



MINUTES: Meeting of the Board of Directors

Thursday, May 17, 2018

CALL TO ORDER

The meeting was called to order at 1:00 pm by Chair Julie Bovay

DIRECTORS PRESENT (15)

Bovay, Fornasiere, Wilson, Howell, Stevenson, Puchala, Foley, Montano, Hoefs, Paret, Noll, Ponce, Salinas, Kielpinski, Radde

DIRECTORS ABSENT (4)

Costello, Hite, Alkibay, Wade

STAFF PRESENT (5)

Luttjohann, Miller, Warner, Johnson, Lincoln

GUESTS (5)

Cinde MacGugan-Cassidy, Rock Gosselin, Catrina Awalt, Roberto Perico, Mary Schickling

PRESENTATIONS

A Catalina Island Conservancy (CIC) update was provided by Kielpinski as he explained their proposed Airport-in-the-Sky runway repairs. Looking for funding options, the project was listed with the Department of Defense (DOD) and the first to respond were the Reserves with a proposal of replacing segments over a five-year period. Next the SeaBees were interested but found they could not provide enough man power. The US Marines at Camp Pendleton expressed a desire to supply labor and equipment, providing hands-on training for their troops. The Marines planned to begin May 2018, but with a new General taking command summer 2018, the project was delayed. Still on the radar of the DOD, the Air Force picked up on it as a good project to undertake. However, the Marines remain interested and plan to commence repairs to the runway in January 2019. The cost of construction to the CIC will be \$4mil for concrete and other materials. US Marine Corps workers will stay at the airport for the duration of the project; 60-70 people living in a temporary encampment, bringing all the necessary goods with them. The runway hump will not be removed due to the fact that this is listed as a repair project with Los Angeles County. The work will require a full shut down of the airport to visitor traffic, however deliveries will be made by Flying Boats using a dirt landing strip adjacent to the runway.

CONSENT CALENDAR

Approval of Minutes from April 2018

Motion for approval by Wilson, second Kielpinski. Passed unanimously

Approval of Financials April 2018

Motion for approval by Howell, second Puchala. Passed unanimously

REPORT FROM THE CHAIR

Bovay stated it has been a quiet month and no report was given.

ACTION ITEMS

Accept designation of Roberto Perico for Two Harbors seat

The Catalina Island Chamber of Commerce & Visitors Bureau (CICC&VB) By Laws state one (1) executive of the Two Harbors Resort shall hold a seat on the CICC&VB Board of Directors. The Catalina Island Company felt that Roberto Perico should take over that seat. Motion for approval by Ponce, second Hoefs. Passed unanimously

DISCUSSION AND POSSIBLE ACTION

Board Fiduciary Responsibilities & Conflict of Interest—Paret began by stating he felt an attorney (Creigh) paid by the CICC&VB should not voice an opinion on a ballot measure in the newspaper. Bovay added that legal counsel is retained when assistance is needed and that his expertise in the cruise ship industry called for CICC&VB to use his services in relation to CARB legislation. Creigh was not retained to represent CICC&VB or City of Avalon with regard to the ballot initiative. Kielpinski asked if the CICC&VB should have advised him to not submit the letter. Both Bovay and Luttjohann replied, they did advise Creigh of concerns but acknowledged his right to express his opinion in the matter. Salinas posed a question to Paret, should the CICC&VB no longer use the services of Creigh? Paret answered, the letter was inappropriate and he should either no longer work for CICC&VB or not write letters contrary to CICC&VB opinion. Salinas wondered if this should instead be an Executive Committee discussion. MacGugan-Cassidy believed the whole Board should be involved; several agreed, some further stated it is on today's agenda as a discussion item and must be addressed. Wilson interjected that Creigh should be given a chance to attend the discussion and defend himself. Salinas felt Creigh has a right to voice his opinion as long as he divorces himself from the CICC&VB in the matter. Salinas further noted that Creigh was not hired for this ballot measure and did not violate ethics. Paret alluded to a possibility the attorney was paid by the cruise industry. Wilson immediately took offense and restated that Creigh should have an opportunity to attend this discussion. Awalt interjected that the City needs better representation as cruise ship calls have decreased and nothing seems to be done to rectify the issue. Fornasiere noted that wharfage fees were increased recently and that could be a reason. Paret replied, this is two separate issues—the letter published in the local newspaper and cruise ship stops. Wilson suggested that in December 2018 it is imperative to have representation attend Cruise the West at Princess Cruises headquarters. He added, the majority of cruise lines prefer to not tender passengers for liability reasons and often desire more upscale ports. He further stated it takes 3-5 years to develop a connection with cruise industry executives and when Creigh walks in, they tend to listen. Wilson also took exception to the earlier statement that nothing is being done and mentioned that many residents are opposed to more ships. He wondered if it may be helpful to poll the entire community. Bovay asked for the discussion to circle back to conflict of interest and fiduciary responsibility. She stated that the purpose is to advance general welfare and prosperity of the island through promotion. The fiduciary responsibility is to stay true to that as well as the guidelines for the use of the TOT funds. Breaches occur when board members self-deal and neglect to disclose conflicts of interest. To date that has been on the board member's honor. Then she asked, was trust misplaced? Paret responded that education is needed on conflict of interest with Montano and Salinas agreeing. Bovay reminded all about the conflict of interest form signed by each Board Member and was curious if in decisions, should members in the room provide disclosure prior to a vote. Luttjohann asked, is it the wish of the Board to convene for an educational session on conflict of interest; an all-day meeting including discussion on fiduciary responsibility as part of a Board retreat? Paret gave examples of conflict of interest, stating that his fiduciary responsibility is to the Catalina Island Medical Center and that Ponce serves on the Hospital Board. Awalt brought up the need to recruit more cruise ships and retain them, believing there is a need for an organized strategy to maintain cruise ship calls. Salinas added a monthly meeting on cruise ships could be advantageous and suggested an ad hoc committee. Wilson encouraged gathering

the opinions of island residents to get an indication of how they feel on the matter and suggested the topic be broadened to include all visitors. Stevenson mentioned that the need is not necessarily more visitors, but more visitors staying overnight especially mid-week. Bovay requested the meeting move on but put a few questions to the Board to think about in respect to the conflict of interest retreat. Those questions included, do we invite Creigh and should it be Executive Committee, Board or more? Paret thought the Executive Committee, but MacGugan-Cassidy believed that it should also include Creigh, Paret and other guests with Luttjohann reporting back to the Board.

