



MINUTES: Meeting of the Board of Directors

Thursday, September 22, 2022

CALL TO ORDER

The meeting was called to order at 1:00pm by Chair Bryce Noll. This meeting was held in the Founders Room of US Bank and via Zoom.

DIRECTORS PRESENT (17)

Noll, Bombard, Fornasiere, Kielpinski, Bradley, Flathers, Foley, Glass, Gorelczenko, Hohenstein, Maistros, Paret, Ponce, Stevenson, Teng, Vega, Wright

DIRECTORS ABSENT (2)

Villalobos, Allen

STAFF PRESENT (4)

Luttjohann, Miller, Johnson, DeMyer

GUESTS (3)

Tyler Wilson, Karen Biery, Melissa Knudtson

PRESENTATION OF PRELIMINARY AUDITED FINANCIALS FY 2021-22

Melissa Knudtson reminded she was on the island in August for the field work portion of the Catalina Island Tourism Authority (CITA) annual audit. She recommended a discussion on the capitalization policy (on today's agenda) and explained that cost of painting the Visitor Center will be depreciated for the next 15 years. She did a screen share of the draft financials being reviewed and provided commentary on things such as the expected TOT true-up from City of Avalon (COA) and the forgiven PPP funds now moved to over to income. She said the SBA does not explain that EIDL loans still accrue interest after authorization of deferred payments. Luttjohann reported an interest only payment was made so regular payments will be current interest and principal once they begin this year. Knudtson said expenses for marketing, visitor services, payroll, etc. are about \$2.8million and a carry-over may be required. Kielpinski asked if the recommendation of \$1500 for capitalization was from Knudtson and she replied that yes, \$1500-2000 is an acceptable figure for an organization the size of CITA. Luttjohann stated that after adjustments the final financials will be shared with the Board and COA. Luttjohann will then report to the COA Council as required annually.

CONSENT ITEMS

Approval of Minutes from June 16, 2022; July 21, 2022; and August 11, 2022

Motion for approval Hohenstein, second Ponce; passed unanimously

Presentation and Approval of Financials

Luttjohann requested the June 2022 financials be withdrawn and held for approval at the October or November meeting giving time for final audit entries. The July and August financials were presented and explained. These months are independent of June changes and can be considered for approval. Luttjohann mentioned the need to grow Visitor Center staff. The goal is to hire two part-time team members that would begin as 24-30-hour employees with a possibility of full-time work. He stated it is advantageous to hire and bring back the number of employees that were utilized pre-Covid as the work is often more than one employee can efficiently handle. The option of paying overtime or pulling other staff off their work to cover at the Visitor Center is not practical.

Hohenstein urged if suitable workers are found they be offered full-time work to avoid losing the opportunity of a good fit for the job.

Presentation and Approval of Financials July 2022

Motion for approval Kielpinski, second Bombard; roll-call vote passed with all ayes.

Presentation and Approval of Financials August 2022

Motion for approval Noll, second Fornasiere; roll-call vote passed with all ayes.

Presentation and Approval of Revised Budget 2022-23

Luttjohann highlighted the increases and decreases for various categories and stated the true-up is now known to be \$579K but has not been received yet. He also shared from his meeting with the COA Manager they discussed enhanced holiday decorations.

Motion for approval Kielpinski, second Bradley; roll-call vote passed with all ayes.

REPORT OF THE CHAIR

Board Member Orientation—Noll thanked those that attended yesterday. Another orientation will be held as there are two still in need of training and Noll offered for any Board Members to attend if they wish to do so.

The Year Ahead—Noll would like to work on what it means to be a Board Member. He explained the role of Board Members is different for each organization. For CITA the purpose is to create policy and set guidelines for Luttjohann to follow. Board Members do not give direction to staff. He mentioned that during the pandemic inappropriate comments were made to staff by some on the Board.

Innovation of Ideas—Noll requested ideas to please be submitted to him.

Policies and Procedures—Noll reviewed the Capitalization Policy, the suggested amount of \$1.5K and asked for discussion. Fornasiere suggested \$2K be set as the max without Board approval. Luttjohann has no problem with that figure. Noll called for a motion.

Motion for approval of \$2K Capitalization Policy by Fornasiere, second Hohenstein; roll-call vote passed, all ayes.

