

**Visit Huntington Beach
Executive Committee Meeting**

Thursday, April 29, 2021

3:00 p.m. – 4:00 p.m

Via Zoom

Join Zoom Meeting

Web link: <https://us02web.zoom.us/j/82992904925?pwd=NS9WcU1rWlAvSHlrVXM0cFlJd3FRQT09>

Click on link above or go to the Zoom home page:

Zoom Phone: (669) 900-6833

Meeting ID: 829 9290 4925

Passcode: 907225

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 at 305pm.
- II. Roll Call:
 - Fischer (The Waterfront Beach Resort, a Hilton Hotel), Maddison (Paséa Hotel and Spa), Simpson (Kimpton Shorebreak HB Resort), Solanki (Ocean Surf Inn & Suites), Szilagyi (Best-VIP Chauffeured Worldwide), Thompson (First Bank)
 - Visit Huntington Beach Staff present: John Ehlenfeldt, Omark Holmes, Nicole Llido, Jennifer Tong, Heather Saez
 - Guests present: Mayor Kim Carr
- III. Announcement of Late Communications
- IV. Public Comments — Chairperson (limited to 3 minutes/person): *none*

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.
- V. Consent Agenda (Nicole Thompson, Treasurer and John Ehlenfeldt)
 - a. Latest TOT / TBID Reports
 - b. CBRE/PKF / STR Reports
 - c. Approval of previous minutes from March 25, 2021

Motion to accept the consent agenda made by Justin Simpson. Seconded by Paul Maddison. Yes votes: Fischer, Maddison, Simpson, Solanki, Szilagyi, Thompson. No votes: none. Abstain: none. Motion approved.

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VI. Chairman's Report (Simpson)

VII. President & CEO Updates (Ehlenfeldt)

a. CalTravel Association initiatives helping CA's travel industry and HB

i. CalTravel successfully advocated for inclusion in the Senate budget plan of a \$45 million dollar one time allocation to Visit California for their marketing efforts to aid tourism and COVID recovery. Governor Newsom finally acknowledged conventions in one of his press conferences and we have the green light for conventions resuming on June 15th, 2021 if the state meets vaccination and COVID metrics. A new bill requires service oriented jobs in the hospitality industry to offer laid-off employees their positions back once business resumes and includes a few other generous provisions such as giving employees 5 days to decide on accepting the job offer and jobs being offered based on seniority.

b. YTD COVID revenue review for VHB budget. Review upcoming FY 21-22 timetable dates for Exec Comm and full board review and approval.

i. We are approaching our next budget cycle. Our bank balance as of Feb 28, 2020 was \$1,990,000 and our balances as of April 17, 2021 were \$1,500,000. Once we added in the PPP loan our balances went to \$1,785,997, which is a difference of -\$204,003 verse Feb 28, 2020. The amount of money that was used from reserves was \$450,782. VHB has been good stewards of their money, but this is a very lean recovery as Group Sales will be lagging behind Leisure. The Group Sales market should see recover in 2024 and Leisure recovery is supposed to be recovered by 2022. VHB should be looking at a budget rollover amount of \$454,552 for the next budget cycle.

ii. Simpson asked how much of the deferral do we think there is left to be repaid? Ehlenfeldt: That's a moving target and we reach out to the city to get updates. In January we received a payment of \$700,000, which we were later informed that this was an overpayment and there was TOT money in there as well. The accounting department at the city is working on correcting that. We should have the full accounting numbers next week. There should be another payment next week of \$208,000, but it is unclear if that is the current amount of TBID or part of the repayment. Simpson: When is the repayment date? Ehlenfeldt: June 30, 2021. Hotels can pay a little bit each month or wait until the end and pay it all.

iii. Thompson asked what the PPP debt amount is? Ehlenfeldt: \$259,000. We applied for the amount that would be 100% forgivable. Llido: Because the requirements kept changing

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over time, the exact amount that is forgivable won't be known until we finish using up all the funds. Then we would apply for forgiveness and share what our qualified expenses were and they would tell us what amount is forgivable. The estimate was in between \$30,000-\$50,000 that we would have to pay back with a 1% interest rate. Thompson: Is the idle paid off? Ehlenfeldt: The idle loan is a 30-year payback at a 2.5% interest rate and we make our first payment in June. This amount is included in the bank balances. Llido: Our payment amount will be around \$600 per month.

- c. VHB marketing and sales update (Holmes)
 - i. Department updates are in the board packet.
 - ii. Marketing & Sales presentation gives an update on marketing campaigns and is included in the packet.
- d. Ambassador program
 - i. Simpson: When are we are starting the "Ambassador" program again. Llido: We have done interviews and will have team interviews with each candidate next. The goal is to have them start training on May 17th and open the kiosk that weekend.
- e. Group Sales Update
 - i. Ehlenfeldt: Group Sales is starting to see an uptick in leads, specifically around action sports. We are developing a partnership with the OC Sports Commission on how the organization reaches out to hotel properties when getting room blocks for those events and how to bid on them accordingly. Advisors Circle, which is a group of financial planners and high net worth individuals, is looking at holding an event in September 2022. This involves 4,000 room nights that uses all four of our HB Collection hotels and is about a \$1.1 million dollar rooms revenue impact to the destination, a \$4.1 million overall economic impact, about \$125,000 of TOT to the city and about \$50,000 in TBID revenue to VHB. They are looking at building two stages on the beach that will have about 500 people at each one. We have been working closely with Chris Cole and Molly on that and it is preliminarily approved and it looks like we are going to be able to win that piece of business.
- f. Return to in-person meetings
 - i. Simpson: At what point do we return to in-person meetings again for this group? Executive Committee is smaller and manageable, but with the full board it might be a

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little more difficult. Ehlenfeldt: We can actually ask the question on whether or not someone is vaccinated, so that might help determine when to return to in-person. If the meeting is larger and indoors we should still have people distancing and wearing masks. Llido: We could survey the board to find out what everyone's comfort level is. Simpson: We should send out the survey to the Executive Committee first.

VIII. Adjournment at 343pm.

Key dates to remember:

May 2021

- Executive Committee Meeting: Wednesday, May 26, 3:00 PM – 4:00 PM

June 2021

- Executive Committee Meeting: Thursday, June 10, 2:30 PM – 3:45 PM (FY 20-21 budget presentation)
- Full Board Meeting: Tuesday, June 15, 3:00 PM – 4:30 PM

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,*

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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 Nicole Llido at nicole@surfcityusa.com or (714) 969-3492.