

**Visit Huntington Beach  
Board of Directors Meeting**  
Wednesday, January 27, 2021  
3:00 p.m. – 4:30 p.m  
Via Zoom

Join Zoom Meeting

Web link: <https://us02web.zoom.us/j/85839813945?pwd=Y2w3NkVvcloyaVFpZ05rQTVQWFIMZz09>

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

Zoom Phone: (669) 900-6833

Meeting ID: 858 3981 3945

Passcode: 705018

*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 at 302pm.

II. Roll Call:

Simpson (Kimpton Shorebreak Hotel), Barnes (Duke's Huntington Beach), Bernardo (World Surf League), Fischer (Waterfront Beach Resort, A Hilton Hotel), Killey (Republic Services), Maddison (Paséa Hotel and Spa), Mantini (Retired-The Boeing Company), McCormack (Timeless Treasures Boutique LLC), Patel (Quality Inn & Suites Huntington Beach), Rice (Hyatt Regency Resort & Spa), Sattaur (MUFJ Union Bank, N.A.), Szilagyi (Best-VIP Chauffeured Worldwide), Thompson (First Bank), Torrence (VHB Ambassador Emeritus), Townend (The ActivEmpire), Truxaw (Mama's Restaurant on 39), Unvert (John Wayne Airport), Williams (Centennial)

Guests present:

Visit Huntington Beach Staff: Kelly Miller, John Ehlenfeldt, Omark Holmes, Nicole Llido, Jennifer Tong, Sophia Valdivia, John Todora, Brittany Tesmer, and Heather Saez

City of Huntington Beach representatives: Barbara Delgleize and Steve Holtz

Additional guests: Erick Martin, CPA, Manager of DavisFarr Certified Public Accountants and Melissa Knudtson, CPA, McGinty, Knudtson & Associates, LLP

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.*

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V. Audit Report (Erick Martin, CPA, Manager of DavisFarr Certified Public Accountants)

- a. The financial statements of Visit Huntington Beach were audited for the year ending June 30, 2020 and an unmodified opinion was issued by DavisFarr, which means they believe that the financials as they are presented are free from error. Comparing financials to last year, liabilities and assets decreased mainly due to the COVID situation and less revenues received from the BID. Accounting records were in good shape and no material adjustments were identified. The footnotes in the financials are comparative to last year with one difference being the SBA loan related to the CARES act. There is an additional disclosure related to the deferral of rent expense for the new office building. The financial statements look slightly different this year due to the requirement for non-profit organizations to record things as “with donor restrictions” or “without donor restrictions”. There are two columns on the financial statements to record this, which includes the \$300k from the City of Huntington Beach that is required to be used for COVID-19 related expenses. As part of the audit an unpredictability test is done and controls over bank reconciliations were checked to catch fraud or error in the organization, and no issues were found. There is one recommendation regarding the Paypal account that wasn’t on the books that was used several years ago to record ticket sales. This cash account contained about \$10k and was reported to DavisFarr. They did additional checks to make sure there weren’t any additional accounts of this nature and that the amount in this account wasn’t being used for purposes they weren’t intended for. The recommendation is to keep better control of any cash account. The audit was done 100% remotely this year without any difficulties.
- Motion to accept the audit and have it on record made by Justin Simpson. Seconded by Peter Rice. Yes votes: Simpson, Barnes, Bernardo, Fischer, Killey, Maddison, Mantini, McCormack, Patel, Rice, Sattaur, Szilagyi, Thompson, Torrence, Townend, Truxaw, Unvert, Williams. No votes: none. Abstain: none. Motion passed.

VI. Consent Agenda (Nicole Thompson, Treasurer)

- a. Latest TOT / TBID Reports
- b. CBRE/PKF / STR Reports
- c. Current Financials
- d. Approval of previous minutes from Executive Committee Meeting on January 21, 2021
- Motion to accept the Consent Agenda made by Sheik Sattaur. Seconded by Justin Simpson. Yes votes: Simpson, Barnes, Bernardo, Fischer, Killey, Maddison, Mantini, McCormack, Patel, Rice, Sattaur, Szilagyi, Thompson, Torrence, Townend, Truxaw, Unvert, Williams. No votes: none. Abstain: none. Motion passed.

