



CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)

VISIT CARMEL

BOARD OF DIRECTORS MEETING

VIA VIDEO CONFERENCE

Carmel-by-the-Sea, CA 93921

Thursday, April 8, 2021

2:30 PM

MINUTES

Board Members Present: Mark Watson, Pamela Sheppard, Mary Crowe, Chip Rerig, Rich Pepe, Ken Spilfogel, Chris Whitman, John Lloyd

Board Members Absent:

Also in Attendance: Amy Herzog, Visit Carmel Executive Director; Ashley Brune and Dylan Anderson, Abbi Agency; Jeff Burghardt, Nicole Dore and Bryan Tracey, Madden Media; Suzanne Gravelle, CARS; Carrie Theis, Hofsas House and Carmel City Council; Jenny MacMurdo and Sandra Book, Carmel Chamber of Commerce; Janine Chicourrat, MCHA and Carmel Residents Asso. (CRA); Beth Bowman and Christine Sandin, Sunset Cultural Center; Barbara Dickason, Leadership Carmel; Miranda Nattras, Coachman's Inn; Ashlee Wright, City of CBTS.

Rich Pepe called the Meeting to order 2:32pm

Public Comment: Barbara Dickason, representing the inaugural class of Leadership Carmel, is putting together the Heart of Carmel Fundraiser in CBTS. This 10 to 12-week exhibit of hand painted "heart" sculptures will be placed in and around CBTS from mid-June till August 26, 2021 when the hearts will be auctioned off virtually. All proceeds raised from the sale of the hearts will be given to the Carmel Chamber and Carmel Women's Club to be distributed in the form of youth scholarships. There are several opportunities for sponsorships. Amy H will forward contact and deck information to the Board following the meeting.

Minutes: **Mark Watson made a motion to approve the minutes from March 11, 2021. Chris Whitman seconded the motion.** Motion passes unanimously.

Nominate Officers: Amy H informed the Board that it is time to nominate Officers for a new one year term. Officers can serve consecutive terms. **Rich Pepe made a motion to retain Pam Sheppard as Secretary for another term, Chip Rerig seconded the motion. Motion passed unanimously. Pam Sheppard made a motion to retain Mark Watson as Treasurer for another term, Chris Whitman**

seconded the motion. Motion passed unanimously. Mark Watson made a motion to retain Rich Pepe as Chairperson for another term, Chip Rerig seconded the motion. Motion passed unanimously. Since the Board was only asked to nominate Board members for Officer positions at this meeting, Amy H will confirm Officer appointments at the next meeting in case there are any issues.

Financial Report: Mark Watson gave the following recap

- At the end of March, VC had \$495K in the bank. YTD the revised budget is very close to being on track. PR is currently \$5500 under budget and Marketing is \$62K under budget due to pushing the February and March TV buy into April, leaving us at \$69K under budget for the month.
- The pace of recovery is faster than anticipated and as a result VC is adding \$200K more to the 2021 budget for consideration and future discussion.
- Mark noted a few changes to the anticipated expenses for the 2021 budget. The newly redesigned Wine Walk Passport program is expected to bring in an estimated \$8250 in the next two months. This income will be offset by the production of promotional materials for the wine walk that are expected to be around \$10K. Chip Rerig commented that the wine walk program was a worthy value-added visitor attraction to overspend to launch the program but it should be the wine tasting rooms intention to breakeven going forward. Mark also noted that due to the impending Executive Director's contract renewal, the renewal could affect the projected salary beginning in June 2021 through the remainder of the year.
- As of the end of March, VC is projected to end the year with \$670K in the bank.
- The Board approves continuing to hold on to the EIDL funds, citing the low interest rate of 2.75% and the fact that it is a 30-year fixed loan. The Board wishes to keep as many funds in the bank as possible to help fund potential projects, including the Airport Renaming should that be approved.
- Amy H will give her update to the City on May 3 or 4, 2021. The City will pitch their operating budget on May 3. On May 12, 2021, the City will host their Goals and Objectives meeting and during the week of May 17, the City will have a budget workshop. Chip Rerig pointed out to the Board that from a planning standpoint, it would be easier if VC budget calendar could match the City's calendar. VC will push their budget vote till June.

Executive Director's Contract: Rich Pepe informed the Board that an Ad Hoc committee would need to be formed to begin discussions with Amy Herzog for the upcoming renewal of the Executive Director's contract. After a brief discussion, it was decided that the Board should be consist and follow the previous renewal process which requested that Amy H bring a proposed new contract to the Ad Hoc committee for discussion and review. The committee would then present to the Board in a closed session the recommended contract renewal for the Board's approval. The following Board members agreed to form the Ad Hoc Committee: Mary Crowe, Mark Watson and Chris Whitman.

