



MINUTES: Meeting of the Board of Directors

Thursday, November 14, 2019

CALL TO ORDER

The meeting was called to order at 1:01pm by Chair Michael Ponce

DIRECTORS PRESENT (17) Ponce, Hohenstein, Noll, Stevenson, Fornasiere, Alkibay, Glass, Hoefs, Paret, Villalobos, Say, Sanchez, Bradley, Lavelle, Radde, Kielpinski, Perico

DIRECTORS ABSENT (2)

Foley, Salinas

STAFF PRESENT (4)

Luttjohann, Miller, Johnson, DeMyer

INTRODUCTIONS AND RECOGNITIONS

Luttjohann acknowledged the recording of this meeting. He disclosed this began at the Cruise Committee meeting earlier in the day. The decision was made by the Executive Committee due to misquotes used in some circumstances.

CONSENT ITEMS

Approval of Minutes from October 2019

Motion for approval Sanchez, second Fornasiere. Passed with abstentions by Glass, Hohenstein, Bradley

DISCUSSION AND POSSIBLE ACTION ITEMS

Report of the Chair—Ponce reported that the Executive Committee met on November 6. It was a good meeting explaining the purpose of the Cruise Committee. Audited financials, sentiment survey, scheduling of CEO evaluation, CIVITAS proposal and Cabrillo Mole location of the mobile visitor center were all part of that agenda. The CIVITAS proposal is a tool for developing long-term funding solutions for the Catalina Island Chamber of Commerce & Visitors Bureau (CICC&VB). During the recent City of Avalon (COA) budget meeting there were three options presented for funding the CICC&VB: raise TOT with no change to CICC&VB; TOT funds change and give less to CICC&VB; or direct the COA TOT Committee to determine options. With the resignation of a Council Member assigned to the TOT Committee the group never met. CIVITAS has agreed to assist Luttjohann by evaluating similar destinations. CICC&VB could offer give-back services to maintain the current TOT rate. The upcoming COA Council race is projected to be heated meaning the time is appropriate to make changes. Say added she had a conversation with someone who wanted to overturn all COA Council seats and believed the CICC&VB should close. Say was so upset she called Hoefs to discuss what she had been told. Two funding options are for CIVITAS monies to be financed by loans from local businesses or disclose and repay CICC&VB funds. Villalobos wondered why there would be a desire to have no

CICC&VB. Lavelle answered that some feel social media could be more utilized with no need to pay for advertising. Sanchez asked if it were possible for LA County TOT to fund increased tourism promotion. Luttjohann replied that usually taxes collected from cities and/or counties are used. Sanchez suggested sponsorships as a way to raise funds. Hohenstein said hotel guests would see an assessment on their bill and the same would stand if campgrounds were included. Kielpinski asked if \$40K was the plan. Luttjohann responded COA found extra TOT funds that added approximately \$30K to CICC&VB's subsidy, he might find a few places in the budget to cut and a payment schedule for multiple fiscal years is a possibility. At 1:19, Radde entered the meeting. Say revealed that her property was audited by COA and Hohenstein asked how many hotels were examined. Radde was unsure how many properties were audited but stated, it did generate an increase of TOT funds. Luttjohann added it was a multi-year audit. Ponce called for a motion. Motion for approval of CIVITAS proposal by Hohenstein to accept proposal, holding off on implementation until candidate and ballot initiatives are known, second Noll; passed unanimously.

Report of the Chief Financial Officer—Noll presented the audited financials for approval. Luttjohann called attention to page four and the outstanding gift certificate balance. He said legal counsel researched gift certificate law and found it inconclusive. At 1:24, Perico entered the meeting.

Approval of Audited Financials, FYE June 30, 2019

Motion for approval by Say, second Hohenstein. Passed unanimously

Approval of Post Audit Adjusted Financials June, July, August, September 2019

Motion for approval by Hohenstein, second Bradley. Passed unanimously

Approval of Financials October 2019

Motion of approval by Hohenstein, second Fornasiere. Passed unanimously

Report of the Marketing Chair—Stevenson gave each Board Member a hand-out that encouraged all to sign up for the Annual Marketing Conference and had nothing further to report. Miller announced a pre-conference dinner on November 19 with the speakers for the Marketing Conference. It will be a no-host dinner, with attendees being invoiced to avoid the multi-check issue. Radde reminded that Council meets the same night and Luttjohann presents the annual budget submission. His presentation should be short allowing for questions, max time 15 minutes. Radde advised he stick to audited financials.

Report of the Cruise Committee—Luttjohann reported this meeting was earlier in the day at 11:15. It was a sparse group. Information was shared on Dave Creigh's Cruise the West attendance and other upcoming events. An analysis of wharfage fees and what is included at other ports was discussed. Visitor counts were reported, ship calls were on par but passenger numbers were down. A post FCCA report was given, announcing most of the cost was underwritten by sponsorships. Some facts were clarified along with ownership relationships of the various cruise lines. The Sentiment Survey may never reach the 1K mark necessary to validate results. It was emphasized that TOT funds are not used for cruise representation which has historically been paid with outside funds.