Marketing Report—Miller disclosed that RFPs are strong with 104 currently year to date compared to 113 last year at this time. Hello Catalina paused at the end of April and resumes in the fall. A meeting is planned to view the results so far of that campaign. Trip Advisor listed Catalina Island as one of the top 15 places to snorkel. A writer from Red Tricycle visited last week and wishes to return as she has five new story ideas. Awalt interjected that she hoped there is a plan to promote August as a time to visit with kids back in school and weather still great. Awalt also felt the Coachella Valley would be a good target as it is extremely hot in the desert through September.

Group Sales Co-op—Miller announced the hope to get a positive response on a bid to host (WE)CON in 2019 and should know by the end of June. The Society of Incentive Travel Excellence SoCal has an all-day, June 7 Catalina visit planned. Also work has begun to help with the transition to SimpleView.

Travel Shows & Concierge Events—Warner noted the travel shows are done for this fiscal year. She and Miller attended the OCCA show on May 7 along with representation from Catalina Express. This year's event seemed slower than previous years, possibly due to the location. One box of Visitor Guides was distributed and more were shipped out due to requests received at the show.

2018 Pocket Map—Warner revealed the 2018 Pocket Map arrived on the island over the past weekend.

Events Report

Mixers—Tonight's Mixer is hosted by Luau Larry's in honor of their 30th anniversary. Fifty have signed up for this event and Luau Larry's will provide appetizers and beverages. On June 28, the Mixer is scheduled at the Catalina Island Museum. The Annual Meeting will be 6-9pm, July 19; invites will go out in June. In September two Mixers are scheduled—the annual Art Association Mixer on Thursday, Sept 13, as an artist welcome and on September 20 the Conservancy will host at TrailHead. October 18 there will be no Mixer as it is Fall Fest; if there is interest, a Mixer could be scheduled on a different night. November 15 Overlook Hall plans to be the host for a Mixer at their facility.

Concert Series—Lincoln announced three concerts are booked with tribute bands for the Stones, Santana and Abba. Other concerts are currently being confirmed and information will be posted on the website once each contract is signed and bands booked.

Taste Around Avalon and Restaurant Week—Lincoln revealed a desire to expand Restaurant Week to include wine tasting and kitchen tours. This may develop more in 2019, but hopes are that 2018 will offer additional opportunities to enhance the week-long event. She also stated the dining establishments lost in the last year did not historically participate in Taste Around Avalon.

Fixers—Luttjohann disclosed four Fixers are in the works—TIPS, fire safety, shred/office equipment disposal & recycle, and human trafficking with guidelines for lodging. He has been chasing a China Ready program with Visit California and hopes to add a Fixer on that topic soon. Puchala proposed training on how to handle the issue of service animals. Discussion on this topic included Puchala explaining new signage at Catalina Express. MacGugan-Cassidy noted businesses have fear of bad reviews left by patrons turned away. She further explained that TripAdvisor, if the merchant is proactive in explaining all that was done to pacify the guest, will not allow the bad review to post,

however, Yelp and Google do not offer the same service. Johnson cited Jack Cook's idea for signage and the possibility of the CICC&VB distributing them to Members.

President's Report

Luttjohann submitted his written report after briefly hitting highlights.

Board Member Reports

Board Member Kielpinski declared the seventh bathroom in the interior of the Island will be finished in a few weeks.

Board Member Fornasiere reminded all of the silent film event on May 19, which coincides with the Houdini: Terror on the Magic Isle exhibit currently open at the Catalina Island Museum. The lobby of the Museum has a Houdini pinball machine for the summer and she invited everyone to stop in to give it a try. In September celebrations are planned for the 65th anniversary of the Museum.

Board Member Stevenson announced the Cyclone is back and offering trips to Two Harbors on weekends, but starting Memorial Weekend, the boat will service Two Harbors every day. The Cyclone schedule is to depart Avalon at 10:15am and 2pm and travelers must buy two, one-way tickets. The Catalina Island Company is still working on policy regarding bicycles and luggage.

Board Member Noll invited people to sign up and buy tickets for the Rotary Club of Avalon's Chili Cookoff and Salsa Competition on May 26. They expect 500 people to attend.

Guest MacGugan-Cassidy disclosed the Gateway Cities Council of Governments will hold their retreat June 15-16, 2018 at the Holiday Inn Resort. This Regional conference is attended by elected officials, city managers, city staff, and their families. She requested businesses donate gift items, rack cards/brochures, or discount offers to be included in welcome bags. MacGugan-Cassidy sits on the Board of Directors of this organization.

Guest Awalt asked City-related attendees to explain the status of street fairs, kiosk and pop-up businesses. MacGugan Cassidy revealed a study session looked at lease space, fairs, street performers, outdoor dining, etc. The only decision to come about so far is that the City will not move forward on outdoor dining. There will be more study sessions to come.

ADJOURNMENT

There being no further business to come before the Board, Chair Bovay adjourned the meeting at 3:00 pm