

**Visit Huntington Beach**  
**Board of Directors Meeting Minutes**  
*Tuesday, November 26, 2019*  
**Visit Huntington Beach/ Board Room**  
155 5<sup>th</sup> St., suite 111  
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](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**

1. Call to Order and Antitrust Reminder (*see reverse*) by Chair Justin Simpson. **3:38pm**
2. Roll Call:  
*Present:* Simpson (Kimpton Shorebreak Hotel), Ali (Zack's Surf Shop), Bernardo (World Surf League), Mantini (Retired-The Boeing Company), McCormack (Timeless Treasures Boutique LLC), Patel (Quality Inn & Suites Huntington Beach ), Rice (Hyatt Regency Resort & Spa), Rogers (Rogers Marketing Services/ 5<sup>th</sup> & PCH), Sattaur (MUFG Union Bank, N.A.), Torrence (VHB Ambassador Emeritus), Townend (The ActivEmpire), Unvert (John Wayne Airport), Williams (DJM Capital)  
*Absent:* Barnes (Duke's Huntington Beach), Fischer (Waterfront Beach Resort, A Hilton Hotel), Killey (Republic Services), Leinacker (Paséa Hotel and Spa), Solanki (Ocean Surf Inn & Suites), Szilagyi (Best-VIP Chauffeured Worldwide), Thompson (First Bank), Truxaw (Mama's Restaurant on 39)  
*Additional Attendees:* Robert Ramirez (City of HB), Lyn Semeta (City of HB) Gracie Bennett (VHB), John Ehlenfeldt (VHB), Nicole Llido (VHB), Kelly Miller (VHB), Steffany Sensenbach (VHB), John Todora (VHB), Matt Tibbetts (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 (if available)

**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 is for the 11 reporting properties. Occupancy was up 3.6% to 78.3%, ADR was up 0.2% to \$231.59, and RevPar was \$181.32, an increase of 3.9%.
  - For January through October 2019 versus the same period in 2018, Occupancy is up to 0.7% to 77.2%, ADR was up 2.7% to \$244.23, and RevPar was up 3.4% to \$188.64.
  - Hotel inventory Supply for October was flat at 0.0%, demand was up 3.6%, and revenue was up 3.9%.
  - Year to date for January through October 2019 hotel room supply was flat 0.0%, demand was up 0.8%, and revenue was up 3.4%.

## **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 Rice. Seconded by McCormack. All approve. None oppose.

6. Chairman's Report (Justin Simpson). **None**

7. President & CEO Updates (Miller)

- a. Bylaws: Change language intent regarding tenure of VHB board terms, and other miscellaneous clean up language including aligning VHB's new fiscal year with City's fiscal year (July 1-June 30):  
Action Item: Vote to approve updated bylaws.
  - VHB reviewed the bylaws and asked Civitas to make the changes
  - The following changes were made:

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- Currently, board members roll off the board after 2 terms. The modification was made to extend the term if voted on and approved by the board.
- Task Forces are reverting back to Committees. The only exception we will the Leadership Development Task Force, which will be put together on an as-needed basis.
- When we will have an Annual Meeting
- We will make sure the Board is meeting at least once a quarter and that we have a quorum
- Changed the fiscal year from October 1 – September 30 to July 1 – June 30 so we are aligned with the fiscal year of the City of HB
- Motion to accept and approve the updated VHB Bylaws made by McCormack. Seconded by Townend. All approve. None oppose.
- b. 2019-2020 Slate of VHB Board of Directors and Officers: Action Items: Vote to approve.
- Motion made by Rice to approve the following individuals as VHB Board members and officers for 2020:
  - Nicole Thompson, Treasurer: Appoint to another 3-year term serving on the Board and Executive Committee
  - Jennifer Williams: Appoint for first 3-year term, replacing Laura DeSoto
  - Janis Mantini, Secretary: Appoint to appoint to another 3-year term serving on the Board and Executive Committee
  - Meg Bernardo: Appoint to appoint to another 3-year term serving on the Board
  - Sheik Sattaur: Appoint to the Board as incoming President of the HB Chamber of Commerce
  - Justin Simpson, Board Chair
  - Todd Szilagyi, Vice Chair
- Seconded by Mantini. All approve. None oppose.
- c. 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 HBISM over the last 7 ½ years
  - VHB also put together a one-page fact sheet to assist in answering any questions that may come up regarding the relationship with the City of HB and the HBISM
- 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 what the need periods are and how VHB can be a part of actionable steps to fill those periods
- e. Upcoming discussion on 2020-2023 VHB Strategic Plan
  - VHB will be working on the next Strategic Plan
    - Meeting will be held Jan 12<sup>th</sup>- 13<sup>th</sup>
    - VHB will invite the Board to join the meeting for the afternoon of January 13<sup>th</sup>
- f. 2019 VISSLA ISA World Junior Surfing Championship recap
  - Bob Fasulo from ISA said that this was “the best event that they have ever done.”
    - Many thanks to everyone at VHB and all partners in Huntington Beach
  - VISSLA is looking at doing this event in Australia in 2020
- g. LA 2028

