CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)
VISIT CARMEL
BOARD OF DIRECTORS MEETING
VIA VIDEO CONFERENCE
Carmel-by-the-Sea, CA 93921
Thursday, April 9, 2020
2:00 PM

MINUTES

Board Members Present: Mark Watson, Pamela Sheppard, Rich Pepe, Chip Rerig, Jenny MacMurdo, Mary Crowe, Berit Keeble, Ramon Serrano, Ken Spilfogel.

Board Members Absent: John Lloyd

Also in Attendance: Amy Herzog, Visit Carmel Exec Director; Ashley Brune and Steven Smith, Abbi Agency; Jeff Burghardt, Bryan Tracey and Daniel Janes, Madden Media; Carrie Theis, Hofsas House and CBTS City Council; Ashlee Wright, City of CBTS; Rob O'Keefe, MCCVB; Suzanne Gravelle, CARS; Gina Delli-Gatti and Mary Carreri, Sunset Center; Hella Rothwell, Carmel Art Festival; Amy Johnson, CCI; Graeme Robertson.

Rich Pepe called the Meeting to order 2:34pm

Public Comment: None

Minutes: Review of the minutes from March 12, March 19 and April 2. Berit Keeble asked for the clarification to the minutes from March 19 stating that "2nd homes and hotels are not the reason town is busy". **Berit Keeble made the motion to approve all minutes with changes, Chip Rerig seconded the motion. Motion unanimously approved.**

Election of Officers: **Jenny MacMurdo made a motion to elect the following officers for another year term to the Board: Rich Pepe, Chairperson; Mark Watson, Treasurer; and Pam Sheppard, Secretary. Chip Rerig seconded the motion. Motion Unanimously approved.**

MCCVB Update: Rob O'Keefe reported that:

- The MCCVB has been in a recovery posture since the beginning. Average occupancy during this period is 76% drops from 50-80% in occupancy are expected between March and May. Over the first 90 days of the pandemic, economic impacts are estimated between $400-$500M. If things don't improve over the next 6 to 9 months the industry could take a hit of upwards of $1.3 billion.

- MCCVB continues their outreach efforts but are currently committed to cutting expenses to have has much funds as possible available for recovery. To date 80% cuts to staff and cuts to agencies. Recovery Funds are expected to be decent if the recovery happens within the next 3 months.
- Looking at July 1 to start marketing again maybe sooner which would consist of the following three components: In-Market campaign, Drive Market Campaign and Short-Haul Fly Markets. The timeline is TBD but MCCVB is working with their partners for a cohesive response.
- Government funding is starting to happen. SBA Loans are happening for the health of our stakeholders. Lots of organizations were left out of the Stimulus Pkg. 501c(6) DMO's were left out of this first round.
- Market Recovery Task Force has been formed. Amy Herzog will be a part of this group. Outreach is underway to help figure out how to keep funding rolling.
- Inspirational Messaging and Stay at Home is the current PR approach to leisure travelers. The future of group travel will be a future discussion.
- Joint Virtual Chamber calls with County Supervisors Adams & Parker will be held on April 16 at 2pm. Questions can be submitted in advance.

<u>Marketing and Advertising:</u> Dan Janes gave a Nationwide perspective on travel. Data from US Travel, Destinations International and Google Research shows people are expecting to travel in 3 months. Small towns, beaches and nature/parks are top searches which means Carmel is in a good position. Trips will be longer averaging 7 days. Leisure, business and small groups will be the first to travel. Google analytics are being used to determine high intent on DMO websites. Currently, DMO marketing has been whittled down across all markets. The strategy is to ramp up marketing 2 to 3 weeks prior to when travel opens again. Focusing on individuals who have been to the destination in the last 2-3 years. Targeting repeat guests with ideas geared to increase the length of their stays. There is currently no information on luxury markets. Various data sources will help to analyze trends. Trends show increased travel intent 60 days out, budget travel this summer is going to be strong in $150K income and above. Jeff felt traffic to the website is still strong considering the current climate.

