



# Special Board of Directors Meeting

Tuesday, August 22, 2023

2:00 p.m.

Visit Carlsbad Office: 3088 State Street #103, Carlsbad 92008

## Agenda

### Welcome & Call to Order

Stripe

### Self-Introductions

Stripe

### Public Comment

Stripe

*Members of the public are welcome to make comments on items on the agenda and not on the agenda.*

### Informational Items

None

### Action Items

- 1. Approval of July 24, 2023 Meeting Minutes** **Zwirek**  
*Board members will review and consider for approval the minutes of the prior meeting.*
- 2. Approval to Increase President/CEO Expenditure Authority** **Zwirek**  
*Board will discuss and vote to approve to increase the President/CEO expenditure authority to \$100,000 for budgeted expenses.*
- 3. Approval for Board Chair Expenditure Authority** **Zwirek**  
*Board will discuss and vote to approve the Board Chair expenditure authority of \$150,000 for budgeted expenses.*
- 4. Approval of Golf Lodging BID Expenditure Process** **Zwirek**  
*Board members will discuss and consider for approval the process for disbursement of Golf Lodging Business Improvement District funds.*
- 5. Approval of President/CEO Goals** **Stripe**  
*Board members will discuss and consider for approval the goals of the President/CEO for fiscal year 2023-2024.*



6. **Approval of Supplemental funds for Sales & Marketing** **Sidoriak**  
*Board members will discuss and consider for approval an expenditure in addition to the Management District Plan budget of approximately \$1.8M for sales and marketing in fiscal year 2023-2024.*
  
7. **Approval of Changes to Group Incentive Program** **Sidoriak**  
*Board members will discuss and consider changes to the Group Incentive Program.*
  
8. **Adjournment** **Stripe**

**Future meeting dates:** October 26, 2023, January 25, 2024, April 25, 2024, July 25, 2024

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BROWN ACT: Government Code 54950 (The Brown Act) requires that a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting and 24 hours prior to a special meeting. Action may not be taken on items not posted on the agenda. Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Tina Burke at (760) 248-8478 at least 48 hours prior to the meeting.

NOTICE TO PUBLIC: You are welcomed and encouraged to participate in this meeting. Public comment is taken (3 minutes maximum per person) on items listed on the agenda when they are called. Public Comment on items not listed on the agenda will be heard at the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select one or two speakers to represent the opinion of the group. The order of Agenda items is listed for reference and may be taken in any order deemed appropriate by the Board of Directors. The Agenda provides as a general description and staff recommendations; however, the Board of Directors may take action other than what is recommended.



## Regular Board of Directors Meeting Minutes

### Meeting Details

Date: July 24, 2023

Time: 11:30 a.m. PT

Location: Visit Carlsbad Office: 3088 State Street #103, Carlsbad, CA 92008

Teleconference Location: 820 Sundial Bridge Drive, Redding, CA 96001

Virtually via Zoom

### Attendees

Quorum confirmed with the following four members in attendance in person:

#### Board Members in Person

Rob Stirling, Vice Chair

Michelle Zwirek, Secretary/Treasurer

Yolanda Hartley, Member

Kurt Stocks, Member

#### Board Member via Teleconference Location/Zoom

Tim Stripe, Member

#### Other Attendees

Kim Sidoriak, President & CEO, Visit Carlsbad

Tina Burke, Finance & Administration Manager, Visit Carlsbad

John Lambeth, President & CEO, Civitas Advisors

Gina Reed, Project Manager, Civitas Advisors

Bryan Hart, Director of Sales and Marketing, Park Hyatt Aviara

#### Absences

Nicole Buczek, Member

### Call to Order

Meeting called to order by Vice Chair Stirling at 11:30 a.m.

### Self-Introductions

Vice Chair Stirling called for self-introductions. All attendees provided a brief self-introduction and were recorded in attendance above.

### Public Comment

Vice Chair Stirling called for public comments; there was none.

### Informational Items



## 1. Brown Act Training

John Lambeth of Civitas Advisors conducted Brown Act training.

### Action Items

## 2. Approve Amendment to Articles of Incorporation

Kim Sidoriak explained the need to amend the Articles of Incorporation to correct prior mistakes. The original Articles and First Amendment incorrectly stated the organization is a 501(a)(6) public benefit corporation. The amendment corrects these mistakes with the state of California to a 501(c)(6) mutual benefit corporation. The organization is, and always has been, correctly registered with the IRS.

