

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

Tuesday, March 29, 2016

Sandpiper Room, Hyatt Regency Huntington Beach Resort & Spa
21500 Pacific Coast Highway
Huntington Beach, California 92648
3:30 a.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.

MINUTES

1. Call to Order and Antitrust Reminder by Immediate Past Chair Paulette Fischer at 3:37 PM
2. Roll Call:

Present: Bernardo (ASP North America), DeGuzman (Hotel Huntington Beach), DeSoto (Experian), Dodge (Huntington Capital Corporation), Fischer (Waterfront Beach Resort, A Hilton Hotel), McCarley (John Wayne Airport), McNally (Kimpton Shorebreak Hotel), Smith (Huntington Beach Wetlands Conservancy), Thompson (First Bank), Truxaw ((Mama's Restaurant on 39), Van Doren (Vans), Van Voorhis (Sunset Beach Community Association), Wheeler (Huntington Beach Chamber of Commerce).
Absent: Barnes (Duke's Huntington Beach, Blakeslee (Pasea Hotel and Spa), Mantini (Retired-The Boeing Company), Parton (DJM Corporation), Rice (Hyatt Regency Resort & Spa), Townend (The ActivEmpire), Vaughan (Best Chauffeured Transportation)
3. Announcement of Late Communications: Fischer (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.
5. Consent Agenda (Nicole Thompson and Kelly Miller)
 - a. Approval of March 1, 2016 Board Meeting Minutes. Motion to approve minutes by Wheeler, seconded by Van Voorhis. Passed unanimously.
 - b. Approval of March 24, 2016 Executive Committee Meeting Minutes. Motion by Wheeler, seconded by Truxaw. Passed unanimously.
 - c. Latest TOT/TDIB & CBRE Group (PKF) Reports:
 - TOT/TBID hotel collections for January 2016 were down 3.7%. The Surf City Marathon occurred in January last year (2015), and in February this year. Collections in February should reflect the 2016 Marathon generated revenue.
 - Hotels over 151 rooms were down 5.4%, while hotels under 150 were up 8.2%.

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- For the first four months of the FY (Oct-Jan), overall TOT/TBID collections are up 2.3%.
- For the first four months of the FY (Oct-Jan), TOT/TBID collections are up 1.7% for hotels over 151 rooms, while hotels under 150 rooms are up 10.7%.
- CRBE/PFK for January:
 - Average Daily Rate (ADR) was \$220.42, an increase of 1.6%.
 - Occupancy was 70.69%, a decrease of 8%.
 - Revenue per Available Room (RevPar) was \$155.81, a decrease of 6.6%.
 - YTD for ADR, Occupancy and RevPar mirror the January numbers as this report is from Jan-Dec of each year, while TOT/TBID reports are Oct-Sept).
- d. March 2016 Financials (January 2016 actuals)
 - Financial reports: Staff reviewed the financial statement with VHB's CPA firm. This is the time of year when expenses tend to run higher than monthly TOT/TBID. Overall cash reserves are good.
 - January's Statement of Financial Position (balance sheet) was reviewed, showing a healthy position.
 - January's Statement of Activities – Budget Comparison was reviewed. Total revenues for the month were \$241,525, while expenses were \$315,504, for a difference of \$73,979.
 - YTD total actual revenue is \$978,807, which is TOT/TBID monthly revenue for Oct-Jan. Budget is \$1,737,663, which includes the \$721,000 being used from FY 14-15 for the FY 15-16 program of work.
 - YTD total expenses were \$1,253,220. The budgeted YTD expenses was estimated at \$1,728,244. Most of this is due to timing.
 - Comparing YTD net revenue with YTD net expenses and it is -\$274,413, but does not include the \$721,000 carry over from FY 14-15. This revenue is found in the budgeted revenue figure for the year, not actual expenses. When factoring the carry over into the total financial picture, the financial position is strong as we experience the low visitation winter season and low TOT/TBID revenue.

Motion made by Wheeler and seconded by Dodge to accept the financial reports. Passed unanimously.

e. Bylaw change, to move VHB Annual Meeting date from September to any month during the FY. This year's Annual Meeting will be Tuesday, June 28 at Pasea. Motion made by Bernardo, seconded by Thompson. Passed unanimously.

6. Chairman's Report (Fischer): Nothing at this time.

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7. Brief Staff Update (See attached Team VHB monthly summary)
 - a. Marketing and Communications (Susan Thomas)
 - b. Film, Sports and Travel Trade Update (Susan Thomas)
 - c. Sales and Surf City USA Shuttle (John Ehlenfeldt)
 - d. Visitor Services, Ambassador and Information Technology (Nicole Llido)

8. Wayfinding Update (MERJE and Kelly Miller): John Bosio with MERJE presented strategic observations from MERJE's previous site visit plus three schematic designs. VHB board members offered suggestions and insights. MERJE is presenting the various options to a variety of stakeholder groups, including a community input session at the Central Library. MERJE will take all of the input and develop a fourth design. *The full community input session held at the Central Library was videotaped and is available for viewing on both the City and VHB websites.*

9. Huntington Beach Destination Brand Research (The Atkins Group and Susan Thomas): The Atkins Group presented valuable research results, which highlighted the responses over of 2200 travelers from eight key markets including meeting planners. This vital market intel is crucial for the brand refresh that will be unveiled at the June 28th Annual Meeting.

10. Advocacy Committee Update (Steve Dodge): An update was provided on what the Advocacy Committee has been working on. The Committee continues to closely monitor national, state and local policy decisions that could affect the local visitor industry.

11. City of Huntington Beach Update (Kellee Fritzal): No update at this time.

12. Huntington Beach Chamber of Commerce Update (Jerry Wheeler): Mr. Wheeler was thanked for his nearly five years of service on the VBH Board of Directors.

13. New Business: None.

14. Open Discussion/Announcements: None

15. Adjournment at 5:01 P.M.

Key Dates to Remember

- The next VHB Board of Directors Meeting will take place on Tuesday, April 26 at The Waterfront Beach Resort, a Hilton Hotel, from 3:30 PM - 5:00 PM.
- The HB Chamber of Commerce's 29th Annual Economic Conference is Wednesday, April 6, 8:15 AM – 12:20 PM at the Hyatt Regency Huntington Beach Resort & Spa. The

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program is stellar and there will be \$1000 in cash awarded to a lucky attendee at the end of the program, thanks to the Auto Bid Dealers of HB's sponsorship of the Conference.

- The 8th Annual Meeting of the Orange County Visitors Association (OCVA) will be held Monday, May 2, 8:00 AM – 2:00 PM, Segerstrom Center for the Arts, Town Center Drive, Costa Mesa. The incredible speaker lineup includes Roger Dow, President & CEO of U.S. Travel Association; Caroline Beteta, President & CEO, Visit California; and Adam Sacks, President & Founder, Tourism Economics.
- **Mark your calendars for a special June 28 VHB board meeting and brand relaunch at Pasea Hotel & Spa, 3:00 P.M. – 5:00 P.M., followed by a reception. We will start the official VHB board meeting a little earlier (2:00 PM) to allow enough time for presentations.**

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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.*