



## **MINUTES: Meeting of the Board of Directors**

**Thursday, August 8, 2019**

### **CALL TO ORDER**

The meeting was called to order at 11:01 am by Chair Michael Ponce

**DIRECTORS PRESENT (16)** Ponce, Hohenstein, Noll, Fornasiere, Stevenson, Alkibay, Glass, Hoefs, Paret, Villalobos, Foley, Bradley, Salinas, Radde, Kielpinski, Perico

### **DIRECTORS ABSENT (3)**

Sanchez, Montano, Lavelle

### **STAFF PRESENT (5)**

Luttjohann, Warner, Johnson, Miller, DeMyer

### **GUESTS (6)**

Anni Marshall, Brady Connolly, Karen Hall, Corina Cisneros, Lynn Stevenson, Janni Hall

### **CONSENT ITEMS**

Approval of Minutes from June 2019

Motion for approval Hohenstein, second Fornasiere. Passed with abstention by Noll and Bradley

Approval of New Chamber Members

Motion to approve Avalon Pack & Ship, Bistro at the Atwater and Island Blooms Floral Studio as new members by Hoefs, second Glass. Passed unanimously

### **REPORT OF THE CHAIR**

Ponce said the ad hoc Crisis Communications Committee met on June 27 and the Executive Committee met on July 18. He pointed to the August 6 City of Avalon (COA) Council Meeting where a community member requested information on cruise ship activity. At that meeting Mayor Anni Marshall asked staff to look into reducing voter approved TOT funding to the Catalina Island Chamber of Commerce & Visitors Bureau (CICC&VB) and Council Member Olsen reminded her it would involve a ballot measure.

### **REPORT OF THE CHIEF FINANCIAL OFFICER**

Noll presented the June 2019 financials for information purposes. He noted that approval would be sought after the audit and accompanying reports are complete.

Noll announced that signers on the bank account need to be updated. After a short discussion, a motion was made by Hohenstein to replace former Board Member Julie Bovay with Noll as a signer, second Stevenson. Passed unanimously

Noll asked Luttjohann to report on the Audit Engagement Letter. Luttjohann mentioned the audit firm was shopped the previous year and the same firm will be used for the upcoming audit. Luttjohann asked for Board approval to allow him to sign the Audit Engagement Letter, included in the Board packet. Motion for approval Fornasiere, second Kielpinski. Passed unanimously

### **DESTINATION BRANDING PROPOSALS**

Stevenson began by stating that recent visitor numbers have been flat or showing a decline, while competitors like Huntington Beach and Palm Springs have upped their game. He mentioned a desire to attract visitors who can spend more and stay longer. Catalina Island has new offerings: restaurants, Conservancy Trailhead, newly-remodeled hotels, and soon a new hospital. Miller interjected they have been working on steps to get to this point for three years, targeting visitors that will book overnight stays translating to higher revenue. True Destination Branding helps all to stay on the same page; one agency can carry the theme through. Crown & Greyhound started three years ago as a subsidiary of MeringCarson for smaller DMOs that can't afford MeringCarson. She stated this is an opportunity to have a top industry executive work for our small destination. Luttjohann agreed with both Stevenson and Miller, adding that his hiring process included an interview question about how he would streamline marketing. He believes this is a way to do so while leveraging Catalina Island into the mainstream marketplace. He is currently working to fit the fees into the 2019-20 budget. Alkibay asked about the cost and length of commitment. Luttjohann replied that it could be one year or ongoing agency of record. He went on to say he is not certain of fees at this time, but the single-year cost would be higher than the ongoing if the commitment continued beyond a year. Fornasiere agreed this is what is needed. Miller reminded that branding in a digital world is different and the CICC&VB needs to keep up. Villalobos believes Catalina Island has so much potential and divulged that IEX Helicopters has worked on images and branding, recently seeing an improvement. Villalobos moved to accept the Destination Branding Proposal, second Hohenstein. Discussion included Marshall asking about the difference between marketing and branding. Miller and Fornasiere gave examples. Marshall further disagreed with Stevenson's earlier comment that Catalina Island needs to attract a higher-end visitor. Stevenson explained increasing the number of visitors arriving each year is not what is desired. He added, while not moving away from our existing base, it is better to attract people who will stay overnight and they seem to have more to spend. Ponce called for a vote for the motion on the floor which passed unanimously.