Motion to approve the Amendment to Articles of Incorporation and related filings made by Tim Stripe; seconded by Michelle Zwirek.

#### Roll call vote:

Board Member Hartley - Yes

Board Member Stocks - Yes

Board Member Stripe - Yes

Board Member Zwirek - Yes

Vice Chair Stirling – Yes

#### **Motion passed.**

## 3. Adoption of Bylaws

Vice Chair Stirling presented the amended and restated Bylaws. Kim Sidoriak explained requested change from Tim Stripe to Article II, Section 2, Objectives, second bullet point to read: "The budget and business plan shall be designed to provide specific benefits directly to payors by increasing demand for room night sales." The requested change would better align with the Management District Plan.

Motion to adopt revised and restated Bylaws with the suggested edit made by Kurt Stocks; seconded by Tim Stripe.

#### Roll call vote:

Board Member Hartley - Yes

Board Member Stocks - Yes

Board Member Stripe - Yes

Board Member Zwirek - Yes

Vice Chair Stirling – Yes

#### **Motion passed.**



#### **4. Board Officer Elections**

Vice Chair Stirling opened the nominations for Board Chair, Vice Chair, and Secretary/Treasurer.

Kurt Stocks nominated Tim Stipe for Chair; seconded by Michelle Zwirek. There were no other nominations for Chair.

Roll call vote:

Board Member Hartley - Yes  
Board Member Stocks - Yes  
Board Member Stripe - Yes  
Board Member Zwirek - Yes  
Vice Chair Stirling – Yes

**Tim Stripe confirmed as Chair.**

Michelle Zwirek nominated Rob Stirling for Vice Chair.  
Tim Stipe nominated Kurt Stocks for Vice Chair.

Roll call vote:

Board Member Hartley – Rob Stirling  
Board Member Stocks – Kurt Stocks  
Board Member Stripe – Kurt Stocks  
Board Member Zwirek - Rob Stirling  
Vice Chair Stirling - Rob Stirling

**Rob Stirling confirmed as Vice Chair.**

Tim Stripe nominated Kurt Stocks for Secretary/Treasurer; Kurt declined the nomination.

Kurt Stocks nominated Michelle Zwirek for Secretary/Treasurer. There were no other nominations for Secretary/Treasurer.

Roll call vote:

Board Member Hartley - Yes  
Board Member Stocks - Yes  
Board Member Stripe - Yes  
Board Member Zwirek - Yes  
Vice Chair Stirling – Yes

**Michelle Zwirek confirmed as Secretary/Treasurer.**



## 5. Board of Directors Appointments

Stirling explained a board seat is open due to the resignation of Christine Davis and indicated there is interest from Bryan Hart, Director of Sales & Marketing at Park Hyatt Aviara to join the Board of Directors.

Motion to appoint Bryan Hart as a Board Member made by Yolonda Hartley; seconded by Kurt Stocks.

### Roll call vote:

Board Member Hartley - Yes  
Board Member Stocks - Yes  
Board Member Stripe - Yes  
Board Member Zwirek - Yes  
Vice Chair Stirling – Yes

**Bryan Hart confirmed as Board Member.**

## 6. Establishment of Committee

Kim Sidoriak presented the purpose for the establishment of an Ad Hoc Initial Financial Procedures Committee which will report out to the Board. This committee is anticipated to meet twice. Tim Stripe and Michelle Zwirek expressed interest in joining the committee.

Motion to establish an Ad Hoc Initial Financial Procedures Committee with Tim Stripe and Michelle Zwirek as the members was made by Kurt Stocks; seconded by Rob Stirling.

### Roll call vote:

Board Member Hartley - Yes  
Board Member Stocks - Yes  
Board Member Stripe - Yes  
Board Member Zwirek - Yes  
Vice Chair Stirling – Yes

**Motion passed.**

## 7. Group Incentive Program Offer

Sidoriak presented the terms of a revised Group Incentive offer. Changes focus on increased bookings for the “need period” of December through February. Key changes are: to increase the incentive to 10% of total room revenue with cap of \$30,000 during December through February; groups can utilize the incentive for multiple years if all years are contracted with the initial contract; and the incentive will be “paid” to the client via a credit to the hotel master and the hotel will invoice Visit Carlsbad.