Executive Director's Report: Amy Herzog reported:

- Amy H over saw the renewal of the insurance policies for another term and filed the Statement of Information with the Secretary of State and sent a copy to each Officer member. The Annual Report is 90% completed and on track to be completed before the end of the month. Amy asked Carrie Theis to be a draft reader prior to submission. Amy is scheduled to present the Annual Report to the City in early May.
- VC Board is short a hotel seat on the Board. Currently, we are still waiting for hotel nominations and Amy requested that the Board postpone the process for 1 to 2 months rather than rush the process. The Board felt that was in the best interest of VC.

- Carmel Wine Walk is in progress and is expected to launch in mid-May.
- Stakeholder Communications included the monthly Eblast. The restaurants formally known as Affina changed its name to Edwins and Il Grillo is now Village Gem. Both restaurants have already been professionally photographed for the VC website. Another new restaurant, Foray, is expected to open in late summer at the Carmel Lodge location.
- The Carmel Face Mask required signs have been reprinted. So far eleven restaurants have picked up more. Mask wearing is still a health requirement in both Monterey County and the State so the City as well as VC are reinvesting in signage to remind visitors.
- Weekly updates continue to go out to all Stakeholders. CBTS is now officially in the Orange Tier and the VC Website has been updated to reflect the change including the additional of an In-Door Dining page.
- The Airport Name Change presentation was held in March. May 3, 2021, the Airport Service Committee meeting will discuss the topic and bring recommendations to the Airport Board. Seattle flight co-op advertising will end April 19, 2021.
- The MCCVB is ramping up marketing activity. They are investing in a national recovery campaign. Visit CA is also ramping up their marketing efforts. They are launching a national TV campaign "What If" and increasing their influencer FAMs. Travel sentiment is positive and a recent report shows California is the #1 state Americans are likely to travel to for a leisure trip this summer with July being the peak month.
- RID meeting is Tuesday, April 13. May 4 is the presentation of the Annual Report to the City Council. VC annual meeting will be pushed till November in hopes that it will be an in-person meeting.

Marketing and Advertising: Jeff Burghardt, Bryan Tracey and Nicole Dore reported:

- Currently Marketing campaign shows everything is turned on except T.V.
- A review of website traffic shows traffic from March 1 to present has increased from both 2019 and 2020. Visit California is moving up the referral ranks. Referral traffic to the hotel site is up over the past 5 years in March.
- The Accolade Campaign continues to perform well. Target audience is 55-64 years old with high engagement way above industry avg. Seattle Campaign shared with the Airport Board has also been well received. Ranked #3 in landing pages on the VC website. Visitors are spending a long time on the site averaging 2:19 on the page. Sweepstakes component also performing well.
- The Pure Inspiration Campaign 3 phase approach has launched. 45-54 years old is the high intent converting age group but it usually takes 2-3 weeks to make a full impact on the market. Jeff is targeting households of \$150K avg income to attract a more affluent client. Geo targeting on this is a national approach.
- Expedia Group Ads are showing a 6:1 return on conquering ads displayed on searches for our competitive destinations.
- #LoveCarmelLikeALocal campaign launched digital carousel ads to encourage visiting responsibly.
- Jeff is getting ready to launch the NBC LA and San Diego TV campaign that consist of 140 commercials over 6 weeks at a cost of \$45K.
- Potential new opportunities include Mid-Week/Fly Market strategy. The goal is to increase longer mid-week stays, attract direct fly market, and build new audiences and visitor base. \$20K digital investment would target Seattle, Dallas, Denver, Phoenix, and Las Vegas. Max spend for this proposed campaign would be \$160K over 8 months. The addition of the Portland flight as well as the strategy to support the airport and the potential name change could serve multiple marketing goals. Conversant, much like how Expedia campaign operates, serves up

personalized ads based on the CC activity of the potential consumer. For a 3 to 4-month campaign depending on how specific the search a low spend would be \$72K for 3 to 4 months, high spend would be \$105K for a similar period.

- Additional project updates include: completion of hotel photography and the debut of the new Wine Walk logo designed to complement the CBTS brand logo. The new iconic brand photography project has been moved to fall due to current conditions.
- RID Take Out Campaign is strong. Ads are pivoting into more dynamic carousel ads that are performing well. Website traffic for the restaurants is strong.

Public Relations and Social Media: Ashely Brune sent the PR report out in advance of today's meeting for Board Review. Ashley and Dylan gave the following recap:

- 3 earned media placements in March
- Upcoming Media FAMs include: Travel and Leisure May 5-9, 2021. San Joaquin Magazine this summer. Influencer FAMs include one from the Bay Area April 18-20, 2021 and a Seattle based influencer May 5-7 2021.
- Visit CA is posting Travel Stories through Google Search. This is a new way to distribute visual content. 9 more stories are due to be released. Multiple tags associated with each story to help with cross promotion.
- VC Instagram has reached 50K followers using a visual mix of content.

Additions to the Agenda: The Board asked if Rich Pepe or Amy would approach the Airport Board about possibly expanding their financial support to help us promote our Direct Fly Market campaign. Rich or Amy would report back at the next meeting. Possible discussion on the future of CBTS paid parking to control the number of day visitors.

Meeting Adjourned at 4:35pm