



Meeting of the Board of Directors
1:00 to 3:00 pm, Thursday, September 15, 2016
Founder's Room, US Bank

A G E N D A

In consideration of others, attendees are asked to turn off cell phones prior to the beginning of the meeting.

Julie Bovay, Chair '17*	Mark Costello '18 (2 nd)
Bill Paige, Past Chair '17*	Thomas Salinas '17
David Howell, Chair Elect '19*	Gregg Miller '17
Tony Budrovich, Chief Financial Officer*	Buddy Wilson, Jr. '17
Dave Stevenson, Marketing Chair*	Jason Paret '19
Jim Lutjohann, President & CEO*	Ron Hite '19
	Levent Alkibay '19
John Eric Hernandez '18	Todd Wade, Two Harbors
Angela Puchala '18	Gail Fornasiere, Catalina Island Museum
Ashley Villarama '18	David Jinkens, City of Avalon

**= Member Executive Committee/ '16 = year term expires on 6/30*

1. Call to Order
2. Introductions and Recognitions
3. Consent Calendar
 - Approval of Minutes August 2016*
 - Financial Statements August 2016*
 - Approval of Revised Bylaws, September 15, 2016
4. Report of the Chair—Julie Bovay
5. Discussion/Possible Action Items
 - A. Audit update—Jim Lutjohann
 - Revised June and July Financials
 - B. Annual Report to City Council update—Jim Lutjohann
 - C. Cruise Industry update—Jim Lutjohann
 - D. Marketing Report—Cathy Miller/Dave Stevenson
 - Group Sales & Marketing Subcommittee Report
 - F. Events reports
 - Concert Series—Amelia Lincoln
 - Mixers & Fixers—Michelle Warner
 - New Year's Eve—Amelia Lincoln
 - G. Visitor Services and Membership report—Jim Lutjohann/Ashley Villarama
 - H. President's report—Jim Lutjohann*
 - I. Board member reports
 - A. Requests for future agenda items
 - B. Adjourn

Mission: To attract visitors and advocate for commerce on Catalina Island
P.O. Box 217, Avalon, CA 90704 310-510-1520 CatalinaChamber.com

**Information included in board packets*

Future Meetings:

- Thursday October 20, 2016: 1:00 – 3:00 pm
- Thursday November 17, 2016: 1:00 – 3:00 pm
- No December Meeting
- Thursday January 19, 2017: 1:00 – 3:00 pm
- Thursday February 16, 2017: 1:00 – 3:00 pm
- Thursday March 23, 2017: 1:00 – 3:00 pm
- Thursday April 20, 2017: 1:00 – 3:00 pm
- Thursday May 18, 2017: 1:00 – 3:00 pm
- Thursday June 15, 2017: 1:00 – 3:00 pm
- Thursday July 20, 2017: 6:00 – 10:00 pm



Minutes: Meeting of the Board of Directors Thursday August 18, 2016

CALL TO ORDER

The meeting was called to order at 1:00 pm by Chair Julie Bovay

DIRECTORS PRESENT (15)

Bovay, Paige, Howell, Budrovich, Stevenson, Hernandez, Puchala, Salinas, Wilson, Paret, Alkibay, Wade, Fornasiere, Jinkens, Luttjohann

DIRECTORS ABSENT (4)

Villarama, Costello, Miller, Hite

STAFF PRESENT (3)

Lincoln, Miller, Warner,

GUESTS (7)

Cinde Cassidy, Adeline Yoong, Lisa Lavelle, Nicole Hohenstein, Yoli Montano, Erin Eubank, Julie Perlin Lee

PRESENTATION

Adeline Yoong and Jeff Lawrence (phone) of Southern California Edison made a presentation on the implementation of stage 3 water restrictions. Members and guests asked questions about how limits would be implemented, variances requested. A great deal of stress was expressed by the majority in attendance about the negative impact the restrictions will have on their businesses. Other items discussed included the City's desire to meet with SCE management regarding water storage and other projects for which it is seeking grants; the timeline for grant funds availability and weather forecasts for a dry winter.

