



CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)

VISIT CARMEL

BOARD OF DIRECTORS MEETING

Sunset Center – Chapman Room

San Carlos and 9th

Carmel-by-the-Sea, CA 93921

Thursday, January 10, 2019

2:30 PM

MINUTES

Board Members Present: Kevin Krueger, Pamela Sheppard, Rich Pepe, Ken Spilfogel, Mark Watson, Mary Crowe, Chip Rerig, Amrish Patel

Board Members Absent: Jenny MacMurdo

Also in Attendance: Amy Herzog, Visit Carmel Exec Director; Ashley Brune, Steven Smith, and Abbi Whitaker, Abbi Agency; April Locke and Jessica Lessard, MCCVB; Jo Todd, Resident; Jeff Burghardt and Nicole Dore, Burghardt + Dore Advertising; Bobby Richards, City of Carmel and Lamplighter Inn; Anthony Carnazzo, The Stationeary; Sarah Kabat-Marcy, Cultura; Dale Byrne, Carmel Cares; Margaret Byrne, Carmel Residents Association; Suzanne Gravelle, Carmel Area Reservation Service; Sandra Book, Carmel Chamber Visitor Center; Greg Ahn, 7th and Dolores; Erin Auiller, Carmel Chamber; Colleen Chen, Il Tegamino.

MEETING CALLED TO ORDER: Rich Pepe called the meeting to order at 2:34 PM

Public Comments: Margaret Bryne (CRA) is the community director and membership chair. Currently have 550 members focusing on cultural events, preserving Carmel's character and local issues. Starting a Village Incentive Program targeting retailers to offer discounts or "freebies" to motivate locals to support their community. The CRA hopes to grow their membership to 700 by the end of the year and would like to collaborate with Stakeholders to come up with new ideas. CRA Membership is \$50 Couple or \$30 for single.

Carmel Cares is self-funded, partnering with local organizations and businesses. Their mission is to improve safety and beauty in the area. Goals for 2019 is to get 100% of the restaurants and hotels to become a more sustainable community, SB946 Cart analysis, and create a campaign for safety around car week.

Ken Spilfogel brought up the Vendor Ordinance Law which forces municipalities to allow registered carts on sidewalks. This issue was addressed at the City level at the last City Council meeting. There were concerns expressed over implementation and the need for proactive planning. The RID needs to meet to discuss as well as putting the item on the next VC agenda for Jenny to comment from the Chamber.

Approval of Minutes: **Mark Watson made a motion to approve the minutes from December 6, 2018. Mary Crowe seconded the motion. Minutes approved.**

MCCVB: April Locke:

- New Ad Agency for the MCCVB has been identified but the name has not yet been released.
- Jessica Lessard is the new communications specialist for the MCCVB.
- Responsible/Sustainable Tourism – partnering with positive awareness. Single use plastics are now banned from business meetings in Monterey.
- Monterey is now ranked #3 behind Washington DC and Houston on the Global Destination Sustainability Index. If any Stakeholders have sustainable contributions that they would like to showcase they are encouraged to share them with SeeMonterey.com. Collateral literature is available to anyone through See Monterey.
- SM Campaign Posts between October-December 2018 targeting groups featured CBTS. On the MCCVB website CBTS landing page is #2 behind Big Sur in number of clicks.
- Winter Campaign is underway to promote the off-season. Client Advisory Board meeting is asking for DM input. Northstar, a content program, creates a video that simulates for the client what it would feel to host meetings in the area. This video will be available for distribution to all stakeholders.
- MCCVB is actively promoting the Dallas-Monterey flight.
- MCCVB will be rolling out the Matador created Outdoor Adventure video.
- MCCVB will be hosting a SF Travel FAM and Vagabonds House will be participating.
- MCCVB is cooperating with the CCTC on their campaign to promote tourism to the Central Coast from the East Coast.
- Check out Monterey Content Calendar on their website. If Stakeholders have relevant additions to the calendar they can send the information to marketing@seemonterey.com or membership@seemonterey.com.

Board of Directors Guidelines: Rich Pepe presented a list of VC board responsibilities to ensure that expectations as well as the legal and ethical standards were upheld, and encouraged more board participation during meetings.

Board Member Vacancy: The Board is currently short one Lodging representative to finish out the existing term. The Board consists of 9 members; 6 Lodging, 2 Restaurant and 1 City. The nomination process starts in August 2019 for November elections for the new term. The Board expressed a need to start advertising now for the vacant Board seat(s). A Nominating Committee was created to bring viable candidates to the Board for consideration. **Mark Watson made a motion to nominated Mary Crowe and Pam Sheppard to serve on the Nomination Committee. Amrish Patel seconded the motion. The motion passed unanimously.**

Resolution Regarding Purchases with Assessed Businesses: Amy Herzog presented revised Resolution Regarding Purchases with Assessed Businesses in order to remain in compliance with Conflict of Interest Policy and Disclosure Form. Resolution needed to be adopted to include restaurants due to the inclusion

of the RID with VC. This amendment will allow VC purchasing with assessed businesses as required by the Brown Act. **Mark Watson made a motion to adopt the revised resolution. Chip Rerig seconded the motion. The motion received the following votes:**

In favor: Kevin Krueger, Pamela Sheppard, Rich Pepe, Ken Spilfogel, Mark Watson, Mary Crowe, Chip Rerig, Amrish Patel

Against: None

Absent: Jenny MacMurdo

Financial Report: Mark Watson: 2018

- VC finished the year with \$179K in assets.
- VC currently has \$1100 in prepaid retreat fees on the books.
- VC has collected \$5K more in assessed TOT than was budgeted for the year.
- VC collected \$760K in revenues, 2018 Budget showed \$748K, a surplus of \$12K, to finish out the year. VC spent \$710K in 2018. We were \$25K under budget in expenses combined with the \$12K in surplus revenue, VC finished the year \$37K over budget.