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- VII. Action items: Vote to approve COVID-19 relief funds and 6-month VHB budget
- a. Motion: Authorize acceptance of \$150,000 EIDL (Economic Injury Disaster Loan)
    - Killey asked if there are any penalties for paying this back earlier? John Ehlenfeldt and Sheik Sattaur confirmed that there are not any penalties for paying early.
    - Motion to approve the EIDL loan made by McCormack. Seconded by Simpson. Yes votes: Simpson, Barnes, Bernardo, Fischer, Killey, Maddison, Mantini, McCormack, Patel, Rice, Sattaur, Szilagyi, Thompson, Torrence, Townend, Truxaw, Unvert, Williams. No votes: none. Abstain: none. Motion passed.
  - b. Motion: Authorize establishment of bank account at Union Bank for PPP loan application.
    - Kelly Miller, John Ehlenfeldt, Janis Mantini and Nicole Thompson will be the authorized signers on this account.
    - Simpson asked if there is any sort of conflict considering Nicole Thompson is our Treasurer and she worked for First Bank. Sattaur confirmed that this would not be considered a conflict of interest from the bank's perspective since First Bank already agreed for her to have her position on the VHB Board and as a Treasurer it is assumed that her position would involve things like this.
    - Motion to authorize the establishment of a bank account at Union Bank for the PPP loan application made by Simpson. Seconded by Mantini. Yes votes: Simpson, Barnes, Bernardo, Fischer, Killey, Maddison, Mantini, McCormack, Patel, Rice, Sattaur, Szilagyi, Thompson, Torrence, Townend, Truxaw, Unvert, Williams. No votes: none. Abstain: none. Motion passed.
  - c. Motion: Authorize application and acceptance of PPP (Paycheck Protection Act) loan of up to \$2 million
    - The initial estimate is that VHB would qualify for up to \$295k. These funds are only authorized for payroll and other operational expenses such as utilities and rent. The full amount is forgivable if 60% is spent on payroll, however, new requirements have been released which could affect the amount that would be forgivable. If there is a portion that is not forgivable the loan terms are 1% interest for 5 years.
    - Motion to authorize the application and acceptance of the PPP loan made by Simpson. Seconded by Rice. Yes votes: Simpson, Barnes, Bernardo, Fischer, Killey, Maddison, Mantini, McCormack, Patel, Rice, Sattaur, Szilagyi, Thompson, Torrence, Townend, Truxaw, Unvert, Williams. No votes: none. Abstain: none. Motion passed.
  - d. Motion: Approval of 6-month FY 2021 VHB budget (Jan-June 2021) which was previously approved by the Executive Committee.
    - Motion to approve the 6-month FY 2021 VHB budget made by Simpson. Seconded by Barnes. Yes votes: Simpson, Barnes, Bernardo, Fischer, Killey, Maddison, Mantini, McCormack, Patel, Rice, Sattaur, Szilagyi, Thompson, Torrence, Townend, Truxaw, Unvert, Williams. No votes: none. Abstain: none. Motion passed.

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VIII. Chairman's Report (Simpson) none.

IX. President & CEO Updates (Miller)

- a. Kelly Miller met with Mayor Kim Carr and Graham Stapleberg regarding having the US Open in Huntington Beach during first week of August 2021.

X. Brief Department Updates

- a. Updates included in the board packet.

XI. Adjournment at 411pm.

**Key dates to remember:**

February 2021

- Executive Committee Meeting: Wednesday, Feb 24, 3:00 PM – 4:00 PM

March 2021

- Executive Committee Meeting: Thursday, March 25, 3:00 PM – 4:00 PM
- Full Board Meeting: Tuesday, March 30, 3:00 PM – 4:15 PM

April 2021

- Executive Committee Meeting: Thursday, April 29, 3:00 PM – 4:00 PM

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*

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*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 Nicole Llido at [nicole@surfcityusa.com](mailto:nicole@surfcityusa.com) or (714) 969-3492.*