



# AGENDA

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## Visit SLO CAL Executive Committee

### Visit SLO CAL Executive Committee Agenda

October 12, 2017

11:30am

Visit SLO CAL Conference Room

1334 Marsh Street, San Luis Obispo, CA 93401

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

<b>ANNOUNCEMENTS</b>	<b>C. Davison</b>
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<b>CONSENT AGENDA – <i>motion required</i></b>	<b>C. Davison</b>
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3. Approval of September 18, 2017 Executive Committee Meeting Minutes (*yellow*)
4. Approval of September Financials (*green*)

*Staff will ask for Committee approval of the September 18, 2017 Executive Committee Meeting Minutes and the September Financials.*

<b>CEO REPORT</b>	<b>C. Davison</b>
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5. CEO Report (*15 min*)

*Staff will provide an update on current projects, reporting and areas of focus for the months ahead.*

<b>BUSINESS ITEMS</b>	<b>C. Davison</b>
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6. Executive Committee Seat (*15 min*)

*The Committee will discuss the open Secretary seat on the Executive Committee.*

7. Financial Discussion (*20 min*)

*Staff will provide an update on upcoming changes to the VSC credit card account and potential changes to its operating and reserve cash account.*

8. Staffing Update (*10 min*)

*Staff will provide an update on Visit SLO CAL's current open positions and staffing.*

9. Destination Development Strategy (*10 min*)

*Staff will provide an update on Visit SLO CAL's initiative to develop a draft of a long-term Tourism Infrastructure Master Plan as outlined in Strategic Direction 2020.*

10. FY2016-17 Year-End Satisfaction Survey (*10 min*)

*Staff will provide details on VSC's efforts to increase survey response rates and involve the Board and Marketing Committee in this process.*

11. Marketing Update (*15 min*)

*Staff will provide an update on key marketing initiatives.*

## **ADJOURN.**

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

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



# MINUTES

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## Visit SLO CAL Executive Committee

### Visit SLO CAL Executive Committee Meeting Minutes

Wednesday, September 18, 2017

11:30am

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

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

**PRESENT:** Aaron Graves, Jay Jamison, Clint Pearce

**ABSENT:** John Arnold

**STAFF PRESENT:** Chuck Davison, Brendan Pringle

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**Call to Order at 11:34am.**

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

None.

### **ANNOUNCEMENTS**

Davison reminded the Committee to cc "Records@SLOCAL.com" on any emails pertaining to other Board, Committee and VSC team matters of official Visit SLO CAL business.

The SLO Airport is hosting a Grand Opening for its new terminal on October 14, 2017 from 5:30pm-9:00pm. All VSC Board members are invited.

### **CONSENT AGENDA**

- 3. Approval of August 16, 2017 Executive Committee Meeting Minutes**
- 4. Approval of June/FY2016-17 Year-End Financials**
- 5. Approval of July and August Financials**

Public Comment – None.

Committee Discussion.

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

**Motion carried: 3:0**

### **CEO REPORT**

**6. CEO Report**

Davison reviewed the July Travel Trends Index from U.S. Travel, and pointed out that international tourism is slumping in 2017 due to two factors: the “Trump Slump” and the valuation of the dollar leading to a decrease in business.

VSC will be presenting its bi-annual update at the City Managers Meeting on September 22, 2017. Davison noted that he received positive feedback from councilmembers during the Morro Bay City Council Meeting on August 22, 2017. Davison recapped the CalTravel Executive Committee and Board Meetings (August 17-18, 2017) and the key takeaways from U.S. Travel’s Educational Seminar for Tourism Organizations (ESTO), which the VSC leadership team attended from August 26-29, 2017. U.S. Travel issued a number of insightful new reports, which VSC forwarded to constituents and elected officials via email.