CONSENT ITEMS

Approval of Minutes from June 2016

Motion for approval by Budrovich, second Wilson. Passed unanimously

Approval of Financials June 2016

Motion by Budrovich to hold over until audit adjustments are completed, second by Howell, Passed unanimously

Approval of Financials July 2016

Motion by Howell to hold over until audit adjustments are completed, second by Stevenson, Passed with Budrovich abstaining.

REPORT FROM THE CHAIR

Executive Committee Has not convened since the time of the last meeting.

No action taken

ACTION ITEMS

Adopt 2016-17 Budget

Following discussion it was recommended that the budget be adopted as presented and held as provisional until audit adjustments are made. Motion by Paige, second by Budrovich. Passed unanimously.

Accept new members

Trek Catalina, Action Flyboarding, Catalina Outdoor Adventures and Avalon Freight Services. Motion by Salinas, second Wilson, passed unanimously.

Adopt revised Employee Handbook

Following a brief review of edits made the prior version, it was recommended to adopt as presented. Motion by Howell, second by Puchala. Passed unanimously.

DISCUSSION AND POSSIBLE ACTION

Cruise Industry Update

Wilson stated that Carnival will have fewer Monday visits in September due to renovations of one ship, but increased calls by several carriers later in the fall.

Revised Bylaws

The recommended edit from the attorney review was briefly discussed and other questions answered by staff. It was recommended that the edited document be sent to full board 10 days in advance of next meeting and then shared with full membership for adoption at the September meeting.

Action will be taken at September meeting

Marketing Report

Miller reported that the committees for Marketing and Group Sales had convened earlier today and that all planned ads were proceeding in addition to discussion about fall promotions targeting empty nester communities. A sales blitz will be held in September calling on businesses in the Irvine/Costa Mesa area.

Lincoln reported that banner ad sales and e-newsletter sponsorships are being solicited at this time with announcements in Thursday updates.

Members are being encouraged to submit hi resolution images for the new website and to review listings and let us know of any corrections needed.

Warner reported there was high levels of interest at the recent LA Concierge tradeshow and that she would recommend attending again next year.

No action taken

Events Report

Taste Around & Restaurant Week

Lincoln reported that concert attendance continues to be high and that the revised schedule seems to be working well.

No action taken.

Concert Series Update

Lincoln reported interest is high for the upcoming concerts and that attendance continues to be excellent.

No action taken.

Mixers

Warner reported on available dates for upcoming mixers and requested that those interested in hosting let her know. She reminded attendees that there would be a mixer later this evening at Overlook Hall and in September on Crescent Street next to Wrigley Stage for the Art Festival

No action taken.

New Year's Eve

Lincoln reported that tickets went on sale August 15th.

Visitor Services & Membership Report

Luttjohann reported that he is awaiting the revised design for doors, signage and awnings at the Visitor Center and that foot traffic in the center is very good.

No action taken.

President's Report

Luttjohann stated that in the interest of time he would submit his written report and take questions via email. He also reminded members in attendance that he needed the annual conflict of interest statements signed and returned asap.

Written report on file.

No action taken.

Board Member Reports.

None

FUTURE MEETING AGENDA REQUEST:

None

ADJOURNMENT:

There being no further business to come before the Board, Chair Bovay adjourned the meeting at 3:40 pm.