It was further noted that to be eligible a group could not have met in Carlsbad for last two years; except if a new contract is signed within one year of actualizing. It was noted that a different meeting from the same organization can utilize the group incentive. Tim Stipe pointed out that all incentive groups will need to actualize by the end of Visit Carlsbad's five-year Operations and Management Agreement with the City of Carlsbad of June 30, 2028. It was also discussed that the effectiveness of the program will be evaluated from time to time and can be modified or cancelled at any time.

Motion to approve as revised the Group Incentive Program Offer made by Kurt Stocks; seconded by Tim Stripe.

Roll call vote:

Board Member Hartley - Yes  
Board Member Stocks - Yes  
Board Member Stripe - Yes  
Board Member Zwirek - Yes  
Vice Chair Stirling – Yes

**Motion passed.**

**8. Approval of Public Relations Services**

Sidoriak presented the merits of contracting with a new public relations firm, J/PR, for services through June 2024. Visit Carlsbad sent a Request for Proposal to 21 PR agencies nationwide, received 13 proposals, and met with 5 finalists for in person presentations. The expected contract value is \$160,000.

There was discussed regarding any concerns of a client conflict of interest the agency might have, including Alila Marea in Encinitas. The contract with J/PR would document mitigation for any conflict of interest with other clients. Contract will be full retainer including seasonal campaigns projects, promotional brand partnerships, journalist and influencer hosting, etc.

Motion to approve contracting with J/PR made by Michelle Zwirek; seconded by Kurt Stocks.

Roll call vote:

Board Member Hartley - Yes  
Board Member Stocks - Yes  
Board Member Stripe - Yes  
Board Member Zwirek - Yes  
Vice Chair Stirling – Yes



**Motion passed.**

**9. Establishment of Regular Meeting Schedule**

Stirling presented the proposed regular meeting schedules and asked for comments regarding meeting frequency.

Michelle Zwirek expressed a desire to meet more frequently than quarterly. Various members shared opinions and it was concluded that a quarterly schedule with Special Meetings called as needed would be sufficient.

Kim Sidoriak will meet with Civitas Advisors on August 3<sup>rd</sup> regarding use of '89 Act reserves and will report to Tim Stripe after the meeting to determine if a Special Meeting should be called for August 22 at 2:00 p.m.

Motion to adopt the regular meeting schedule of the fourth Thursday of the month following quarter end of October 26, 2023, January 25, 2024, April 25, 2024, and July 25, 2024, at 2:00 p.m. was made by Kurt Stocks; seconded by Tim Stripe.

Roll call vote:

Board Member Hartley - Yes  
Board Member Stocks - Yes  
Board Member Stripe - Yes  
Board Member Zwirek - Yes  
Vice Chair Stirling – Yes

**Motion passed.**

**10. Adjournment**

Vice Chair Stirling called to adjourn the meeting at 1:49 p.m.

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Michelle Zwirek, Secretary/Treasurer





## **Proposed CEO Incentive Plan Fiscal Year 2023 - 2024**

- 50% of bonus target is based on advancement of Visit Carlsbad strategic plan
  - CEO to submit fiscal year report by mid-May outlining accomplishments according to strategic plan
  
- 50% of bonus target is for achievement of weighted goals in alignment with strategic plan
  - Grow year over year revenue per available room during September – May relative to Huntington Beach, Anaheim and Santa Barbara. (4 points)
  - Achieve minimum 90% affirmative response on stakeholder satisfaction survey. (2 points)
  - Exceed 3 year averages for Transient Occupancy Taxes collected. (4 points)



