

**Visit Huntington Beach
Executive Committee Meeting Minutes**

Thursday, November 21, 2019

12:00 p.m. – 1:30 p.m.

Kimpton Shorebreak HB Resort

Bungalow Room

500 Pacific Coast Hwy

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. **12:19pm**
- II. Roll Call:
Present: Fischer (The Waterfront Beach Resort, a Hilton Hotel), Leinacker (Paséa Hotel and Spa), Mantini (Individual-at-large with interest in tourism), Rice (The Hyatt Regency Resort & Spa), Simpson (Kimpton Shorebreak HB Resort), Solanki (Ocean Surf Inn & Suites), Szilagyi (Best-VIP Chauffeured Worldwide),

Absent: Thompson (First Bank)

Additional attendees: John Ehlenfeldt (VHB), 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 (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/ TBID/ CBRE/ STR Reports

- TOT receipts for the month of September 2019 were down **1.2%**. Year to date TOT revenue for September 2019 totaled \$4,387,584, an increase of 0.4% over FY 18-19. This resulted in a positive change in TOT collections of \$17,973 more revenue collected by the City over FY 18-19.

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- TBID receipts for September 2019 were up 31.8%, and YTD revenue is up 33.9% over the previous FY. Total TBID receipts now total \$1,318,168, or an increase of \$444,141 over the previous FY.
- Hotels over 151 rooms were down **1.1%** for September, and up 1.0% over the previous FY in TOT receipts. Hotels under 150 rooms were down **1.5%** for the month of September, and also down **2.9%** for the FY in TOT receipts.
- Sunset Beach hotels reported an increase of 4.4% for September's TOT collections and now stand at an increase of 0.9% for the FY.
- TBID receipts for Sunset Beach hotels were reported at a 39.3% increase for September and a 34.6% increase for the FY. Remember, effective February 1, 2019, the BID assessment increased from 3% to 4%
- CBRE/PKF report for September 2019 reflects that for the four reporting major properties in September, Average Daily Rate was \$279.05, up 0.4% from September 2018. Monthly occupancy was down **3.0%** to 75.42%, and RevPar was down **2.6%**, to \$210.45 for the month.
 - For January through September 2019, ADR was \$296.94, or up 3.6%, Occupancy was up 1.7% to 78.27%, and RevPar was up 5.3% to \$232.41.
- STR report for October 2019 was not available at the time of the meeting.

FINANCIAL REPORTS

- We are currently in the middle of an audit. Will be presented at the next Board Meeting since audit adjustments are currently being made.

Motion to accept the Consent Agenda made by Szilagyi. Seconded by Mantini. All approve. None oppose.

VI. Chairman's Report (Simpson). None

VII. President & CEO Updates (Miller)

a. HBISM/VHB/City of HB/SHACC partnership

- VHB put together a white paper and sent it out to all Board Members detailing our investment (in both time and money) in the Huntington Beach International Surfing Museum HBISM over the last 7 ½ years
 - The purpose of this fact sheet to counter some of the rumors and untrue facts that have been on social media
 - This fact sheet identifies:
 - Who is the Surf Museum?
 - Who is VHB?
 - What has been the relationship between the City, VHB, and HBISM?
 - Went through chronological facts of how we have been promoting Surf City USA over the last 30 years.

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- This document is to help us to answer questions that have been asked online
- Explains how the HBISM relationship with SHACC will be a collaborative partnership to uphold surf culture in Huntington Beach
- These facts are being shared with City of HB staff, City Council Members, as well as the VHB Board of Directors so questions can be answered with the correct information
 - VHB will wait to see what the City of HB's decision will be on how they will move forward with the HBISM.
- b. 2019 VISSLA ISA World Junior Surfing Championship
 - VISSLA and ISA thank the VHB Board for its support of the event.
- c. LA 2028
 - VHB has received the initial SWOT analysis from Terrance Burns group in terms on HB beings a consideration for surfing events in the 2028 Olympics. This will be shared with the VHB Executive Committee and the VHB Board when the report is ready
- d. Need periods/softening of economy collaboration upcoming meeting
 - Matt Tibbetts from the VHB Sales Department will send potential dates for this meeting.
 - Looking forward to meeting with GM's of the major hotels as well as Directors for Sales.
- e. HB Downtown BID
 - John Gilbert will be holding their Board retreat at the VHB Office
- f. Communitywide comprehensive wayfinding
 - Programmable kiosks are being installed at the pier
 - CalTrans is approving the signs along PCH shortly
- g. New office space
 - VHB is finishing the last details of the office and will hold an Open House on January 29th
- h. President & CEO contract discussion and vote on general contract parameters
 - The Compensation Task Force (Simpson, Rice, and Thompson) met to discuss the following areas:
 - Employment contract duration
 - Base salary
 - Performance incentive plan and possible retention bonus
 - Annual merit increases to base salary
 - Auto allowance
 - Health insurance
 - Life insurance
 - Vacation
 - VHB Executive Committee discussed these items.
 - Compensation Task Force will meet again to review language of current contract and finalize details of new contract.
 - Motion made by Rice to present the following recommendations related to Kelly Miller's contract renewal to the VHB Board:
 - Employment contract duration
 - 5-year contract running from July 1, 2019 – June 30, 2024
 - Base salary

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- \$210,000/ year
 - Performance incentive plan and possible retention bonus
 - Annual bonus incentive of up to 30% of annual base salary based on negotiated and established performance objectives
 - Discussed not just meeting, but exceeding the goals/ markers in order to get the high end of the incentive
 - Retention bonus: No retention bonus
 - Annual merit increases to base salary
 - The Compensation Task Force has the opportunity to make merit increases, but are not guaranteed
 - Auto allowance
 - Remain the same at \$700/ month
 - Health insurance
 - Remain the same
 - Life insurance
 - Half of annual policy premium (of \$1,850/ year) paid by VHB
 - Vacation
 - Vacation days will remain the same (20 days) for years 1 and 2 of the contract, and increases to 22 days for years 3, 4, and 5.
- Seconded by Mantini. 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

Note: Due to full agenda, staff did not present specific updates. Written updates were included in the meeting packets. Staff was available to answer any questions Executive Committee members may have had about the monthly updates.

XI. Next Executive Committee Meeting: **Thursday, January 23rd, 12:00pm-1:30pm, Visit Huntington Beach / 155 5th St., suite 111, Huntington Beach, CA 92648**

XII. Adjournment **1:53pm**

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**
- VHB Open House: **This will now be held on either January 29, 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.*

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