Catalina Island Chamber of Commerce
Balance Sheet
 As of August 31, 2016 Aug 31, 16

ASSETS

Current Assets

Checking/Savings

1000 · US Bank Checking Acct	43,691.25
1010 · US Bank Money Market Acct	233,446.67
1030 · Wells Fargo	
1031 · Wells Fargo	91.09
1032 · Wells Fargo 2	64,639.51
Total 1030 · Wells Fargo	64,730.60

Total Checking/Savings 341,868.52

Accounts Receivable

1100 · Accounts Receivable -50,380.62

Total Accounts Receivable -50,380.62

Other Current Assets

1040 · Petty Cash	602.36
1050 · Visitor Change Fund	50.00
1065 · Paychex Tax Impound Acct	4,165.17
1090 · Prepaid Expenses	77,510.71
1110 · Allowance for uncollectable acc	-1,390.80
1499 · Undeposited Funds	270,417.83

Total Other Current Assets 351,355.27

Total Current Assets 642,843.17

Fixed Assets

1200 · Computer Hardware	7,798.50
1205 · Computer Software	47,214.95
1210 · Equipment	8,966.62
1220 · Furnishings	3,194.44
1260 · Trade Show Displays	5,005.64
1280 · Leasehold Improvements	3,258.00
1290 · Accumulated Depreciation/Amort	-58,050.55

Total Fixed Assets 17,387.60

TOTAL ASSETS **660,230.77**

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts Payable 21,777.74

Total Accounts Payable 21,777.74

Credit Cards

2020 · American Express Optima 7,682.43

Total Credit Cards 7,682.43

Other Current Liabilities

2100 · Payroll Liabilities

Catalina Island Chamber of Commerce
Balance Sheet

As of August 31, 2016 Aug 31, 16

2110 · Payroll Taxes Payable	4,055.31
2120 · Retirement Contribution Payable	256.33
2130 · Accrued Wages Payable	17,614.30
Total 2100 · Payroll Liabilities	21,925.94
2121 · Employee IRA Deductions Payable	459.20
2135 · Film Permits Payable to COA	544.50
2150 · Ticket Sales Payable	-26.00
2160 · Gift Certificates Payable	70,358.88
2180 · Prepaid Phone Sytem Payments	297.00
2200 · Sales Tax Payable	157.47
2310 · Phone Sytem Deposits	3,659.57
Total Other Current Liabilities	97,376.56
Total Current Liabilities	126,836.73
Total Liabilities	126,836.73
Equity	
3900 · Retained Earnings	307,582.22
Net Income	225,811.82
Total Equity	533,394.04
TOTAL LIABILITIES & EQUITY	660,230.77

Catalina Island Chamber of Commerce
Profit & Loss Budget vs. Actual 2016
July through August 2016

	<u>Jul - Aug 16</u>	<u>Budget YTD</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Provisional Budget</u>	<u>% of Budget</u>	<u>Notes</u>
Ordinary Income/Expense							
Income							
4550 - Membership Dues	68,344.00	83,000.00	-14,656.00	82.34%	95,000.00	71.94%	Timing of payments Recently notified of past overpayemnt which will affect future revenue (-\$47,000)
4020 - Transient Occupancy Tax	200,134.00	200,133.30	0.70	100.0%	1,200,800.00	16.67%	
4000 - City of Avalon Rent Waiver	2,000.00	2,000.00	0.00	100.0%	12,000.00	16.67%	
4200 - Advertising Income							
4210 - Visitor's Guide	141,910.00	100,000.00	41,910.00	141.91%	170,000.00	83.48%	Increased ad sales
4220 - Maps & Brochures	0.00	0.00	0.00	0.0%	45,000.00	0.0%	
4230 - Website	0.00	0.00	0.00	0.0%	8,500.00	0.0%	
4240 - Newsletters	800.00	3,000.00	-2,200.00	26.67%	18,000.00	4.44%	Timing of paymants and no August billing
4250 - Groups	500.00	2,000.00	-1,500.00	25.0%	40,000.00	1.25%	Prepayed last fiscal year through December
4200 - Advertising Income - Other	0.00				0.00	100.0%	
Total 4200 - Advertising Income	143,210.00	105,000.00	38,210.00	136.39%	281,500.00	50.87%	
4300 - Tradeshows	0.00	0.00	0.00	0.0%	5,000.00	0.0%	May need to reduce allocation in final budget adter audit adjustments
4400 - Program Service Revenue	3,177.88	2,600.00	577.88	122.23%	42,500.00	7.48%	
5500 - Fundraising Income							
5510 - Sales	18,949.00	20,000.00	-1,051.00	94.75%	95,000.00	19.95%	NYE sales bagan later than usual Paid City Fireworks, awaiting final accounting from City and reimbursement
5520 - Contributions	-1,461.17	9,500.00	-10,961.17	-15.38%	13,000.00	-11.24%	
5500 - Fundraising Income - Other	0.00	0.00	0.00	0.0%	2,000.00	0.0%	
Total 5500 - Fundraising Income	17,487.83	29,500.00	-12,012.17	59.28%	110,000.00	15.9%	
5800 - Special Events Income	0.00	0.00	0.00	0.0%	12,000.00	0.0%	
Total Income	434,353.71	422,233.30	12,120.41	102.87%	1,758,800.00	24.7%	
Cost of Goods Sold							
5900 - Costs of Goods Sold	0.00	300.00	-300.00	0.0%	750.00	0.0%	
Total COGS	0.00	300.00	-300.00	0.0%	750.00	0.0%	
Gross Profit	434,353.71	421,933.30	12,420.41	102.94%	1,758,050.00	24.71%	

