensure that each jurisdiction is represented in approximate proportion to the amount contributed by lodging businesses in that jurisdiction. Each Director must be a representative of an assessed lodging business, except for the County representative. The nominating committee will recommend a slate of six candidates to the Board of Directors that ensures diversity of geography and takes into consideration assessment contribution. The Directors will include the following:

- At least one representative of a lodging business in each jurisdiction
- One representative each from a vacation rental, a bed and breakfast, and an R.V. park
- One representative who is appointed by the County of San Luis Obispo
- Three-at-large members

The Board of Directors shall be selected as follows:

- One lodging business representative from each of the cities shall be appointed by the respective jurisdiction's city council or tourism organization, as each city determines
- One lodging business representative shall be appointed by the County Board of Supervisors
- One additional representative at-large shall be appointed by the County Board of Supervisors

From: Toni LeGras <cayucahini@gmail.com>
Date: Wednesday, August 23, 2017 at 10:52 AM
To: Chuck Davison <chuck@slocal.com>
Subject: Re: TOT Tax Agreement with AIRBNB

Hi Chuck,

Thank you.

I did have a very good conversation with Justin Cooley and he explained the legal review that supported their decision to grant special conditions to Airbnb for paying TOT. However, I am not entirely convinced this is a solid argument and am doing some further research.

He is checking into the possibility of TOT reporting modifications for local Vacation Rental Managers, such as allowing us to return to reporting the monthly tax in Aggregate, rather than by license, address etc. This monthly report is time consuming to prepare and with allowing Airbnb to report TOT in Aggregate - it defeats the purpose of the detailed reporting required from the rest of us.

We plan to meet Mr. Gibson on Sept 5th at his Cayucos Meeting Time. The other supervisors deferred the response to Mr. Gibson.

I do think its great to collect the TOT and welcome additional funds CBID and TMD. My greater concern however, is that this action makes it less likely the county will continue to pursue unlicensed rentals.

I look forward to hearing any feedback from your September meeting and hope all is well with you.

Toni

On Aug 22, 2017, at 10:42 PM, Chuck Davison <chuck@slocal.com> wrote:

Toni,

Thanks for the update.

I'd like to thank and congratulate you on the detail and well written response to the BOS. I have added this item as a business item for our September Executive Committee meeting to gain feedback on how we can assist.

Have you received a response from any of your emails?

Chuck

Chuck Davison | President & CEO

Visit **SLO CAL**

<image001.png> Chuck@SLOCAL.com
O: 805.541.8000 | C: 805.270.5005
SLOCAL.com

From: Toni LeGras <cayucahini@gmail.com>

Date: Monday, August 21, 2017 at 10:04 AM

To: Chuck Davison <chuck@slocal.com>

Subject: TOT Tax Agreement with AIRBNB

Hi Chuck,

Thank you for your reply this morning . . .

Here is my follow up to the previous email sent to the BOS outlining my concerns in more detail.

From: Toni LeGras <cayucahini@gmail.com>

Subject: TOT Tax Agreement with AIRBNB

Date: August 19, 2017 at 9:20:39 AM PDT

To: jpeschong@co.slo.ca.us, Bruce Gibson

<bgibson@co.slo.ca.us>, ahill@co.slo.ca.us, district4@co.slo.ca.us, district5@co.slo.ca.us

Cc: Justin Cooley <jcooley@co.slo.ca.us>, John <jcarsel@aol.com>

Dear Supervisors:

My name is Toni LeGras and I am the owner of a vacation rental company in Cayucos, Beachside Rentals Inc., which has been in business over 20 years.

I recently read in the New Times publication (see link at bottom of page), that an agreement with AirBnB to collect TOT taxes was approved on your Consent Agenda last Tuesday.

While I am very happy that they will be able to pay taxes, I have the following concerns with the language in the agreement:

Major concerns of Agreement (**with my comments in red and language concerns in Bold**):

*(A) Solely pursuant to the terms and conditions of this Agreement, including only for periods in which this Agreement is effective (defined below), and solely for Taxable Booking Transactions completed on the Platform, Airbnb agrees contractually to assume the duties of a TOT collector (hereinafter referred to as a "Collector") as described in the Code solely for the collection and remittance of TOT and TBID. **The assumption of such duties shall not trigger any other registration requirements to which Airbnb is not***

otherwise subject. *(I interpret this to mean they will not have to make sure the homes are legally licensed prior to tax collection - can you please clarify this for me? Will the Hosted homes listed on their site need to display or provide their Vacation Rental License?)*

(C) Airbnb agrees reasonably **to report aggregate information** on the tax return form prescribed by the Taxing Jurisdiction, including an **aggregate** of gross receipts, exemptions and adjustments, and taxable receipts of all TOT and TBID that are subject to the provisions of this Agreement. Airbnb shall remit all TOT and TBID collected from Guests in accordance with this Agreement and Airbnb's Terms of Service (www.airbnb.com) (the "TOS") in the time and manner described in the Code or as otherwise agreed to in writing. *(Vacation Rental Managers are currently required to submit a detailed form breaking out the taxable income and TOT for each and every licensed Vacation Rental identified by address and license number- Why is Airbnb being relieved of this administrative burden? Will the other Vacation Rental companies also be granted these same terms? Is Airbnb required to submit TOT on a monthly basis, or has an "otherwise agreed to in writing" arrangement been made?)*

(F) The Taxing Jurisdiction **agrees to audit Airbnb on an anonymized transaction basis** for Taxable Booking Transactions. Except as otherwise agreed herein, Airbnb shall not be required to produce any personally identifiable information relating to any Host or Guest or relating to any Booking Transaction without binding legal process served only after completion of an audit by the Taxing Jurisdiction of Airbnb with respect to such users. *(Vacation Rental Managers in our county must send a list identifying the property and include the License Number for each one, our Owners/Hosts are not granted any form of anonymity -during audits the county has always inquired about property address and licensing. What exactly does **anonymized transaction basis** mean?)*

The Taxing Jurisdiction agrees that it **will not audit or issue an assessment against Airbnb more than once per any consecutive forty-eight month period** and that such audit or **assessment will be limited to a consecutive twelve-month period** within the forty-eight month period. *(As far as I know, no Lodging Business gets this kind of exemption/limitation from audits and we are subject to a review of records 3 years or more in the past — will this now become the new Audit standard for all Lodging businesses?)*

I wonder, How do these clauses help with compliance of the the business license ordinance if these Airbnb Hosts are not identified and collection crosschecked with valid licenses?

My impression of the above language in the agreement is that the AirBnB Hosts are being offered a way to anonymously pay taxes for short term Hosts regardless of whether or not they are Licensed and the Hosts will be protected by this agreement with Airbnb in a way that other licensed rentals/Hosts are not. Where is the incentive/motive/language . . . to enforce the Vacation Rental Ordinance?

I question how this agreement helps with Compliance with the Vacation Rental Ordinance, and I also question how it is legal to offer Airbnb a different set of terms for TOT payment than the county is imposing on the rest of the local lodging industry.

Vacation Rental Managers who have been operating and complying with the current TOT and Ordinance rules should be offended that AirBnB is being offered what I would consider special treatment for TOT payments and will not have to follow the same Tax Paying requirements imposed on the rest of the lodging industry,

while the Hosts they are collecting taxes for remain anonymous. The article mentioned this agreement will ease the Administrative burden of the County and the Airbnb Hosts what about easing that same burden for lodging businesses who have been here for many years paying their TOT month after month?

