

**Visit Huntington Beach
Board of Directors Meeting Minutes**

Tuesday, January 26, 2016
Kimpton Shorebreak Hotel
Epic Room
500 Pacific Coast Highway
Huntington Beach, California 92648
3:30 p.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. 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.

AGENDA

1. Call to Order and Antitrust Reminder (*see reverse*) by Chair Peter Rice.
2. Roll Call:

Present: Barnes (Duke's Huntington Beach), Bernardo (ASP North America), DeSoto (Experian), Rice (Hyatt Regency Resort & Spa), Fischer (Waterfront Beach Resort, A Hilton Hotel), Mantini (Retired-The Boeing Company), McCarley (John Wayne Airport), Smith (Huntington Beach Wetlands Conservancy), Van Doren (Vans), Van Voorhis (Sunset Beach Community Association), Wheeler (Huntington Beach Chamber of Commerce), Truxaw ((Mama's Restaurant on 39).

Absent: Parton (DJM Corporation); DeGuzman (Hotel Huntington Beach), Dodge (Huntington Capital Corporation) Patel (Best Western Harbour Inn & Suites) Vaughan (Best Chauffeured Transportation), McNally (Kimpton Shorebreak Hotel), Blakeslee (Pasea Hotel and Spa); Thompson (First Bank), Townend (The ActivEmpire).
3. Announcement of Late Communications:
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.
5. Consent Agenda (Miller and Thompson)
 - a. Approval of December 17, 2015 & January 20, 2015 Exec Committee Meeting Minutes
 - b. Latest TOT / TDIB Reports (November 2015): TOT/TBID receipts were up 2.2%. The YTD hotel room revenues for HB are up 3.0% for the first two months of the FY (October and November). Hotels with 150 rooms or less are performing slightly

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better than properties with 151 rooms or more, but smaller hotels make up a very small percentage of HB's total room inventory. It looks like December will be a solid month, which should translate into possibly higher revenue increases than the first two months. Staff is closely monitoring the slightly lower than projected revenue increase (3% versus 6-6.5%) for the FY and will make adjustments accordingly on the expense side. It is hard to predict the overall impact on sales once Pasea opens up in early May.

PKF October 2015: The ADR, Occupancy and RevPar reports from PFK Consulting USA continue to reflect very positive numbers for the HB destination. For October 2015, ADR was \$232.17, Occupancy was 84.31% and RevPar was \$195.75. All of these were slightly down from October 2014, but for the 10-month period of Jan-Oct 15, HB continues to lead its six other competitive cities/regions in ADR (\$255.62), Occupancy (84.94% and RevPar (\$217.11). The YTD Jan-Oct 14 numbers are up or even; 2.6%, 0% and 2.6% respectively for the three key performance measurements.

- c. Financial Reports for October and November 2015: For October 2015, the Statement of Financial Position is strong, reflecting total assets for \$1.89 million. Accounts receivable are up to slightly more than \$1 million due to August and September room revenue reimbursements from the City being posted in October, which will be reflected in November financials. Part of this is due to the transition of accounts from one bank to First Bank. On the October Statement of Activities, a net deficit of \$79,383 is listed. Again, P & L statements will fluctuate between positive and negative net numbers due to timing of payments. For November 2015, the Statement of Financial Position is again strong, reflecting total assets at \$1.91 million. Accounts receivable are down to \$541,971, due to those August and September room revenues being received in October as previously reported. On the November Statement of Activities, the P & L shows a positive \$51,675. As we do each month, VHB's CFO, VHB's CPA and staff work in unison to review in detail the financials. The transition from QuickBooks to the new accounting program, Financial Edge, although time consuming, has made financial reviews much more efficient and detail-oriented.

Motion made by Barnes and seconded by Mantini to accept the Consent Agenda. Motion passed unanimously.

6. Chairman's Report (Peter Rice): **List what he was talking about**
7. Brief Staff Update
 - a. EPIC BIG BOARD! (All): Both the Film Premiere and the Installation events went very well. Excellent job by staff! Nice media coverage and perfect weather for both events. The Board should be a huge draw for downtown and the HBISM. Permanent

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signage is being developed. Walking tour also being developed.

