



MINUTES: Meeting of the Board of Directors
Thursday, February 22, 2018

CALL TO ORDER

The meeting was called to order at 1:01pm by Chair Julie Bovay

DIRECTORS PRESENT (13)

Bovay, Fornasiere, Wilson, Howell, Puchala, Costello, Foley, Montano, Hoefs, Paret, Ponce, Kielpinski, Radde

DIRECTORS ABSENT (6)

Stevenson, Alkibay, Hite, Leyva, Salinas, Wade

STAFF PRESENT (4)

Luttjohann, Miller, Warner, Johnson

GUESTS (8)

David Creigh, Amanda Bombard, Greg Bombard, Jerry Dunn, Joe Caliva, Cinde MacGugan-Cassidy, Dan Huncke, and on the phone was Ben Villalobos.

CONSENT ITEMS

Approval of Minutes from January 2018

Motion for approval by Ponce, second Hoefs. Passed unanimously

Approval of Post-Audit Financials June 2017

Motion for approval by Paret, second Howell. Passed unanimously

Approval of Financials January 2018

Luttjohann described a few highlights noted on the budget. Motion for approval by Hoefs, second Ponce. Passed unanimously

REPORT FROM THE CHAIR

Bovay reported the Executive Committee did not meet in January. She met with Luttjohann to discuss and prepare for upcoming meetings.

ACTION ITEMS

New Chamber of Commerce Member and Member Name Change

Application for new membership of SMW Enterprises/Custom Travel Planning was presented and Darla Fisher Wedding Officiant applied to change her business name to Catalina Wedding Services. Motion for approval by Ponce, second Fornasiere. Passed unanimously

Hospital Ballot Initiative

Creigh gave a presentation on his knowledge and meetings with Carnival Cruise Line representatives. The upcoming ballot measure will add a \$2 fee on each cruise ship guest (and \$1 each direction on cross-channel transportation) funds will service a 40-year note for a new Catalina Island Medical Center. Creigh explained that recently the City of Avalon increased cruise industry wharfage fees and they continue to rise through 2021. The four-day Carnival cruise is a twice-weekly call for Catalina Island. This typically is a low-end market cruise. Luttjohann called attention to the fact that Creigh is retained by the Catalina Island Chamber of Commerce & Visitors Bureau as liaison to the cruise industry; not only for this Avalon ballot measure, but upcoming CARB legislation, retaining good relationships with current ships and seeking new ships. It was impressed that in the absence of an agreement, the cruise ships give no guarantee they will continue to visit. Wilson interjected, they can leave quickly, but it takes years for them to make a decision to return. Creigh stressed the advantages are that Carnival recently made costly improvements to the Long Beach terminal and Catalina is a higher profit port for Carnival. The disadvantage is that customers on the four-day cruise are entry-level, lower-budget travelers. Discussion ensued with participation by Board Members and Guests. There were concerns if the land would materialize. Paret acknowledged the local concern that Rusaks do not wish to divulge for the hospital construction where possible property is located and he stated there is also urgency on the housing and water crisis. Wilson pointed out that if the cruise ships decide to not call on Avalon, 25% of visitor counts would disappear. He also stated that Carnival feels their own on-board medical facilities are sufficient prior to airlifting patients, if necessary, to hospitals. Wilson asked, if cruise ship calls stop, would the initiative raise enough funds? To which Paret replied, he was not overly concerned about that as other revenue generated by CIMC could supplement that loss of funds. However, Paret impressed the CIMC is a business and owns Leo's Drug Store, the loss of cruise ships would be detrimental to their bottom line. He added that in all community meetings (Wilson was unaware of any) in the past year on this issue no better ideas surfaced. Paret stated the only other way to raise \$2million per year for a new hospital was to add an assessment to property taxes. Wilson declared that nowhere in the entire world does an exit tax exist on wharfage. Montano shared conflicted views in that as a resident she understands the essential health care need for both locals and visitors, but from a business standpoint, she is worried about a 25% hit if the cruise industry leaves. There were additional comments by Fornasiere, MacGugan-Cassidy, Ponce, Caliva, Radde, Hoefs, Dunn and Villalobos. Creigh made clear that a hospital closure would not mean the end to cruise visits and Carnival is concerned that this is taxing visitors 80% of the cost when they don't use 80% of the medical services. Wilson made a motion to table an endorsement; present pros, cons and unbiased statement to the Membership; seeking input on whether CCoC&VB should endorse or not; and bring back next month for vote. Second by Montano. Passed unanimously.

2018 City of Avalon Election Candidate Forum

Luttjohann stated that the Candidate Forum is scheduled for March 8. This will be held in conjunction with the CoA and The Catalina Islander. A revised candidate survey has been built and will be published. Radde clarified that write-in candidates must complete a process similar to candidates listed on the ballot, verifying their write-in status. Fornasiere made a motion to allow qualified write-in candidates to participate in the Candidate Forum; second by Wilson. Passed with abstention by Radde and Hoefs.

DISCUSSION AND POSSIBLE ACTION

Catalina Concert Series and Xceptional Music

Luttjohann revealed that Ray McKewon of Xceptional Music had not made a proposal to CCoC&VB for the upcoming Concert Series. The Catalina Island Co has decided to use a different firm for their concerts and events. That company, A Perfect Event, will present a proposal to CCoC&VB for the summer 2018 concert series.

Cruise Industry Update—Wilson noted he will attend the FCAA conference/show the 1st week of March.

Marketing Report

Hello Catalina (formerly GoTo Catalina) Marketing Co-op—Miller explained the Hello Catalina focus in the Bay Area which is using billboards, FaceBook and digital media to promote overnight, off-peak visits. She also stated that Catalina Express is sponsoring a group of 12 journalists, bloggers, editors, etc. March 5-7.

Group Sales & Marketing Report— Miller reminded attendees of the March 1-3 MPISCC(WE)Con weekend, participants will be housed at Hotel Metropole, Pavilion Hotel and Holiday Inn Resort.

2018 Visitors Guide & Pocket Map—Miller continued with progress of the 2018 Visitor Guide, available now, which generated more ad revenue, has new content and more pages. She also mentioned that Warner is currently busy working on production of the 2018 Pocket Map, due early April, and has been actively representing CCoC&VB at travel shows in San Diego, Santa Clara, and Los Angeles.

Events Report

July 4th Fireworks Joint Contract—Huncke disclosed the theme of the event will be “Avalon the Beautiful, livin’ the beach life.” The fireworks display is a joint effort of the CoA and CCoC&VB. A new vendor, Exposhow Inc., proposes an increase of almost double the comparable shells, provision of a DVD for simulcast, and the barge for the same price as the previous vendor.

Mixers & Fixers—Warner has Mixer hosting opportunities available March 15 and December 20. Announcement of upcoming Mixers will be in the Thursday Update. Currently there are no Fixers scheduled.

President's Report

Luttjohann deferred to his written report.

Board Member Reports

There were no Board Member reports.

ADJOURNMENT

There being no further business to come before the Board, Chair Bovay adjourned the meeting at 3:07 pm