Davison provided an update on VSC’s Highway 1 closure communication efforts. Assemblyman Cunningham’s office has reached back out to Caltrans to follow up after its meeting with VSC and other North Coast constituents in August. Caltrans recently released a rebuild plan with Highway 1 at Mud Creek opening to traffic by late summer of 2018. Davison participated with VCA in the Best Buddies Challenge: Hearst Castle, which was a great opportunity to get the message out that Highway 1 is open in SLO CAL. During the event, Davison met with Lieutenant Governor Gavin Newsom and asked for additional support and influence with Caltrans.

VSC leadership held its quarterly check-in on the progress of the Operational Plan with Coraggio Group on August 24, 2017. Many items are on track, but several marketing-related items are behind schedule based on new marketing contracts and staffing, which VSC is working to correct.

VSC will be holding its Fall Industry Educational Symposium on September 21, from 8am to 12:30pm, at Embassy Suites in SLO, which will feature presentations from Visit SLO CAL, Visit California, Arrivalist, JBS Hotels, and Host Compliance.

Davison outlined his travel schedule.

Public Comment – None.

Committee Discussion.

## **BUSINESS ITEMS**

### **7. FY2016-17 Audit**

As part of its contract with the County, VSC is required to do a full-scale audit each fiscal year. This was VSC’s second successful audit. The audit did not identify any deficiencies in internal control that were considered to be material weaknesses. The auditor noted that changes recommended in the FY2015/16 audit regarding the Segregation of Accounting Duties and Vendor Invoices had been implemented in FY2016/17; however, we are working with them to make sure this is clear in the report. The report identified, however, that VSC’s cash account balance has exceeded the FDIC insured amount at various times throughout the year. The contingency fund will continue to weigh against this balance as it increases monthly.

Public Comment – None.

Committee Discussion.

Moved by **Jamison/Graves** to approve the FY2016-17 Audit as presented for recommendation to the Board and submission to the County, and authorize Burkart & Stevens to file VSC’s FY2016-17 Tax Return.

**Motion carried: 3:0**

### **8. FY2016-17 Annual Report**

As part of its contract with the County, VSC is required to produce an annual report.. The report will be brought to the Board for approval on September 20 and is due to the County by September 29. Once delivered to the County, VSC will work to schedule its annual report presentation to the County Board of Supervisors.

Public Comment – None.

Committee Discussion.

Moved by Graves/Jamison to approve the FY2016/17 Annual Report as presented for recommendation to the Board and submission to the County.

**Motion carried: 3:0**

## **9. PR Agency Selection**

On September 12, 2017, three national Public Relations firms presented their proposals to the Marketing Committee: Turner Public Relations, Mfa, and The Brandman Agency. The Marketing Committee unanimously recommended the approval of Turner Public Relations as VSC's PR Agency of Record, based on their innovative and strategic approach, strong measurement focus and their authenticity.

Public Comment – None.

Committee Discussion.

Moved by Graves/Jamison to allow the President & CEO to begin contract negotiations with Turner Public Relations as VSC's PR Agency of Record.

**Motion carried: 3:0**

## **10. Board and Executive Committee Seats**

With the sale of his property at the end of August, JP Patel officially provided his letter of resignation from the Visit SLO CAL Board on September 6, 2017. Amar Sohi of the Holiday Inn Express (Atascadero) has applied for JP Patel's Board seat and VSC submitted a letter of recommendation on his behalf to the City of Atascadero. Atascadero TBID will appoint a new Board member on September 20, 2017, which will go to the City Council for approval on October 10, 2017.

Public Comment – None.

Committee Discussion.

## **11. Board Member Attendance**

Based on the transition to a bi-monthly meeting schedule, regular Board attendance at meetings is more critical than ever. Davison reviewed the guidelines from the VSC bylaws, and noted that VSC will be asking the Board to adhere to these guidelines, as they will be followed more strictly moving forward. He also noted that tardiness is preferable to absence from the meeting.

Public Comment – None.

Committee Discussion.

