



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

**Thursday, September 16, 2021**

### **CALL TO ORDER**

The meeting was called to order at 1:05pm by Chair Tim Kielpinski. This meeting was held in the Founders Room of US Bank and via Zoom to accommodate all desires. Attendance and voting utilized roll-call procedure.

### **DIRECTORS PRESENT (16)**

Kielpinski, Hohenstein, Noll, Villalobos, Alkibay, Bombard, Bradley, Foley, Fornasiere, Glass, Gorelczenko, Hoefs, Paret, Perico, Ponce, Salinas

### **DIRECTORS ABSENT (3)**

Kennedy, Radde, Stevenson

### **STAFF PRESENT (5)**

Luttjohann, Miller, Warner, Johnson, DeMyer

### **GUESTS (4)**

Tyler Wilson, Karen Biery, Cinde Cassidy, Greg Bombard

### **PRESENTATION**

Greg Bombard reported on the CARB legislation and its possible effects. He began with a thank you to the Catalina Island Tourism Authority (CITA) for support in informing others to submit concerns. He stated the California goal is that all harbor vessels must be Tier zero, clean and efficient, over the next 20 years. The upcoming requirement of Tier four requires entire engine retrofits. As an example, to bring the Jet Cat to Tier four, would add 12 tons to the boat. This will require double the fuel and half the passengers. To carry the same amount of people to the island, twice the departures would be required and ticket cost would increase significantly. To build a new Jet Cat would cost \$20mil. Catalina Express and other industries are waiting for the CARB preliminary findings. Next a comment period will open. If regulations move forward as stated, beginning in 2023 all five vessels would need a change. At a cost of \$120mil investors would not be interested. Coming off the pandemic and no current loosening of the rules, this is not feasible. It will wipe out sportfishing vessels and impact the entire island economy. Bombard said that as many letters as possible should be sent. Luttjohann said at the back of the Board packet is contact information. Bombard believes the timeline would be September 24, and then for 45 days comments will be accepted. Cassidy asked if he had contacted Joe Visciano and recommended him as he is on the Air Quality Management Board. Luttjohann has shared the issue with several.orgs that have lobbyists. Salinas asked if it would impact all tour boats and wondered that as a hotelier if he could engage his customer base. Bombard reiterated that everyone is affected. California wants to march out in front but it will wipe out fleets, impact crews, vessels and passengers. He repeated that Tier four is very expensive and will harm the entire economy. The San Francisco ferry service is government operated and can receive grants but Catalina Island is not eligible for that type of funding. Bombard acknowledged visitors would not be able to afford the ticket price to visit the island. Not just the boating industry would be affected, but people living on Catalina Island. Salinas asked about freight services. Alkibay replied that costs of freight would impact Catalina Beverage and their customers. Bombard confirmed that Avalon Freight will be affected if this becomes law. Luttjohann added that Catalina Classic Cruises sent their own letter as they service the camps and charter services to the island along with cruise tenders.

The City of Avalon (COA) was scheduled to present an update on the Mole project. As there was no City representative to report, Greg Bombard said he attended both morning and afternoon sessions and there were good conversations. The Mole is 30+ years in age and is looking pretty rough. First glance should make passengers excited as the boats pull in. Luttjohann added the mobile Visitor Center was parked due to Covid-19 budget impacts and plans are to be part of the new Mole giving a Love Catalina Island presence.

### **CONSENT ITEMS**

Approval of Minutes from July 1, 2021

Motion for approval Hohenstein, second Fornasiere; passed unanimously

Approval of Minutes from July 22, 2021

Motion for approval Hohenstein, second Ponce; passed unanimously

Presentation and Approval of Financials June 2021

Villalobos highlighted portions of the June 2021 financials which end the 2020-21 fiscal year. Kielpinski called for a motion. Motion for approval Bradley, second Fornasiere; passed unanimously

Presentation and Approval of Financials July 2021

Villalobos noted there was little change from June 2021. Kielpinski called for a motion. Motion for approval Ponce, second Hohenstein; passed unanimously

Presentation and Approval of Financials August 2021

Villalobos mentioned the 2021-22 budget has not been approved. Luttjohann noted that the 2020-21 audit is scheduled for September 20-24. Villalobos called for a motion. Motion for approval Alkibay, second Bombard; passed unanimously

### **REPORT OF THE CHAIR**

Kielpinski feels humbled to be chair and acknowledged all the professionals in the room. He thanked Hohenstein for her service as chair and appreciates the executive committee including Noll, Villalobos and Stevenson. He reported on the Executive Committee meeting last week. There was an issue with how one visitor's question was handled. In the future concerns will be handled by this smaller group, with no employees and not the entire board. Kielpinski noted that the Bylaws are under review.