## Proposed Supplemental Sales & Marketing Spend

	FYE'24 Budget	Supplement	Total Spend
<b>Marketing</b>			
Domestic Advertising Campaigns	\$ 1,808,158	\$ 383,000	\$ 2,191,158
International Advertising Campaigns	220,000	225,000	445,000
Advertising Agency	240,000		240,000
Public Relations	295,000	300,000	595,000
Creative & Production	370,000	190,000	560,000
Website & Development	76,000	15,000	91,000
Research	79,000		79,000
Dues and Subscriptions	60,000		60,000
Travel & Entertainment	20,000		20,000
Salaries & Benefits	531,921		531,921
<b>Total Marketing</b>	<b>\$ 3,700,079</b>	<b>\$ 1,113,000</b>	<b>\$ 4,813,079</b>
<b>Sales</b>			
Technology	\$ 10,000		\$ 10,000
Site Inspections and Fam Tours	50,000	80,000	130,000
Membership & Dues	6,000		6,000
Sponsorships & Partnerships	118,000	67,000	185,000
Marketing/Advertising	175,000	40,000	215,000
Travel & Entertainment	27,000		27,000
Tradeshows	85,000		85,000
Local Partner Engagement	35,000		35,000
International Programs	30,000		30,000
Salaries & Benefits	319,921		319,921
Group Incentive Program		500,000	500,000
<b>Total Sales</b>	<b>\$ 855,921</b>	<b>\$ 687,000</b>	<b>\$ 1,542,921</b>
<b>Total Sales &amp; Marketing</b>	<b>\$ 4,556,000</b>	<b>\$ 1,800,000</b>	<b>\$ 6,356,000</b>



## Group Incentive Program 2023

### Purpose:

Group incentive programs support Carlsbad's business travel goals. Meeting groups increase shoulder and off-peak season occupancy and therefore increase tax revenues for the City of Carlsbad – both from transient occupancy tax and sales tax. Competing destinations such as Newport Beach, Huntington Beach, Santa Barbara, Phoenix, and Dana Point offer these programs.

### Definitions:

- "Property" is a hotel in Carlsbad that is accommodating a meeting.
- "Client" is a meeting planner or representative from an organization that secures space for the purpose of holding a meeting.
- "Group" is an organization holding a meeting.
- "Event Name" is an optional designation given to a Group's meeting.

### Policy Requirements:

- Minimum 50 room nights actualized at Property.
- Qualifying new group is defined as a group that has not actualized this meeting within the last two years in Carlsbad.
- Qualifying return group is defined as a group that signs a contract to return to the destination within 12-months of an actualized event (rebook) or signs contracts to return for multiple years (multi-year).
- Multi-year programs should be signed in one transaction or executed within the same month to qualify.
- Group must contract by December 31, 2023, and consume by June 30, 2028.
- A signed agreement between Hotel, Visit Carlsbad and the Group must accompany the contract for the incentive to be eligible.
- Offer must have active application, acceptance and draft Incentive Agreement in place at the time of Group going definite.
- This promotion cannot be combined with any other offer or promotion from Visit Carlsbad.
- Offer subject to change without notice.

**Deleted:** Group must not have actualized any meeting at any Property more than 12 months and less than 24 months ago at time of contracting to qualify.

**Deleted:** <#>If Group has not actualized any meeting at any Property in more than 24 months, the Group is eligible for incentives for multiple years if all contracts are signed concurrently.

**Deleted:** 2023

**Deleted:** Addendum must be fully executed.

**Deleted:** not applicable to any past, existing, definite, or tentative program at any Properties...

**Deleted:** <#>Offer subject to available funds.

### Incentive:

March through November Booking - 5% of actualized room revenue up to a total incentive of \$20,000 for a qualifying Group.

December through February Booking - 10% of actualized room revenue up to a total incentive of \$30,000 for a qualifying Group. If at least 50 room nights are consumed in December through February, the total Group revenue (including days outside December



through February) will qualify for the 10% incentive. If less than 50 room nights are consumed in December through February, this incentive does not apply.

**Process:**

- ▶ Property completes Application on behalf of Group via the Visit Carlsbad [website](#).
- ▶ ~~Visit Carlsbad reviews application based on offer criteria and available budget.~~
- ▶ Property requests ~~Incentive Agreement~~ from Visit Carlsbad.
- ▶ Visit Carlsbad ~~completes Incentive Agreement~~ and routes for signatures from all parties.
- ▶ Upon completion of Group meeting, incentive is calculated by Property based on actualized room revenue.
- ▶ Group receives a credit to their master account for the incentive amount.
- ▶ Property invoices Visit Carlsbad with appropriate supporting documentation for incentive amount.
- ▶ Visit Carlsbad pays Property invoice within 30 days of receipt of invoice, ~~unless otherwise noted at the time of contract.~~

~~Deleted: Addendum to Hotel Contract~~

~~Deleted: completes Addendum~~

~~Deleted: to Hotel Contract~~