

**Visit Huntington Beach
Executive Committee Meeting MINUTES**

Thursday, October 24, 2019

12:00 p.m. – 1:30 p.m.

Visit Huntington Beach

Board Room

155 5th 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. 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: **12:00pm**
- II. Roll Call:
Present: Leinacker (Paséa Hotel and Spa), Mantini (Individual-at-large with interest in tourism), Simpson (Kimpton Shorebreak HB Resort), Solanki (Ocean Surf Inn & Suites), Szilagyi (Best-VIP Chauffeured Worldwide), Thompson (First Bank)

Absent: Fischer (The Waterfront Beach Resort, a Hilton Hotel), Rice (The Hyatt Regency Resort & Spa),

Additional Attendees: Robert Ramirez (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. Consent Agenda (Nicole Thompson, Treasurer and 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 August 2019** were down **0.2%**. Year to date TOT revenue for August 2019 totaled \$3,295,418, an increase of 0.9% over FY 18-19. This resulted in a positive change in TOT collections of \$30,300 more revenue collected by the City over FY 18-19.
 - **TBID receipts for August 2019** were up 33.1%, and YTD revenue is up 34.6% over the previous FY. Total TBID receipts now total \$1,318,168, or an increase of \$338,625 over the previous FY.

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- Hotels over 151 rooms were up 0.6% for August, and up 1.7% over the previous FY in **TOT receipts**. Hotels under 150 rooms were down 4.9% for the month of August, and also down 3.5% for the FY in **TOT receipts**.
- Sunset Beach hotels reported an increase of 4.8% for August's **TOT collections** and now stand at a decrease of 0.2% for the FY.
- **TBID receipts** for Sunset Beach hotels were reported at a 39.7% increase for August and a 33.1% increase for the FY. *Remember, effective February 1, 2019, the BID assessment increased from 3% to 4%*
- **CBRE/PKF report for August 2019** reflects that for the *four reporting major properties* in August, Average Daily Rate was \$336.39, up 3.1% from August 2018. Monthly occupancy was down 3.5% to 86.75%, and RevPar was down 0.5%, to \$291.82 for the month.
 - **For January through August 2019**, ADR was \$299.06, or up 3.9%, Occupancy was up 2.3% to 78.62%, and RevPar was up 6.3% to \$235.13.
- **STR report for September 2019** is for the *11 reporting properties*. Looking at Tab 2, Occupancy was down 0.9% to 74.0%, ADR was down 0.6% to \$232.29, and RevPar was \$233.37, a decrease of 1.5%.
 - **For January through September 2019 versus the same period in 2018**, Occupancy is up to 0.4% to 77.1%, ADR was up 3.0% to \$245.82, and RevPar was up 3.4% to \$189.57.
 - **Hotel inventory Supply for September** was flat at 0.0%, demand was down 0.9%, and revenue was down 1.5%.
 - **Year to date for January through September 2018** shows that hotel room supply was flat 0.0%, demand was up 0.4%, and revenue was up 3.5%.

Financial Reports for May 2019

- **May 2019 Statement of Financial Position (Balance Sheet):** Total assets are for May 2019 are \$3,619,453. Total liabilities are \$698,906. Total net assets are \$2,920,548. Total liabilities and net assets are \$3,619,453.
- **May 2019 Statement of Activities – Budget Comparison (Profit and Loss):** Actual revenues for the month of May 2019 were \$475,709, compared with a budgeted revenue number of \$458,402.
 - **Actual Monthly Expenditures** were \$759,933, compared with a budgeted amount of \$418,198. The difference between actual revenue on Page 1, and actual expenses is (\$301,532) for May 2019.
- **Year-to-Date Statement of Activities for October through May**, actual revenue for the first 8 months of the FY was \$3,259,592, compared to the budget revenue amount of \$4,212,263. A reminder that the budgeted revenue on all YTD statement includes the “Surplus Revenue Budgeted from FY 17-18.”

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- **Total Actual YTD expenses** were \$3,840,731, or a difference of (\$581,138) between actual revenue on Page 1, and expenses.
- **VHB Certificate of Deposit**
 - VHB has a CD maturing October 25th
 - Approximately \$107,000 in the CD
 - Previously in an 11-month term
 - We are currently in a declining rate environment
 - Thompson recommends First Bank's 13-month CD at 1.85%
 - VHB has an additional \$50,000 CD set to mature in 2020
 - Motion made to renew the CD coming due October 25th of approximately \$107,000 into the 13-month CD at 1.85%. Seconded by Mantini. All approve. None oppose.
- Motion to approve the consent agenda made by Leinacker. Seconded by Simpson. All approve. None oppose.