### **CRUISE LIAISON PROPOSAL**

Luttjohann made a call to David Creigh who had been standing by to receive a call. At 11:27am Kielpinski and Alkibay left the room. Luttjohann introduced Creigh and called attention to the information in the Board packet. He stated Creigh was the Cruise Liaison several years ago but stayed connected when Buddy Wilson took over the role. Recently Wilson revealed he was unable to give it the attention necessary and Creigh is willing to step back in to the position. Alkibay came back into the room at 11:30am; Stevenson left the room. Creigh began with his bio and mentioned in his past role, the \$2K plus expenses were reimbursed by local businesses that he would solicit for donations. Stevenson came back into the room at 11:32am. Creigh revealed that Don Beaumont of Catalina Classic Cruises has agreed to donate \$1K to CICC&VB to cover some expenses and Wilson will pay the \$2K fee for the Florida-Caribbean Cruise Association Conference in October. He further stated how important this is as cruise ships bring spending visitors into the COA. The proposal is included in the Board packet, but Marshall asked for a recap for those in the room without the written information in front of them. Stevenson left the room at 11:37am. Creigh restated that Wilson regrettably had to step down. He also believes SeaTrade attendance and Cruise the West must be part of the budget. Stevenson came back into the room at 11:38am. A motion was made by Stevenson to approve the proposal, second Noll. Radde asked if a not-to-exceed amount should be added to the motion. Luttjohann asked Creigh if \$5K was a comfortable amount not to exceed. Stevenson amended his motion to approve the proposal including the not-to-exceed amount of \$5K. Noll seconded the amended motion. Discussion included Stevenson encouraging Creigh to engage opportunities for additional calls. Call for a vote by Ponce, Passed unanimously

Creigh reported there is potential for new cruise ships. Three weeks ago he received a call from the Port of LA and learned that Royal Caribbean Cruise Line (RCCL) is returning to the west coast. Connolly left the room at 11:44am. It is possible RCCL would call twice a week July through September in 2021, 2022 and 2023. Hohenstein left the room at 11:45am. Creigh had a discussion with City Manager Radde and Harbor Master Poindexter last Friday and they agreed a Wednesday call was good, but not the additional Saturday as requested. Hohenstein came back into the room at 11:46am. The RCCL proposal would add \$200K wharfage and \$50K+ tax revenue in a three-month period to COA coffers; the additional cruise stop can bring millions of spending benefiting the city and businesses each year. Creigh went on to say that another line, a higher-end family cruise that requested their name not be divulged, is only in the exploratory stage. This would be a weekday call on a non-competing day in the fall and spring. It is possible for a second ship or weekend call to be approved if it is a ship with approximately 100 passengers.

## **PRESIDENT'S REPORT**

Luttjohann submitted his written report. He mentioned that Southern California Edison received approval for the first round of rate increases which translates to a 30-40% increase. Lynn Stevenson added that she is working to populate listing views/ RFPs/event attendance and more. She stated that other dashboards are available through SimpleView but currently the CICC&VB will work with the original. She further stated that CICC&VB encourages members to access and update their listing on the CICC&VB website. Luttjohann's report states the TOT committee does not need to call a meeting at this time however as Ponce reported earlier, the Tuesday COA council meeting addressed the subject. Luttjohann declared a TOT funding decrease would put the CICC&VB at a further disadvantage over competitors.

## **CORRESPONDENCE**

A letter from Caroline Beteta of Visit California stated appreciation for Catalina Island's participation in filming a television spot. The TV commercial is a promotion shown to a global audience featuring unique and beautiful places in California. Luttjohann called attention to the accompanying plaque, displayed in the room.

## **BOARD MEMBER REPORTS**

Fornasiere stated this is the last week for the Bird Park exhibit at the Catalina Island Museum. Starting September 6, an Esther Williams display will be in that spot. The opening of the exhibit will feature a swimwear fashion show and the museum shop will sell the swimwear line. On Thursdays, the museum continues to be open until 9pm.

Stevenson announced that 48 people have made reservations to check in at the Atwater Hotel when it reopens on Sunday. Perico stated Sunday is the official opening day.

Villalobos relayed a request from Amanda Bombard to schedule a new stakeholders meeting.

Paret declared there are several changes at the Catalina Island Medical Center. Dr. Laura Ulibarri is retiring and two male doctors along with Dr. Aimee Warren will provide services. The foundation raised \$270K; their next major fundraiser is August 8, 2020. Mercy Air will no longer be providing air ambulance service. He encouraged participation in an upcoming vascular screening. At 12:08pm Karen Hall and Janni Hall left the room.

Radde issued a reminder that tomorrow at 10am COA will hold a parking and congestion meeting and August 22 is the second revenue study session.

Marshall announced the COA Planning Commission has an open position. Those interested should submit a letter and application, available at City Hall.

Luttjohann asked if there was a consensus in the room on the July economy as mixed reviews have been received at the CICC&VB. Foley stated that he has heard business owners complain of a downturn of up to 30%. Ponce says

August appears to be up and Hohenstein agreed that both her properties showed growth. She did announce the Seaport Bistro will be closing and she is looking for a new tenant. Stevenson agreed that August is currently showing an increase, but by mid-month it should drop with the beginning of the school year. Fornasiere shared business was down at the museum and she noticed the harbor appeared to have less boats than past years. Villalobos stated that IEX is down and Catalina Express was down by 50K passengers in July. Marshall wondered if bringing back the birthday promotion might be helpful. Fornasiere quickly replied that participants requested more and more freebies, did not stay overnight and were not adding revenue. Salinas asked about dynamic pricing and feels a lower cost ticket for a morning return to the mainland would encourage overnight stays.

Ponce announced the possibility of the January 2020 Board Meeting be moved as currently three Board Members will be on vacation.

## **ADJOURNMENT**

There being no further business to come before the Board, Chair Ponce adjourned the meeting at 12:21pm