## **12. County Agreement with Airbnb**

On August 12, 2017, the County Board of Supervisors (CBoS) approved an agreement with Airbnb, requiring them to collect taxes and assessments in the County unincorporated area. Davison relayed some of the concerns raised by some vacation rental constituents about the agreement, and noted that some constituents feel that the County has compromised legal vacation rentals to collect TOT dollars without evidence of each property being licensed. Additionally, some are worried that the new agreement may cause legal vacation rentals to double pay if they are not aware. VSC has been in contact with VSC Board Member Jim Hamilton with the County Tax Collector's office, and the County is developing an FAQ that VSC will be able to share on the Member's Area of its website.

Public Comment – None.

Committee Discussion.

### **13. Financial Discussion**

VSC Treasurer John Arnold had requested that VSC look into credit card options that do not require Davison to be a personal guarantor on the account. Davison reviewed the details and benefits of VSC's current credit card account, and noted some of the alternate options, most of which require a personal guarantor. However, Pacific Premier Bank offers a non-profit card option that would not require a personal guarantor with the same limit that VSC currently has.

VSC's FY2016-17 audit noted that VSC's cash account balance has exceeded the FDIC insured amount at various times throughout the year. One option is to transfer a portion of our cash assets to a CD, short-term investment account or other financial institution account. Davison asked the Committee for their recommendations.

Public Comment – None.

Committee Discussion. The Committee requested that VSC research the options, including what Bank of the Sierra provides for accounts that yield a higher interest rate.

### **14. Marketing Update**

Davison provided an update on key marketing initiatives.

Public Comment – None.

Committee Discussion.

### **ADJOURNMENT**

**ACTION:** Moved by Jamison/Graves to adjourn the meeting.

**Motion carried: 3:0**

Meeting adjourned at 1:32 p.m.

## SELECTED FIXED INCOME SECURITIES

Mon, 02 Oct 2017 16:15:41 ET

Prepared For: San Luis Obispo

Prepared By: JASON SCHWARZ  
 1645 VILLAGE CNTR CIRCLE, STE 150  
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 JASON.SCHWARZ@MORGANSTANLEY.COM

## Total Number of Offerings: 5

#	MS ID/ CUSIP	Available Qty/ Min Denom	Issuer / Asset Group / Industry / Comments	Coupon/ Frequency	Maturity	Price	Yields <sup>1</sup>	FDIC Cert #
1	FU3Q5 33640RCU9	3,938,000 1,000	<b>1ST SENTRY BK CD HUNTINGTON WV CD</b> Certificate of Deposit, Primary, Fixed Rate	1.000 MONTHLY	12/13/2017	100.000	1.000 (M)	34241
2	CT3W8 05584CAL0	544,000 1,000	<b>BNY MELLON N A CD PITTSBURGH PA CD</b> Certificate of Deposit, Primary, Fixed Rate	1.200 AT MATURITY	04/10/2018	100.000	1.200 (M)	
3	C38MH 07370XAV6	1,260,000 1,000	<b>BEAL BK SSB PLANO PLANO TX CD</b> Certificate of Deposit, Primary, Fixed Rate	1.400 AT MATURITY	10/10/2018	100.000	1.400 (M)	32574
4	C384V 29266N6Q5	419,000 1,000	<b>ENERBANK USA CD SALT LAKE CITY UT CD</b> Certificate of Deposit, Primary, Fixed Rate <i>RESTRICTED IN: OH TX</i>	1.600 MONTHLY	04/12/2019	100.000	1.600 (M)	57293
5	A21K0 02006L5U3	751,000 1,000	<b>ALLY BK MIDVALE UT CD</b> Certificate of Deposit, Primary, Fixed Rate	1.700 SEMI-ANNUAL	10/07/2019	100.000	1.700 (M)	57803

(1) M = Yield to Maturity, C = Yield to Call, P = Yield to Put, O = Yield to Optional Call, R = Yield to Pre-Refunding, D = Discount Rate, A = Annual Percentage yield

We offer these securities and/or deposits subject to availability. Market price, yield and credit ratings are subject to change. Price quoted may not include sales commissions. Please see the important information and product disclosures at the end of this report.

