



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

**Thursday, May 21, 2020**

### **CALL TO ORDER**

The meeting was called to order at 1:08pm by Chair Michael Ponce. Due to novel CoronaVirus known as COVID-19 this meeting was held via conference call and Google Meet for all participants. Attendance and voting utilized roll call procedure.

### **DIRECTORS PRESENT (18)**

Ponce, Hohenstein, Noll, Stevenson, Fornasiere, Alkibay, Glass, Hoefs, Paret, Villalobos, Foley, Say, Bradley, Lavelle, Salinas, Radde, Kielpinski, Perico

### **DIRECTORS ABSENT (1)**

Sanchez

### **STAFF PRESENT (4)**

Luttjohann, Miller, Warner, Johnson

### **GUESTS (11)**

Amanda Bombard, Greg Bombard, Karen Biery, Bob Nenninger, Gina Reed, Erin Eubank, Carl Johnson, Kathleen Gosselin, Ignacio Ocegüera, Jack Tucey, Nicole Farley, Laura Whitby

### **CONSENT ITEMS**

Approval of Minutes from April 2020

Motion for approval Hohenstein, second Say. Passed unanimously

Approval of New Chamber Member

Application for new membership by Guided Golf Cart Tours was presented to the Board for approval. Motion for approval Salinas, second Fornasiere. Passed unanimously

### **DISCUSSION AND POSSIBLE ACTION**

Report of the Chair—Ponce stated the Executive Committee recently met three times to discuss and review finances.

Report of the Chief Financial Officer—Bryce Noll presented the April 2020 financials. He informed the board the cash position can survive with zero TOT through October and if a fraction of the TOT is received that date moves to December. Say requested a general expenditure and payroll list showing the cutbacks made. Glass asked what will be financed, Noll responded, necessary functions only.

Gina Reed from Civitas presented and answered questions on the formation of a TBID. This proposal was initially given to the Catalina Island Chamber of Commerce & Visitors Bureau (CICC&VB) Board of Directors in January. She stated there are currently about 100 TBIDs in California and she is working with the City of Avalon (COA) to get estimates on how much one could raise here. She advised these figures are pre-COVID-19 but a recovery specific can

be incorporated in the TBID agreement. It was noted the plan can be put together with an assessment date beginning in the future. A TBID does not rely on local government funding and allows a reserve to build. The assessment can gradually increase and can only be spent on predetermined expenses. There must be a consensus among businesses and the term is defined in the plan which can be renewed. Salinas stated it's a tough time to ask for more from the community and travelers. He went on to say the pandemic caused a step backward and recommends it be brought back at a later date. Kielpinski believes it is smart to begin this early as we scramble with other destinations to target our customers. He feels it would be wise to pick a smaller percentage and as tourism increases raise the amount. Glass does not like that everything is put on the back of hoteliers and vacation rentals. He agrees with Salinas to revisit this topic in the future. He further stated the current TOT rate is 12% and this addition will not bring more people; he is not for it. Say said this should wait as it is unfair to ask at this time. She wishes to see a restructured budget and cutbacks. She would like to explore other ways to market and further stated if we don't get guests there will be no comeback. Stevenson disagreed and wants marketing to be more aggressive to compete with other markets. Noll would welcome Leo's to be included in the TBID and reminded others that retailers and restaurants can contribute so the weight is not wholly on the hoteliers and vacation rentals. Salinas would like to ask retailers if they are willing to burden the community with an extra tax. He appreciates that overnight guests could take less of the burden, but would like to hear from retailers. Lavelle stated Catalina Coffee & Cookie Company and Catalina Food Tours support the TBID and she recommends a begin date of second quarter of 2021; start with ½% with an increase of rates over five years if/when there is a full recovery. Hohenstein asked about competitive markets in California and which ones have TBIDs. Luttjohann replied all of them. Reed said of the 107 TBIDs in California, all major destinations have one. Glass announced he cancelled \$250K in reservations since March due to COVID-19 restrictions. He tried to move reservations to a future date but had to refund. Potential visitors can't afford to travel due to loss of jobs and definitely cannot pay more! He does not want the vacation rentals to keep absorbing and would like research on how much a tax on restaurants would raise. Glass would like to tax restaurants and retail before hotels/vacation rentals. Salinas believes the conversation would be easier once things get back to normal and bills can be paid. Noll asked how many recovery TBIDs are currently in California. Reed's response, two for sure, possibly more as many destinations are in renewal. Noll asked if it is possible to form a TBID, have it not focus on hotels and vacation rentals, utilize retail and restaurants only and take effect next year. Luttjohann stated a downtown association consists of retail and restaurants. Noll said TOT is paid by hotels and vacation rentals and if we wish to separate from COA, begin with restaurants and retail now then add hotel/vacation rentals later. Reed was unsure if hotel/vacation rentals could pay zero now and later be added to the TBID. She reminded the attendees this is not a fee paid by hotels, the guest pays. Hoefs believes this should be tabled for three months while businesses work through their current situation. Whitby is frustrated by this entire discussion, continued with other opinions and does not support a TBID. Noll reprimanded her saying he'd never seen her at a board meeting and this is to assure there is a CICC&VB in the future. Hoefs moved to bring this back at the September meeting, second Say; passed unanimously via roll call.

