

**Visit Huntington Beach
Executive Committee Meeting Minutes**

Thursday, April 26, 2018

2:30 p.m. – 4:00 p.m.

Paséa Hotel and Spa, Coast Room

21080 Pacific Coast Highway

Huntington Beach, CA 92648

Public Notice Information: In accordance with the Ralph M. Brown Act, VHB agendas are available for public review outside the City of Huntington Beach Council Chambers at 2000 Main Street at least 72 hours prior to each meeting. The agendas are also posted on the VHB website at surfcityusa.com. Questions on agenda items may be directed to Kelly Miller, VHB President/CEO, at (714) 969-3492 or Kelly@surfcityusa.com.

VHB Mission: To position Surf City USA® as the preferred California beach destination in order to maximize **overnight visitor** spending, **destination development** and **quality of life** for all residents.

MINUTES

- I. Call to Order and Antitrust Reminder (*see reverse*) by Chair Justin Simpson **2:50pm**
- II. Roll Call:
Present: Fischer (The Waterfront Beach Resort, a Hilton Hotel), Mantini (Individual-at-large with interest in tourism), Rice (The Hyatt Regency Resort & Spa), Simpson (Kimpton Shorebreak Hotel), Thompson (First Bank)

Absent: Leinacker (Paséa Hotel and Spa), Solanki (Ocean Surf Inn & Suites), Szilagyi (Best-VIP Chauffeured Worldwide)

Additional Attendees: Marie Knight (City of HB), Michael Gates (City of HB), Kelly Miller (VHB), Steffany Sensenbach (VHB)
- III. Announcement of Late Communications **None**
- IV. Public Comments — Chairperson (limited to 3 minutes/person):
VHB welcomes public comments on all items on this agenda or of community interest. We respectfully request that this public forum be utilized in a positive and constructive manner. Please focus your comments on the issue or concern that you would like to bring to the attention of the Executive Committee. None
- V. Closed Session: Pursuant to Government Code Section 54956.9(d)(2) the Visit Huntington Beach Executive Committee shall recess into Closed Session to confer with the City Attorney Office regarding potential litigation. Number of cases, one (1).
 - Closed session from 2:51pm – 3:02pm
- VI. Consent Agenda (Nicole Thompson, Treasurer)
 - a. Latest TOT / TBID Reports
 - b. CBRE/PKF / STR Reports
 - c. Current Financials

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- **TOT receipts for the month of February 2018** were up 12.2%. Year to date TOT revenue for October 2017 through February 2018 totals \$3,984,629, an increase of 11.8% over FY 16-17.
 - On Page 2, **TBID receipts** for February 2018 were up the same percentage, 12.2%, and YTD revenue is up 11.8% over the previous FY. Total TBID receipts now total \$1,195,694.
- **CBRE/PKF report for February 2018** reflects that for the *four reporting major properties* in February, Average Daily Rate was \$254.33, up 1.6% from February 2017. Monthly occupancy was up 1.6% to 68.38%, and RevPar was up 3.2%, to \$173.92 for the month.
 - Looking at the same report for January through February 2018, ADR was \$247.86, or up 2.3%, Occupancy was up 4.8% to 63.07%, and RevPar was up 7.2% to \$156.33.
- **STR report for March 2018** is for the *11 reporting properties*. Looking at Tab 2, Occupancy was down 5.6% to 78.2%, ADR was up 1.8% to \$222.30, and RevPar was down to \$173.78, a decrease of 3.8%.
 - Looking at the same report on Tab 2 for January through March 2018 versus the same period in 2017, Occupancy is down to 68.6%, or a 4.2% decrease, ADR was flat at \$210.66, and RevPar was down 4.2% to \$144.58.
 - On Tab 3, you'll see that hotel inventory supply for October was up 16.4%, demand was up 9.9%, and revenue was up 11.9%. Year to date shows that supply is up 16.4%, demand is up 11.5%, and revenue is also up 11.5%.

Financial Reports for December 2017

- **December 2017 Statement of Financial Position (Balance Sheet):** Total assets are for December 2017 are \$2,290,206. Current total liabilities are \$221,202. Total net assets are \$2,069,004. Total liabilities and net assets are \$2,290,206.
- **December 2017 Statement of Activities – Budget Comparison (Profit and Loss):**
 - On Page 1, actual revenues for the month of December were \$262,405, compared with a budgeted revenue number of \$264,625.
 - On Page 2, actual monthly expenditures were \$385,249, compared with a budgeted amount of \$510,697. The difference between actual revenue on Page 1, and actual expenses is \$122,844 for December 2017.
- **Year to Date Statement of Activities for October through December:**
 - Actual revenue for the first 3 months of the FY was \$965,954, compared to the budget revenue amount of \$1,870,539. A reminder that the budgeted revenue on all YTD statement includes the “Surplus Revenue Budgeted from FY 16-17.”
 - On Page 2, total actual YTD expenses were \$1,185,017, or a difference of \$219,063 between actual revenue on Page 1, and expenses.