Having local Vacation Rental Managers is good thing for the communities. This Agreement with AirBnb, while adding tax revenue for the County and TBIDs and helping to equalize the pricing field for us, still harms small local businesses by giving "special Treatment" to bigger business.

It appears that Our county has compromised us in order to collect these TOT dollars without evidence of each property being properly licensed. Airbnb should be required to comply with the Tax and Ordinance Laws the same way local businesses are expected to - or the County should ease the administrative burden on local lodging businesses and grant us the same special conditions for TOT payment that have been offered to AirBnb.

I look forward to your response to my questions above and sincerely hope that my interpretation of this agreement is not entirely accurate.

Many kind regards,

Toni LeGras
Beachside Rentals Inc
805-995-3680

RE: article

"SLO County works with Airbnb to ensure local vacation rental hosts are paying their fair share"

<https://www.newtimeslo.com/sanluisobispo/slo-county-works-with-airbnb-to-ensure-local-vacation-rental-hosts-are-paying-their-fair-share/Content?oid=3266720>

(To view the article, please click the above link.)

- Industry Engagement -

Visit SLO CAL Leadership Team Attends U.S. Travel's ESTO

VSC President & CEO Chuck Davison, VP of Marketing Brooke Burnham and Director of Travel Trade Michael Wambolt attended U.S. Travel's Educational Seminar for Tourism Organizations (ESTO) Conference in Minneapolis, MN, August 26-29.

Major takeaways include:

- Travel forecast for the first half of 2018 continues to look strong, but the results of the second half will depend on mid-term elections.
 - 2019/2020 models show a downturn.
- Destination Marketing Organizations are transforming into Destination Marketing and Management Organizations as they become key players in destination and economic development.

To download some of the presentations, including an Online Optimizations breakout by Miles Media, click here: Budurl.com/ESTOMiles2017. Also, U.S Travel issued a number of new reports with valuable insights and data, including one entitled "Travel: America's Unsung Hero of Job Creation," linked here: <http://bit.ly/travel-job-creation>.

**VSC Onboards New Media Agency**

The Executive Committee approved the Marketing Committee recommendation to pursue contract negotiations with Goodway Group as VSC's Media Agency. They were chosen from among six agencies that submitted proposals. Goodway will provide an updated, data-driven media strategy for VSC's FY 2017/18 fall and shoulder season campaigns.

Chuck Davison Attends Meeting About Highway 1 Closure with Assemblyman Cunningham

Chuck Davison, VSC President & CEO, attended an outreach meeting with Assemblyman Jordan Cunningham in San Simeon on August 16. Davison provided an update about the impact of the Highway 1 closure and its effect on small businesses in SLO CAL's North Coast area, and requested the Assemblyman's assistance in reinforcing the need for a timeline on the rebuild plan.

**Upcoming Opportunities & Events**

- **Fall Industry Educational Symposium** (September 21): Presentations from Arrivalist, JBS Hotels/Hotelbeds Group, Host Compliance, as well as an update from Chuck Davison. This event will take place at Embassy Suites from 8am - 12:30pm. RSVP at <http://bit.ly/fall-symposium-2017>.
- **SLO CAL Packaging Party** (October 19): SLO CAL's lodging and non-lodging members will have the chance to network in a speed dating-style event to create special packages for SLO CAL visitors. This event will take place at Oyster Ridge from 1 - 5pm. For more information, contact Pam Roberts, Events & Membership Manager at Pam@SLOCAL.com.



Featured in Red Tricycle: Avila Beach (left) and Seattle Magazine: Baileyana (right).



- PR and Travel Trade -

Media Placements

- Seattle Magazine: *Thanks to a Direct Flight, This Breathtaking Wine Region is Within Easy Reach from Seattle* - <http://bit.ly/SeattleMagSLOCAL>
- Phoenix Magazine: *SLO Wine Country* - <http://bit.ly/PhoenixMagSLOCAL>
- The Tribune – *Nick Jonas Shooting Music Video in the South County* - <http://bit.ly/NickJonasSLOCAL>
- KSBY – *Film shoot brings Keanu Reeves, Winona Ryder to San Luis Obispo* - <http://bit.ly/FilmSLOCAL>
- Red Tricycle – *Road Trip! California’s Central Coast Offers Sun and Fun for the Whole Family* - <http://bit.ly/RedTriSLOCAL>
- Fido Friendly Magazine – *In San Luis Obispo, Fine Wines Pair Well with Dogs* - <http://bit.ly/FidoSLOCAL>

Media Visits

- Asiana – Korean In-flight Magazine
- Inspirations & Celebrations
- About Time
- The Daily Telegraph
- The Vista

Travel Trade

- September Meetings & Conferences Mission (Bay Area), September 26-28
 - *Co-op space available (\$300) – Contact Michael@SLOCAL.com for more details.*
- Recreation Vehicle Industry Association (Pomona), October 6-15
- Vacation Rental Management Association National Conference (Orlando), October 14-18
- World Travel Market (London), November 6
- IPW (Denver), May 19-23
 - *Early bird pricing ends in November*



Film SLO CAL Update

As of September 1, 2017 Film SLO CAL has seen over 96 leads, ranging from tv shows, to independent movies, commercials and still shoots. This accounts for 80% of the total leads from last year in only eight months. Over 60 productions have filmed so far in 2017. For more information on filming, or to be considered as a location on an upcoming shoot, please contact Film@FilmSLOCAL.com.

**VISIT SLO CAL
 WEB ACTIVITY**

SESSIONS:	47,642
UNIQUE VISITORS:	39,757
PAGE VIEWS:	128,924
AVG. PAGE VIEWS/VISIT:	2.71
AVG. TIME ON SITE:	2:03
TOTAL ORGANIC TRAFFIC:	34,786
% OF ORGANIC:	73%
MOBILE SESSIONS:	28,168
MOST VISITED EVENT PAGE:	
FAIRS AND FESTIVALS (1,709 VIEWS)	
TOTAL BLOG VISITS:	11,581
MOST SHARED BLOG:	RUB
ELBOWS WITH CHEFS AT SLO CAL	
FARMERS MARKETS (27 SHARES)	

**VISIT SLO CAL
 SOCIAL MEDIA ACTIVITY**

FACEBOOK		
LIKES:	22,865	NEW: 161
TOT. IMPRESSIONS:	70,624	
HIGHEST REACH:	COME SAIL AWAY TO MORRO BAY CA...	
	(8.0K PEOPLE REACHED)	
HIGHEST ENGAGEMENT:		
COME SAIL AWAY TO MORRO BAY CA...		
	(435 ENGAGEMENTS)	
	FOLLOWERS	NEW
TWITTER:	7,404	76
	29K IMPRESSIONS	
PINTEREST:	706	0
INSTAGRAM:	15.1K	300

VISITOR GUIDE DIST.

WEB DOWNLOADS:	109
GUIDES DISTRIBUTED:	506
TOTAL:	614
THIS MONTH IN SLO CAL	
SUBSCRIBERS	35,366
OPENS:	5,477
CLICK-THROUGHS:	747
THIS WEEK IN SLO CAL	
CIRCULATION:	1,121
MOST CLICKED LINK:	STR REPORT

July 2017 vs July 2016 Lodging Statistics (STR, Inc.)

