



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

**Thursday, October 15, 2020**

### **CALL TO ORDER**

The meeting was called to order at 1:03pm by Chair Nicole Hohenstein. Due to novel CoronaVirus known as COVID-19 this meeting was held via Zoom for all participants. Attendance and voting utilized roll call procedure.

### **DIRECTORS PRESENT (17)**

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

### **DIRECTORS ABSENT (2)**

Kennedy, Perico

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

Luttjohann, Warner, Miller, Johnson

### **GUESTS (1)**

Greg Bombard

### **CONSENT ITEMS**

Approval of Minutes from September 2020

Motion for approval Paret, second Salinas; passed unanimously.

Approval of New Chamber Member

Application for new membership by Stay in Catalina was presented for Board approval. Motion for approval Salinas, second Noll; passed unanimously.

### **DISCUSSION AND POSSIBLE ACTION**

Report of the Chair—Hohenstein opened discussion on the TOT/TBID formation with the committee thought of the initial period only including accommodations and golf cart rentals. At 1:08 Ponce entered the meeting. Salinas believes it may be difficult to get the vacation rental owners to agree. Hohenstein reminded that hotels have reported doing well this fall and asked if vacation rentals are experiencing a similar boost. Salinas said the numbers have moved up. Noll noted there are challenges with the City of Avalon (COA) TOT funding with possibility of an anti-Chamber movement that might seek to reduce funding and if that happens it could be quick. He went on to say the TBID would provide funding because the Chamber is needed in the community. Salinas asked if CIVITAS could form the TBID per business license. At 1:16 Hohenstein acknowledged that Say and Fornasiere joined the meeting. Luttjohann answered they could try but it may fail and said there is a higher risk of failure if food service and retail are included initially. Salinas asked if COA has an opinion. Radde said there has been no discussion with City Council and discussion must be public therefore currently COA is neutral on TBID formation. Say wondered if the TBID needs COA's blessing. Luttjohann replied, yes, COA approval is necessary even though the TBID is not considered a tax and went on to explain the process he was familiar with in another location. Stevenson reminded the Board that 100% of competitors already have a TBID in place and feels this must move forward to be leaders or the island will not be able to compete with other destinations. Salinas informed the Board that he and Glass only have one vote each, but there are 100s of owners, each with a

vote. He continued, if overnight stay drives the economy yet retail and food service are excluded, it will be hard to convince owners of the necessity. Noll stated the reason for not including retail and restaurants is because dining is down and one location closed; retail is hurting with the loss of cruise ship calls. Salinas asked the opinion of Catalina Island Company (CIC). Stevenson said if restaurants are included they'd do the fair thing and participate. Hohenstein asked if Love Catalina could provide information to vacation rental owners to help explain the benefits. She went on to say that if the TBID had started earlier funds could possibly help provide heaters and lights for the beach dining and stated she worked with two TBIDs that ended because the cities became greedy and now those locations are suffering. Luttjohann mentioned CIVITAS is aware and would use language on mutual exclusivity to avoid problems that arose elsewhere. He said the CIVITAS contract was frozen at \$18K and the Board would need to approve \$22K to reopen the contract. Salinas supports COA as they have needs and feels COA is in a worse financial situation than Love Catalina. Noll reported the Executive Committee realizes the hardships. He added the number one suggestion for COA to improve revenue is to take funding from the Chamber and if a vote were to take TOT from the organization then there would be no marketing. Bradley stated as an owner of vacation rental units, she is in favor and wants the representation. Salinas feels most owners would not vote for this and his guess is that only 30% would vote yes. His preliminary discussions with some vacation rental owners indicated they are more focused on the health of the island. Kielpinski posed the question, what alternatives could keep Love Catalina functioning? Salinas is concerned with added fees and asked the range. Luttjohann replied 1-2 percent was discussed. Salinas wondered if a cap per night would be possible. Bradley feels that the percentage works and if a room is \$500 per night the renters will not complain about the percentage. Hohenstein agreed saying she never received a complaint about the extra fee with other TBIDs. Salinas asked if the fees go into a trust fund account as it is different from the TOT public charge and was concerned he might need to hire an attorney. Luttjohann said the fees are to be paid 30 days post check out. Bradley announced other fees are added without owner's permission like a phone fee that appeared without notification. She reminded that the guest pays this fee so owners do not. Kielpinski noted his upcoming stay in Santa Barbara shows an added \$84 destination fee and asked, what is the next step? Luttjohann said Board approval is needed as the next step. Salinas wishes to extend the discussion to another committee meeting. Hohenstein stated the next meeting might be the winter planning meeting. Luttjohann warned it would only delay the process and the budget must be brought to COA in November. Salinas moved to reconvene the committee meeting, second Hoefs. Fornasiere asked if another meeting is needed. Hohenstein called for a vote; did not pass: 3 Yes, 10 No, 3 abstain. Hohenstein made a motion for CIVITAS to present at the next meeting and to move forward with the TBID, second Kielpinski; passed: 11 Yes, 1 No, 3 abstain, 1 no response. Hohenstein informed that Ponce requested his Board seat become affiliated with the Catalina Art Association. No vote necessary.

Report of the Chief Financial Officer—Noll announced the August 2020 finances are locked with an accountant copy until the audit is complete. Luttjohann further stated the audit will contain COVID-19 footnotes and any Board members concerned should contact him over the next few days (samples in packet). He continued, the numbers in the packet are only examples and footnotes may speak of the possibility of being insolvent at year end. The good news is that COA adopted their budget and funding paid to Love Catalina will be more than previously estimated.