Kielpinski reminded attendees that attendance be a priority, stating it is important to have everyone here every time. Missing meetings inhibits the effectiveness of the Board. Currently if a Board Member misses three meetings it is taken as a resignation per Bylaws. He asked for discussion and a motion to keep Board Members Kennedy, Foley, Alkibay, Hoefs and Salinas. He requested overlooking the rule but stated the Executive Committee was firm that moving forward attendance would be monitored.

Glass made a motion to not force resignation of Kennedy, Foley, Alkibay, Hoefs and Salinas allowing them to remain on the board, second Fornasiere. Foley asked for clarification on the term involved. Kielpinski said 2020-21 is included for this action. It was explained that an excused absence is defined in the Bylaws. Hohenstein likes the clean slate idea but encouraged attendance saying, we are stronger together. Kielpinski called for the vote. Passed with 12 yes, 0 nay and abstentions by Foley, Alkibay, Hoefs and Salinas.

A TOT/TBID update was requested and Luttjohann noted CalTravel was asked if the lodgings can be included in any increases in the first five years of the bid, but not the golf cart rentals. The answer was no as there would be legal issues. Currently the County assessor's office is looking at the TBID proposal. This is way behind schedule meaning, if approved, in November could move to round 1. It was suggested at CalTravel to bring a panel of TBID peers to Catalina Island from other destinations for a peer-to-peer conversation. Luttjohann will work on that and any Board Member suggestions are welcome. Salinas asked if staff working at a Chamber would be considered. Luttjohann stated hotel business owners or managers where a TBID already exists would be ideal. Salinas suggested a few names. Hohenstein asked for Salinas to email that information to Luttjohann.

Board Retreat is possible for January 20, 2022. Kielpinski said it would be 6-8 hours and everyone is needed. Luttjohann had a concern over recent discourse and wondered if an earlier date would be better. Kielpinski asked if anyone thought it should be scheduled sooner than January. Hohenstein expressed this is extremely important and mandatory. Kielpinski asked for discussion and hearing none stated that the Board Retreat will be January 20, 2022.

## **REPORT OF THE PRESIDENT**

Luttjohann reviewed the highlights of his written report. He noted that on page two a word was left out and it should read, 'cruise-ship' schedule. He noted that on page seven, he continues to participate in Covid meetings. He presented his report as written with the above correction.

## **DISCUSSION AND POSSIBLE ACTION**

2021-22 Proposed Budget—Luttjohann invited Villalobos to chime in while this version of the 2021-22 Budget is presented. Luttjohann gave explanations of the printed budget noting that the rent on the admin office space is up for renewal later in this fiscal year. He noted that the landlord had been very generous in rent forgiveness during Covid. Hohenstein made a motion to approve the 2021-22 fiscal year proposed budget as presented by Luttjohann, second Villalobos. Passed with 15 yes, 0 nay, 1 virtual attendee not responding and no abstentions.

Report on Marketing—Miller announced that she reviewed the marketing plan with staff and 62Above. She attended the recent CalTravel Summit as a sponsor and the Love Catalina Video was featured. Miller asked for Wilson to show the video for all attendees. After viewing the segment, Miller shared that other DMOs have had similar experiences during Covid; becoming a resource for locals and members for Covid updates. She found that Catalina Island business was down more than other DMOs during the shutdown but recovery outpaced most DMOs. The co-op Go-To campaign continues and partners report they are exceeding their goals. She thanked members for their donations for hosted media especially as the visits were at the height of the season. Miller finds it fun to see how Catalina Island is represented in print, digital and broadcast media. She added that hosted media are given gift certificates for dining and that restaurants should request their name be on the back. These gift certificates donated by CITA were given specifically for dining allowing media to make their own choice. Kielpinski attributed the successful rebound to hosted media and other marketing efforts. Miller added that the outdoor activities and safe transport appeal to travelers. Luttjohann believes beachside dining and reno of several hotels also influenced visitors in their decision to choose Catalina Island. Miller said travelers are staying more local and this year more first-time visitors were recorded than in the past. Hohenstein reported that coastal destinations fared better than inland ones with Luttjohann adding the California drive market has been rezoned to include Nevada and Arizona. Kielpinski appreciates the great video and all marketing efforts to promote on social media.