2019 Annual Budget

- Preliminary budget puts extra money into the first quarter to balance cash flow and act as a safety net. Originally the budget had a carry forward of \$200K, the additional funds bring that figure to \$274K. VC will follow up to see if there is a limit to the amount of reserve cash that a non-profit can keep in their account at any one time.
- Board requested a shift in current funds to reduce big gaps in the internet marketing budget during high season to reduce ill-effects from OTA advertising efforts. Board suggested highlighting positive message on Sustainability efforts during the high season.

Amrish Patel made a motion to adopt the 2019 VC Budget. Mary Crowe seconded the motion. 2019 Budget unanimously approved.

- 2018 saw a change in market share. Calistoga leads the pack, followed by Monterey (which credits the opening of the Convention Center), Carmel (which showed a revenue growth for September/ October) with Santa Barbara struggling. Carmel had a \$300K net gain of market share.
- "Luxury Boutique" is seeing the biggest rate growth for a target market.

Executive Director's Report:

- An all-day 2019 planning session was held on January 9, 2019, which included B+D, Abbi Agency and the Executive Director.
- A survey has been sent to all RID stakeholders to get specific ideas of how to help aid in the VC marketing efforts. The survey results will be shared with the CRID and VC Board in March 2019.
- April 2019 is the due date for VC Annual Report and is also the election of the VC officers.
- May is the roll out presentation of the implementation plan to the restaurants and interested parties.
- CRID update included January 1, 2019 the collection of the RID assessment began for all Restaurant stakeholders. VC sent out 48 mailers describing the program. This information was also emailed and hand-delivered. So far 12 completed surveys have been submitted. The RID will have a committee meeting at the end of January but continued education needs to happen.
- Two new restaurants have opened in Carmel: Yeast of Eden and Panagea Grill.
- Community relations continue to promote Denver and Dallas direct flights.
- January 11, 2019 MCCVB will host an all-day summit on Sustainability.

- Monterey County Vintners and Growers does not have the bandwidth to host a second Meet the Makers this Spring. They are on board to host the second annual one this October and will consider a Spring event in June of 2020.
- CCTC working on their new marketing and PR focus.
- Visit CA plans a heavy marketing push in January to promote restaurant month. Visit CA has also put together a big celebrity campaign around Wildlife Recovery. Reminder to all stakeholders that Visit CA has a large photo library and recently added some new Carmel boutique hotel shots.

Public Relations and Social Media:

- December saw 54 pieces of coverage with 45 back links and over 7K social shares. The top 3 subjects were Culinary, Inns and Art for November and December
- SEO impact for 2018 held at 69. 70 gets us into the optimal “green” zone.
- Media Highlights include: Flight Network with an estimated 1.19m visits monthly, Dogster with 1.49 estimated monthly visits, 7x7 featuring a story on Dog-Friendly hotels; Lonely Planet, highlighting Art and Big Sur, with an estimated 11.4m monthly visits and KRON did a 6 minute segment, “Take a Getaway to Carmel by the Sea”.
- Carmel was awarded 5 placements on a variety of Listicles.
- Upcoming Media placements include: Monterey County Weekly, Outside, Afar and The Mercury News.
- Twitter, Facebook and LinkedIn saw a healthy growth of engagement. All VC social channels saw an average of 1.7% increase. LinkedIn saw a 14% increase in impressions. Carmel led in follower growth surpassing Napa, Santa Barbara and Santa Cruz.
- Passage Way campaign continues to highlight the social media posts. Partner post highlights included: Lobos Lodge, Tally Ho, Horizon Inn and Svendsgaard’s Inn.

Marketing and Advertising: 2019 Destination Marketing Plan

- 4 Primary Goals were identified: Increase midweek/off-season room nights; promote a world-class destination; build opt-in email lists; and integrate marketing, advertising and PR.
- Room nights from hotel referrals increased by 14.56% from 2017 to 2018
- Email List increased by 19.08% from 2017 to 2018
- VC TV commercial promoted a world class image and was awarded the 2018 HSMAI Adrian Award.
- Off season marketing calendar includes: Winter Campaign focus on Food/Wine and Romance including a Sweepstakes and high-intent AI targeting for the Fly and Drive markets; Spring Campaign focus on Tag Line “Pure Inspiration” and Fall focus on World Class Destination.
- The Winter Multi Media Mix campaign will consist mostly of a balanced mix between TV, Online and Eblasts. The only print Media will be SF Chronicle.
- VC will continue to promote the Denver flight with an exclusive hotel landing page with special package incentives and a direct link to UA.

Additions to the Agenda/Future Agenda Items:

- Is Chinese travel showing a slowing trend? MCCVB doesn’t feel there has been a dip. A FAM is on the books targeting high-end Chinese travel.
- The Chamber will be offering the AT&T Shuttle Weds-Sunday. The Carmel Innkeepers Association will not be providing hosts this year.
- Tuesday, January 15, MPWMD will host a listening session on the Cal Am Buyout.

- Wednesday, January 16, the CRA will host a 25 year forecast for CBTS at Sunset Center in the Carpenter Room.
- Growing concern over the vacancies in downtown retail spaces is prompting the need to discuss the challenges the City faces with no active retailers represented at the City level. “Casting” retailers from other areas to open satellite shops in CBTS and creating collaborative relationships with current landlords were two of the ideas mentioned.

Meeting adjourned at 4:48pm