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- 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 within the next month or two
- h. Communitywide comprehensive wayfinding
  - Large, programmable kiosks and static kiosks will be installed next
  - The City of HB had to resubmit some items to Caltrans, so we are waiting on approval
- i. HB Downtown BID
  - The HBDBID hired a facilitator to run their planning retreat
    - o The planning retreat will be held at the VHB office
- j. New office space
  - VHB is finishing the last details of the office and will hold an Open House on January 29<sup>th</sup>
- k. President & CEO contract discussion and vote on general contract parameters
  - Employment Contract
    - o Kelly Miller has had two previous 3-year employee contracts (2013-2016 and 2016-2019)
    - o VHB Executive Committee recommends a 5-year contract (September 1, 2019 – September 1, 2024)
      - The contract will include provisions for what happens if contract is ended before the 5-year period.
  - Salary
    - o Current base salary is \$190,740
    - o VHB Executive Committee recommends a base salary of \$210,000 (retroactive to September 1, 2019, the end of the current contract)
  - Performance Incentive Plan
    - o Current bonus incentive is 25%
    - o VHB Executive Committee recommends 25% plus and additional 5% based on achieving stretch goals, for a 30% maximum bonus incentive potential
      - The additional 5% is for accomplishing very specific, over-achieving goals that will be set by the Compensation Task Force
  - Future Increases or Adjustments to Base Salary
    - o VHB Compensation Task Force will make recommendations to adjust base salary or incentive at the time of annual reviews
- Auto
  - o Current monthly allowance is \$700
  - o This will remain the same
- Health Insurance
  - o No recommended change at this time
- Life Insurance
  - o VHB Executive Committee recommends VHB pays for half of the annual premium of \$3,700 for the \$750,000 policy, or \$1,850/ year
- Vacation
  - o Vacation will accrue at the same pace as other employees in the organization

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- Out Clause
    - o As an at-will employee, Kelly would have to give a 30-day notice if he decided to leave the position
    - o VHB Board has the ability to remove his position, with or without cause
      - Immediate if it is with cause
      - 60-day notice/pay-out without cause
  - Motion to approve the renewal recommendations of the President & CEO's contact made by Simpson. Seconded by Townend. All approve. None oppose.
8. VHB Financial Policies Update: Action Item: Vote to approve updated VHB Financial Policies and Procedures Manual (John Ehlenfeldt)
- Adjustments made to VHB Financial Policies and Procedures Manual:
    - o Responsibilities of Payroll System
      - This can be approved now by both the President and Executive Vice President of VHB
    - o Purchasing of Contract
      - Contracts up to \$50,000 can now be approved by the Executive Vice President of VHB
      - Contracts above \$50,000 are still approved only by the President of VHB
    - o Automotive Usage
      - Updated parameters when employees are operating VHB's company vehicle
  - Motion made to accept Financial Policies and Procedures updates made by Mantini. Seconded by McCormack. All approve. None oppose.
9. Brief Department Monthly Updates (Staff)
- a. Sales: Matt Tibbetts gave brief updates for Sales
  - b. Marketing and PR: Jennifer Tong gave brief updates for Marketing and PR
  - c. Film & Travel Trade: Jennifer Tong gave brief updates for Film & Travel Trade
  - d. Visitor Services and Information Technology: John Ehlenfeldt gave brief updates for Visitor Services and IT
10. City of Huntington Beach Update (Robert Ramirez) **None**
11. Huntington Beach Chamber of Commerce Update (Sheik Sattaur)
- a. The 'State of the County' will be December 13<sup>th</sup> at Pacific City
  - b. Updated calendar for the upcoming year will be posted soon
12. Open Discussion/Announcements
13. Adjournment **4:56pm**

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Key Dates to Remember:

- Next FULL BOARD MEETING: **Tuesday, January 28, 2020, 3:30pm – 5:00pm, Visit Huntington Beach / 155 5<sup>th</sup> St., suite 111, Huntington Beach, CA 92648**
- VHB Open House: **SAVE THE DATE!! Wednesday, January 29<sup>th</sup>, 4:30pm – 7:00pm, Visit Huntington Beach / 155 5<sup>th</sup> St., suite 111, Huntington Beach, CA 92648**

*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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*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.*