Catalina Island Chamber of Commerce
Profit & Loss Budget vs. Actual 2016
July through August 2016

Expense	Jul - Aug 16	Budget YTD	\$ Over Budget	% of Budget	Provisional Budget	% of Budget	Notes
6000 - Advertising							
6010 - Broadcast Advertising	0.00	0.00	0.00	0.0%	35,000.00	0.0%	
6020 - Internet Advertising	3,257.00	20,000.00	-16,743.00	16.29%	210,000.00	1.55%	Awaiting EXL Billing
6030 - Print Advertising	550.00	1,000.00	-450.00	55.0%	50,000.00	1.1%	
Total 6000 - Advertising	3,807.00	21,000.00	-17,193.00	18.13%	295,000.00	1.29%	
6200 - Bank Service Charges							
6210 - Credit Card Processing Fees	1,036.72	1,800.00	-763.28	57.6%	13,000.00	7.97%	
6250 - Business Licenses & Permits	51.00	125.00	-74.00	40.8%	1,600.00	3.19%	
6350 - Depreciation Expense	0.00	0.00	0.00	0.0%	3,000.00	0.0%	
6400 - Dues & Subscriptions	4,114.50	4,300.00	-185.50	95.69%	18,500.00	22.24%	
6550 - Event Supplies	199.70	350.00	-150.30	57.06%	2,000.00	9.99%	
6650 - Government Relations Expense	0.00	0.00	0.00	0.0%	1,000.00	0.0%	
6700 - Insurance							
6710 - General Liability Insurance	1,432.00	1,500.00	-68.00	95.47%	4,700.00	30.47%	
6720 - Health Insurance	10,094.07	9,166.70	927.37	110.12%	55,000.00	18.35%	Awaiting credit for recetn reduction in staff. Renewwal premium will be higher than last year, so will adjust in final budget.
6730 - Workman's Compensation Insuranc	3,450.75	4,000.00	-549.25	86.27%	5,000.00	69.02%	
Total 6700 - Insurance	14,976.82	14,666.70	310.12	102.11%	64,700.00	23.15%	
6800 - Marketing Expense							
6900 - Meals & Entertainment	208.25	600.00	-391.75	34.71%	6,000.00	3.47%	
7000 - Meetings & Events	5,646.88	6,000.00	-353.12	94.12%	25,000.00	22.59%	
7050 - Miscellaneous Expense	265.76	16.70	249.06	1,591.38%	100.00	265.76%	
7100 - Office Supplies	2,215.02	1,000.00	1,215.02	221.5%	4,000.00	55.38%	Timing of orders

Catalina Island Chamber of Commerce
Profit & Loss Budget vs. Actual 2016
July through August 2016