Current Month - July 2017 vs July 2016												
	Occ %		ADR		RevPAR		Percent Change from July 2016					
	2017	2016	2017	2016	2017	2016	Occ	ADR	RevPAR	Room Rev	Room Avail	Room Sold
Atascadero, CA+	84.7	83.3	151.40	148.63	128.22	123.76	1.7	1.9	3.6	3.6	0.0	1.7
Cambria, CA+	85.5	87.6	220.22	229.85	188.37	201.43	-2.4	-4.2	-6.5	-6.4	0.1	-2.3
Morro Bay, CA+	84.1	85.4	168.71	168.46	141.87	143.88	-1.5	0.1	-1.4	-1.4	0.0	-1.5
Paso Robles, CA+	85.8	83.8	171.93	168.27	147.44	141.04	2.3	2.2	4.5	4.6	0.1	2.4
Pismo Beach, CA+	88.8	89.6	223.81	217.48	198.69	194.88	-0.9	2.9	2.0	2.0	0.1	-0.9
San Luis Obispo, CA+	84.9	84.7	174.02	174.75	147.82	148.00	0.3	-0.4	-0.1	-0.1	0.0	0.3
San Simeon, CA+	73.3	85.7	163.10	162.02	119.54	138.78	-14.4	0.7	-13.9	-13.9	0.0	-14.4
Five Cities+	87.8	88.3	213.57	208.63	187.59	184.19	-0.5	2.4	1.8	1.9	0.0	-0.5
North Coast+	80.1	86.7	194.18	196.76	155.61	170.52	-7.5	-1.3	-8.7	-8.7	0.1	-7.5
North County+	85.5	83.7	166.53	163.09	142.34	136.45	2.2	2.1	4.3	4.4	0.1	2.2
South County+	86.5	86.6	195.25	193.00	168.83	167.12	-0.1	1.2	1.0	1.1	0.0	-0.1
San Luis Obispo County	85.0	85.9	186.67	185.37	158.72	159.22	-1.0	0.7	-0.3	-0.3	0.0	-1.0
Santa Barbara/Santa Maria	87.7	86.5	233.11	231.18	204.41	199.86	1.4	0.8	2.3	6.8	4.4	5.9
Monterey/Salinas	86.7	88.9	227.57	224.66	197.31	199.62	-2.4	1.3	-1.2	-0.6	0.5	-1.9
California	83.0	83.5	176.38	171.73	146.37	143.42	-0.6	2.7	2.1	3.5	1.5	0.8

SOURCE: STR, INC. REPLICATION OR OTHER RE-USE OF THIS DATA WITHOUT THE EXPRESS WRITTEN PERMISSION OF STR IS STRICTLY PROHIBITED.

Executive Overview

SEO Overview

SEO Activities Completed Last Month:

- * Monthly SEO strategy call and report.
- * Google Analytics & Search Console checks; no unusual activity noted.
- * Crawl error review; none to correct for August.
- * Continued work on the advanced sitemap for the new website.
- * Toxic backlink review; 2 links disavowed.
- * Quarterly site speed review; all is well on desktop and mobile views.
- * Pulling rankings info and sending to client.
- * XML sitemap review; all looks good.
- * Pulling additional fiscal year numbers for client.

Organic Traffic Overview (stats were pulled out of Bot Filtering profile in GA):

Organic sessions increased 2% over last year.** Some high-traffic pages with the best year-over-year organic growth were: Home by 13%, Sam Simeon by 9%, Morro Bay Farmers Markets by 1,226%, Hearst Castle by 98%, Pismo Beach (Community) by 217%, Pismo Beach Activities by 8%, Trip Ideas by 31%, Paso Robles by 24%, and Dog Friendly Beaches by 5%.

Other Notes:

- * Total sessions increased by 9%, users increased by 9% and pageviews increased by 0.13%.
- * The Blog home page received 176 pageviews last month.
- * The entire blog received 11,581 pageviews last month.

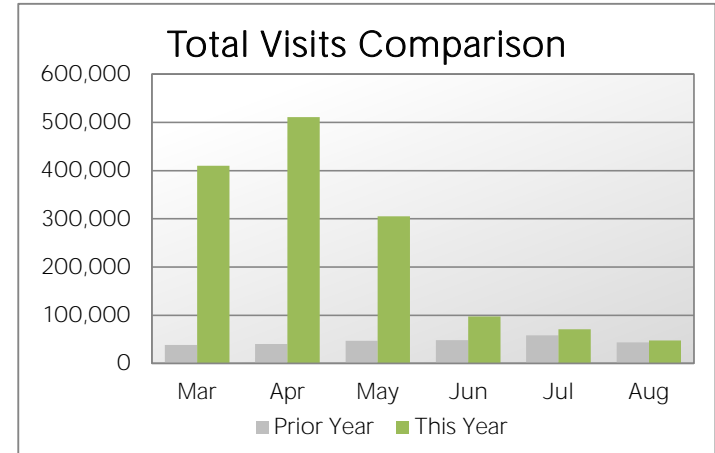
**Website was down/bugging out 8/18-8/21

Industry Averages

Engagement Metrics	Industry Average	Your Website		% Difference
Total Pages Per Visit:	2.28	2.71	●	15.75%
Total Average Visit Duration:	0:02:00	0:02:03	●	2.65%
Total Bounce Rate:	55.17%	52.69%	●	-4.70%
Organic Pages Per Visit:	2.37	2.90	●	18.30%
Organic Average Visit Duration:	0:02:02	0:02:12	●	7.62%
Organic Bounce Rate:	52.72%	48.23%	●	-9.31%

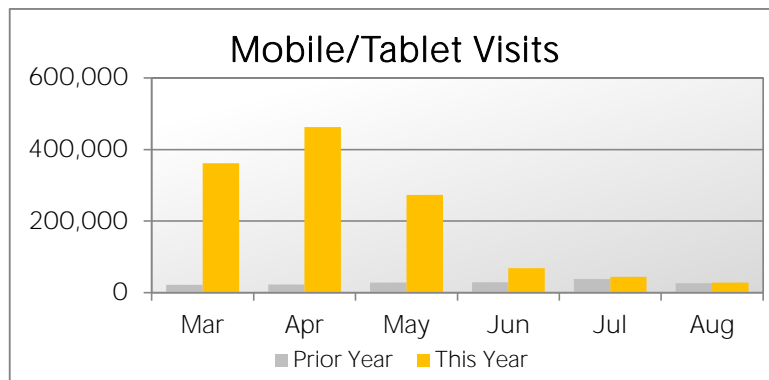
Total Traffic Overview:

	Mar	Apr	May	Jun	Jul	Aug
Visits:	410,064	510,628	305,084	97,564	70,911	47,642
Unique Visitors:	207,036	268,867	182,207	76,882	58,509	39,757
Bounce Rate:	83%	83%	81%	66%	53%	53%
Pageviews:	572,584	715,222	461,690	221,654	188,665	128,924
Avg Pageviews Per Visit:	1.40	1.40	1.51	2.27	2.66	2.71
Avg Time on Site:	0:01:02	0:01:04	0:00:59	0:01:35	0:02:01	0:02:03
Total Organic Search Traffic:	35,934	42,459	45,232	46,344	52,306	34,786
% of Traffic Organic Search:	9%	8%	15%	48%	74%	73%
Entry Pages From Search:	1,659	1,639	2,230	2,269	2,338	2,087