Financial Reports for January 2018

- **January 2018 Statement of Financial Position (Balance Sheet):** Total assets are for January 2018 are \$2,530,992. Current total liabilities are \$228,703. Total net assets are \$2,302,289. Total liabilities and net assets are \$2,530,992.

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- **January 2018 Statement of Activities – Budget Comparison (Profit and Loss):**
 - On Page 1, actual revenues for the month of January were \$297,426, compared with a budgeted revenue number of \$314,453.
 - On Page 2, actual monthly expenditures were \$325,418, compared with a budgeted amount of \$544,459. The difference between actual revenue on Page 1, and actual expenses is \$27,992 for January 2018.
- **Year to Date Statement of Activities for October through January:**
 - Actual revenue for the first 4 months of the FY was \$1,263,379, compared to the budget revenue amount of \$2,185,082. A reminder that the budgeted revenue on all YTD statement includes the “Surplus Revenue Budgeted from FY 16-17.”
 - On Page 2, total actual YTD expenses were \$1,511,385, or a difference of \$248,006 between actual revenue on Page 1, and expenses.

VII. Chairman’s Report (Simpson): **None**

VIII. President & CEO Updates

- a. Water Damage at VHB Offices
- b. Communitywide Wayfinding
- c. Public Art Master Plan
- d. VHB Partnership Opportunities
- e. ISA 2018 World Juniors Surfing Championships
- f. Shaping Up Surf City USA
- g. Trip to Sacramento for California Surfing Day Action in State Senate, September 20, 2018
- h. U.S. Travel’s IPW in OC 2018

- *Note: Due to the delayed start of the meeting, the Closed Session, and the need to end the meeting at 3:30pm, Kelly Miller did not discuss specific updates. These items will be presented for discussion and consideration at the Full Board Meeting, Tuesday, May 1st.*

IX. Brief Department Updates

- a. Sales
- b. Marketing and PR
- c. Film & Travel Trade
- d. Visitor Services and Information Technology

- *Note: Due to the delayed start of the meeting, the Closed Session, and the need to end the meeting at 3:30pm, staff did not discuss specific department updates. Written updates were included in the board packets. Staff was available to answer any questions Executive Committee Members had about the monthly updates.*

X. Next Executive Committee Meeting: **Thursday, June 21st, 2:30 PM – 4:00 PM**, *The Waterfront Beach Resort, a Hilton Hotel, room TBD*

XI. Adjournment **3:25pm**

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Key dates to remember:

- XII. Next FULL BOARD MEETING: **Tuesday, May 1st, 3:30pm – 5:00pm**, *The Waterfront Beach Resort, a Hilton Hotel, Dolphin Room*

Tourism Builds Community

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ANTITRUST COMPLIANCE POLICY

It is the policy of Visit Huntington Beach (VHB) to comply fully with the antitrust laws of the United States and the State of California. In order to assure full compliance, the following policies and procedures are to be followed by all employees and stakeholders of VHB and by representatives of any stakeholders of VHB.

At any meeting of the directors of VHB or any committees of VHB, or at any meeting where any employee of VHB is present or where VHB is in any way involved, there shall be no discussion of the following:

- A. Prices or rates for hotel or motel rooms, food and beverage, transportation, sightseeing, or other services or facilities of stakeholders, including but not limited to prices or rates to be charged to convention groups, tour groups or tour operators, including off-season prices or discounts;*
- B. Changes or proposed changes in the prices or rates of hotel or motel rooms, food and beverage, transportation, sightseeing, or other services offered to customers of the hotel and motel industry;*
- C. Formulas, procedures, or means for the establishment and determination of prices, rates, discounts, terms, and conditions or rental;*
- D. Plans of individual stakeholders covering increases or reductions in distribution or marketing of particular products or services.*
- E. Restrictions on legal advertising or promotional activities.*
- F. Matters relating to actual or potential suppliers or customers that might have the effect of excluding them from any market or of influencing others not to deal with them.*

MEETING ASSISTANCE NOTICE – AMERICANS WITH DISABILITIES ACT

In accordance with the Americans with Disabilities Act the following services are available to members of our community who require special assistance to participate in EDC meetings. If you require special assistance, 48-hour prior notification will enable VHB to make reasonable arrangements. To make arrangements for an assisted listening device (ALD) for the hearing impaired, American Sign Language interpreters, a reader during the meeting and/or large print agendas, please contact Steffany Sensenbach at (714) 969-3492.