

Visit Huntington Beach
Board of Directors Meeting Minutes
Tuesday, May 1st, 2018
Dolphin Room, The Waterfront Beach Resort, a Hilton Hotel
21100 Pacific Coast Highway
Huntington Beach, CA 92648
3:30p.m to 5:00 p.m.

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

1. Call to Order and Antitrust Reminder (*see reverse*) by Chair Justin Simpson: **3:34pm**

2. Roll Call:

Present: Simpson (Kimpton Shorebreak Hotel), Barnes (Duke's Huntington Beach), Bernardo (World Surf League), DeSoto (Experian), Fischer (Waterfront Beach Resort, A Hilton Hotel), McCormack (Timeless Treasures Boutique LLC), O'Callaghan (Huntington Beach Chamber of Commerce), Rice (Hyatt Regency Resort & Spa), Rogers (Rogers Marketing Services/ 5th & PCH), Snow (Rainbow Environmental Services), Szilagy (Best-VIP Chauffeured Worldwide), Truxaw (Mama's Restaurant on 39), Van Doren (Vans),

Absent: Adams (Bolsa Chica Conservancy), Leinacker (Paséa Hotel and Spa), Mantini (Retired-The Boeing Company), Patel (Quality Inn & Suites Huntington Beach), Solanki (Ocean Surf Inn & Suites), Thompson (First Bank), Whitney (Prjkt Hospitality & Concessions Group)

Additional Attendees:

Robert Ramirez (City of HB), Lyn Semeta (City of HB)

John Ehlenfeldt (VHB), Nicole Llido (VHB), Kelly Miller (VHB), Steffany Sensenbach (VHB), Susan Thomas (VHB)

3. Announcement of Late Communications (Justin Simpson): **None**

4. Public Comments — Chairperson (limited to 3 minutes/person):

*The 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 Board. **None***

5. Consent Agenda (Kelly Miller): Action Item

- a. Approval of previous Meeting Minutes
- b. Latest TOT/TBID
- c. Latest CBRE (PKF)/ STR Reports
- d. Current financial statements (December 2017 and January 2018)

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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, 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.

Motion made to accept the Consent Agenda made by Rice. Seconded by Van Doren. All Approve. None oppose.

6. Chairman’s Report (Justin Simpson)
 - Justin Simpson gave VHB kudos for maintaining a seamless operation while being displaced from the office due to the water damage at the VHB Office.
7. President & CEO Updates (Miller)
 - a. Water Damage at VHB Office
 - Due to be back in the office within 7 – 9 days
 - b. 2018 HB Airshow
 - The City of HB is considering a couple of different proposals for running the Airshow
 - VHB will keep the Board updated as information becomes available
 - c. Community Wayfinding Project
 - S&S, the company that was hired for fabrication and installation, continue to have discussions with VHB, MERJE and the City of HB in order to stay on track.
 - We are still focused on hitting the July 9th start date for installation
 - d. Shaping Up Surf City USA
 - VHB continues to work with the City on this program
 - Getting a quote on the cleaning and maintenance of the restrooms
 - Marketing team is working with AES on the screen and fencing at Beach and PCH
 - e. Downtown BID
 - The BID is looking at some of the contracts with its independent contractors
 - Developing long-term strategies
 - Focusing in on their Board mission and overall governance
 - f. Public Art Master Plan
 - Lyn Semeta gave an update on the City Council’s H Item: Public Art Master Plan, passing 7-0 at the HB City Council Meeting
 - g. ISA 2018 World Juniors Surfing Championships

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- VHB sent our proposal on April 13th
 - Waiting to hear if this contest will be held in Huntington Beach
 - Should hear from ISA tomorrow
 - h. Trip to Sacramento for California Surfing Day Action in State Senate, Sept 20, 2018
 - Brett Barnes updated the Board on this trip
 - 13 people attended to witness the vote
 - The bill passed 40-0
 - The next bill in the works is to make surfing the state sport of California
 - i. U.S. Travel's 2019 IPW in Anaheim
 - We are focusing on hosting an event on the 1st Tuesday in June, 2019 to showcase Huntington Beach
 - j. Recap of SHACC visit
 - Thanks to everyone who participated in the visit to SHACC
8. Brief Department Monthly Updates (Staff)
- a. Sales – John Ehlenfeldt gave a brief department update
 - b. Marketing and PR – Susan Thomas gave a brief department update
 - c. Film & Travel Trade – Susan Thomas gave a brief department update
 - d. Visitor Services and Information Technology - Nicole Llido gave a brief department update
9. Advocacy Task Force Update (Nicole Llido)
- Trying to reach out to more of our community representatives to have them attend the Advocacy Task Force Meetings more regularly
 - Kelly Miller went through a CalTravel update at the meeting
 - Working on a long-term Advocacy Plan
10. City of Huntington Beach Update (Robert Ramirez)
- Bob Stachelski is actively working with CalTrans for the Wayfinding signage plans
 - May 7th – 12th is Economic Development Week
11. Huntington Beach Chamber of Commerce Update (James O'Callaghan)
- May 24th -26th going to State Capital for advocacy trip
 - Showcasing the impact of tourism in the Chamber Newspaper
12. Open Discussion/Announcements
13. Adjournment **4:16pm**

Key Dates to Remember:

- Next FULL BOARD MEETING: **Thursday, May 17th, 3:30 pm – 5:00 pm**, Hyatt Regency Huntington Beach Resort and Spa, *Room TBD*

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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.