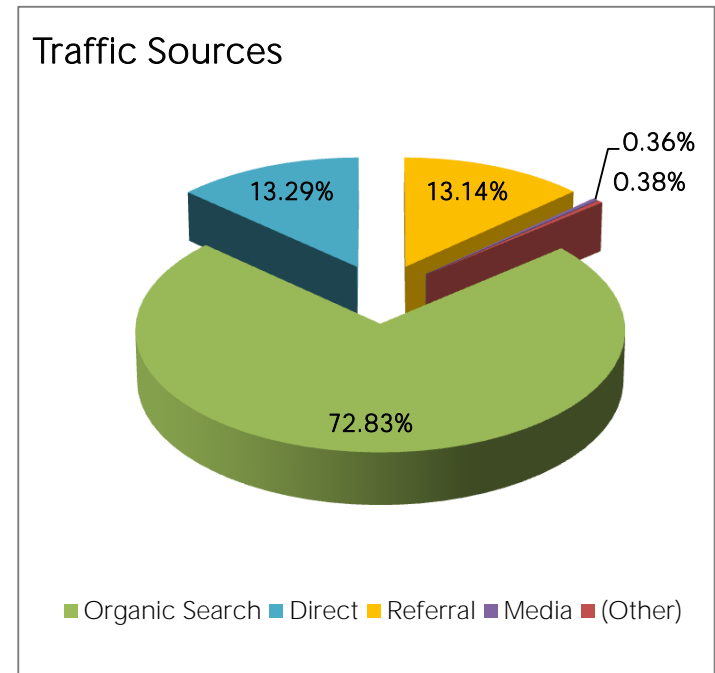


Mobile/Tablet SnapShot:

	Mar	Apr	May	Jun	Jul	Aug
Visits:	361,798	462,948	273,399	68,055	43,856	28,168
% of visits	88%	91%	90%	70%	62%	59%
Bounce Rate:	84%	84%	85%	71%	57%	57%
Pageviews:	472,630	613,137	366,864	126,653	101,446	62,999
Avg Time on Site:	0:01:01	0:01:03	0:00:49	0:01:07	0:01:40	0:01:38



Traffic Sources



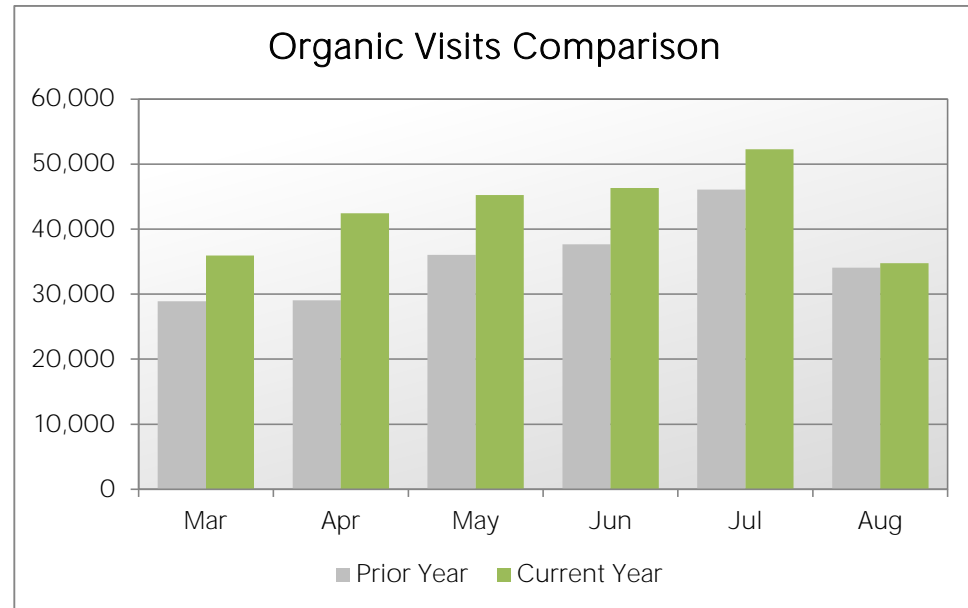
Organic Search Traffic:

Organic Traffic		% of Total Site Traffic
Visits	34,786	73.02%

Organic Engagement Compared to Site Engagement		
Pageviews Per Visit	2.90	7.19%
Avg. Time on Site	0:02:12	7.14%
New Visits	78.51%	4.05%
Bounce Rate	48.23%	-8.47%

Search Engine	Visits	Percent
google	32,644	93.84%
yahoo	1,195	3.44%
bing	909	2.61%
aol	20	0.06%
ask	10	0.03%
baidu	6	0.02%

Exact Keyword	Visits	Percent
(not provided)	34,550	99.32%
san luis obispo	11	0.03%
(not set)	6	0.02%
la fiesta san luis obispo	6	0.02%
morro bay	6	0.02%
san luis obispo county	4	0.01%
avila beach	3	0.01%
biplane rides los osos,calis	3	0.01%
lake lopez	3	0.01%
lopez lake	3	0.01%



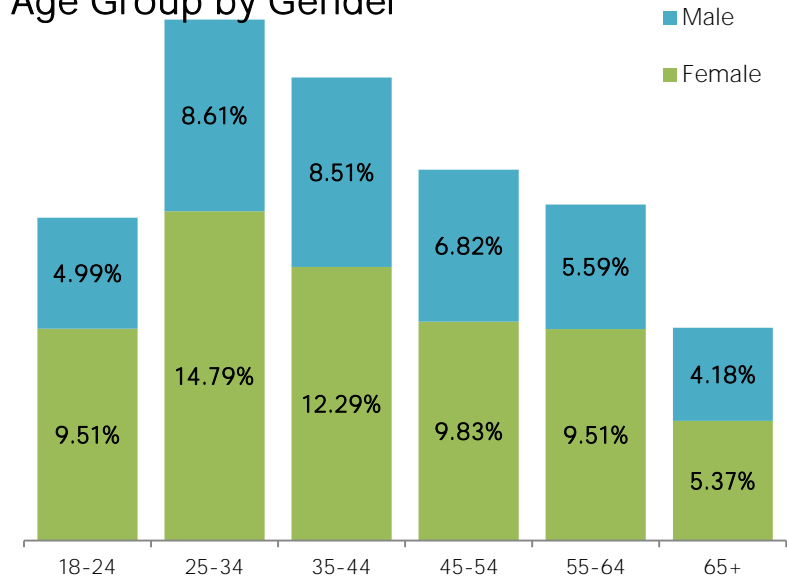
Landing Page	Visits	Percent
/events	4,227	12.15%
/	3,195	9.18%
/blog/950/insider-tips-15-free-things-to-do-in-slo-cal	1,136	3.27%
/profile/402/lake-lopez-recreation-area	900	2.59%
/our-area	689	1.98%
/community/paso-robles	655	1.88%
/community/morro-bay	564	1.62%
/profile/1757/morro-bay-farmers-markets	551	1.58%
/community/pismo-beach	546	1.57%
/community/san-simeon	490	1.41%

Demographics & Interests

Affinity Categories:

Top 10 Affinity Categories	Visits
Shoppers/Value Shoppers	19,431
Food & Dining/Cooking Enthusiasts/30 Minute Chefs	19,291
News & Politics/News Junkies/Entertainment & Celebrity News Junkies	18,171
Travel/Travel Buffs	17,587
Lifestyles & Hobbies/Art & Theater Aficionados	16,096
Sports & Fitness/Health & Fitness Buffs	15,882
Media & Entertainment/Book Lovers	15,218
Lifestyles & Hobbies/Green Living Enthusiasts	15,079
Banking & Finance/Avid Investors	15,023
Lifestyles & Hobbies/Outdoor Enthusiasts	14,295

Age Group by Gender



Other Categories:

Top 10 Categories	Visits
Arts & Entertainment/Celebrities & Entertainment News	8,893
News/Weather	6,468
Food & Drink/Cooking & Recipes	5,904
Travel/Hotels & Accommodations	5,513
Arts & Entertainment/TV & Video/Online Video	5,077
Travel/Air Travel	4,692
Real Estate/Real Estate Listings/Residential Sales	4,029
News/Sports News	3,536
Reference/General Reference/Dictionaries & Encyclopedias	3,492
Internet & Telecom/Email & Messaging	3,330

Affinity Categories broaden the scope to identify users in terms of lifestyle; for example, Technophiles, Sports Fans, and Cooking Enthusiasts. These categories are defined in a similar way to TV audiences, and represent an opportunity to understand the behavior of your audience.

Other Categories are used to classify groups of users based on the specific content they consume, along with how recently and frequently they consume that content. This category data provides a more focused view of your users, and lets you analyze behavior more narrowly than Affinity Categories.

* Per Google

Top Content:

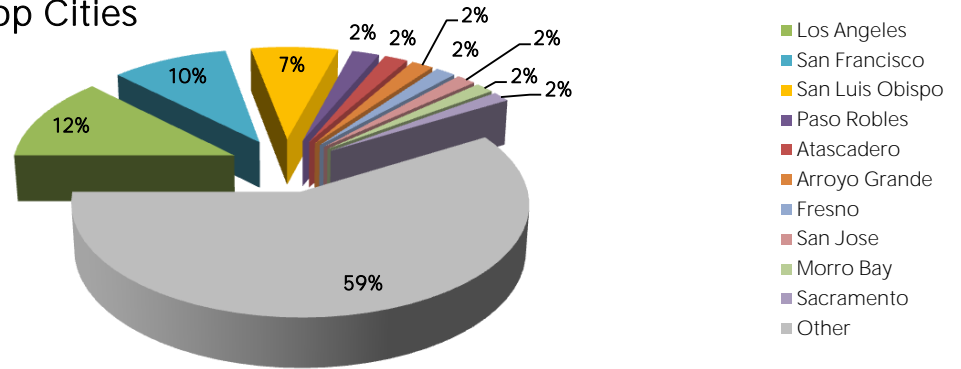
Top Landing Pages	Entrances
/	5,140
/events	4,825
/getting-here	1,622
/blog/950/insider-tips-15-free-things-to-do-in-slo-cal	1,242
/profile/402/lake-lopez-recreation-area	1,030
/our-area	838
/just-your-speed/	784
/community/paso-robles	719
/community/san-simeon	655
/community/pismo-beach	638

Top Content Pages	Pageviews
/events	8,514
/	6,973
/getting-here	2,285
/our-area	2,094
/events/all/fairs_and_festivals	1,709
/blog/950/insider-tips-15-free-things-to-do-in-slo-cal	1,417
/events?page=1	1,380
/profile/402/lake-lopez-recreation-area	1,236
/community/paso-robles	1,000
/deals	976

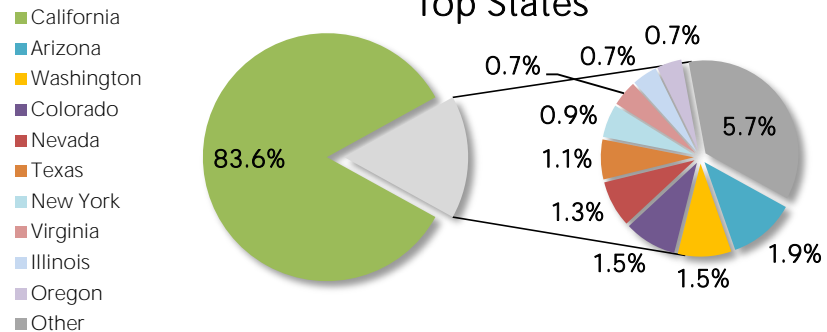
Top Exit Pages	Exits
/	2,831
/events	2,050
/getting-here	1,571
/our-area	936
/blog/950/insider-tips-15-free-things-to-do-in-slo-cal	909
/profile/402/lake-lopez-recreation-area	820
/just-your-speed/	784
/profile/1757/morro-bay-farmers-markets	568
/hearst-castle	473
/community/pismo-beach	454

Geographic:

