



MINUTES: Meeting of the Board of Directors

Thursday, September 24, 2020

CALL TO ORDER

The meeting was called to order at 1:04pm 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 (16)

Hohenstein, Ponce, Kielpinski, Noll, Fornasiere, Bradley, Kennedy, Salinas, Foley, Glass, Paret, Villalobos, Foley, Bombard, Perico, Radde

DIRECTORS ABSENT (3)

Stevenson, Hoefs, Say

STAFF PRESENT (3)

Luttjohann, Miller, Johnson

GUESTS (3)

Carol Reynolds, Melissa Knudtson, Lisa Lavelle

PRESENTATION: CATALINA ISLAND MEDICAL CENTER MEASURE H

Reynolds presented the Hospital H ballot measure which appears on the November ballot. In 1960 the current Catalina Island Medical Center (CIMC) opened and now services 4500+ residents and visitors; three times more than the original intent. A new facility must be completed by January 2030 as the existing structure is not earthquake safe. There are no exceptions and CIMC will have no choice but to close if a new building is not complete. A retrofit is not feasible as it would be the same expense as rebuilding and operating a hospital in a construction zone is difficult. The proposed facility will have a helipad to medevac patients directly, eliminating the need to transport patients to Pebbly Beach. The emergency room is located adjacent to the helipad. At 1:16 board members Kielpinski and Salinas joined the meeting. Land located next to LA County Fire station 55 has been donated by the Catalina Island Company. The build includes 10 new housing units which will open housing in town for other residents. The hospital currently rents about 20 residential units in Avalon for staff, some being temporary residents.

The defeated measure on a previous ballot was scrutinized, residents participated in surveys and prior issues were addressed and changed where possible. This measure is an investment by visitors and residents alike. The proposed 50cent charge for each round trip on cross-channel boat and helicopter transportation begins April 1, 2022. A fee will be added to mooring rentals by visiting boaters, but not to mooring owners. This measure includes a sunset of 40years or when paid off. The funds raised can only be used for construction and financing. If this does not pass, CIMC operation will cease.

Reynolds mentioned she has yard signs for those interested in placing them at home or their business. Hohenstein asked for the percentage required to pass; Reynolds responded, 50%+1. Hohenstein was curious about the number of new/additional employees needed at the new facility and asked if the City of Avalon (COA) required the housing units be included in the design. Paret stated additional employees are not required over the current number unless new services were added. Reynolds answered that adding housing in the plans was proactive therefore never requested by COA. Paret added that 20 units are currently rented by CIMC for workers, some rotating housing, and the new units will be prefab-style housing. Hohenstein and Ponce requested yard signs. Ponce asked for any rumors heard on this measure to be passed along to Paret to be addressed and corrected. Hohenstein wondered if flyers were available and Reynolds will get some to her. Paret emphasized this is the last chance as there is not enough time to submit another ballot measure, complete construction and meet standards. He further explained that first responders are not allowed to keep patients;

all patients would require transport to a mainland hospital if the new facility is not built. Hohenstein would like Love Catalina to endorse and asked about that possibility. Luttjohann advised on the requirements to become a topic at next month's meeting. Hohenstein requested it be added as an agenda item next month. Bradley stated the importance for businesses to have a hospital with an ER and believes some cannot survive without such a facility.

CONSENT ITEMS

Approval of Minutes from July 2020

Motion for approval Ponce, second Bradley; passed with abstention by Kennedy.

Approval of New Chamber Members

Applications for new membership by Mrs. T's Chinese Kitchen & Bakery and Catalina's Courtyard Suites were presented for Board approval. Motion for approval Ponce, second Kennedy; passed unanimously.

DISCUSSION AND POSSIBLE ACTION

Report of the Chair—Hohenstein reported on the last Executive Committee meeting saying that cash flow is okay through December 2020 but January funding is questionable. She requested ideas from the group. Luttjohann replied he has remained engaged with grants, PPP and other funding options. Hohenstein reported that Catalina Island Inn and Holiday Inn Resort have both had higher numbers in recent weeks over last year. Luttjohann said other hoteliers have shared that due to the third night free mid-week promo they have nights with no availability. Bombard agreed as the Catalina Express boats are filling at the reduced capacity level. She added that July travelers tended to be more last minute but now passengers are booking in advance and Catalina Express expects to stay busy through September.

Report of the Auditor—Knutson was present to report on preliminary findings from the audit performed this week. She thanked the board for this opportunity and further stated it was a pleasure working with staff. She reported that on the samples there was one missing and that required further investigation which showed some small receipts are missing. Her recommendation was to allow employees to not present receipts for small expenses as things like parking at trade shows the receipt might not be obtainable. She reported on marketing vendors with invoices that had been negotiated and need to be adjusted in QuickBooks. Good news is this will decrease expenses by \$27K. She was pleased that despite remote work, staff had been helpful when she reached out to them. Knutson and her assistant will wrap up the on-island portion of their work today. She must confirm with COA the rent waiver and TOT and must wait for COA budget to receive the TOT true-up. She noted Love Catalina is required to present to COA by November 1.