Annual Marketing Planning Conference—Miller explained this will be held October 28 with location to be determined. She is looking for speakers that will focus on the future of the labor force and the desired visitor to target—guests that spend but care for the island (maybe quality not quantity). She noted DMOs are looking for guests that will be mindful of caring for the local environment.

2022 Visitor Guide—Warner stated the advertising deadline was extended to Thursday, September 23 and that copy and art will be due before the end of the month. She is determined to have the member proof ready for review at the Annual Marketing Conference on October 28. All members in good standing receive a free listing. She reminded that the 2021 was a digital version only and that the 2020 guide is still available and being mailed upon request.

Visitor & Member Services Reports—Luttjohann reminded that the annual report is digital. This is available on the website and is the updated version.

Membership Update—Hohenstein noted there are a few voluntary drops; CIRE, Island Toy Store and JazzTrax. She also mentioned that Toyon Grill is over 90 days past due as negotiations in the spring brought them back as a member but then payment was not received. Hohenstein made a motion to extend Toyon Grill membership until October 31 in an attempt to resolve the situation, second Bradley; passed unanimously.

### **Approval of New Members**

New membership applications for Catalina Custom Charters and Sailor's Delight were presented to the Board.

Motion for approval Hohenstein, second Gorelczenko; passed unanimously.

Visitor Comment Forms Update—Luttjohann reported that visitor and member services has created a digital version of the paper comment form. When a complaint is left, CITA will receive notice. He will then share with the member to give them a chance to rectify the issue. Luttjohann emphasized this information is not shared with COA unless it is related to their responsibilities like the public restrooms. However, some visitors will comment or complain to COA and that is out of CITA's control.

Cruise Relations Report—Luttjohann believes the earliest cruise ship will be October but there is the possibility of a call on September 28. He explained that the ships cannot sail into a port until a CDC form is signed off. Carnival has reps in Avalon today which may determine when they begin service. There are notes on April 2022 when four ships are planned to arrive in a week but that is not and will not be the norm. He reported FCCA has not offered virtual attendance and the conference will be held in Panama. There are some inaugural ship visits and planning for these events include the mayor and other dignitaries going aboard to shake hands with the captain.

Events Report—Luttjohann thanked all former and current officers and directors for their time and service. DeMyer reminded that the Mixer tonight is hosted by the Catalina Art Association at the Metropole Market Place with food provided by Café Metropole. October's Mixer host is Chet's Hardware. A Fixer is scheduled September 23 on Audio Eye and is free to attend. If a member wishes to add this feature to their website, SimpleView offers a 50% discount for the first year. Another upcoming Fixer will be BookDirect in 2022. DeMyer reported that two of the three concerts have been successful with fundraising with the beer garden and raffle. She thanked merchants for donations. The Abba concert will be on October 8 and the time has adjusted to 6:30-8 due to the Sammy Hagar event in the Casino. The Triathlon on October 30 is moving forward as planned. Shop Catalina is on the horizon and the New Year's Eve Gala has 50 reservations consisting of 172 people which is on track with previous years. The NYE banner will be up this week and rack cards have been distributed to hotels.

### **BOARD MEMBER UPDATES**

Hohenstein said Rotary has a chili cookoff on October 2 and this Saturday, a park and street cleanup will welcome all volunteers.

Ponce reminded the annual Festival of Art is this weekend.

Fornasiere reported the Catalina Island Museum First Friday Film on October 1 is Titanic. This movie is over three hours and will begin at 6:45. Then on October 2 the Art of a Rose will feature a live auction of Catalina Island Plein Art. This event will include a juggler and other live entertainment. This is the most important museum fundraiser of the year beginning at 4pm until 7:30.

### **CORRESPONDENCE**

Kielpinski referenced to the correspondence in the packet asking Board Members to read.

### **ADJOURNMENT**

There being no further business to come before the Board, Hohenstein motioned to adjourn the meeting, second Bradley. Chair Kielpinski adjourned the meeting at 3:14 pm.