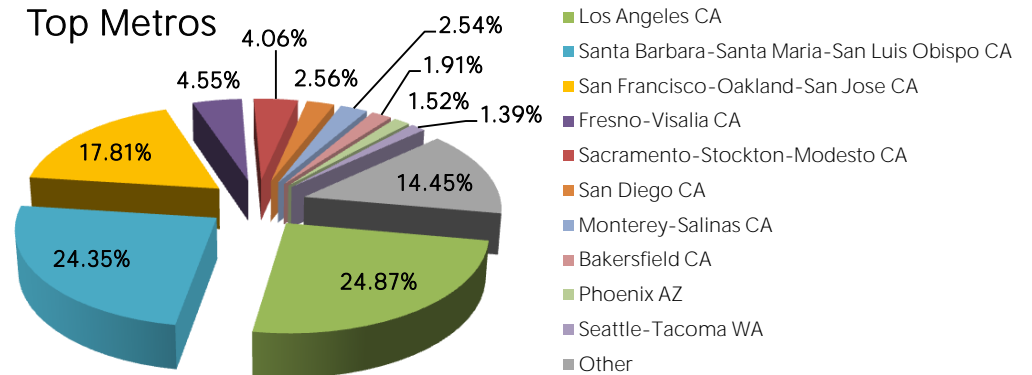
Top Cities



Top States

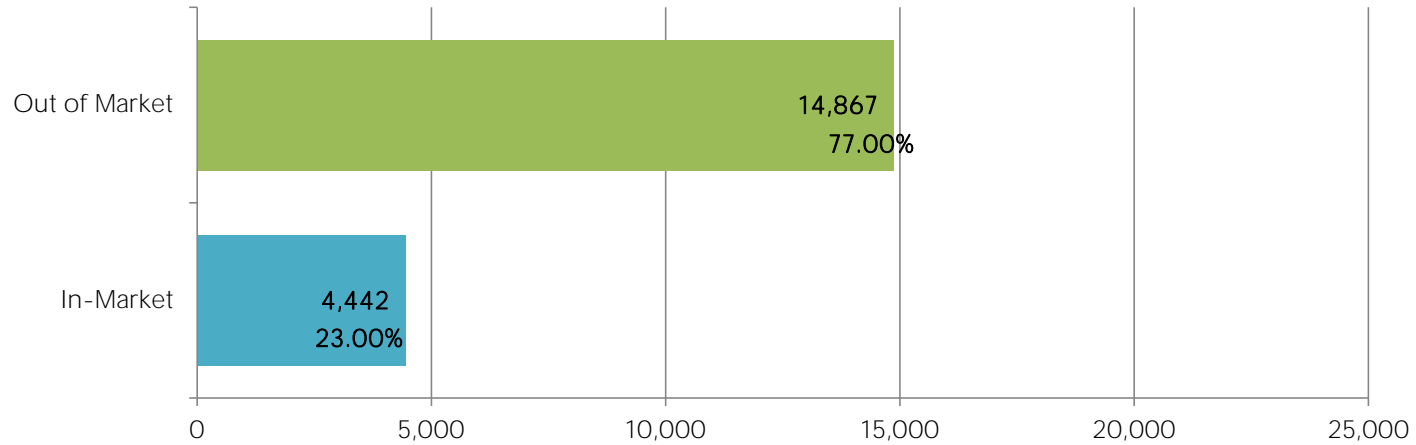


Top Metros

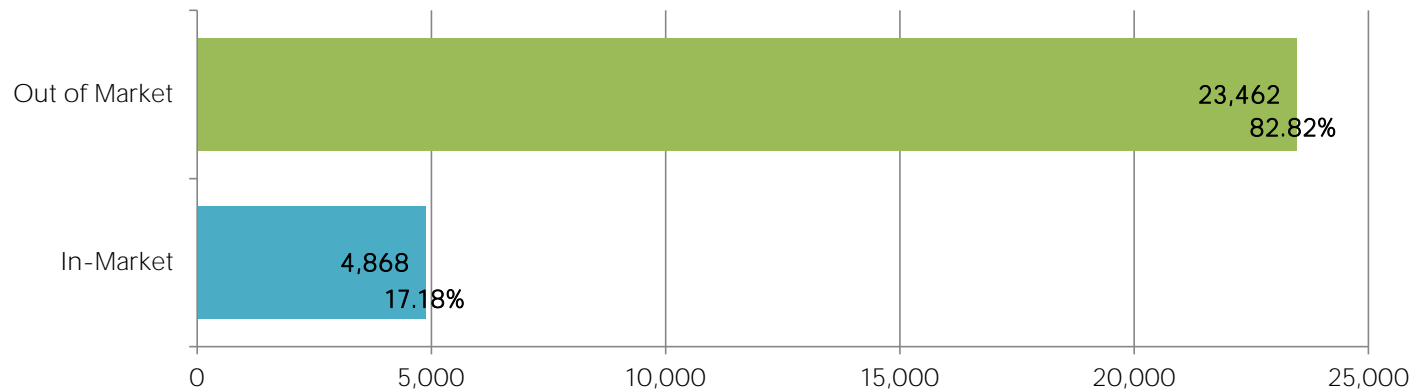


In-MarketVsVisitor:

Desktop Visits



Mobile/Tablet Visits



TRAVEL TRENDS INDEX

JULY 2016

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).

CTI shows travel grew in July 2016. LTI predicts more modest travel growth through the end of 2016, with notably soft international inbound travel and moderate growth in domestic leisure travel.

Overall travel volume (person trips to or within the United States involving a hotel stay or air travel) grew at a slower rate from July 2015 to July 2016 than June 2015 to June 2016. Domestic business travel grew for the second month in a row, after a period of consistent decline. Domestic leisure travel continues to advance, albeit at a slower rate than previous months. International inbound travel resumed its pattern of more restrained growth after surging ahead of the domestic market in June.

HIGHLIGHTS:

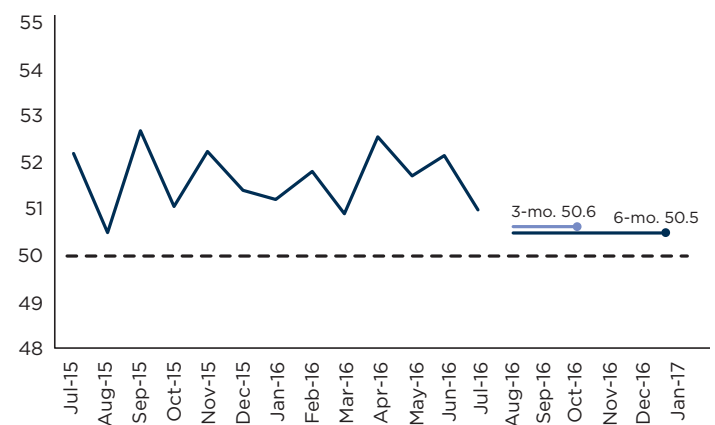
* For CTI and LTI definitions, please see below.

- The Current Travel Index (CTI) has registered at or above the 50 mark for 79 straight months, as the travel industry continues its six-year expansion.
- The CTI was positive in July, with a reading of 51.0, below the 6-month moving average of 51.7.
- International inbound travel continues to expand, albeit more slowly than in June. The Leading Travel Index (LTI) projects a more subdued outlook for the international inbound market, which will trail the domestic market through the rest of 2016.
- Domestic leisure travel grew in July at the slowest rate since December 2012, but still continues to lead the U.S. travel sector. Domestic business travel advanced slightly in July, but will struggle to remain in positive growth territory through the end of the year.
- The 3- and 6-month LTI readings of 50.6 and 50.5, respectively, indicate that U.S. travel volume is expected to grow at a rate of around 1.1% through January 2017.

July Travel Trends Index

Current Travel Index and Leading Travel Index

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



Source: Oxford Economics, U.S. Travel Association

“While growth in domestic leisure travel slowed somewhat in July, it remained the highest-demand travel market heading into the third quarter of this year. The outlook for the rest of the year indicates that domestic leisure travel will continue as the major source of strength for the travel industry. This is a reversal from earlier in this decade’s post-recession economic expansion, when international inbound travel ignited the recovery.”

- David Huether
Senior Vice President, Research

	CTI	3-month LTI*	6-month LTI**
June Index	52.2	50.9	50.7
July Index	51.0	50.6	50.5
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 slightly slower rate	Travel is expected to grow over the coming 6 months; at a slightly slower rate

* Average outlook reading for Aug 2016 to Oct 2016
** Average outlook reading for Aug 2016 to Jan 2017

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.

TRAVEL TRENDS INDEX (Continued)

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).

► DETAILED RESULTS

Domestic leisure travel will continue to lead the U.S. travel market, though a dip in vacation intentions and slower growth in leisure-related, forward-looking travel searches signal some potential softening through late 2016. While domestic business travel growth has been in positive territory for the past two months, confidence in further growth remains shaky, and already-slowing growth in forward-looking business travel searches indicates further weakness ahead.

International travel slowed in July 2016 after breakout growth in June. June's growth likely reflected some rebound from a drop in inbound visits in June 2015 rather than the start of a more robust growth trend. The LTI indicates that international travel growth towards the end of the year will be nearly stagnant.