<u>Executive Directors Report:</u>

- Continuing to stay connected to our stakeholders with Eblast communication.
- VC is constantly coordinating with community partnerships using these connections to amplify goodwill.
- VC continues to engage with CCTC, Visit CA and US Travel. Amy told the Board that all marketing is on hold at the CCTC.
- VC Shell-ter in Place Campaign is meant to have a positive movement to rally around. Campaign launches on April 10. An ad will appear in tomorrow's Pine Cone. The committee is asking the City Council for help and support in promoting this idea. The campaign will culminate with the unveiling of the mural.
- May 14th is our regular Board Meeting. Currently, we are having weekly update meetings to keep everyone plugged in because stuff is changing so quickly. Preparation of the Annual Report has been delayed due to the Recovery Campaign.
- We need to work on the HID renewal process. The tax return is also due. Amy doesn't see a problem filing the return on time since it's based on last year.

Marketing and Advertising: Jeff Burghardt recapped for Board. The 1st Qtr till March 11 was excellent then everything changed. At that time, the Board voted to pause all marketing except search carrying all funds forward. The last 27 days is down 73% but page views and time on the site are strong. Drive markets are the bulk of what business remains. Stakeholders are encouraged to review and update their Special Offers on the website to reflect the changing market conditions. Goodwill video has been launched and so far, there has been tons of engagements around the video. Jeff informed the Board that their marketing team has lots of promotional segments ready to go when the time is right including the Sweepstakes with ABC Bay Area. Funds are being allocated to support the RID with Flyers and Ads advertising the new Meal-To-Go Program. Marketing includes FB and Instagram ads with geo-targeting to locals only and Ad stories featuring local restauranteurs.

Public Relations and Social Media: Ashley Brune and Steven Smith reported

- Placements during the first quarter dropped off in February and March. From a freelancer perspective many are not traveling, outlets are closing and many are getting laid off. Southwest and Delta have already canceled their inflight magazines. For now, Abbi Agency is not sure who is coming back.
- For now, the Abbi Agency is focusing on human interest stories and sending out inquiries to see how other destinations are doing. The challenge is to figure out how to keep your audience engaged, checking in to see how the destination has changed because of the SIP. Abbi Agency will continue to monitor interest from the travel writers in the future.
- Social Media in Q1 has seen double the impressions, engagement is up. Audience growth is slightly down but still performing well. Steven reminded the Board that last Q1 had the Kardashian influence affecting our stats. Carmel had the highest growth of followers on FB. A reminder that Hashtags are a great way to get content out there if people are following your posts.

The following was a joint PR / Marketing Report: Four Phase - COVID 19 Response Plan

1. Widespread national infection – current state of affairs
2. CA Peak – exact timing unknown – State vs Regional vs Local
3. Post Recovery – Ease out of restrictions post-COVID
4. Full Recovery

The marketing team continues to strategize about what marketing will look like during each phase of the recovery, asking Board for feedback regarding budget and messaging. Marketing will focus on occupancy during recovery as it will determine the budget for the village. There was discussion around post COVID realities including the continuation of social distancing and how that will change the landscape for gatherings.

Financial Report: Mark Watson reported that we currently have $211K in the bank at the end of March. For March our conservative changes to the budget showed only $45K in spending when we had budgeted $90K.

Revenue projections are projected as follows:

Restaurants – 30% reduction

Hotels – March/April down 75%
May / June down 80%
July/August down 40%
Sept / Oct down 30%

We started the year with $288K. Due to the current cuts to our marketing and PR budgets, Mark projects that we should be able to start 2021 with $388K in reserves. If the situation starts to improve we could pull funds into Q3 and Q4. Currently, US Travel is down 82% nationwide. Mark expressed the need to articulate our resurgence into travel and the steps as a community that we are taking when the time is right.

The Board continued to discuss the need to come up with a uniformed hotel message that is disseminated to the Public. Amy Herzog expressed a desire to participate in this process. Carrie Theis will coordinate with Pam Sheppard to start forming this group. Mary Crowe expanded on the need for hotel standards post COVID.

Additions to the Agenda:

Meeting Adjourned at 4:33pm