Legal Notice of Copyright Infringement—Luttjohann explained that a routine marketing partner hired a photographer. In one of those photos taken a picture frame appeared that framed a copyright item. An attorney is requesting \$15K for a male model from Scottsdale and there are other claims. This has been turned over to the insurance company and an extension to November 2 is granted to complete the investigation.

Support of Measure H—Hohenstein moved the organization Love Catalina to support the upcoming hospital ballot initiative, Measure H, second Bradley. Motion cannot pass as at least 7 abstain, no vote was called. Glass entered the meeting at 2:25pm.

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

Report of the Marketing Committee—Stevenson stated the Roam Wild, 3<sup>rd</sup> Night Free campaign has received good support and will run September 30 through October 30. He added media relations remain strong and social media is doing well. He requested that Thanksgiving content be submitted as there is already interest among potential visitors. He reminded of the decision to not print a 2021 Visitor Guide yet make changes to a digital copy. The expense of \$7K must be approved to move forward. Miller added that updates can be made for a nominal fee and timely information will be changed. Some funds will be recovered when members are invoiced for changes with the end cost about \$5K.

Hohenstein moved that \$7K be approved for the digital Visitor Guide, second Ponce; passed unanimously. Stevenson asked to hear thoughts about next year in light of the current COVID-19 restrictions. He mentioned the nice extension into November inserting the offseason will soften through April depending on the weather. He feels a rebound for next year looks promising. Salinas believes air travel will rebound with heavy discounts to South America and Hawaii, and post-election there could be a huge tax burden that makes him leery of a positive forecast. Bombard stated Catalina Express is encouraged and has seen boats selling out at the reduced capacity. She added September 2020 saw an increase of child/adult fares and less senior travelers than 2019 which translates to more family bookings. Greg Bombard interjected protocols will be softening but not go away entirely and this could be helpful to shorten turn-around times. Overnight fogging is done and if it were possible during the daytime, it might allow more departures. He said Catalina Express must follow PUC and Department of Transportation guidelines and protocol. Kielpinski asked the percentage that visitation is off. Stevenson replied 20% but is optimistic the fall will equal or outperform 2019 numbers. Hohenstein agrees saying the coastal and drive hotels are doing well but airport properties are suffering. She is looking to President's weekend for an indication as bad weather will limit guests as beach dining would be forced to close. Glass agreed saying that shut restaurants will effect overnight stays. Villalobos shows strong weekends with IEX but said restaurant closures will bring a 35% drop in travel immediately. He disclosed IEX is currently selling to younger clients. Salinas said that an age shift in the traveler will create an impact. Miller added that in Las Vegas the Wynn properties are closing Monday through Thursday and other Las Vegas properties may follow. Hoefs said that The M Restaurant is open Thursday through Monday and will continue these days through the winter; they will be open on Thanksgiving. Warner noted that November 30 through January 13 the Bluewater Avalon announced they will close and will not be open for Thanksgiving. Paret feels this winter when unemployment runs out and snow hits, less people will visit here. He does not believe restaurants will open for indoor dining for some time. Alkibay added a positive note that if weather cooperates then dining can stay open. He will talk to the Bluewater group and try to convince them to stay open longer. He is encouraged by the recent concert saying it was a good event. There is an upcoming promotion by Anheuser-Busch with displays of Catalina Island pictures. This is a sweepstakes associated with an island stay. He remains optimistic that travelers would rather take a short ferry ride vs. a flight to Hawaii. Stevenson expanded on the recent Hagar concert reminding the Board it is a pay-per-view event and believes similar draws will be planned. Hagar is associated with many genres of music and has an interest to follow up with other events which could prove helpful to a rebound in the spring after a slow winter.

Report of the Membership Committee—Luttjohann said that \$73K has been paid in 2020-21 membership dues this compares with almost \$100K the prior fiscal year. He said that drop notices will be sent soon. Warner added there will be an attempt to contact members prior to dropping.

## **BOARD MEMBER UPDATES**

Hohenstein called attention to Fornasiere's chat note on the Catalina Island Museum Titanic Exhibition. The live benefit event is Saturday, October 17 at 6pm. Registration is a must at [BetterUnite.com/catalinamuseum](https://www.betterunite.com/catalinamuseum) but is free.

Glass stated he was late for the meeting being in a different time zone and wanted to add that most vacation rental owners are not in favor of the TBID. He mentioned his travel to Texas; the airlines were full with not a long turn around.

Bombard reported the new schedule will be out very soon saying the Catalina Express team has worked on a schedule that can accommodate added boats if needed. Board members requested notification when more boats are put on, even it that notice is only an hour or two in advance. Bombard said they will notify Luttjohann and Miller of additional boats so an e-blast alert can go out to members.

## **ADJOURNMENT**

There being no further business to come before the Board, Chair Hohenstein adjourned the meeting at 3:22pm

## **CHAT Oct 15 BOARD MEETING:**

From Catalina Museum to Everyone: 01:14 PM

Hi All - Its Gail. Sorry I'm late.

From salinas to Everyone: 01:14 PM

hi gail

From Catalina Museum to Everyone: 01:47 PM

Can other people mute while they are not talking please?

From nicole to Everyone: 01:47 PM

I will mention it again.

From nicole to Everyone: 01:58 PM

Thank you everyone for muting.

From Catalina Museum to Everyone: 02:54 PM

I have to jump off for another meeting but please join the museum's Titanic Exhibition Premiere and Museum Benefit Saturday (10/17) at 6 pm!! Registration is free but required at [BetterUnite.com/catalinamuseum](http://BetterUnite.com/catalinamuseum)

Thanks!

From salinas to Everyone: 02:54 PM

byeeeeeee

From nicole to Everyone: 02:55 PM

Thanks Thomas