#### Approval of Financials April 2020

Financials were presented prior to the Civitas presentation and discussion. Motion for approval Fornasiere, second Stevenson; being no opposition, passed unanimously.

Report of the President—Luttjohann in the interest of time submitted his written report.

Reopen Catalina Discussion—Hoefs advocates that business not be more restrictive than LA County or State of California guidelines. He hears the COA Council using terms 'open' or 'closed' and feels that terminology should be avoided. He went on saying locals travel to the mainland for non-essential reasons and therefore believes it should be okay for visitors to travel the other way. He continued, the harbor is open this weekend yet businesses must remain closed. He would like to see a unified statement on COA and CICC&VB websites and asked others to look at beach resort websites as a comparison. Villalobos stated the message on CICC&VB website was there because the city was shut down and CICC&VB should be neutral. He would like to let businesses make their own choice opening as long as

guidelines are followed. Greg Bombard said Catalina Express is trying to stick with COA guidelines and the strong language on the COA and CICC&VB websites. On board, passengers are spread out with sanitation stations offered to clean hands before boarding. June 1-29 their schedule will be extended. He would like to see language softened allowing workers to safely return in order to bring back visitors slowly. He is grateful for support from the community and sees the need to do this right. Lavelle suggested videos be posted to give visitors a sense of safety and trust. Luttjohann asked if any disagreed with taking the COVID banner down and replace it with safety measures. Fornasiere thinks the change would be great. Alkibay asked what can be done today to step up to next level. He would like to move forward with more than the harbor. Parmer said COA is in the process of completing a lengthy form for LA County. The Department of Health requires this be sent to the state and reviewed before approval of variances. He warned that Pasadena and Long Beach applied and were denied. Hoefs objects to the harsh wording on the COA website. Radde replied the working is being changed but COA will not go against LA County. She reminded all that the Council approved an urgency ordinance and ordered closures. Alkibay sees restrictions loosening when traveling for business. Restaurants expanded to take out and mainland locations are opening outdoor dining. He would like to see COA allow the businesses to expand tables to the boardwalk as restaurants can't survive on lower table numbers. His Catalina Beverage employees are cleaning and doing maintenance, but business is not back. The solution is sales and marketing and he feels working collectively will bring revenue back. At 2:30 Herlina Chico from LA County Board of Supervisors Janice Hahn's office joined the meeting. She praised the island for an amazing job dealing with COVID-19 and now moving into a different time to open slowly and safely. Once open, consequences won't be known for 4-6 weeks after collection of accurate data. She said Janice Hahn is challenging the governor due to unfairness to LA County. Chico further stated that Catalina Island may be a good place to do a roll out. They cannot offer assistance at this time to cities and their upcoming meetings will discuss partial opening for portions of the county but not the entire county. Villalobos would like to see a way to add outdoor tables. Luttjohann stated this was brought up this morning by the county task force on hospitality and warned there are concerns about pedestrian flow. Lavelle said California now allows an extended footprint so alcohol can be served outside. She would like to look at utilizing property on the beach side of the serpentine wall. Chico pointed out Long Beach began 'parklets' before COVID-19 hit but have their own health department and officer. She stated Luttjohann's presence on the county task force has been beneficial. She went on to state COA must take the lead on this but LA County and city must work together.

Report of the Marketing Committee—Stevenson says the committee has been working on the 'Dream Away' concept to use when ready as there is a need to remind customers Catalina Island is here. These templates can be shared with the community presenting a unified marketing message. The marketing team plans to push the message May 26 with examples in the packet. Villalobos suggested business owners share on their own platform. A motion by Stevenson to accept the Dream Away campaign and have it launch May 26 was seconded by Hohenstein, passed unanimously (Salinas had left the meeting; other Board members remained for quorum).

Report of the Nominating Committee—Hohenstein reported Lavelle will step down June 30 due to other obligations. Bob Kennedy is willing to fill her seat and rounding out the Board Slate are returning Board Members Bradley, Noll, Ponce and Salinas. The slate must be presented to the full membership with opportunity for additional nominations as in accordance with bylaws. She reminded all Board Members the importance of attendance and that differing opinions are necessary to round out discussions. Lavelle made a motion to approve the slate, second Say, passed unanimously (Salinas had left the meeting; other Board members remained for quorum).

Requests for Future Agenda Items –Say requested a discussion on board member nominations.

## **ADJOURNMENT**

There being no further business to come before the Board, Chair Ponce adjourned the meeting at 3:11pm

On-line Chat Utilized by Attendees via Google Meet:

Laura Whitby

1:08 PM

Laura Whitby with Seaport Village is visiting

L

Laura Whitby

Ignacio Ocegueda

1:09 PM

Ignacio Ocegueda and Jack Tucey Catalina Hot Spots

Kathleen Gosselin

1:09 PM

Kathleen Gosselin - The Avalon Hotel

Bob Nenninger

1:09 PM

Bob Nenninger with Mix Marketing is visiting

Karen Biery

1:09 PM

Karen Biery - Hotel Mac Rae

Roberto Perico

1:10 PM

I am on the call

Gina T

1:10 PM

Gina Reed with Civitas is here

Karen Biery

1:32 PM

Do you have an idea as to the % or amount per guest or ?