VI. Chairman's Report (Simpson): **None**

VII. President & CEO Updates (Miller)

- a. Airshow 2019 recap and long-term strategy opportunities with Code Four
 - i. There will be a full economic impact of the Airshow
 - ii. Blue Angels will not be at the Airshow in 2020
 - iii. Chalet business model is working for them
 - iv. May offer some more upscale chalet experiences next year
 - v. VHB Shuttle was very successful
 - 1. Hoping to expand the shuttle for next year's Airshow so the wait time is not as long, while also not burdening VHB with managing a larger shuttle program for this event
- b. Connectivity plan (City of HB) between hotels and Downtown HB (Robert Ramirez, City of Huntington Beach)
 - i. Robert Ramirez from the City of Huntington Beach gave an update on the Connectivity Study.
 - 1. This project connects Pacific City with the hotels and 5th and PCH
 - 2. Next steps would be:
 - The City having in-depth meetings with the various stakeholders outlining the details of the study
 - Following that, an additional hands-on meeting will be had where many of the ideas will be fleshed out
- c. HBISM/VHB/City of HB/SHACC long term lease update
 - i. VHB is working on a month-to-month basis with the City in leasing the property for the ISM and covering shifts in the ISM with our Ambassadors
 - ii. Ultimately, VHB would like SHACC to sub-lease the ISM and manage it and VHB would remain the lessee.

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- iii. VHB has 30-days after signing a new lease to decide whether or not we want to continue with the ISM or not.
- iv. SHACC will put together a list of programs that they have done and what their board members have been associated with
- v. Shooting for a November 4th approval by the City, but this may get pushed back a bit
- d. Sister City outreach to Biarritz, France
 - i. Biarritz came to HB and had an excellent visit
 - ii. We would like them to be one of our sister cities
- e. CalTravel Government Relations Committee overview of recent legislative session
 - i. Kelly briefly reviewed some of the legislation that we have been tracking with CalTravel
- f. Communitywide Wayfinding
 - i. Many of the large installations are going in
 - ii. We are doing a small resubmission due to some CalTrans issues, but we are very close to having it approved
- g. New office space
- h. Bylaws: Action item
 - i. Approval of updated Bylaws
 - 1. Most pertinent changes to the VHB Bylaws:
 - Members to have the ability to serve more than 2 three-year terms
 - All standing task forces are now called “committees” since they are doing the same things each month/ each year
 - o The only task force that remains is the Leadership Development Task Force since they get together and make recommendations on an as-needed basis
 - 2. Motion to approve the changes in the VHB Bylaws made by Simpson. Seconded by Leinacker. All approve. None oppose.
 - ii. Approval of Bernardo, Mantini, and Thompson to serve an additional 3-year term
 - 1. Motion to approve the extension of board term for an additional three-years for Meg Bernardo, Janis Mantini, and Nicole Thompson made by Simpson. Seconded by Solanki. All approve. None oppose.
 - 2. VHB will hold a New Board Member Orientation for Jennifer Williams, Ed Mountford, and Sheik Sattaur prior to the next Full Board Meeting.
- i. President & CEO contract update
 - i. Three Executive Committee members looking over the contract
 - ii. Kelly sending them some comp info for them to consider
 - iii. Will be approved in the next couple of weeks so it can then go before the Full Board
- j. HB Downtown BID
 - i. John Gilbert is the new executive director
 - ii. There will be an all-day retreat soon and then they will start with strategic planning
- k. New VHB open house date: January 29th or 30th
 - i. The VHB Open House will be held on Wednesday, January 29, 2020

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VIII. Brief Department Updates (Miller)

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

- NOTE: Executive Committee Members were given copies of VHB updates to review. Staff members were available at the end of the meeting to answer any individual questions that Executive Committee members had.

- Next Executive Committee Meeting: **Thursday, November 21st, 12:00pm-1:30pm, Visit Huntington Beach / 155 5th St., suite 111, Huntington Beach, CA 92648**

IX. Adjournment: **1:12pm**

Key dates to remember:

- Next FULL BOARD MEETING: **Tuesday, November 26th, 3:30pm – 5:00pm, Visit Huntington Beach / 155 5th St., suite 111, Huntington Beach, CA 92648**
- VISSLA ISA World Junior Surfing Championship: **October 26th – November 3rd**
- VHB Open House: **This will now be held on January 29th, 2020, Visit Huntington Beach / 155 5th St., suite 111, Huntington Beach, CA 92648**

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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.