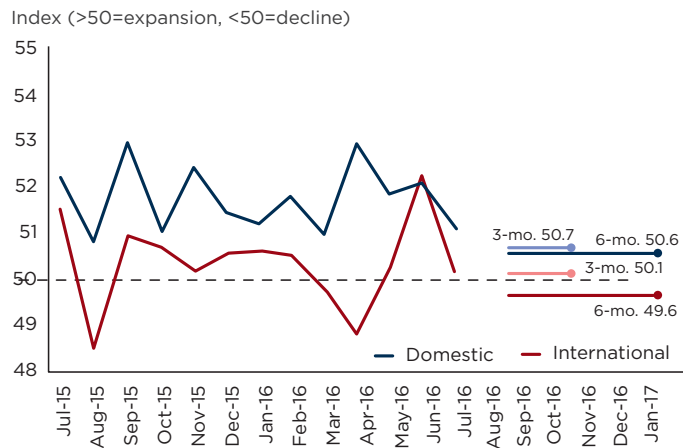
Travel Trends Index Summary

	Current Travel Index (CTI)				Leading Travel Index (LTI)		6-month LTI vs. CTI 6-month avg	
	6-month avg	May	June	July	3-month*	6-month**	Direction	Speed
Total Market	51.7	51.7	52.2	51.0	50.6	50.5	Increasing ▲	Slower
International	50.3	50.2	52.3	50.2	50.1	49.6	Decreasing ▼	--
Domestic	51.9	51.9	52.2	51.1	50.7	50.6	Increasing ▲	Slower
Business	50.5	49.7	51.4	50.1	49.5	49.9	Decreasing ▼	--
Leisure	52.5	52.8	52.5	51.5	51.2	50.9	Increasing ▲	Slower

* Average outlook reading for Aug 2016 to Oct 2016

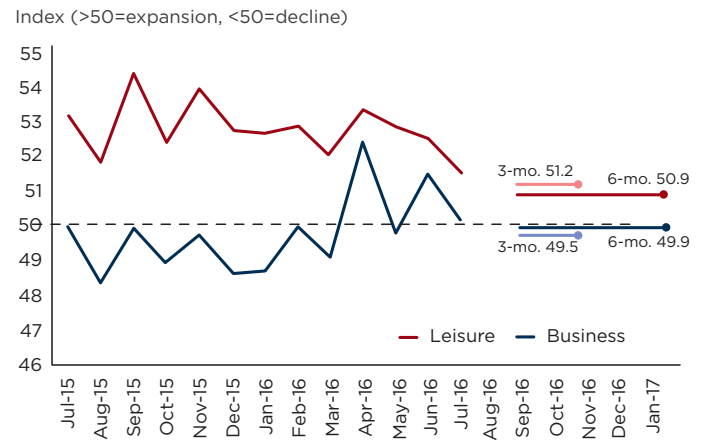
** Average outlook reading for Aug 2016 to Jan 2017

July Domestic and International Travel Index



Source: Oxford Economics, U.S. Travel Association

July Domestic Business and Leisure Travel Index



Source: Oxford Economics, U.S. Travel Association

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.

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2017 EDITION

U.S. TRAVEL
ASSOCIATION

The Economic Review of Travel in America

2017 EDITION

August 2017

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The Economic Review of Travel in America, 2017 Edition was prepared by:

U.S. Travel Association Research

PREFACE

This report documents both 2016 and historical measurements of the U.S. travel and tourism industry. It details domestic and international inbound travel volume and the impact of travel on the U.S. economy, as well as the importance of the United States in global tourism. In addition, the report provides analysis on the performance of major travel-related industries in the U.S., such as airlines, lodging, amusement/recreation services and foodservice. Whenever possible, 2017 estimates are included.

This report contains information from the best objective sources and analyses available to objectively portray the importance of travel and tourism to the U.S. economy.

U.S. Travel Association
Washington, DC
August 2017

EXECUTIVE SUMMARY

- U.S. domestic travel volume increased 1.3 percent in 2016, to a total of 2.2 billion person-trips. An increase of 1.8 percent is expected in 2017.
- Domestic leisure person-trips grew by 1.7 percent in 2016 from 2015, and are expected to increase a further 1.8 percent in 2017. Domestic business person-trips decreased 0.2 percent in 2016 from 2015 but are expected to rise 1.8 percent in 2017.
- Total international visitor arrivals to the U.S. declined by 2.4 percent in 2016, and totaled 75.6 million. Growth in international arrivals to the U.S. will likely be relatively stagnant in 2017.
- Overseas visitor arrivals to the U.S. (international visitations excluding Canada and Mexico) declined by 2.1 percent in 2016 and amounted to 37.6 million. The overseas market accounted for half of all international visitors to the United States in 2016.
- Canadian overnight visitations to the United States decreased by 7 percent in 2016, to an estimated 19.3 million. Visitations from Mexico to the U.S. increased by 2 percent in 2016, to an estimated 18.7 million.
- Measured in current dollars, domestic and international travelers spent \$990 billion in the United States in 2016, up 2.1 percent from 2015. Total domestic and international traveler spending in the U.S. is forecasted to increase another 3.1 percent in 2017.
- Domestic traveler expenditures reached \$837 billion in 2016, up 2.9 percent from 2015. Domestic traveler spending is expected to increase 3.5 percent in 2017.
- International travelers spent \$154 billion within the U.S. in 2016 (excluding international airfare and payments for medical, educational, and cross-border seasonal work), down 2.1 percent from 2015.
- Receipts from international passenger fares totaled \$39 billion in 2016, down 6.1 percent from 2015.
- Domestic and international travel spending in the U.S. directly supported 8.6 million jobs within the U.S. travel industry in 2016, up 2.4 percent from 2015.
- Twenty-five cents of every dollar spent on travel goods and services went toward payroll for industry workers in 2016. Total travel-generated payroll reached \$248 billion in 2016, up 4.3 percent from 2015.
- Domestic and international travelers generated \$158 billion in tax revenues for federal, state and local governments in 2016, up 4 percent from 2015.
- The U.S. Travel Association's Travel Price Index (TPI) increased 0.3 percent in 2016, slower than the 1.3 percent growth in the Consumer Price Index for all urban consumers (CPI-U) over the same period in 2015. In 2017, the CPI is expected to increase 3.2 percent, whereas the TPI is expected to increase 3.6 percent.
- Total domestic and international air passenger enplanements increased 3.1 percent in 2016, to 822 million. Employment in the airline industry increased 4.1 percent in 2016, to 671,400 jobs.
- In 2016, U.S. hotel room demand grew 1.7 percent from 2015. Room revenue increased 4.8 percent in 2016, and revenue per available room (RevPAR) increased by 3.2 percent during the same period. During the first four months of 2017, room demand increased 2.3 percent, compared to the same period the year prior. Room revenues increased 4.8 percent and RevPAR increased 3 percent during the same period.
- Total sales in the U.S. foodservice industry increased 5.9 percent in 2016, to \$660 billion. Total employment in this industry increased 3.3 percent to 11 million jobs in 2016. Travelers spent \$176 billion at foodservices and drinking places in 2016, up 4.1 percent from 2015.
- The arts, entertainment and recreation sector earned \$252 billion in total 2016 receipts, up 6.2 percent from 2015. At the same time, employment in this industry increased 3.2 percent to 2.2 million jobs. Travelers spent \$100 billion on arts, entertainment and recreation in 2016, up 3.8 percent from 2015.