## SELECTED FIXED INCOME SECURITIES

Mon, 02 Oct 2017 16:15:41 ET

We offer these securities and/or deposits subject to availability. Market price, yield and credit ratings are subject to change. If securities and/or deposits are sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable securities and/or deposits may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Please consult your Financial Advisor or Private Wealth Advisor regarding applicable call provisions prior to investing. Some issue information is based on data obtained by the firm from external sources deemed to be reliable. However, Morgan Stanley Wealth Management has not independently verified such information and makes no warranty, express or implied, regarding its accuracy or completeness. Investors should match credit ratings to their portfolio risk profiles. Price quoted may not include sales commissions. For additional information on any of the highlighted securities and/or deposits, please contact your Financial Advisor or Private Wealth Advisor. We do not provide tax advice. You should consult with your own tax advisor prior to making an investment decision.

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# TRAVEL TRENDS INDEX

AUGUST 2017

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 reading of 51.8 in August 2017 shows that travel to and within the U.S. grew 3.6% in August 2017 compared to August 2016. LTI predicts continued travel growth through February 2018, as solid domestic travel demand adds to modest gains in international inbound travel.**

Overall travel volume (person trips to or within the United States involving a hotel stay or air travel) grew at a faster year-over-year rate in August 2017 than in July 2017. Domestic travel expanded in August, supported by strong leisure demand. Meanwhile, international inbound travel ticked up slightly.

## HIGHLIGHTS:

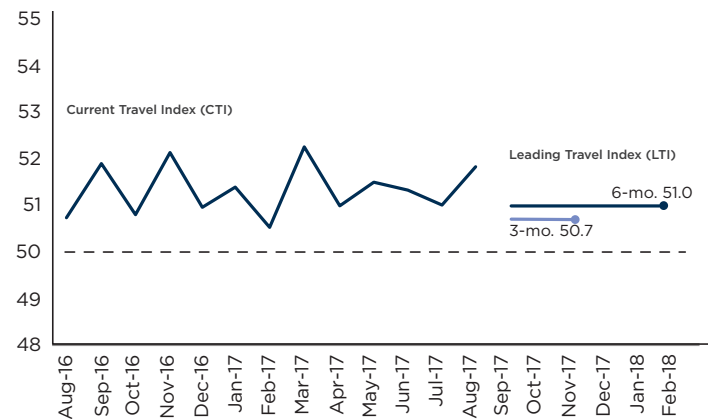
\* For CTI and LTI definitions, please see below.

- The Current Travel Index (CTI) has registered at or above the 50 mark for 92 straight months, as the industry settles into its eighth year of expansion.
- The CTI accelerated in August, registering 51.8. This is higher than the 6-month moving average of 51.4.
- International inbound travel increased, registering 50.9 in August. However, the Leading Travel Index (LTI) continues to project a tepid outlook for international inbound travel, which will trail the domestic market through the beginning of 2018.
- Domestic leisure travel grew in August, at a faster rate than the 6-month moving average. Domestic business travel saw modest gains in August.
- The 6-month LTI reading of 51.0 indicates that total U.S. travel volume is expected to grow at a rate of around 2% through February 2018. Domestic travel is also expected to grow by about 2%, while forward-looking metrics for international travel indicate continued weakness.

## August Travel Trends Index

Current Travel Index and Leading Travel Index

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



Source: Oxford Economics, U.S. Travel Association

“Based on the fact that all CTI segments increased for the first time since January, August proved a solid month for the travel industry. Still, despite some growth, international inbound travel to the U.S. continues to underperform. This jeopardizes the significant gains that the U.S. has made in expanding its share of the lucrative global travel market over the past decade.