Report of the Chief Financial Officer—Noll presented the July 2020 finances for approval (August not completed at time of meeting but Luttjohann went to executive committee). No questions were posed.

Approval of Financials July 2020

Motion for approval by Hohenstein, second Alkibay; passed unanimously.

Funding Update—Luttjohann re-filed for PPP to bring up to date and continued to pursue increased SBA funding but is awaiting COA to adopt their budget as then the TOT allocation will be known.

TOT/TBID formation follow-up—Hohenstein expressed the need to move forward and find additional funding stating the Chamber will be forced to close without money. She reminded the board of the CIVITAS presentation and pointed to 80% of DMOs in California which have formed a TBID. Restaurants can be included and there is a need to come up with something. Luttjohann reminded that there are hard costs to move forward and that must become a budget item. Originally the estimate of \$40K was to come from reserves but now the reserve will be dipped into very soon. Hohenstein asked for a committee to meet in the next few weeks and present the findings at the October meeting. Villalobos suggested Love Catalina work with mainland Chambers and fundraise, saying it would make sense. He further suggested the possibility of a raffle. Luttjohann has received solicitations from mainland Chambers for donations to an 'Island Package' to use in fundraising efforts. A reciprocal arrangement may not be beneficial as the Chambers reaching out to Love Catalina are not necessarily locations that would garner large interest and the high raffle sales necessary.

Report of the President—Luttjohann summarized his written report pointing to the December extension of outdoor dining by COA as indoor dining is still not permitted and the next tier allows 25% of normal capacity. The restaurants participating in beach dining would like heaters and lighting.

Report of the Marketing Committee—Luttjohann reported for Stevenson on the mid-week third night free promotion. He also pointed to the media relations report that is available on the member portal. Marketing is working with Discover LA to promote staycations, this has allowed Catalina Island to piggy-back on their paid advertising campaign without cost. Luttjohann said Love Catalina is still mailing out 2020 Visitor Guides to those making requests and that the 2021 update will be digital only. Miller agreed and had nothing to add.

Report of the Film Liaison Committee—Luttjohann met with this committee earlier today. They reviewed edits to the current handbook. Discussion highlighted the need for maps that show invisible lines between COA and Catalina Island Company property so film crews can view a color-coded map and not cross over without proper approval. Bombard commented it was nice to work together with other representatives on the call.

Events Update—Luttjohann said the only event put on by our organization left on the calendar is Shop Catalina. There is the possibility to promote this to visitors, encouraging them to travel to the island and do their Christmas shopping. Avalon Beautiful expressed interest to join this event and offer holiday lighting. There is a push to have décor up and running by Thanksgiving. The cost to Love Catalina would be only staff time. Festive décor would raise community spirit and the economic benefit to business would trickle down to locals by way of work hours. There will be no New Year's Eve Gala this year as current restrictions make it unfeasible.

Outdoor Dining Update—Villalobos stated that soon it will be dark and cold which will not keep beach dining sustained. He asked if there had been any discussion with COA. Radde stated the fire chief has expressed his requests, COA has no additional funds to purchase lighting yet they are concerned about patrons keeping warm and dry. Villalobos added that if restaurants close visitors won't want to travel to the island. Radde replied there is no place to put restaurants and COA has no solution. Hohenstein wondered if by November the restaurants would be allowed to reopen to indoor dining. Paret believes they will still be closed as the vaccine may not be available until sometime in November. He also reported that LA County is doing fairly well but there is a concern that colder weather may bring a resurgence of COVID and time is closing in on flu season. Luttjohann mentioned a few suggestions that will not work for various reasons such as tents on the beach and utilizing the Casino Ballroom for dining.

BOARD MEMBER UPDATES

Radde announced that the COA Budget Study Session has been set for Tuesday, October 6 at 4:30pm.

Foley reported PPP loan forgiveness is coming next month and stated notifications will be emailed beginning October 5.

REQUESTS FOR FUTURE AGENDA ITEMS

Luttjohann noted that he would include the Hospital measure as requested earlier in the meeting. He asked if the recommendation of the Auditor should come back as a revision to the employee handbook. Hohenstein saw no harm in being left the way it is but did ask the cost. Luttjohann replied that it would involve his time.

Perico requested hotels and restaurants to work together on ideas for winter beyond take out. He suggested that more heads can communicate more ideas.

ADJOURNMENT

There being no further business to come before the Board, Chair Hohenstein adjourned the meeting at 2:28pm