Report of the President—Luttjohann submitted his written report and reported on his attendance at the school meeting the prior evening; Cliff Hague also attended the meeting. Four goals were presented: build mutual respect and trust; achieve community understanding of process to handle incidents; optimize clear and consistent communication channels between school and community with all appropriate transparency; and unite in helping Avalon Schools achieve excellence. Hague is good as a community representative and won't be blamed as being bias to Catalina Island Company, COA, CICC&VB, etc. Paret announced he is pulling his second child out to be home schooled but isn't allowed until the January 2020 semester begins. Glass stated that until students are held accountable, nothing will happen. Paret feels the superintendent does not care. Lavelle stated that in previous years, after-school work was on a volunteer basis by the teachers. Luttjohann believes an invite to the press may bring the superintendent to the meetings. Kielpinski left the meeting. Paret says that with no

consequences and good kids being pulled out there will only be bad kids left. He went on to say that the community is fired up about the movie theatre closing but no one cares about the school.

EVENTS REPORT

Triathlon—DeMyer stated the Triathlon will be November 2 and has 546 participants; she noted an increase up from 463 in 2018. Fornaisere was told many were first timers and Villalobos stated comedian Jo Koy signed up to race.

Mixers and Fixers—DeMyer is working with a representative from Microsoft Cerritos on securing a date for a Fixer on Outlook, Word, Excel, and more. She is also planning upcoming Fixers on customer service and the ServSafe alcohol program. The sexual harassment prevention training is ongoing and available on-line. Tonight the Mixer is at Antonio's and 2020 Mixer calendar is almost full.

Care for Catalina—On November 9, 70 people broke into groups and covered 10 different sections of the city. Several service groups participated including Girl Scouts, Boy Scouts, Rotary Club, Interact, Lions, Teen Center in addition to City and County Fire, COA Public works and Recreation Dept, Catalina Island Conservancy and CICC&VB. Two bins, each one three cubic yards were utilized, one was filled with trash and 2/3 of the other had recyclable material.

Shop Catalina—Flyers have been posted and the Vons monitor announces this December 7 annual event with expanded hours, noon to 8pm. November 21 is the deadline for sign ups and to date there are nine businesses participating. Activities will include Christmas cookie, ornament and t-shirt decorating, s'more making, Santa's arrival, Christmas tree lighting, live entertainment on the stage and carolers strolling the streets. DeMyer will speak with Dan Hunke about his plans for a Christmas tree decorating contest that evening.

New Year's Eve Gala—Reservations currently are made for 342 people. The volunteer list is being compiled. Luttjohann will send out email invitations to Board Members that earned complimentary entry with a 60% or better attendance rate at monthly meetings. Board Members were encouraged to volunteer if they wish.

Board Member Reports

Board Member Radde announced the COA council policy guidelines for cruise ships will be on the agenda, second meeting in December. She also stated that December 6, 5pm is the deadline for those wishing to run for City Council or Treasurer.

Board Member Lavelle attended ARIVAL Marketing Conference in Orlando. Their 2020 event is planned for Phoenix and she has suggested that Catalina Island vie for 2021. It was a good week with presentations and discussions on Airbnb experiences that are tailored and not the normal tours, on-line ticketing, the growth of food tourism and more. She reminded all the PLAY pre-school auction is at Toyon Grill tonight at 5pm. Catalina Food Tours has sold out their tours to the three upcoming Princess ships yet Carnival struggles to sell the same tour. Luttjohann mentioned that Princess promotes food tourism and their program "savor" endorses food-related events. Lavelle also mentioned there will be several restaurant closures this winter. Luttjohann replied this information is being collected to be passed along.

Board Member Sanchez disclosed results of the Catalina Express survey taken mid-July. She highlighted some results: 44% travel with children, 42% are first-time visitors, 25% book in advance, 49% are day-trippers with 55% being from LA and Orange County. Most travelers had a household income is \$113K and stated the expense was as expected. She also announced Catalina Express VP of operations Ray Lynam retired.

Board Member Villalobos announced IEX is moving their headquarters to Long Beach Airport in two weeks. Commuter flights from Orange County to Long Beach will be available and the Hawthorne airport will be added in the future.

Board Member Fornasiere revealed the 1st Friday Catalina Island Museum event for December will include carolers, ornament decorating, an ice sculpture as well as story time with Santa and Mrs. Claus.

Future Agenda Items

Lavelle would like to discuss the possibility of military as a solution for Avalon's internet and cellular connectivity issues. It was noted that the military helps to improve internet issues when they have a presence in the location.

Stevenson requested discussion and plans for the mobile and Cabrillo Mole visitor center.

ADJOURNMENT

There being no further business to come before the Board, Chair Ponce adjourned the meeting at 2:18pm