	<u>Jul - Aug 16</u>	<u>Budget YTD</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Provisional Budget</u>	<u>% of Budget</u>	<u>Notes</u>
7200 - Payroll Expenses							
7210 - Salaries & Wages	60,782.78	64,000.00	-3,217.22	94.97%	455,000.00	13.36%	Recent reduction in staff
7220 - Payroll Tax Expense	5,784.39	6,800.00	-1,015.61	85.07%	39,000.00	14.83%	
7230 - Employee Benefits	3,945.74	2,833.30	1,112.44	139.26%	17,000.00	23.21%	Timing of payments
Total 7200 - Payroll Expenses	70,512.91	73,633.30	-3,120.39	95.76%	511,000.00	13.8%	
7350 - Printing & Reproduction	1,533.87	4,000.00	-2,466.13	38.35%	140,000.00	1.1%	
7370 - Equipment Maintenance	680.00	500.00	180.00	136.0%	3,000.00	22.67%	
7380 - Equipment Rental	1,439.46	1,950.00	-510.54	73.82%	15,000.00	9.6%	
7400 - Professional Development	669.00	1,000.00	-331.00	66.9%	4,000.00	16.73%	
7460 - Postage & Freight	8,148.51	10,000.00	-1,851.49	81.49%	90,000.00	9.05%	
7500 - Professional Fees							
7510 - Accounting	1,876.51	2,500.00	-623.49	75.06%	25,000.00	7.51%	
7520 - Consulting	14,971.50	12,000.00	2,971.50	124.76%	100,000.00	14.97%	On the Wing - some prior year
7500 - Professional Fees - Other	0.00	833.30	-833.30	0.0%	5,000.00	0.0%	
Total 7500 - Professional Fees	16,848.01	15,333.30	1,514.71	109.88%	130,000.00	12.96%	
7600 - Rent Expense	6,583.34	7,500.00	-916.66	87.78%	45,000.00	14.63%	
7610 - Storage	964.00	1,200.00	-236.00	80.33%	7,200.00	13.39%	
7700 - Repairs & Maintenance							
7710 - Building Maintenance	7,059.34	10,000.00	-2,940.66	70.59%	15,000.00	47.06%	Timing of payments
Total 7700 - Repairs & Maintenance	7,059.34	10,000.00	-2,940.66	70.59%	15,000.00	47.06%	
7800 - Telephone	1,100.86	1,633.30	-532.44	67.4%	9,800.00	11.23%	
7900 - Travel Expense							
7910 - Conferences & Seminars	0.00	2,000.00	-2,000.00	0.0%	20,000.00	0.0%	
7920 - Lodging	656.53	3,500.00	-2,843.47	18.76%	20,000.00	3.28%	
7930 - Parking	7.49	50.00	-42.51	14.98%	300.00	2.5%	
7940 - Transportation	2,751.80	4,000.00	-1,248.20	68.8%	12,000.00	22.93%	Timing of work related travel
Total 7900 - Travel Expense	3,415.82	9,550.00	-6,134.18	35.77%	52,300.00	6.53%	
8000 - Utilities	890.84	1,000.00	-109.16	89.08%	4,000.00	22.27%	

Catalina Island Chamber of Commerce
Profit & Loss Budget vs. Actual 2016
July through August 2016