MINUTES

Visit SLO CAL Marketing Committee

Visit SLO CAL Marketing Committee

Meeting Minutes

Tuesday, August 8, 2017

8:30am

Courtyard by Marriott, San Luis Obispo
1605 Calle Joaquin, San Luis Obispo, CA 93405

1. CALL TO ORDER: Brooke Burnham

PRESENT: Ashlee Akers, Molly Cano, Shari Clark, Cheryl Cuming, Christen Goldie, Gordon Jackson, Heather Muran, Jennifer Porter

ABSENT: Jim Allen, Terrie Banish, Stacie Jacob, Lori Keller, Jennifer Little, John Sorgenfrei, Jill Tweedie

STAFF PRESENT Brooke Burnham, Jordan Carson, Pam Roberts, Brendan Pringle, Michael Wambolt

Call to Order at 8:31 am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENT

Burnham reminded the Marketing Committee to copy Records@slocal.com on any emails to VSC Board, Committee and team members.

CONSENT AGENDA

3. Approval of July 11, 2017 and August 3, 2017 Marketing Committee Minutes

Public Comment – None.

Committee Discussion – None.

ACTION: Moved by Akers/Goldie to approve the Consent Agenda as presented.

Motion carried: 7:0:1
Muran abstained

BUSINESS ITEMS

4. Update on Board Action

The Board reviewed the Marketing Committee's recommendations for new Marketing Committee members and approved Jill Tweedie, Shari Clark and Stacie Jacob (representing Paso Robles Destination). The Board asked the Marketing Committee to further vet one of their recommendations, Audrey Arellano. Burnham invited Audrey Arellano to speak in front of the Committee.

The Executive Committee approved the Marketing Committee's recommendation to pursue contract negotiations with Goodway Group as VSC's Media Agency.

Public Comment – Audrey Arellano presented in front of the Marketing Committee and detailed her marketing background and current role.

Committee Discussion – Cuming asked Arellano to speak more about the lodging aspect of her qualifications. Akers asked Arellano to speak about the visitor experience in the local lodging industry and how she will bring that to the Committee role.

The Committee discussed Arellano's application. Akers asked why the Board didn't originally approve the other two recommendations. Burnham stated that the Board did not want to set a precedent of having a sales manager on the Marketing Committee, that they wanted to make sure Arellano had the necessary marketing experience and that her current role is, in fact, marketing and not sales.

Action: Moved by Cuming/Porter to recommend that the Board approve Audrey Arellano to the Marketing Committee.

Motion carried: 8:0

5. Advertising & Marketing Update

Wambolt gave an update on his recent Travel Trade Sales Mission to Los Angeles on July 25-27, 2017 where he met with four Chinese Inbound Operators, as well as Eagle Rider, ATI, American Ring Travel and New World Travel. He distributed the notes from these meetings on August 1. Wambolt provided an update on upcoming travel dates. Wambolt mentioned that IPW will be in Denver May 19-23, 2018 and to contact him if anyone would like to take advantage of early bird pricing, which ends in November. Burnham noted VSC is looking at having other activations in the Denver area during IPW.

Wambolt noted that the Visit SLO CAL Packaging Party will take place on October 19, 2017 at Oyster Ridge. Roberts invited the Committee to the Fall Symposium on September 21, 2017 at the Embassy Suites, which will include speakers from Arrivalist, JBS Hotels and Host Compliance.

Burnham provided an update on Film SLO CAL, including the major motion picture filming in SLO CAL. KSBY interviewed Visit SLO CAL and ran a story on Film SLO CAL outlining the impact of the film industry. Kylee Corliss, Film Commission Liaison, will be attending the FLICS Board Meeting & Retreat on August 30-31, 2017. Film SLO CAL is also working on ways to help support the 2018 SLO International Film Festival and what that future partnership will look like.

Burnham gave an update about several recent press hits, including a story in the Toronto, Calgary, Edmonton and Ottawa Sun Newspapers, and Local Highway 1 stories on KSBY and the Tribune. July press visits included *The Daily Mom*, *Evening Standard*, *Travel Weekly*, *Budget Travel*, *Let's Dine Out*, *Sunset Magazine* and Freelancer Rob McGovern. Burnham outlined several upcoming PR opportunities, including individual media trips and a group FAM October 5-8. She noted that VSC has a new Black Diamond UK Media rep, Katarina, who will be visiting the area for an immersive FAM trip September 13-17, 2017. The Clymb/LeftLane Sports will be arriving in SLO Cal August 21-25, 2017 to begin the content creation phase of the partnership.

Carson provided an update on upcoming social media and blog posts.

Burnham reviewed metrics from the FY 2016/17 SEO report. Burnham noted that BCF is now primarily working on

creative and administrative projects including the FY2016/17 Annual Report, a deeper competitive analysis and a deeper persona analysis. VSC is currently in contract negotiations with Goodway Group and in the process of onboarding.

Burnham reviewed the most recent Arrivalist data, and noted this data shows that investment in Seattle and Denver have had an impact on travel to SLO CAL.

Public Comment – None.

Committee Discussion – Cuming reported out that Vacasa purchased a large vacation rental management company in Cayucos, and Jackson reported that Pismo Beach has been using Host Compliance for a year now.

Porter asked if there is a form that the potential film partners can complete to report their assets to Film SLO CAL. Burnham responded that we will work on putting that piece together. Cano asked if VSC will be attending Visit California's Media Bootcamp in Seattle, which Burnham confirmed. Cano also asked if we've seen an effect on the Seattle flight since there is currently no media being spent in any target markets. Burnham noted that there has been some softening with the Seattle flight numbers, but that it could be following the seasonal trend. Jackson asked if there is a co-op available to get cities broken out in Arrivalist. Burnham noted VSC has talked about it, but will take a closer look. Porter asked to be sent the slides with the Arrivalist data.

Cuming asked that the Marketing Committee to put SLO CAL in parentheses when referencing San Luis Obispo County, to help tie in the destinations to SLO CAL. Cano noted that the City of San Luis Obispo has integrated "In the heart of SLO CAL" into their brand, which will be going to their board for approval. Burnham also reminded the Marketing Committee when using SLO CAL to be sure that the brand name is in all caps.

6. Marketing Discussions

6a. Get to Know the New Media Team

Burnham introduced Tyler Williams, Account Manager, and Donovan Moore, Account Director, from Goodway Group.

Public Comment – Williams and Moore provided introductions and their industry background.

Committee Discussion – Cuming asked for better clarity about why Visit SLO CAL decided to look elsewhere for a Media Agency. Burnham noted the results of the previous campaign with BCF were effective, but that a partner that was more adept at digital strategy and optimization would make the program much more efficient going forward, which is especially important moving from a seasonal media plan to an annual media plan.

Jackson asked how Goodway and BCF will work together. Moore noted that best-practices will be tested and that they will perform A/B testing on the creative so that data backs up all decisions. Jackson asked if these dollars will strictly be going to domestic. Burnham stated that the spend will be for domestic, but that they could potentially look at international spends further down the road.

Jackson asked if the media will be geared towards awareness or bookings. Goodway said that they focus on the data that leans more towards bookings, but noted the importance of the awareness piece. Burnham added that, for Visit SLO CAL, it will always be a mix because SLO CAL is a new brand, and we need that awareness piece in order to drive bookings.

6b. Future Discussion Topics

Burnham asked the Committee members to submit their discussion topics before the next meeting and they will be put on future agendas.

Public Comment – None.

Committee Discussion – None.

6c. Discussion Recap

Public Comment – None.

Committee Discussion – None

ADJOURNMENT

Meeting adjourned at 10:38 am.