

**Visit Huntington Beach  
Executive Committee Meeting**  
Thursday, September 19, 2019  
12:00 p.m. – 1:30 p.m.  
Visit Huntington Beach  
*Board Room*  
155 5<sup>th</sup> St., suite 111  
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](http://surfcityusa.com). Questions on agenda items may be directed to Kelly Miller, VHB President/CEO, at (714) 969-3492 or [Kelly@surfcityusa.com](mailto: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: **12:00pm**
- 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 HB Resort), Solanki (Ocean Surf Inn & Suites),  
  
*Absent:* Leinacker (Paséa Hotel and Spa), Szilagyi (Best-VIP Chauffeured Worldwide), Thompson (First Bank)  
  
*Additional Attendees:* Kelly Miller (VHB), John Ehlenfeldt (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. Consent Agenda (Kelly Miller)
  - a. Latest TOT / TBID Reports
  - b. CBRE/PKF / STR Reports
  - c. Current Financials, if available
  - d. Minutes from previous Executive Committee Meeting
  - **TOT receipts for the month of July 2019** were up 1.1%. Year to date TOT revenue for July 2019 totaled \$1,747,413, an increase of 1.1% over FY 18-19. This resulted in a positive change in TOT collections of \$18,674 more revenue collected by the City over FY 18-19.
    - **TBID receipts for July 2019** were up 34.8%, and YTD revenue is up 34.8% over the previous FY. Total TBID receipts now total \$698,965, or an increase of \$180,342 over the previous FY.
      - *There are several things to note: 1) As mentioned, FY 17/18 only includes months October – June due to the FY change. FY 18/19 includes new FY*

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*months July – June; 2) Effective October 1, 2014, the BID assessment increased from 2% to 3%; and 3) Effective February 1, 2019, the BID assessment increased from 3% to 4%.*

- Hotels over 151 rooms were up 2.7% for July, and also up 2.7% over the previous FY in **TOT receipts**. Hotels under 150 rooms were down 8.0% for the month of July, and also down 8.0% for the FY in **TOT receipts**.
- Sunset Beach hotels reported an decrease of 4.2% for July's **TOT collections** and now stand at an increase of 4.2% for the FY. **TBID receipts** for Sunset Beach hotels were reported at a 27.7% increase for July and a 27.7% increase for the FY. *Remember, effective February 1, 2019, the BID assessment increased from 3% to 4%*
- **CBRE/PKF report for July 2019** reflects that for the *four reporting major properties* in July, Average Daily Rate was \$376.15, up 4.8% from July 2018. Monthly occupancy was down 2.9% to 87.98%, and RevPar was up 1.8%, to \$330.95 for the month.
  - **For January through July 2019**, ADR was \$293.21, or up 4.2%, Occupancy was up 3.3% to 77.19%, and RevPar was up 7.6% to \$226.34.
- **STR report for August 2019** is for the *11 reporting properties*. Occupancy was down 3.7% to 83.2%, ADR was up 2.7% to \$280.36, and RevPar was \$233.33, a decrease of 1.1%.
  - **For January through August 2019 versus the same period in 2018**, Occupancy is up to 0.6% to 77.5%, ADR was up 3.5% to \$247.55, and RevPar was up 4.1% to \$191.86.
  - **Hotel inventory Supply for August** was flat at 0.0%, demand was down 3.7%, and revenue was down 1.1%.
  - **Year to date for January through July 2018** shows that hotel room supply was flat 0.0%, demand was up 0.6%, and revenue was up 4.1%

Motion to accept the consent agenda made by Simpson. Seconded by Mantini. All approve. None oppose.

VI. Chairman's Report (Simpson)

- Compared and contrasted the offerings of downtown HB with neighboring cities of Dana Point, Laguna Beach, and San Clemente
- Executive Committee discussed ways HB could include more local businesses at Surf City Nights and at Pier Plaza to draw more customers and include businesses not located downtown.

VII. President & CEO Updates (Miller)

- a. New office space update
  - i. We are up and working in the new office space, while still dialing in all of the systems
  - ii. Open House on November 13<sup>th</sup>, 4:30-7:00pm
- b. Connectivity plan (City of HB) between hotels and Downtown HB
  - i. VHB paid half and the City of HB paid half for the plan. The cost was approximately \$12,0000

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- ii. Idea is to have a cohesive, welcoming look from Downtown HB, hotel properties, 5<sup>th</sup> & PCH, etc.
  - 1. Workforce development training, workforce housing, cleanliness, new restrooms and other more strategic actions will be addressed in the planned Destination Stewardship Management Plan which VHB will be undertaking over the next FYs.
- iii. VHB is not sure how much we will be involved in the hard costs associated with acting upon the connectivity plan recommendations
- iv. Rice: AES power plant: What is the latest on their construction project?
  - 1. Get an update on AES Power Plant screen from AES.
- c. VHB/City of HB long term lease: HBISM. Possible vote on draft lease agreement.
  - i. This will go before City Council on October 7<sup>th</sup>
  - ii. We are looking at signing a 5-year lease with the City of HB where VHB is the tenant
    - 1. 5-year option
    - 2. VHB would sublease the property to SHACC, starting on January 1st
    - 3. No motion, but direction from Exec Committee is for VHB staff to continue negotiating on the Board's behalf
- d. Communitywide Wayfinding
  - i. Fabrication for the remaining signs will begin soon.
    - 1. Bigger kiosks on Main Street, Bella Terra, Vans Skate Park, & in front of our information kiosk on the Pier are being finalized and installed.
    - 2. Panels will be updated with new businesses in several locations like Pacific City.
- e. CalTravel legislative update
  - i. Kelly Miller gave a brief update on the legislation GRC Committee has been tracking during the year.
- f. AMGEN 2020/2022
  - i. Huntington Beach is still on their radar to be a host city, will be delayed for a year or two. They are changing their entire business model.
- g. Airshow 2019
  - i. VHB, in combination with the 4 major hotel properties, will have a big presence at the Airshow with the chalet for two days. First day will be with meeting planners.
- h. HB Downtown BID update
  - i. Kelly is on the Board ballot and will know in several weeks.
- i. Bylaw change and vote
  - i. Civitas is working on the language in the VHB Bylaws to update Board member terms. Members can serve two 3-year consecutive terms unless approved by the Board of Directors
  - ii. Fiscal year change to July 1 – June 30
  - iii. Update Committees to Ad hoc Task Forces
    - 1. Motion to approve moving forward with the bylaw changes made by Simpson. Seconded by Rice. All approve. None oppose.