- David Huether  
Senior Vice President, Research

	CTI	3-month LTI*	6-month LTI**
July Index	50.9	50.6	50.6
August Index	51.8	50.7	51.0
Direction and Speed	Travel demand increased; at a faster rate than the previous month	Travel is expected to grow over the coming 3 months; at a slower rate	Travel is expected to grow over the coming 6 months; at a slower rate

\* Average outlook reading for Sept 2017 to Nov 2017

\*\* Average outlook reading for Sept 2017 to Feb 2018

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 once again led all segments, though domestic business travel also saw modest gains in August. Looking ahead, a slight slowdown in vacation intentions and forward-looking bookings and searches points to positive yet subdued growth in domestic leisure travel in the coming months. While those factors remain positive, the pace of growth is markedly slower compared to this time last year.

International inbound travel to the United States ticked up modestly in August 2017. Nevertheless, a variety of factors will continue to weigh on the sector's growth, including a strong dollar, global instability, and the unintended consequences of Trump administration security policies.

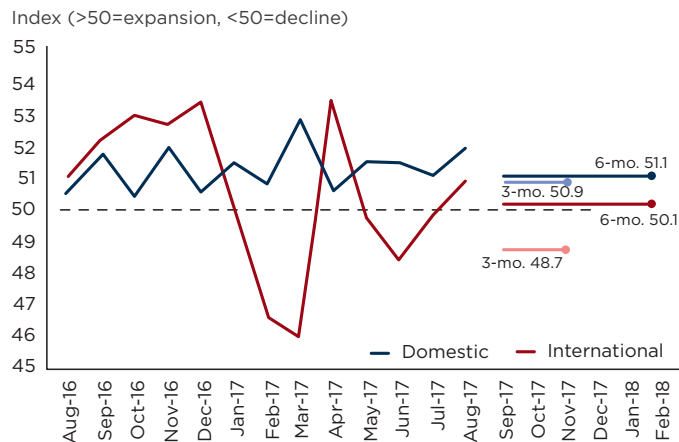
## Travel Trends Index Summary

	Current Travel Index (CTI)				Leading Travel Index (LTI)		6-month LTI vs. CTI 6-month avg	
	6-month avg	June	July	August	3-month*	6-month**	Direction	Speed
<b>Total Market</b>	<b>51.4</b>	<b>51.3</b>	<b>50.9</b>	<b>51.8</b>	<b>50.7</b>	<b>51.0</b>	Increasing ▲	Slower
International	49.7	48.4	49.8	50.9	48.7	50.1	Increasing ▲	Faster
Domestic	51.6	51.5	51.1	51.9	50.9	51.1	Increasing ▲	Slower
Business	50.6	50.8	49.2	50.5	51.4	51.6	Increasing ▲	Faster
Leisure	52.0	51.8	51.8	52.4	51.0	51.0	Increasing ▲	Slower

\* Average outlook reading for Sept 2017 to Nov 2017

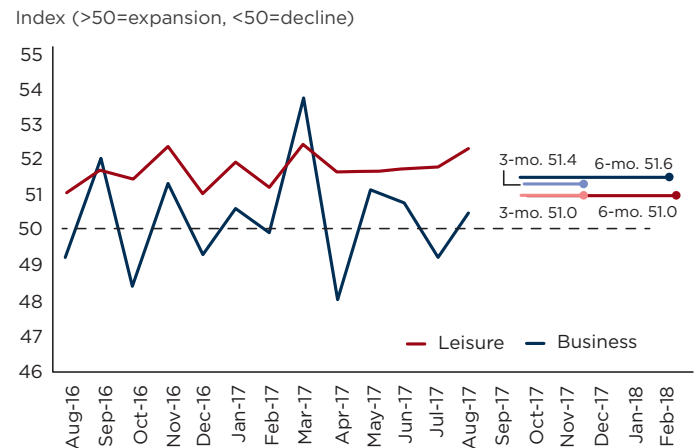
\*\* Average outlook reading for Sept 2017 to Feb 2018

## August Domestic and International Travel Index



Source: Oxford Economics, U.S. Travel Association

## August 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.