- b. Marketing and Communications (Susan Thomas): Marketing and PR: The Big Board Film Premiere and Installation-kudos again to everyone. Brand research is being completed by Atkins and Destination Analysis. The Brand refresh is next. The 15-second HB Ambassador videos (12 of them) are being finalized and will roll out in our new social media campaign in mid mid-February. Lots of b-roll is now owned by VHB for repurposing. UK Super FAM is going to be here, May 18-19, featuring 100 top UK travel agents. This is a big deal and we are partnering with Brand USA and VISIT CA. NYC Media FAM is set for March 21-24. Staff will be heading there with other OCVA destinations and VISIT CA. The Instagram Meet Up brought 200 bloggers to HB on one day to go out and capture content and images about HB. Some of these bloggers had over 100,000 followers. This was a smashing success for HB. HSMAI notified VHB that we won three gold Adrian Awards for our marketing and PR efforts, then we were notified that we have won the ultimate PR award, a Platinum Adrian Award in PR for the Good Morning America segment covering the Big Board (Keep confidential until after the Feb 16 presentation in NYC).
- c. Sales (Elsie for John Ehlenfeldt): The Team continues to do well in booking meetings and conventions into HB. For the month, 28 leads were issued, representing 17,322 room nights. Total issued leads since October 2015 are 144 representing nearly 70,000 room nights. Three bookings for the month totaling 1,140 room nights were achieved. For the year, 10 groups have been booked representing 5,272 actual room nights booked. The Team will be the SF area for the MPI Northern Cali events, with outside appointments planned with some HB partners and clients.
- d. Film, Sports and Travel Trade Update (Susan Thomas): Big Board Premiere was front and center on film. Tons of smaller FAMs have been in market and being planned. A great deal of interest in trade trade clients are wanting to come experience Surf City USA. Keeping the Team hopping.
- e. Visitor Services and Information Technology (Nicole Llido): Visitor Services and Information Technology: The Ambassador program is being retooled and will roll out in a month or so. Simpleview is in-house for two full days for CRM training with the staff. The next Partner meeting is Feb 11 at 10:00 AM at VHB offices.
- f. Wayfinding Update (Miller): MERJE, the wayfinding consultants hired by VHB, will be in HB, Feb 1-4, for stakeholder interviews and a public meeting. Ten sessions are planned for this first major phase of the wayfinding process.

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- g. Surf City USA Licensing Program (Miller): The Team is looking to develop a relationship with a new licensing company. Kelly will keep the Board up to date on this process.
- h. Strategies for countering potential softening of global/national travel demand (Miller): To help counter what is likely a soft March 2016 for leisure overnight visitors, VHB will
- 8. HB Int'l Surf Museum Update (Brett Barnes, PT Townend): HBISM had one of its best weekends ever last week, due to the Big Board. A new manager is being hired by the HBISM board. They will announce this hire in the next several weeks.
- 9. Advocacy Committee Update (Steve Dodge): No meeting due to the scheduling of the Big Board events.
- 10. City of Huntington Beach Update including proposed Air Show (Kellee Fritzel): VHB staff reported that the Air Show is looking more promising. Air Support, the organizing company, has decided to move forward with planning the event for Oct 21-23. There are still a few hurdles to clear, but it's looking better and better.
- 11. Huntington Beach Chamber of Commerce Update (Jerry Wheeler): Several events are coming up including the Chamber's Annual Dinner and Auction, Feb 19 at the Hilton Waterfront Beach Resort.
- 12. New Business: Non
- 13. Open Discussion/Announcements: RJ Mayer is the incoming Chair for OCBC, taking over for our own VHB Board member, Laura Desoto.
- 14. Adjournment at 4:45 PM.

SPECIAL NOTE: Due to the short month (Feb) and when monthly financial reports are ready for review, the next VHB Board of Directors Meeting will take place on **Tuesday, March 1, 2016** at The Waterfront Beach Resort, a Hilton Hotel, to review February's financials and other reports. There will also be another VHB Board Meeting on **Tuesday, March 29, 2016**, at the Hyatt Regency Huntington Beach Resort & Spa, to review March financials and other reports.

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ANTITRUST COMPLIANCE POLICY

It is the policy of the Huntington Beach Marketing & Visitors Bureau 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 the Bureau and by representatives of any stakeholders of the Bureau.

At any meeting of the directors of the Bureau or any committees of the Bureau, or at any meeting where any employee of the Bureau is present or where the Bureau 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.*