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- j. CEO merit pay discussion and vote
  - i. Compensation Committee (Justin Simpson, Peter Rice, & Nicole Thompson) met to discuss:
    - 1. Renewing Kelly Miller's contract
    - 2. Kelly's request for an additional merit increase based on last FY's performance
  - ii. Two options for today's discussion:
    - 1. Vote to issue a merit increase if the Executive Committee thinks it is deserving. This will be back paid to July (the beginning of the current FY)
    - 2. Renegotiate the new contract and build the merit into the new contract
  - iii. John Ehlenfeldt joined to discussion to answer questions about Kelly's previous merit and pay increases
  - iv. Executive Committee decided to gather more information about competitive salaries, based on FTE count and revenue
    - 1. The Compensation Committee plans to meet again when they have the competitive analysis, discuss the compensation and proposed new contract. The Executive Committee will then vote when the Compensation Committee presents their recommendations. The target for this will be the next VHB Executive Committee Meeting.
  
- k. Late add: 2019-20 VHB slate of officers and board members and vote
  - i. Janis Mantini, Kiran Patel, and Dawn McCormack met as the Leadership Development Task Force
  - ii. As a reminder of our current bylaws:
    - 1. No less than 20 board members, no more than 23
      - Current number of board members is 21
      - Precise number of board members per year determined by the board
    - 2. Currently per VHB bylaws, board members can only serve two consecutive, 3-year terms and must be off the board one year before returning
      - VHB staff is recommending that the board vote to amend VHB bylaws to allow, on a case-by-case basis, VHB board member(s) to serve longer than two consecutive terms.
    - 3. Assuming this change is made, the following names are submitted for consideration:
      - **Individual-At-Large with a Vested Interest in Tourism**
        - o Jennifer Williams, General Manager, Pacific City to replace Laura DeSoto. Appoint for first 3-year term.
        - o Janis Mantini, Retired Boeing executive. Appoint to another 3-year term. Bylaw change needed to allow Janis to continue serving as board secretary and on Executive Comm.

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- **Visitor Service Business**
    - o Meg Bernardo, World Surf League North America General Manager, Appoint to another 3-year term. Bylaw change needed to allow Meg to continue serving.
  - **Ecotourism**
    - o Ed Montford is the current Chair of the BCC and he is interested in serving on the VHB Board. Grace Adams, Bolsa Chica Conservancy did have this seat, but she no longer works for the BCC. Appoint Ed to first 3-year term.
  - **HB Chamber of Commerce**
    - o We have an arrangement with the HBCOC that their President/CEO serve on our board and visa versa. The current interim President recommended the incoming HBCOC board chair, Sheik Sattaur, Assistant VP, MUFG Union Bank, N.A.
4. Recommended VHB Officers
- Justin Simpson, GM, Kimpton Shorebreak Resort, VHB Board Chair
  - Todd Szilagyi, COO, Best-VIP Chauffeured Worldwide, VHB Vice-Chair
  - Nicole Thompson, Branch Manager II, First Bank, Treasurer
  - Janis Mantini, Retired Boeing Executive, Secretary
5. The total number of VHB Board of Directors serving would be 22 for this year. This allows VHB the flexibility to add on more board seat during the year or whenever the need arises.
6. Motion to accept the slate of Board Members and Officers presented made by Fischer. Seconded by Rice. All approve. None oppose.

VIII. Brief Department Updates (Miller)

- a. Sales
- b. Marketing and PR
- c. Film & Travel Trade
- d. Visitor Services and Information Technology
  - Kelly Miller gave a brief update of all events and accomplishments of VHB departments.

IX. Next Executive Committee Meeting: **Thursday, October 24<sup>th</sup>, 12:00pm-1:30pm, Visit Huntington Beach / 155 5<sup>th</sup> St., suite 111, Huntington Beach, CA 92648**

X. Adjournment **1:35pm**

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**Key dates to remember:**

- Next FULL BOARD MEETING: **Tuesday, September 24<sup>th</sup>, 3:30pm – 5:00pm, *Visit Huntington Beach / 155 5<sup>th</sup> St., suite 111, Huntington Beach, CA 92648***
- The Great Pacific Airshow: **October 4<sup>th</sup>- 6<sup>th</sup>**
- VISSLA ISA World Junior Surfing Championship: **October 26<sup>th</sup> – November 3<sup>rd</sup>**
- VHB Open House: **Wednesday, November 13<sup>th</sup>, 4:30pm – 7:00pm, *Visit Huntington Beach / 155 5<sup>th</sup> St., suite 111, Huntington Beach, CA 92648***

**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.*