Receipts Policy and Travel Policy—These policies were discussed together. Luttjohann suggested that business purchases \$25 and under be excused if a receipt is not turned in and gave an example of parking where no receipt is given. Receipts will be retained for all amounts if possible. Luttjohann also researched industry travel and found generally with flights over four hours, business class is an approved expense. The Receipt Policy will be set at \$25 and Travel Policy for business flights over four hours, business class travel is an approved expense.

Motion for approval Hohenstein, second Noll; roll-call vote passed with all ayes.

October Session on Stakeholder Survey Results—Noll stated that the October meeting has a smaller agenda and the stakeholder results will be discussed at that meeting. Hohenstein revealed she will not be able to attend that meeting.

REPORT OF THE PRESIDENT

Luttjohann reviewed his written report showing updates in red. Discussion on visitor counts included Bombard saying Catalina Express Cat Jet is their largest vessel and it was not in use during July and August so the count could have gone higher. The film handbook edits were mostly fee adjustments and it was noted that COA plans to put all film permit forms online along with online payments. Hohenstein was impressed with the crew size filming the new series 'Avalon.' Luttjohann said business owners are very happy and that the film crew is the largest to shoot on the island. He assured they will be back; no dates provided yet. Wright mentioned the food service and was disappointed a local vendor was not utilized. She found the mainland service was required due to a previous contract. Bombard stated operations will be smoother when the crew returns as some issues were a learning experience for the production company. She also mentioned weather became an issue so they worked hard to wrap up filming a bit early to depart before the predicted hurricane would affect their shoot.

UPDATED BOARD ROSTER

Noll called attention to the new Board roster included in the packet. This contact information includes those on the 2022-23 Board of Directors. He requested the information not be shared with those outside the board.

DISCUSSION AND POSSIBLE ACTION ITEMS

Visitor and Member Services Report—Hohenstein reported on the current status of members with unpaid dues. She mentioned she is engaged with Art Good and has asked why he decided to drop membership for JazzTrax but has not received a response. She revealed that those members that remain unpaid on October 1, 2022 will be dropped.

Hohenstein presented a new membership application for Catalina Adventure Sailing

Approval of New Member

Motion for approval Hohenstein, second Noll; passed unanimously.

Hohenstein noted there are still openings at the Visitor Center if any in the room know of individuals to apply.

Marketing Report—Fornasiere reported on the fall marketing campaign “Second Summer.” She was happy to report there have been tons of media relations including KTLA this morning filmed a Wendy Burch segment. Miller added that Catalina Island Company, Catalina Express and Love Catalina Island are partners in this promotion. Fornasiere mentioned the Adventure Cities film permit featuring award-winning travel writer Jonathan Thompson which is set up and paid by Visit California. This will be shown on Discovery Channel and Bally Sports Network to reach outdoor lifestyle and travel enthusiasts and was just confirmed to be picked up by The Sunday Times in London in a double-page spread on the first weekend of October. CITA continues working on updates to the Love Catalina website. She confirmed the annual Marketing Conference is scheduled for Thursday, November 17, 9am-noon and asked Board Members to mark calendars to attend. She reminded that tomorrow is the final deadline for the 2023 Visitor Guide advertising. Last Sunday, 62Above brought a film crew to shoot video and stills throughout Catalina Island and they wrapped on Tuesday, adding assets for Love Catalina Island marketing campaigns. Fornasiere mentioned KTLA had approached with an advertising promotion. Luttjohann provided details on this proposal for a webcam at Buena Vista Point. This unexpected \$75K cost per quarter to CITA prompted a look to a FOX affiliate as a partner for the webcam. Fornasiere wonders if KTLA will move forward with the camera without payment from CITA. Luttjohann is unsure what will happen next with KTLA and noted their current staff changes. Bombard confirmed that Catalina Express has commercials running through October on KTLA’s morning show that are new and very island focused. Noll is not a fan of paying \$75K per quarter and Bombard agreed that it seems high. Kielpinski would like 62Above to provide a cost comparison. Bombard reminded that Wendy Burch and Henry DiCarlo both talk up Catalina Island when they have the opportunity on KTLA. Fornasiere added Gayle on the Go coverage featuring Gayle Anderson is beneficial as visitors to the Museum mention seeing her segments.