Jim Luttjohann

1:32 PM

No. But I think 2% was suggested as feasible compared to competition set

Karen Biery

1:33 PM

Thanks

Karen Biery

1:36 PM

Could you earmark that income for island advertising only to ease some concerns?

Jim Luttjohann

1:37 PM

Yes, it would be subject to an approved plan, by law it must be

Gail Fornasiero

1:37 PM

It would be earmarked for whatever the group approves.

Karen Biery

1:39 PM

You hear of businesses all around the state etc. adding surcharges don't you? A small amount from everyone would help. We need to advertise!

Nicole

1:42 PM

Sorry i hung up instead of mute. I'm back

Mesa Bradley

1:42 PM

Until Non-Essential travel ends we cannot make plans.

Nicole

1:48 PM

Guest pays not hotels

Karen Biery

1:49 PM

My guests have never complained about the tax

Nicole

1:50 PM

Mine either

michael ponce

1:50 PM

In all my time at Mt. Ada or the Seacrest guest have not complained about tOT

Nicole

1:52 PM

everyone is breaking up really bad.

Karen Biery

1:54 PM

I totally disagree Laura.

Laura Whitby

2:06 PM

I happy for tot to be diverted to chamber for marketing when the chamber promotes the business & advocate for business. The lack of representation at City Council meetings & the lack of communication to the membership has been deafening & frustrating.

Adding it and highlighting are 2 different things.... Follow the mission...

Laura Whitby

2:08 PM

"To attract visitors and advocate for business"

Thomas Salinas

2:12 PM

sorry i dropped out a minute or two

Nicole

2:12 PM

We seem to all be dropping off. I lost connection twice.

Gail Fornasiere

2:13 PM

Same here. I had to move to phone data

Thomas Salinas

2:13 PM

mine was my stupidity. i forgot to plug in my laptop. haha

Jim Luttjohann

2:13 PM

The language on the website can be removed in a few key strokes. Council just removed the urgency ordinance two nights ago, ordinance runs through May 31, so timing is perfect to do so

Thomas Salinas

2:13 PM

thank you Jim

Gail Fornasiere

2:14 PM

Thanks Greg and Jim

Michael Ponce

2:14 PM

Sorry I have been having technical problems

Nicole

2:14 PM

That's Ok I went to mute one time and hung up. So one was my fault.

Laura Whitby

2:16 PM

Well said Greg, thank you!!!!

Mesa Bradley

2:16 PM

Thank you Greg.

Thomas Salinas

2:16 PM

I have better experience with audio when i shut off my video if that helps

Laura Whitby

2:16 PM

business info should be in the membership not the visitor

Gail Fornasiere

2:18 PM

Actually many visitors feel safer to see what we are doing to keep them safe. So I think it is fine to have that info available for all.

Laura Whitby

2:20 PM

Great suggestion Lisa... highlight those going above and beyond...

positive reinforcement

Karen Biery

2:21 PM

Great idea Amanda! I would like to put a link to that video on my emails to my guests to show all your efforts

Gail Fornasiere

2:21 PM

Great Amanda!

Laura Whitby

2:21 PM

Perfect, Amanda

Mesa Bradley

2:22 PM

I agree. Time to take down.

Gail Fornasiere

2:22 PM

Totally agree Ben.

Nicole

2:23 PM

yes

Michael Ponce

2:23 PM

Yes

Jim Luttjohann

2:26 PM

Laura are you still on?

Kathleen Gosselin

2:30 PM

Jim, Laura moved to her phone, she can't see the chat

Jim Luttjohann

2:30 PM

ok, glad she is still on

Jim Luttjohann

2:44 PM

PLease mute your phones if not speaking!

Thomas Salinas

2:48 PM

Great idea, ben!

Erin Eubank

2:57 PM

would it help to share my screen?

Jim Luttjohann

3:00 PM

What is on your screen?

Erin Eubank

3:00 PM

was going to share the images for any guests that didn't have the packet.

Nicole

3:00 PM

I see the names. I have my screen in half so I can see the ads. you are not showing them.

Jim Luttjohann

3:00 PM

Oh, okay, go ahead

Thomas Salinas

3:01 PM

im sorry guys, i have another city council meeting i am late for. I really have to step back. please omit me from this vote as I must drop out.

Gail Fornasiere

3:01 PM

Thanks Thomas

Nicole

3:01 PM

I'll keep you posted Thomas.

Karen Biery

3:02 PM

Nice

Nicole

3:02 PM

Thanks Erin!

Mesa Bradley

3:09 PM

Well said Nicole

Nicole

3:10 PM

I just wants us to be a team! We have a hard year and we can come out of this together.