	<u>Jul - Aug 16</u>	<u>Budget YTD</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Provisional Budget</u>	<u>% of Budget</u>	<u>Notes</u>
8100 - Website Expense							
8110 - Website Design & Development	0.00	1,000.00	-1,000.00	0.0%	6,000.00	0.0%	
8120 - Website Hosting Expense	3,048.05	1,600.00	1,448.05	190.5%	11,000.00	27.71%	Timing of payments
8130 - Website Maintenance	14,718.10	16,000.00	-1,281.90	91.99%	29,000.00	50.75%	Timing of payments
Total 8100 - Website Expense	17,766.15	18,600.00	-833.85	95.52%	46,000.00	38.62%	
8500 - Special Events	38,446.00	47,000.00	-8,554.00	81.8%	190,000.00	20.23%	Timing of payments
Total Expense	208,588.01	273,275.00	-64,686.99	76.33%	1,752,300.00	11.9%	
Net Ordinary Income	225,765.70	148,658.30	77,107.40	151.87%	5,750.00	3,926.36%	
Other Income/Expense							
Other Income							
9000 - Other Income							
9010 - Interest Income	46.12	166.70	-120.58	27.67%	1,000.00	4.61%	
9020 - Increase/(Decrease) in Assets	0.00	416.70	-416.70	0.0%	2,500.00	0.0%	
9000 - Other Income - Other	0.00	0.00	0.00	0.0%	500.00	0.0%	
Total 9000 - Other Income	46.12	583.40	-537.28	7.91%	4,000.00	1.15%	
Total Other Income	46.12	583.40	-537.28	7.91%	4,000.00	1.15%	
Other Expense							
9500 - Interest Expense	0.00	75.00	-75.00	0.0%	450.00	0.0%	
Total Other Expense	0.00	75.00	-75.00	0.0%	450.00	0.0%	
Net Other Income	46.12	508.40	-462.28	9.07%	3,550.00	1%	
Net Income	225,811.82	149,166.70	76,645.12	151.38%	9,300.00	2428%	

August-September 2016

President's Report

- Stakeholder meetings:
 - Monthly City Manager
 - September meeting to be rescheduled
 - GoTo Catalina Coop
 - Groups Committee
 - EXL Media
 - Individual Partners
 - Marketing Committee
 - Water Consortium & Stakeholders (multiple)
 - New board member orientation meetings
- Consideration and implementation of marketing partner input from annual meeting.
 - Groups marketing plan/implementation
 - Programs set through December
- Review Contracts and determine RFP priority
 - Auditor will be shopped after this year's audit completed
 - Visitor Center renovations
 - Signage, awnings and doors ordered
 - Cathy Miller will work on PR RFP for new fiscal year
- Evaluate and ensure fiscal responsibility
 - Bookkeeper and auditors meetings, ongoing
 - IRS Notifications and CPA responses, confirmation from IRS received
 - Adding new reporting on website
- Be an Ambassador for Catalina Island
 - Various member communications
 - Ongoing interaction with regional Chambers of Commerce, DMOs and professional organizations
- Increase Marketing \$\$
 - Groups Marketing, ongoing
- Enhance Greeter Program
 - Expanded hours for concert weekends
- Grow Member Engagement and membership
 - Establishing membership committee
 - Visitor Center renovations, increased brochure space
- Improve Image in Community
 - Increased local media releases
 - Visitor Center renovations
 - City Council presentations
 - Increased transparency through agenda and financial information posting on website
- Other

- Various meetings with contractors & subs on VC renovations
 - Certified folder meeting on Exploraboard technology
- Personnel
 - Admin Assist interviews completed/ offer out
 - Shopping Employee Benefits for better rates/coverages
 - Org chart will be revisited for Sept in light of staffing changes
- Media: Weekend Explorer hosted, Cathy introduced
- Ongoing Audit wrap-ups
- Out of town but working partially August 19 – 25
- Upcoming
 - Annual Report to City Council, TBD
 - Concert series planning meetings for 2017
 - LGBTQ event planning meetings for 2017
 - Hospital Home Tour Meetings for 2016
 - MPA Retreat, Avalon, CA, October 18, 2016,
 - CalTravel Board Meeting, Oakland, CA, November 1-2, 2016
 - Don Knabe Retirement, Long Beach, CA, November 16, 2016
 - WACE, Los Angeles, CA, February 1-4, 2017
 - Visit California Meetings, Sacramento, CA, February 13-14, 2017
 - DMA West Tech Summit, Salt Lake City, UT, March 15-17, 2017
 - CalTravel Tourism Summit, Newport Beach, CA June26-29, 2017

Respectfully submitted,

Jim Luttjohann