Events Report—DeMyer reported record-breaking earnings of \$8.5K from three Xceptional concert raffles. She stated the September Mixer was well attended and she is seeking 2023 Mixer hosts. She said that New Year’s Eve Gala sales opened Sept 12 with 222 people purchasing reservations so far and noted the banner is up on Crescent. Hohenstein asked if that is the fastest start and DeMyer responded she believes so. Luttjohann stated, Visitor Center Manager Carmen Espinoza reported it was the highest opening sales on record. The triathlon is on track for October 29. DeMyer reported on a September 15 meeting to brainstorm events and came up with ideas for: Belgian Waffle Ride, Country event, road/dirt cycling, equestrian, Hispanic and mermaid festival (tentatively scheduled for June 2023). Hohenstein asked if hotel rates were addressed during the events discussion adding that all along the California coast room rates are up and demand is there. Owners watch the comps and want to keep the rates for now. Bombard said it was not a big topic at the meeting. Hohenstein believes mid-November rates will drop. Fornasiere reminded that events December through February have the possibility of weather issues. Luttjohann stated that event organizers can contract with a hotel for a block of rooms and negotiate a rate. He added, most do not want to make that commitment. Hohenstein agreed but said the discount link could be stopped 30 days prior to the event and those booking early will get a better rate. Ponce confirmed his hotel also runs full and stated all over rates are up.

Cruise Committee Update—Luttjohann met with the Cruise Committee earlier today. It is reported that the number of ships is back to pre-Covid numbers and the number of passengers is above those pre-Covid. Disney has plans for eight port calls in 2023. When Disney came for their initial visit, a straw poll of businesses indicated spending was double that day when compared to other cruise lines. An upcoming conference will have Cinde Cassidy replacing Vega due to scheduling conflicts. At the global conference next year, a trade show booth will be shared as well as opportunities to meet with cruise industry executives.

Film Industry Relations—Luttjohann reminded of the ‘Avalon’ filming which was discussed earlier. On Saturday, a FLICS panel will meet at the M Restaurant. They will speak with film scouts on how to work with Catalina Island as a location.

BOARD MEMBER UPDATES

Fornasiere was happy to report the Museum annual fundraiser with a 40s theme was very successful. She urged attendees to check on the on-line fundraiser that closes tonight. She stated construction began Monday and that before Covid the side lot was purchased which will be used for storage units. The Museum store has moved back to its original location as an art education center room will be added above the lobby. The 1000-square-foot addition will be utilized for meetings, events, school, adult art, dance lessons and more. The upcoming First Friday event is October Fest. A new exhibit, Tall Tiki Tales, opens October 22 with a reception that will also reintroduce Crossing Waters, Tongva Contemporary Art. November 1 the annual Día de los Muertos Family Festival will be celebrated with participation from the community.

Hohenstein reminded of the Chili Cookoff next Saturday on South Beach. There is still time to sign up. This event is from 1-4pm, sponsored by Rotary and is \$25 admission.

Bombard stated the current schedule for Catalina Express is through January 2 and the next one should be out in a few weeks. The Catalina Jet is back in commission and received upgrades to make it a Tier 3 vessel which gives it longer until the CARB cut off.

Vega reported Catalina Island Golf Cart Rentals, currently operating at their old location, will be back at the other end of Crescent this weekend. They were required to move due to work being done on the Island Press building to make the upstairs an Airbnb. He would love to utilize the old spot as a rental location.

FUTURE AGENDA ITEMS

Vega would like a discussion on solutions for the trash problems in town. The scenic route, Hogsback Gate and Mt. Ada are bad spots with trash accumulating and providing a bad impression. Hohenstein said that Rotary worked on several community clean-ups but participation became light. Wright suggested starting a bring a bag of trash to receive an incentive program which she knows is done in other communities.

Wright is willing to serve on a Christmas Committee and would like to see a push toward a European Market-type event. Luttjohann said his meeting this week with COA Manager Maistros included a discussion on holiday lighting and possibly using professional installers. This would involve picking a new theme each year ensuring the annual decorations are fresh. Hohenstein hopes to include more art projects like the gingerbread house and ornament decorating during the Shop Catalina event.

CORRESPONDENCE

Luttjohann added two pieces of correspondence to the packet, they did not attach to the binder and were sent as a separate file. The Connectivity group is exploring better options. Los Angeles County Board of Supervisors (BOS) built a program but Avalon is not on that map. A tailored letter was sent back to BOS directly. Bombard wondered if a response was received and Luttjohann replied, not yet.

ADJOURNMENT

There being no further business to come before the Board, Chair Noll adjourned the meeting at 3:08pm.